

12 August 2021

Bryce Wilde
 Executive Director
 Natural Resources Commission
 Level 6, Martin Place
 Sydney NSW 2000

Dear Bryce,

Audit of the implementation of the Coastal Groundwater Water Sharing Plans

Thank you for your letter dated 22 March 2021 and the final audit report for the implementation of Coastal Groundwater Water Sharing Plans (WSPs) as required by Section 44 of the *Water Management Act 2000* (Act).

As requested, we have reviewed the report and provide the responses set out below.

WaterNSW notes that the audit concluded overall that not all the provisions of the WSPs have been given full effect in accordance with the Act. We also note that there are recommendations that are addressed to WaterNSW, NRAR and DPIE-Water as the coordinating agencies. WaterNSW remains committed to working with DPIE-Water and NRAR in the implementation of the relevant recommendations.

Table 1 WaterNSW Response to Audit findings and Recommendations

Findings	Recommendations
<p>F 4.1 In the North Coast Fractured and Porous Rock Plan, mandatory conditions were not included in the Notice of Decision to water access licence (WAL) applicants in the audit period prior to 20 May 2020, as required to give effect to these conditions under sections 66A and 66(1A) of the Act.</p>	<p>R 4.1 WaterNSW to issue statements of conditions to water access licence holders inclusive of conditions.</p>
<p>WaterNSW Comment: WaterNSW will set up a working group, which may include NRAR, to resolve the outstanding conversion issues, determine if some WALs that do not requires changes, can be issued ahead of the conversion issues being resolved for the other WALs. Once conversion issues have been resolved, WaterNSW will have issued updated WAL condition statements to all holders.</p>	

Findings	Recommendations
<p>F 4.2 There were gaps to requirements in water access licences converted from former entitlements, including:</p> <ul style="list-style-type: none"> - in the North Coast Fractured and Porous Rock Plan, water access licences were recorded in the Water Access Licence Register with errors relating to the plan and/or water source at plan commencement. Some work has been done to rectify this issue, but the current extent of this issue is unknown - in the North Coast Fractured and Porous Rock Plan, water access licence holders have not been notified of relevant conditions since plan commencement to give effect to Section 66(1A) of the Act. - in the South Coast Plan and North Coast Coastal Sands Plan, water access licence holders did not receive written notice of the mandatory conditions until February 2018 (20 months after plan commencement), giving delayed effect to Section 66(1A) of the Act. 	<p>R 4.2 WaterNSW (with the support of the Natural Resources Access Regulator and DPIE-Water) to lead an investigation into the incorrect conversion of water access licences in the North Coast Fractured and Porous Rock Plan and to carry out required communications with customers and Land Registry Services in relation to required changes to water access licences and water access licence conditions.</p>
<p>WaterNSW Comment: WaterNSW will carry out required communications with customers and Land Registry Services in relation to required changes to water access licences and water access licence conditions.</p> <p><i>Initial delays were due to mandatory conditions not having been loaded by DPIE-Water in the system. The investigation is being considered as part of the working group in Recommendation 4.1</i></p>	
<p>F 5 While provisions relevant to each plan are set up in the Water Accounting System, comprehensive extraction data are not available to enable the management of individual accounts to ensure maximum allowable take is not exceeded in accordance with Part 8 of each plan.</p>	<p>R 5 WaterNSW to obtain reliable extraction data for all individual water access licences in these coastal groundwater systems and use it to ensure maximum allowable take is not exceeded as set out under Part 8 of each plan.</p>
<p>WaterNSW Comment: WaterNSW is committed to its role in enlivening the NSW non-urban metering policy which includes increased measurement and recording of extraction data. We are committed to obtain reliable extraction data for all individual water access licences wherever possible, noting not all water users may have metering installed, nor be required to install metering. In these cases WaterNSW is limited in its ability to obtain reliable extraction data for all individual water access licences in these coastal groundwater systems and use it to ensure maximum allowable take is not exceeded as set out under Part 8 of each plan.</p> <p><i>Any possible non-compliance is referred to NRAR as the agency responsible for compliance in NSW.</i></p>	
<p>F 6.1 In the North Coast Fractured and Porous Rock Plan, mandatory conditions were not included in the Statement of Approval to supply work approval applicants in the audit period prior to 20 May 2020, as required to give effect to these conditions under sections 100A and 100(1A) of the Act.</p>	<p>R 6.1 WaterNSW to issue statements of approvals to water access licence holders inclusive of conditions.</p>
<p>WaterNSW Comment: WaterNSW will set up a working group, which may include NRAR, to resolve the outstanding conversion issues, determine if some Approvals do not require changes, can be issued ahead of the conversion issues being resolved for the other Approvals. Once conversion issues have been resolved, WaterNSW will have issued updated Approval condition statements to all holders.</p>	

Table 2: WaterNSW Response to Audit observations and Suggested Actions

Observations	Suggested actions to support recommendations
<p>O 4.1 Mandatory conditions for North Coast Fractured and Porous Rock Plan are visible in the online NSW Water Register, even though they do not yet have effect under Section 66(1A) of the Act.</p>	<p>SA 4.1 WaterNSW to implement controls in the Water Licensing System so that only conditions that have been notified to water access licence holders appear on the NSW Water Register.</p>
<p>O 6 Mandatory conditions for North Coast Fractured and Porous Rock Plan are visible in the online NSW Water Register, even though they do not yet have effect under Section 100(1A) of the Act.</p>	<p>SA 6 WaterNSW to implement controls in the Water Licensing System so that only conditions that have been notified to supply work approval holders appear on the NSW Water Register.</p>
<p>O 7.1 The NSW Water Register contains dealing related information which is incomplete and uses old terminology.</p>	<p>SA 7.1 WaterNSW to increase the accuracy and extent of the dealings information available the NSW Water Register for improved transparency.</p>
<p>WaterNSW Comment (O4.1, O6 and O7.1): WaterNSW remains committed to improving transparency and will consider the recommendation as part of its investment into enhanced capabilities as part of its digital transformation program "WAVE" which includes a new water accounting module and customer portal and data management capabilities.</p>	

If you have any questions or comments on the above, please contact David Stockler, Executive Manager Customer and Community (david.stockler@waternsw.com.au; +61416182382).

Yours sincerely,



Andrew George
Acting Chief Executive Officer