

11 November 2022

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

Dear Bryce,

**Audit of the implementation of the Namoi, Gwydir and Macquarie regulated Water Sharing Plans**

Thank you for your letter dated 26 August 2022 and the enclosed final report for implementation of the Namoi, Gwydir and Macquarie regulated 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 on balance the provisions of the Plan have not been given full effect to in accordance with the Act. We also note that majority of main recommendations are addressed to DPE-Water as the coordinating agency. WaterNSW commits to working with DPE-Water and NRAR in the implementation of the recommendations.

**Table 1 WaterNSW Response to Audit findings and Recommendations**

Findings	Recommendations
<p><b>F2.1</b> Replenishment flows under clause 59 of the Namoi plan and 58 of the Gwydir plan and Macquarie plan were not delivered in accordance with the requirements in the 2018-19 water year.</p>	<p><b>R 2.1</b> WaterNSW to deliver replenishment flows required under the Namoi, Gwydir and Macquarie plans unless directed otherwise in writing by the Minister.</p>
<p><b>WaterNSW Comment:</b> DPE along with WaterNSW is developing an Incident Response Guide (IRG), which directs actions for delivering of replenishments flows during different stages of drought.</p> <p><b>Note:</b> The audit period includes 2018-19 which was a drought year. Therefore, replenishment flows provided under WSP were not delivered due to unavailability of resources.</p>	
<p><b>F2.3</b> Rules regarding rates of change in releases from storages have not been established to take into account environmental considerations, damage to river banks and public safety under Clause 61 of the Namoi plan and Clause 60 of the Gwydir plan and Macquarie plan.</p>	<p><b>R2.3.2</b> Upon completion of R2.3.1, WaterNSW (for Macquarie) and DPE-Water (for Namoi and Gwydir) to formally document rules for rates of change for storage releases, addressing environmental considerations, damage to river banks and public safety in accordance with the Minister’s procedures.</p>

Findings	Recommendations
<p><b>WaterNSW Comment:</b> WaterNSW is committed to public safety and supporting the management of healthy ecosystems. These commitments are included in our Corporate Strategic Plan. Further, WaterNSW is cognisant of the legislative obligations for such matters on it, its directors, and its officers.</p> <p>Following the completion of Recommendation R2.3.1, WaterNSW will create or amend any procedures or protocols necessary to reflect the outcomes of that action, whilst giving due attention to the relevant requirements of the Water Sharing Plans.</p> <p>WaterNSW is also developing the rate of change of release protocol for all valleys.</p>	
<p><b>F2.4</b> Appropriate monitoring of the Namoi plan bulk water transfer events did not occur in the 2017-2018 and 2018-2019 water years as required under Clause 62(2d).</p>	<p><b>R2.4</b> WaterNSW (in consultation with DPE-EHG and DPE-Water) to conduct monitoring of bulk water transfer events in line with Clause 62(2d) of the Namoi plan.</p>
<p><b>WaterNSW Comment:</b> WaterNSW followed Bulk Water Transfer (BWT) protocol which was developed in consultation with DPE-Water. For future events, WaterNSW will make sure to provide a final hydrograph after the event.</p>	
<p><b>F2.6</b> Planned environmental water provisions in the Namoi plan under Clause 14 were not always met during the audit period:</p> <ul style="list-style-type: none"> <li>The minimum daily flow was not met at Walgett (gauge 419091) for 32 days in June to August 2017 when the combined dam storage should have enabled this flow to be delivered.</li> <li>Gauge 419091 has not recorded flow data since 15 July 2020 which does not allow tracking of planned environmental water or monitoring of compliance.</li> </ul>	<p><b>R2.6.1</b> WaterNSW to maintain minimum daily flow targets at Walgett when conditions under planned environmental water provisions are met, as specified in the plan.</p>
<p><b>WaterNSW Comment:</b> According to the data, we have EoS target were not met for 9 days during August 2017. We disagree with the comment that EoS was not met for 32 days from June to August 2017.</p> <p>Due to the raising of Walgett town weir, gauge 419091 was required to be moved, and can only measure level data and not discharge. WaterNSW has recommended DPE-Water to change the EoS flow measuring gauge to be Goangra 419026 as this will allow the required EoS flow data to be captured. WaterNSW notes that gauge 419026 has been capable of measuring EoS flows since gauge 419091 was moved.</p>	
<p><b>F7.3</b> In the Gwydir plan, the capacity of the work is not consistently stated in advertisements as required under Section 26(8)(d) of the Regulation.</p>	<p><b>R7.3</b> WaterNSW to update procedures and quality assurance checks in relation to placing advertisements for new approvals so that capacity is consistently stated in accordance with Section 26(8)(d) of the Regulation.</p>
<p><b>WaterNSW Comment:</b> WaterNSW has updated the procedures and quality assurance checks after receiving legal sign-off in relation to the advertising of new approvals so that capacity is consistently stated in accordance with Section 26(8)(d) of the Regulation.</p>	
<p><b>F9.1</b> Mandatory conditions on WALs were missing to give effect to:</p> <ul style="list-style-type: none"> <li>Clause 56(2)(d) in the Namoi plan, Clause 55(2)(d) in the Gwydir and Macquarie plans, which relate to WAL holder entitlements.</li> <li>Clause 56(6)(b) in the Namoi plan, Clause 55(5) in the Gwydir plan to give effect to Clause 32 in</li> </ul>	<p><b>R9.1.3</b> Upon completion of R9.1.1 and R9.1.2, WaterNSW to notify all relevant WAL holders to give effect to the mandatory conditions and Section 100(1A) of the Act.</p>

Findings	Recommendations
the plans, which relates to the volume limits that may be taken or assigned from Regulated River (General Security) WALs.	
<p><b>WaterNSW Comment:</b> WaterNSW is reliant on DPE-Water to develop and load mandatory conditions in WLS and thereafter will re-issue the statement of approvals to existing approval holders inclusive of mandatory conditions and an updated plan map. WaterNSW requires DPE-Water's completion of items R9.1.1 and R9.1.2 to write mandatory conditions and code them into WLS.</p>	

**Table 2: WaterNSW Response to Audit observations and Suggested Actions**

Observations	Suggested actions
<p><b>O2.1</b> Decision-making processes for delivery volumes of replenishment flow requirements by the operator are not documented and it is unclear how all requirements for replenishment flows per plan dictionary (pools and water holes in effluent river systems, household, town use and stock) are considered.</p>	<p><b>SA2.1</b> WaterNSW to develop Standard Operating Procedures to document processes and guide decision-making as to when and how replenishment flows will meet the needs under the plan provisions in accordance with the plan dictionary definitions (pools and water holes in effluent river systems, household, town use and stock).</p>
<p><b>WaterNSW Comment:</b> WaterNSW has existing Standard Operating Procedures (SOP's) for delivery of replenishment flows. SOP will be reviewed to make sure all the delivery requirements are captured, and the process of decision making is clarified.</p>	
<p><b>O2.4</b> The flood operation manuals for Keepit Dam, Copeton Dam and Burrendong Dam have not been finalised</p>	<p><b>SA2.4</b> WaterNSW to finalise the draft Flood Operations Manual for Keepit Dam, Copeton Dam and Burrendong Dam (and Windamere as appropriate) and ensure it is part of formal document management process. Procedures should align with floods and spills operation clauses in the applicable water sharing plan and Statement of Approval.</p>
<p><b>WaterNSW Comment:</b> An approved flood manual currently exists and is operational.</p> <p>As part of our ISO certified AMS and Dam Safety Management System, we are undertaking a review of the flood manuals to ensure they remain contemporary. Within this broader activity, the Flood Operations Manuals for Keepit Dam, Copeton Dam, Burrendong Dam and Windamere are under the review by Dam Safety Technical Advisory Group (DSTAG) and will be finalised in due course.</p>	
<p><b>O7.1</b> Capacity of works or its location (latitude and longitude) is not consistently stated in the Statement of Approval for supply work approvals.</p>	<p><b>SA7.1</b> WaterNSW and DPE-Water to include capacity and detailed location (latitude, longitude) information on all supply work Statement of Approvals for transparency and to support enforcement activities (both new and existing).</p>
<p><b>WaterNSW Comment:</b> The capacity and detailed location (latitude, longitude) information was resolved as part of process reviews; and work instructions also updated. Further, WaterNSW notes that updating existing data is challenging, however we will work with customers to progressively update as opportunities present themselves.</p>	
<p><b>O8.1</b> In processing dealings under Section 71T of the Act, there is the potential for WAL holders to trade</p>	<p><b>SA8.1</b> WaterNSW to reconcile accounts prior to undertaking a dealing involving assignment of water allocations between access licences.</p>

Observations	Suggested actions
water whereby the resulting debit results in a negative account balance.	
<p><b>WaterNSW Comment:</b> WaterNSW administers the processing of allocation trades consistent with the Water Management Act 2000 and its obligations under the Murray Darling Basin Plan.</p> <p>WaterNSW acknowledges the importance of continually improving processes around water allocation trades and can confirm that the Non-Urban Metering Reform policy will enable significant improvements to the way that water take is captured and utilised including the processing allocation trade applications.</p>	
<p><b>O9.1</b> Instances of users over-pumping were observed in the Namoi and in the Gwydir plans.</p>	<p><b>SA9.1</b> WaterNSW to provide NRAR with regular output from the Water Accounting System showing instances of over-pumping.</p>
<p><b>WaterNSW Comment:</b> WaterNSW used to provide NRAR with this information, however as NRAR has direct access to the Water Accounting System and has been developing its own analytics relating to water take to identify instances of excess water take in a manner and timing that meets their needs, there is no value in WaterNSW separately providing the output of the Water Accounting System any longer.</p>	

If you have any questions or comments on the above, please contact our Regulatory Relationships Manager Jon Hocking ([jon.hocking@watersw.com.au](mailto:jon.hocking@watersw.com.au); +61 0407 348 156).

Yours sincerely,



Andrew George  
Chief Executive Officer