

ISSUES PAPER

Reviewing water sharing plans

This paper provides more information on the Natural Resources Commission's (NRC's) review of water sharing plans, and calls for public submissions to inform this review:

- **Section 1** summarises the NRC's legislative role in reviewing water sharing plans.
- **Section 2** discusses the scope of the NRC's review, explains how the NRC's work links to the work of the NSW Office of Water and sets out the NRC's proposed timeframes
- **Section 3** outlines the principles that will guide the NRC's review
- **Section 4** presents the key questions that will be the focus of the review, and on which the NRC is inviting public feedback and comment. It also provides information on how to make a submission – **Please note: submissions are due by 31 January 2013.**

1 NRC's legislative role

Water sharing plans establish rules for allocating water that balance the needs of water users and the environment. Water sharing plans apply for a period of ten years from their commencement. At the end of the ten years the Minister for Primary Industries (the Minister) may decide to make a new replacement plan or, on the recommendation of the NRC (under Section 43A of the *Water Management Act 2000* (the Act)), extend a management plan for a further ten years.

Before making this decision, the Minister is to consider a report by the NRC that reviews the extent of contribution to the achievement of the *Standard for Quality Natural Resource Management* (the Standard) and natural resource management targets in the relevant region, and whether changes are warranted. The NRC's review role was established through amendments to the Act in 2004 (see Section 43A) that were designed to promote an integrated approach to landscape management, where water is one part of the system contributing to landscape health, productivity and resilience.

In developing its recommendations the NRC must call for public submissions, and consider other relevant State-wide and regional government policies or agreements that apply to the catchment management area.

The legislation does not, however, direct the NRC to address all issues or policy questions relating to the replacement or extension of water sharing plans, or to duplicate the work of NSW Office of Water. Many of the provisions in the water sharing plans relate to operational and day-to-day management, which the Office of Water is best qualified to address.

What plans are expiring in 2014 and due for review?

Thirty-one water sharing plans are due to expire in 2014, requiring the NRC's review and report to the Minister. Of these thirty-one plans, fourteen fall within the Murray Darling Basin, and the remainder are in coastal regions (see table and map at **Attachment 1**).

2 Overview of the NRC's water sharing plan review

2.1 NRC aim

The NRC's aim is to provide independent, credible and useful advice to the Minister on the extent of water sharing plans' contribution to the state-wide Standard and targets for natural resource management in the relevant region, and whether changes to water sharing plan provisions could achieve greater alignment of water and natural resource management planning. The NRC's reviews will focus on ensuring decisions are based on sound evidence, and promoting an integrated approach to managing the landscape for economic, social and environmental outcomes.

2.2 Scope

The extent to which water sharing plans contribute to the achievement, or the failure to achieve, the state-wide Standard and targets depends not only on the nature and implementation of the plan's provisions, but also on a wider range of plans, policies and governance factors. It is also likely there will be variable data on ecological, socio-economic or cultural outcomes of water sharing plans to inform the assessment of the material contribution of water sharing plans to the state-wide Standard and targets.¹

Further, the Standard, state-wide targets and existing catchment action plans were not in place when the expiring water sharing plans were developed, and catchment action plans are currently being upgraded with new plans due to be in place by March 2013 (a *NSW 2021* commitment).² These regional plans are likely to undergo further adaptation following the transition of Catchment Management Authorities into Local Land Service organisations.

In this context the NRC will make its review a forward-looking assessment. The NRC will look at how both the water sharing plans and the upgraded catchment action plans, or any future regional landscape plan, can be improved to better align water planning with the regional priorities for overall landscape health, productivity and resilience.

For the purposes of the NRC's review, alignment means 'the alignment of planning and co-ordination of action so as to deliver the maximum return for regulation and investment.'³ The review will assess where changes to a water sharing plan's provisions would be warranted and feasible to improve the alignment with, and thus the potential for the water sharing plan to contribute to, the state-wide targets and catchment action plan objectives.

Water sharing plans include provisions linked to direct objectives that are achievable within the regulatory powers of water sharing plans – for example, those that set out the baseline for water management such as the extraction limits and specific flow levels. The plan provisions also contribute to the achievement of broader objectives – those where the water allocations defined by the plans are only one contributor to achieving the objective, such as contribution to the maintenance of water quality.

These broader objectives are particularly likely to represent areas of common purpose between water sharing plans and the state-wide targets and catchment action plan objectives. Given these existing overlaps between broad water sharing plan objectives and regional and state scale targets,

¹ National Water Commission (2011) *National Water Planning Report Card 2011*, Canberra.

² NSW Government (September 2011), *NSW 2021 – A Plan to Make NSW Number One*. At <http://2021.nsw.gov.au>.

³ Hamstead, M. (2010) *Alignment of water planning and catchment planning*, Waterlines report, National Water Commission, Canberra.

it is desirable that alignment and governance arrangements are optimised to maximise efficiency and return on the investment of public funds.

As part of its review, the NRC will consider the comparative economic, social and environmental advantages and disadvantages of amending or extending the plans. The NRC's analysis will also consider a range of information, including drawing on evaluation work by the Office of Water and feedback from other agencies, stakeholders and public submissions.

2.3 Reviewing plans in the Murray Darling Basin

The Murray Darling Basin Plan negotiations and the Commonwealth *Water Act 2007* are particularly important, given their capacity to change the foundations for water planning across much of NSW. If a Basin Plan is commenced and NSW agrees to implement it, water sharing plans in the basin will most likely need to be remade as water resource plans by 2019. As part of its review, the NRC will explore what is the most practical and cost effective approach to extending or replacing plans due to expire in 2014 in the context of a possible transition to Basin Plan requirements by 2019.

2.4 Links to NSW Office of Water's work

The NSW Office of Water is undertaking an evaluation and a review of the water sharing plans in parallel with the NRC's review. The Office of Water's review will focus on whether plan rules are appropriate, practical to implement and if there are any ways to improve the plan outcomes. The Office of Water's review will also inform the Minister about whether changes to the plans are desirable. Should the Minister determine changes are appropriate and a replacement plan is necessary, the Office of Water will be responsible for all work required to formulate the new plan.

The focus of the NRC and Office of Water reviews are slightly different, reflecting the different roles of the respective agencies. Both the NRC and the Office of Water are keen to engage stakeholders to inform their work and will be taking a coordinated approach where appropriate to maximise efficiency and avoid duplication.

Figure 1 shows how the NRC and Office of Water processes relate to each other, and some of the key steps in each process.

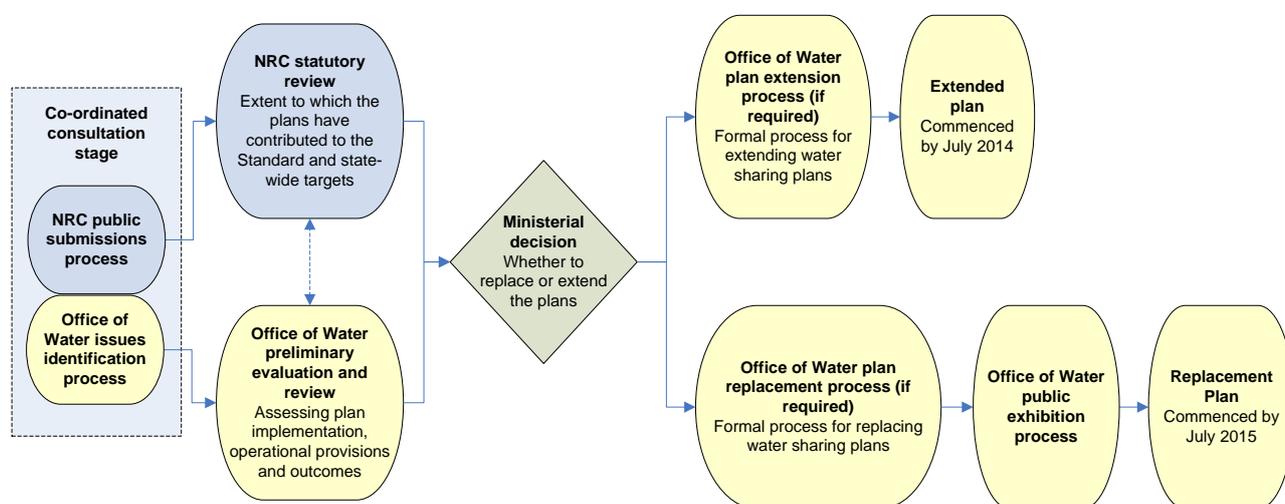


Figure 1: Process for extending or replacing water sharing plans

2.5 Timeframes

The NRC and Office of Water are calling for public submissions during **December 2012** and **January 2013**.

The NRC will review water sharing plans in parallel with its assessment of upgraded catchment action plans, and will also use inputs from the Office of Water's evaluation projects, which are expected to be available from March 2013.

The NRC intends to provide its final advice to the Minister in June 2013, although the timing will depend on receiving timely inputs from external stakeholders. This should provide sufficient time to inform decision making on whether to extend or replace the plans, and ensure that the Office of Water has time to consider any suggestions from the NRC if the plans are replaced.

3 Principles guiding the NRC's water sharing plan review

The NRC's review of the plans will be guided by the following principles:

- **Better regional outcomes** – managing water in the context of the wider landscape, recognising that water sharing plans contribute to broader social, economic, cultural and environmental outcomes in the region.
- **Integrated and efficient governance** – making the best use of existing institutions and legislation to maximise return on investment, minimise duplication and help make progress towards shared regional priorities by:
 - ensuring governance arrangements support ongoing coordination between government and community stakeholders from the local to national scale
 - improving transparency and accountability for investors and stakeholders.
- **Evidence-based decision making** – using best available knowledge to inform and improve how water is managed, including through:
 - whole-of-government information sharing, particularly spatial information, during planning and implementation
 - collaborative and cost-effective monitoring, evaluation and reporting programs to identify whether objectives are being met and what can be improved
 - increased flexibility to adapt actions in response to new policy positions, collaborative opportunities, previously unidentified risks or changing social, economic and environmental needs and values.

4 Key questions for the NRC's water sharing plan review

The NRC has identified a number of key questions that it intends to investigate through its reviews by applying the principles, consulting with key stakeholders and seeking the views of the community. The NRC welcomes submissions that address any or all of these questions.

Delivering better regional outcomes

- Has the implementation of water sharing plans contributed to the regional social, economic, cultural and environmental priorities expressed within the region's catchment action plan?
- Is the role of water in the landscape and links between water sharing plans and landscape function understood by key stakeholders and/or described in the catchment action plan?
- How can regional natural resource management planning be improved to better complement water sharing plans, and vice versa?

Integrated and efficient governance

- Are stakeholders involved in water and natural resource management planning working towards shared goals and objectives (as set out in the catchment action plan or elsewhere)?
- Do the current governance arrangements support ongoing coordination both within government and between government and the community from the local to national scale, or how could they be improved?
- Can water sharing plans be made more accessible, transparent and understandable?
- Is there enough accountability for achieving water sharing plan objectives, or how can this be improved?

Evidence-based decision making

- Is there adequate shared information, including spatial information, available to inform regional prioritisation decisions for both catchment action plans and water sharing plans?
- How can water sharing plans contribute to collaborative and cost-effective monitoring, evaluation and reporting programs to support improvement in water and catchment management by identifying what works where, why and how much?
- Water sharing plans currently have some flexible provisions that allow for adaptation – are there other provisions where increased flexibility would help either the plans or stakeholders adapt in response to new policy positions, collaborative opportunities, climate variability, previously unidentified risks or changing social, economic, cultural and environmental needs and values?

4.1 How to make a submission

The NRC and the Office of Water invite your comments on issues that should be considered during the plan review process.

The NRC encourages submissions relevant to the principles and questions outlined in this paper. Issues related to water sharing plan rules, their implementation and ways to improve outcomes will be considered by the Office of Water. All submissions will be made available to both organisations.

Submissions on this process can be:

- **Submitted online at:** www.haveyoursay.nsw.gov.au/watersharingplans
- **Posted to:** Water Sharing Plan Review, NRC, GPO Box 4206, Sydney, NSW 2001.

Please ensure all submissions are received by no later than **31 January 2013**.

This is the first opportunity for community members and government agencies to provide input on the review of water sharing plans. If the Minister decides to replace the plans, you will have a further opportunity to comment during the Office of Water's formal public exhibition period as the process progresses.

Appendix 1: Water sharing plans for review

CMA Region	Water sharing plans due to expire in 2014
Border Rivers – Gwydir	Gwydir Regulated River Water Source Rocky Creek, Cobbadah, Upper Horton and Lower Horton Water Sources Tenterfield Creek Water Source
Central West	Castlereagh River above Binnaway Water Source Macquarie and Cudgong Regulated Rivers Water Source
Hunter Central Rivers	Hunter Regulated River Water Source Jiliby Jiliby Creek Water Source Karuah River Water Source Ourimbah Creek Water Source Tomago Tomaree Stockton Groundwater Sources Wybong Creek Water Source
Hawkesbury Nepean	Kulnura Mangrove Mountain Groundwater Sources
Lachlan	Lachlan Regulated River Water Source Mandagery Creek Water Source
Murrumbidgee	Adelong Creek Water Source Murrumbidgee Regulated River Water Source Tarcutta Creek Water Source
Murray	New South Wales Murray and Lower Darling Regulated Rivers Water Sources Upper Billabong Water Source
Namoi	Phillips Creek, Mooki River, Quirindi Creek and Warrah Creek Water Sources Upper Namoi and Lower Namoi Regulated River Water Sources
Northern Rivers	Alstonville Plateau Groundwater Sources Apsley River Water Source Commissioners Waters Water Source Coopers Creek Water Source Dorrigo Plateau Surface Water Source and Dorrigo Basalt Groundwater Source Stuarts Point Groundwater Source Toorumbbee Creek Water Source Upper Brunswick River Water Source
Southern Rivers	Kangaroo River Water Source Wandella Creek Water Source

Map showing water sharing plans for review

