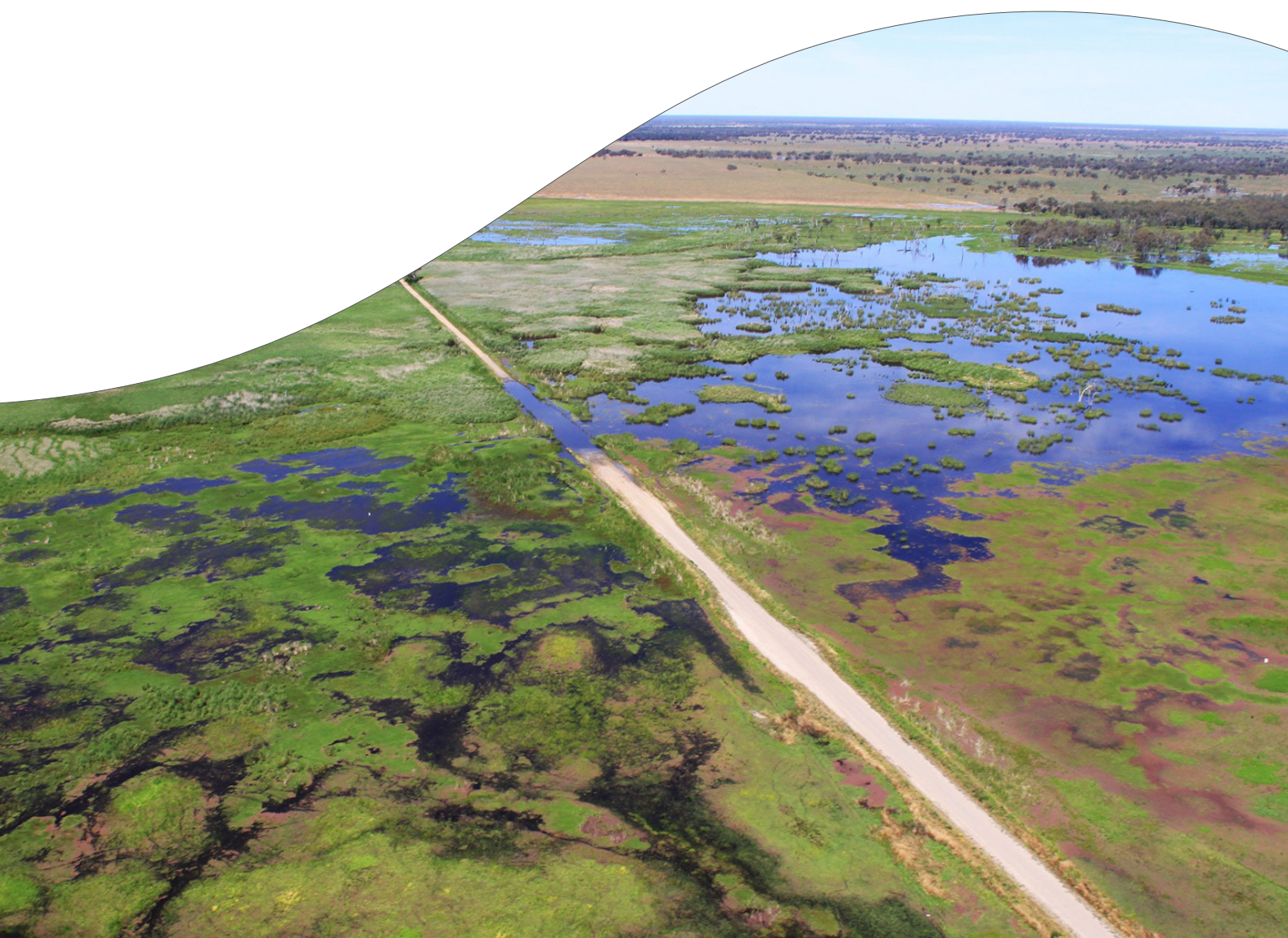


Final report

Audit of the Border Rivers and Macquarie Valley Floodplain Management Plans

June 2025



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Acknowledgement of Country

The Natural Resources Commission acknowledges and pays respect to traditional owners and Aboriginal peoples. The Commission recognises and acknowledges that traditional owners have a deep cultural, social, environmental, spiritual and economic connection to their lands and waters. We value and respect their knowledge in natural resource management and the contributions of many generations, including Elders, to this understanding and connection.

In relation to the Floodplain Management Plan areas subject to these audits, the Commission pays its respects to the traditional owners past, present and future, as well as other Aboriginal peoples for whom these waters are significant.

List of acronyms

Act	<i>Water Management Act 2000</i> (NSW)
ASAE	Australian Standard on Assurance Engagements
Commission	Natural Resources Commission
DCCEEW-CPHR	NSW Department of Climate Change, Energy, the Environment and Water – Conservation Programs, Heritage and Regulation
DCCEEW-Water	NSW Department of Climate Change, Energy, the Environment and Water – Water Group
F	Finding
GL	Gigalitre
ML	Megalitre
NRAR	Natural Resources Access Regulator
R	Recommendation
Regulation	<i>Water Management (General) Regulation 2018</i> (NSW)

WAL	Water Access Licence
WMS	Water Market System
WLS	Water Licensing System

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1 Executive summary

The Natural Resources Commission (the Commission) has audited two floodplain management plans in NSW (referred to in this report as ‘the Plans’) to ascertain whether the provisions of the Plans are being given effect to, as required under Section 44 of the *Water Management Act 2000 No 92* (the Act).¹

The audited Plans are the:

- *Floodplain Management Plan for the Border Rivers Valley Floodplain 2020*, commenced 11 September 2020 (the Border Rivers Plan)
- *Floodplain Management Plan for the Macquarie Valley Floodplain Order 2021*, commenced 24 September 2021 (the Macquarie Plan).

1.1 Audit conclusion

The Commission considers that based on the evidence reviewed, the provisions of the Plans have not been given full effect during the audit period.²

The audit conclusion is based on the procedures performed and the evidence obtained. The Commission is of the view that the information presented fairly reflects Plan implementation.



6 sub-criterion were found to be compliant



11 sub-criterion were found to be partially compliant



no sub-criterion were found to be non-compliant

1.2 Audit findings and recommendations

The Commission noted significant improvement in the mandatory conditions criterion, with all required mandatory conditions in place on recent works approvals for both Plans. The Commission also notes the intent of the NSW Department of Climate Change, Energy, the Environment and Water – Water Group (DCCEEW-Water) and WaterNSW to progress ongoing improvements to systems and procedures that will assist with the implementation of granting or amending flood works approvals and amendment Plan provisions.

¹ Note that in this report, ‘the Act’ is used to refer only to the *Water Management Act 2000* and ‘the Regulation’ refers only to the *Water Management (General) Regulation 2018*.

² The criteria outlining how this conclusion is reached is described in NRC (2024), [Audit framework for water management plan audits](#).

The Commission has raised recommendations (R) only for material findings (F) relating to gaps in the implementation of requirements that result in the Plans not being given full effect. The Commission focused on the fundamental elements of Plan implementation and did not explore the quality of implementation in this audit. Recommendations have been made considering the audit period and any information provided by auditees to reflect updated practices. The audit period is defined as the period from the commencement of the Plan to the date of the draft report submission to agencies, on 26 May 2025.

The Commission undertook limited assurance sample testing, interviews and examined roles and responsibilities, systems, processes, and procedures relevant to the audit criteria. Implementation was found to comply with legislative requirements except where the report identifies gaps. The Commission has provided the audit questions that were examined in each chapter of the report, along with symbols to identify compliance, partial compliance and non-compliance.

While this report discusses specific consequences for each criterion, the overarching consequence of not giving full effect to plan provisions is that the Plans' objectives are unlikely to be achieved in full. These objectives are intended to support environmental, economic, Aboriginal cultural and social and cultural outcomes.

Table 1 outlines the audit findings and recommendations against the four audit criteria. Given that the recommendations address gaps to legislative requirements, the Commission considers that all recommendations should be implemented as soon as practicable within a maximum timeframe of 12 months. The audit recommendations, when implemented, will result in impacts beyond the Plans to floodplain management plans statewide. Given this, no priority issues were identified in this audit.

Table 1: Summary table of sub-criterion with partial and non-compliances with related findings and recommendations

✓ = compliant; ~ = partially compliant; ✗ = non-compliant; NA = not applicable

Plan:	Border Rivers	Macquarie Valley
Criterion 1: Performance indicators		
	~	
F 1.1	DCCEEW-Water does not have an MER framework in place to assess performance indicators. Despite this, DCCEEW-Water has progressed individual model updates and environmental evaluations for FMPs. The lack of a framework risks gaps and inefficient monitoring and evaluation, potentially impacting Plan outcomes and adaptation over time. As highlighted in the Commission's water sharing plan reviews, evaluation methods and ongoing data collection on Aboriginal cultural values, uses and assets has not been undertaken. The Plans define Aboriginal cultural values as “sites, objects, landscapes or resources that are important to Aboriginal people as part of their continuing culture and beliefs, listed in (a) the Aboriginal Heritage Information Management System, (b) the Murray-Darling Basin Authority Aboriginal Submissions Database, (c) the NSW State Heritage Register, (d) the Commonwealth Heritage List, or (e) any other source that, in the Minister’s opinion, is relevant”. The Commission highlights the importance of being able to define, monitor and assess plan implementation with respect to Aboriginal cultural outcomes to adequately protect features of major cultural, heritage and spiritual significance in line with the principles of the Act. DCCEEW-Water has previously advised they are seeking the required funding to support scoping of the Aboriginal cultural values method. This critical work is required as soon as possible to enable protection and monitoring of Aboriginal cultural assets, values and heritage sites on the floodplain.	
R 1.1	DCCEEW-Water to finalise the framework and methods necessary to guide Plan MER, including: (a) develop the NSW Floodplain Management Plan Evaluation Framework (b) complete the floodplain environmental evaluation method (c) develop the floodplain Aboriginal cultural evaluation method.	
	~ ~	
F 1.2	The Commission does not expect all monitoring and data collection to be complete at this stage of the Plans, however we require evidence of work to enable assessment of performance indicators over the life of the Plans. DCCEEW-Water provided the Commission with a draft modelling update and environmental evaluation reports for the Border Rivers Plan. Despite the lack of a framework described above, the draft environmental evaluation meets some requirements for the Border Rivers Plan. When the equivalent Macquarie Plan reports are finalised mid 2025 they are expected to be similar to the Border Rivers Plan reports, however as they have not yet been completed, they were not available for the Commission to review. The Environmental	

Plan:	Border Rivers	Macquarie Valley
	Evaluation report demonstrates action against some Plan clauses, however there was no evidence provided for progress against the following clauses: - 11 (1)(b)(iii) <i>'the extent to which flood works, approved in accordance with Part 8 of this Plan, and constructed or modified after the commencement of this Plan, have altered ... flood connectivity to flood-dependent cultural assets and values, including Aboriginal cultural values and heritage sites in the Floodplain',</i> - 11 (1)(b)(iv) <i>'the extent to which flood works, approved in accordance with Part 8 of this Plan, and constructed or modified after the commencement of this Plan, have altered ... the condition of heritage sites in the Floodplain',</i> - 11 (1)(c) <i>'the extent to which this Plan has accurately identified flood-dependent ecological assets and values in the Floodplain',</i> - 11 (1)(d) <i>'the extent to which this Plan has accurately identified flood-dependent cultural assets and values, including Aboriginal cultural values and heritage sites, in the Floodplain'.</i>	
R 1.2	DCCEEW-Water to collect data to assess all Plan performance indicators, including: (a) accuracy of flood-dependent ecological assets and values, and cultural assets and values, including Aboriginal cultural values and heritage sites (b) alterations of flood connectivity to flood-dependent cultural assets and values, Aboriginal cultural values and heritage sites due to flood works approvals under the Plan.	
Criterion 2: Flood work approvals		
		
F 2.1a	As part of this audit, DCCEEW-Water advised that the processes and procedures have not been updated since the Commission's last FMP audit (Upper and Lower Namoi FMPs, completed January 2023). Given this, the Commission did not review the processes and procedures documents. For this audit sample, the Commission specifically found that while DCCEEW-Water’s assessment summary sheets are largely fit for purpose, they do not explicitly require officers to address every clause of the Plans during the assessment process. For example, there is no line in the assessment form to assist with the assessment of specific requirements for supply channels outlined in Clause 36(4) of the Macquarie Valley Plan.	
F 2.1b	During the audit of the Namoi Valley FMP, completed in January 2023, the Commission recommended WaterNSW to update flood works assessment templates to clearly document all applicable management zones and demonstrate assessment of compliance for all management zones. The Commission reviewed systems and procedures used to administer and manage the flood work approval process by WaterNSW. The Commission found that: ▪ WaterNSW has created a Statement of Work template – which lists all flood works subject to the application and their applicable management zone. In addition, WaterNSW attach a separate copy of the legislation to each application, with commentary added on compliance with all relevant zones as a guidance to assessing officers, and the WaterNSW website, giving guidance to our customers on flood study requirements for flood works in Zone C or CU. However, the statement of work template has not been integrated the in current assessment sheets, and the Manual of Work Instruction has not been updated to reflect these changes Water NSW advised that the WaterNSW Flood Work Manual and Work Instruction is currently being updated, and the above will be reflected in an updated version of this manual.	

Plan:	Border Rivers	Macquarie Valley
	Assessment summary sheets for flood works approvals do not explicitly require officers to address every clause of the Plans during the assessment process. For example, there is no line in the assessment form to assist with the assessment of specific requirements for supply channels outlined in Clause 36(4) of both plans.	
R 2.1a	DCCEEW-Water to update procedures and implement new templates to address gaps and document compliance with the Part 8 rules for flood works approvals to ensure that approvals are not granted for flood works that do not meet Plan requirements.	
R 2.1b	WaterNSW to update procedures and implement new templates to address gaps and document compliance with the Part 8 rules for flood works approvals to ensure that approvals are not granted for flood works that do not meet Plan requirements.	
		
F 2.2	The Commission found that the assessment in general had been undertaken according to Plan requirements. However, it observed that where an individual flood works spanned more than one management zone, DCCEEW-Water and WaterNSW do not apply a consistent approach to the resulting flood works approval in the Water Licencing System (WLS) due to system limitations in applying more than one management zone. The Commission identified in these instances that WaterNSW issues a flood works approval without a management zone, and DCCEEW-Water issues a flood works approval in the management zone where most of the flood work is located. WaterNSW is currently implementing a large organisation-wide transition of many of its management systems, including WLS, to Water Market System (WMS). The Commission understands that opportunity exists to capture multiple management zones against an individual flood work approval in the WMS software	
R 2.2	WaterNSW to develop the WMS system to allow flood works spanning multiple management zones to be accurately recorded against those zones.	
		
F 2.3	The Commission sampled the four most recent flood work approvals granted by WaterNSW during the audit period for each of the Border Rivers and Macquarie Plans (eight total) and found that the Plans have clauses requiring modelling of small and large design floods to ensure that flood works “maintain adequate flood connectivity to the following under a range of flood scenarios, including at a minimum, scenarios for the large design floods and small design flood”. The Commission found that there were inconsistencies in the documentation of the modelling used in the assessment of some flood works approvals sampled for this audit. In some audit samples, WaterNSW only used the large design flood scenario where both large and small design flood scenarios were required. In another audit sample, a small design flood was modelled for a different year to that specified by the Plan. This presents the risks that some flood works may not be protected if adequate flood modelling is not carried out as part of the assessment process. WaterNSW advised that the variation in the modelling approach was the result of applying the precautionary approach. WaterNSW advised that in some instances, the precautionary approach was appropriate, particularly where the small design flood did not reach the proposed flood works area and was therefore unlikely to have any impact on the proposed work. The Commission observed that while the justification for variance in flood design was presented in the flood modelling report attached to flood works approval applications, this information was not consistently captured in the WaterNSW assessment forms.	

Plan:	Border Rivers	Macquarie Valley
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R 2.3 WaterNSW assessment form should consistently outline the reason for any change in design flood required by the Plan.



F 2.4 The Plans require that flood works in Management Zones A, B, C and D should maintain adequate flood connectivity to flood-dependent Aboriginal cultural values, and flood-dependent heritage sites and an assessment against flood-dependent Aboriginal cultural values and lists four databases for checks including: “(a) the Aboriginal Heritage Information Management System, (b) the Murray-Darling Basin Authority Aboriginal Submissions Database, (c) the NSW State Heritage Register, (d) the Commonwealth Heritage List, or (e) any other source that, in the Minister’s opinion, is relevant”. However, both agency’s assessment sheets only document the Aboriginal Heritage Information Management System (AHIMS) and the NSW State Heritage Register searches

DCCEEW-Water also advised that following work undertaken during Plan development, an internal DCCEEW-Water database was developed which incorporated all Aboriginal cultural values as identified in the Plans Dictionary. This internal database has not been updated since its development due to a lack of resources and a shift towards utilisation of publicly available information for the identification of Aboriginal cultural values. Due to requirements to protect the privacy of cultural intellectual property, DCCEEW-Water has been unable to share the internal database with WaterNSW to date. This has impacted and will continue to impact the ability of WaterNSW to complete the assessment of proposed flood works against the required datasets outlined in the Plan.

R 2.4a DCCEEW-Water to review and make a determination against the *Aboriginal Heritage Information Management System, the Murray-Darling Basin Authority Aboriginal Submissions Database, the NSW State Heritage Register, and the Commonwealth Heritage List* at a minimum for Aboriginal cultural values when assessing an application for flood work approvals, as required by the Plans.

R 2.4b WaterNSW to review and make a determination against *the Aboriginal Heritage Information Management System, the Murray-Darling Basin Authority Aboriginal Submissions Database, the NSW State Heritage Register, and the Commonwealth Heritage List* at a minimum for Aboriginal cultural values when assessing an application for flood work approvals, as required by the Plans.

Criterion 3: Mandatory conditions

There were no findings or recommendations for this criterion

Criterion 4: Amendments



F 4.1 The Commission identified via the legislation website that both the Border Rivers Plan and Macquarie Plan have been subject to amendments since Plan commencement. DCCEEW-Water provided evidence of the amendments register and internal guidance documents that was used to support these amendments. However, DCCEEW-Water indicated it is their intention to adopt the Hub as the system to identify, monitor and track amendments,

Plan:	Border Rivers	Macquarie Valley
	consistent with the process used for water sharing plans for any future floodplain management plans. The Commission identified that updates to support the amendments process via the Hub are yet to occur. The Commission has observed the use of the Hub, and its ongoing improvement over successive audits and is supportive of the system as a tool for implementation of amendment provisions. To date, internal and public facing DCCEEW-Water amendments documentation has not been updated to reflect floodplain management plans, with all guidance material referring to water sharing plans. DCCEEW-Water has indicated that all system level documentation and tracking of amendments that have occurred since Plan commencement will be updated post May 2025.	
R 4.1	DCCEEW-Water to update existing internal and public facing documentation for the identification and tracking of amendments for Floodplain Management Plans via the Hub.	
	 	
F 4.2	There have been two amendments to the Border Rivers Plan and one amendment to the Macquarie Plan since Plan commencement. DCCEEW-Water provided evidence of the amendments register and internal guidance documents that was used to support these amendments. However, DCCEEW-Water advised that it intends to adopt the Hub going forward as the system used to identify, prioritise and track amendments. The Commission is supportive of the Hub as the tool for implementation of amendment Plan provisions.	
R 4.2	See R 4.1	

1 Audit objectives and process

1.1 The Commission's role in auditing management plans

The Commission is an independent body with broad investigating and reporting functions that aim to establish a sound evidence base to inform natural resource management in the social, economic and environmental interests of NSW.

Water management plans include:

- **water sharing plans** – establish the rules for sharing water between the environment and other water users. They also set rules for trading, water allocations and the management and granting of water access licences (WALs) and water supply work approvals.³
- **floodplain management plans** – provide the framework for coordinating flood work development to minimise future changes to flooding behaviour; improve environmental health of floodplains; and increase awareness of risk to life and property from flooding.⁴

The Commission has a responsibility under Section 9 of the Act to fulfil its responsibilities in accordance with the water management principles and order of priority of water uses described in the Act.

1.2 Audit objective

The objective of this audit was to determine, in accordance with Section 44 of the Act, if the provisions of two floodplain management plans (the Plans) are being given effect to:

- *Floodplain Management Plan for the Border Rivers Valley Floodplain 2020* (the Border Rivers Plan)
- *Floodplain Management Plan for the Macquarie Valley Floodplain Order 2021* (the Macquarie Plan).

The Commission has audited the versions of the Plans that were in effect at the time of this audit. Plan amendments may occur in future which could alter clause references in this report. Plan clause references in this report should therefore be read in conjunction with the Plans as made (and in force) on 3 March 2025. **Figure 1** and **Figure 2** show the areas covered by the Plans.

³ Department of Planning and Environment (n.d.) [How water sharing plans work](#).

⁴ DCCEEW-Water (n.d.). [Developing floodplain management plans – Floodplain management planning process](#).

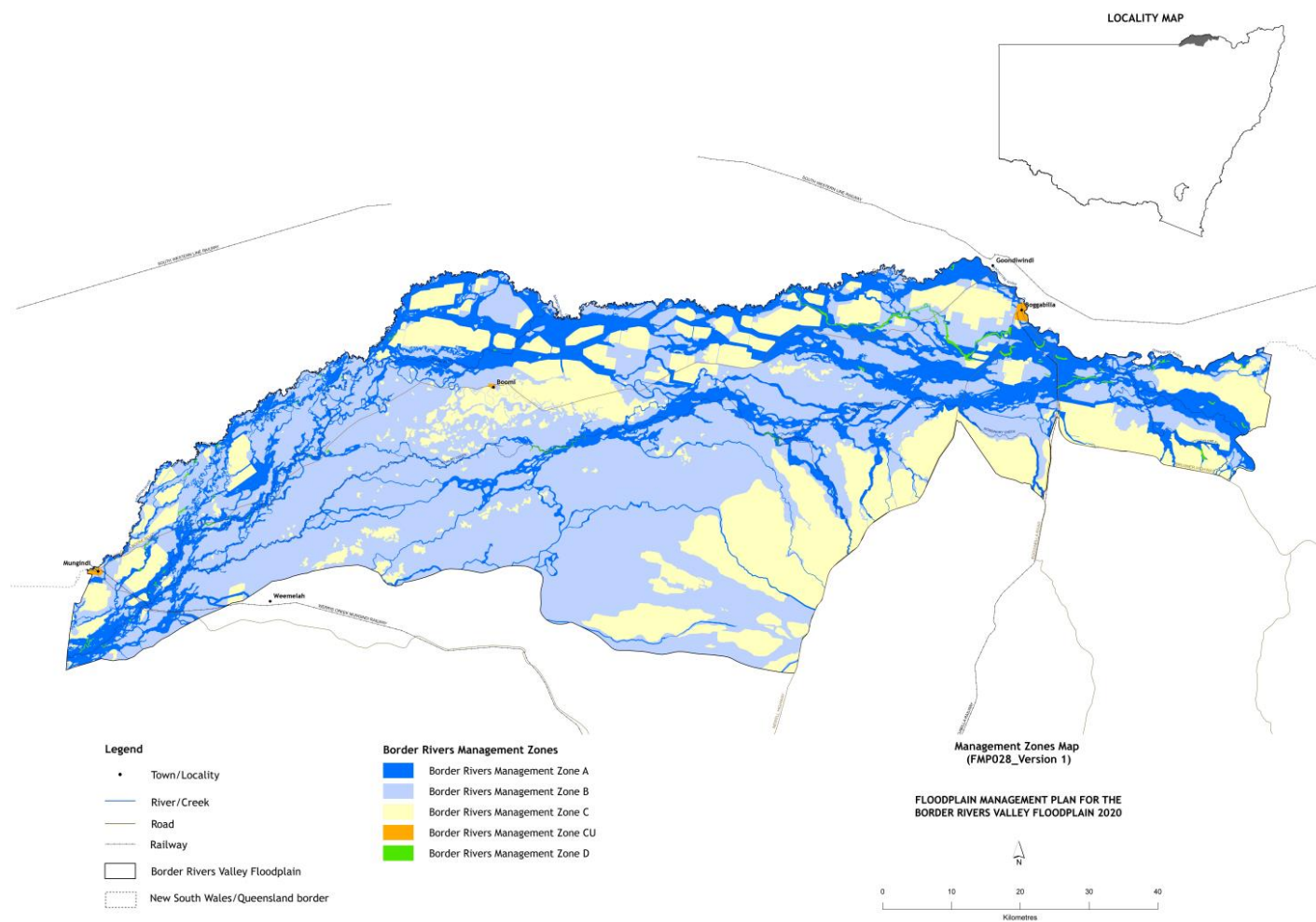


Figure 1 Map of the Border Rivers floodplain management plan area with management zones subject to this audit⁵

⁵ DCCEEW-Water (2020). [Border Rivers floodplain management plan management zones map.](#)

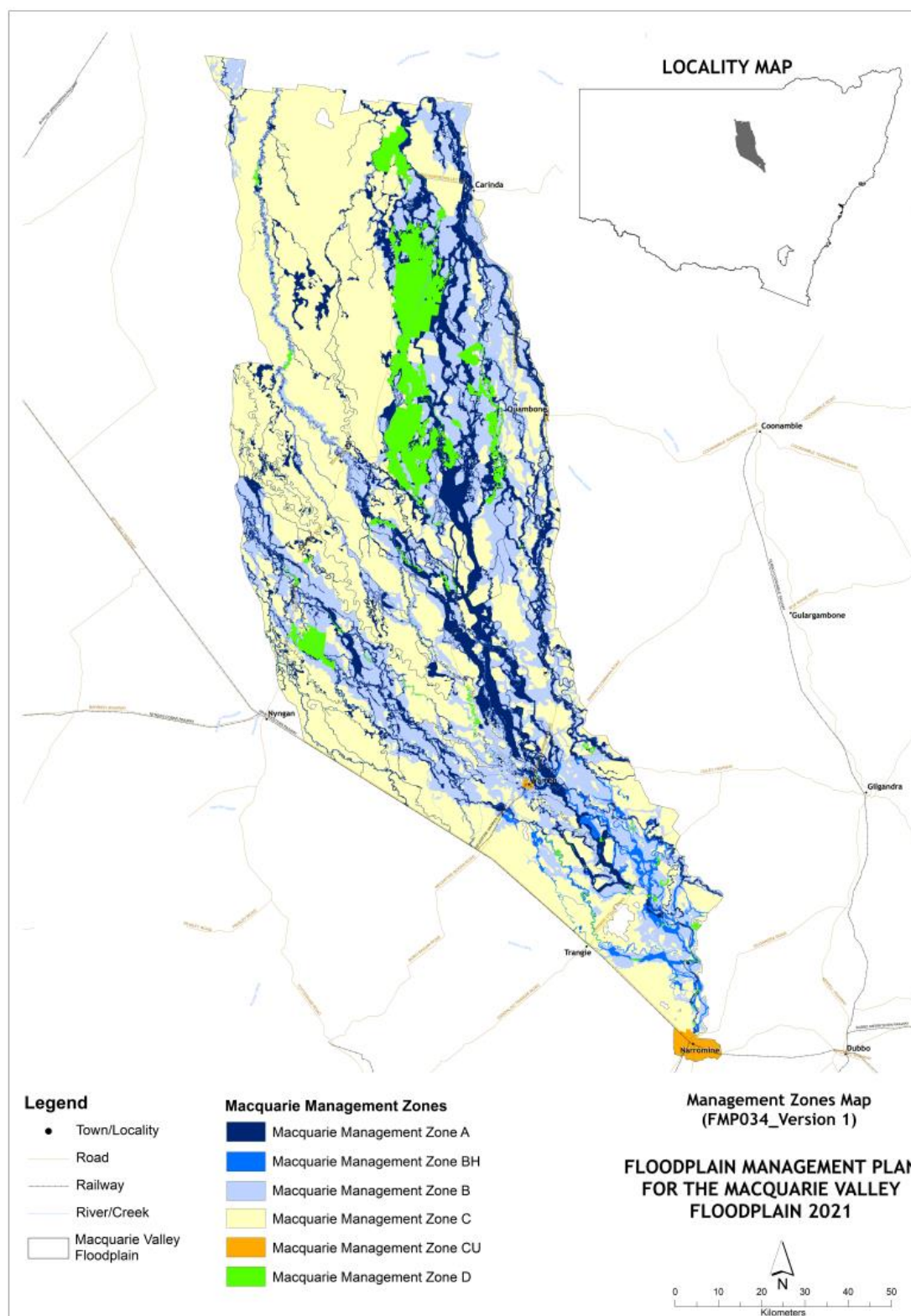


Figure 2 Map of the Macquarie Valley floodplain management plan area with management zones subject to this audit⁶

⁶ DCCEEW-Water (2021). [Macquarie Valley floodplain management plan management zones map.](#)

1.3 Audit criteria

Audit criteria were selected based on common parts of floodplain management plans that the Commission determined warranted examination to ascertain whether provisions are being given effect to. The audit criteria are:

- **Criterion 1:** The relevant responsible parties have implemented plan provisions relating to vision, objectives, strategies and performance indicators
- **Criterion 2:** The relevant responsible parties have implemented plan provisions relating to granting or amending flood work approvals
- **Criterion 3:** The relevant responsible parties have implemented plan provisions relating to mandatory conditions
- **Criterion 4:** The relevant responsible parties have implemented plan provisions relating to amendments (where these are not optional) and there is evidence that identified amendments (which may include optional amendments) have been given due consideration.

The Commission developed audit questions for examination to systematically assess each criterion. The audit report includes a chapter that presents findings for each criterion. Each criterion chapter includes a compliance summary table containing the relevant plan clauses and audit questions that were examined, as well as a compliance rating. The compliance ratings used in the report are categorised as follows:

✓ = Compliant; ~ = Partially compliant; ✗ = Non-compliant; NA = Not applicable

The Commission has assigned compliance ratings across all Plans where a criterion has assessed implementation of systems and processes. An example of how this has been applied for criterion 1 is provided below.

Plan clause	Criterion 1 audit question	Border Rivers	Macquarie Valley
Part 2: both FMP plans	Are there systems and processes in place to assess performance indicators?		~

Where compliance with individual Plan provisions has been determined an individual compliance rating has been allocated. An example of how this has been applied for criterion 1 is provided below.

Plan clause	Criterion 1 audit question	Border Rivers	Macquarie Valley
Border Rivers: Cl 11 Macquarie: Cl 11	Has monitoring and data collection commenced to enable assessment of performance indicators over the life of the Plans?	~	~

1.4 Auditee agencies

Currently, the two entities responsible for implementing floodplain management plans in New South Wales (NSW) are:

- NSW Department of Climate Change, Energy, the Environment and Water – Water (DCCEEW-Water)
- WaterNSW.

DCCEEW-Water and WaterNSW are responsible for implementing the provisions for the four audit criteria for these Plans. In June 2021, DCCEEW-Water, the NSW Natural Resources Access Regulator (NRAR) and WaterNSW signed an agreement which clarified their roles and responsibilities including those relating to floodplain management plans.⁷

NRAR was previously responsible for licensing and approvals for some customers including local councils, water utilities and state-owned corporations, State Significant Developments, State Significant Infrastructure and Aboriginal communities. This function was transferred to DCCEEW-Water during the audit period in mid-2022. This is reflected in an updated version of schedule 1 of the roles and responsibilities agreement.⁸ Recommendations or audit findings relevant to the period when NRAR managed this licensing and approvals function have been directed to DCCEEW-Water as the agency with current responsibility.

Agencies names and roles underwent changes during the audit period. DCCEEW-Water was formerly Department of Planning and Environment -Water (DPE-Water) and the Department of Planning, Industry and Environment-Water (DPIE-Water). For the purposes of this report, the Commission adopted the name of responsible agencies as of May 2025.

1.5 Audit procedures

The Commission's audit procedures included:

- document review, including of overarching frameworks, procedures, guidelines, manuals, policies and reports
- sampling of data, such as flood work approvals and their approval conditions
- interviews with process owners and implementors that give effect to Plan provisions in DCCEEW-Water and WaterNSW.

These procedures were carried out on a test basis to provide sufficient, appropriate evidence to provide a limited assurance conclusion.

1.6 Audit standards

This audit was executed as a limited assurance engagement in accordance with the following standards:

- *Standards on Assurance Engagements (ISAE) 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information*
- *ISAE 3100 Compliance Engagements*

⁷ Roles and Responsibilities Agreement: DCCEEW-Water, NRAR and WaterNSW, [Schedule 1 – Version 1.4](#)

⁸ Roles and Responsibilities Agreement: DCCEEW-Water, NRAR and WaterNSW, [Schedule 1 – Version 1.4](#)

- *ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements.*

In accordance with these standards, the Commission has:

- complied with applicable ethical requirements
- planned and performed procedures to obtain independent assurance about whether the relevant responsible parties have implemented the Plans, in all material respects, as evaluated against the four audit criteria outlined in **Chapter 1.3**.

1.7 Limitations

This audit was a limited assurance engagement. The procedures performed in a limited assurance engagement vary in nature and timing and are of lesser extent than for a reasonable assurance engagement audit. The level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained through a reasonable assurance engagement.

The audit cannot be relied on to comprehensively identify all weaknesses, improvements or areas of non-compliance for the audited plans. Inherent limitations mean that there is an unavoidable risk that some material matters may not be detected, despite the audit being properly planned and executed in accordance with the standards outlined in **Chapter 1.6**.

The audit was completed during the 2024 - 2025 water year.⁹ Audit questions requiring a full water year for compliance assessment were not completed for the 2024–2025 water year, as the audit period ended before the water year concluded.

1.8 Exclusions

The audits do not provide an assessment against all provisions or parts of the Plans. The Commission has not assessed the following Plan provisions:

- Part 1: Introduction
- Part 3: Flooding regimes
- Part 4: Floodway network
- Part 5: Benefits of flooding
- Part 6: Existing flood works
- Part 7: Risks from flooding.

The audits do not provide an opinion regarding:

- compliance of holders of flood work approvals or against any other regulatory instrument
- whether the Plans are being implemented efficiently
- whether the Plans are achieving environmental, social, or economic outcomes, stated visions, objectives or performance indicators

⁹ The water year operates from 1 July in any year through to 30 June in the following year, for example 1 July 2024 to 30 June 2025.

- whether the Plan provisions are effective, appropriate or in line with the Act or other relevant legislation
- approvals in relation to the *Environmental Planning and Approvals Act* that are not related to the objects, principles, core and additional floodplain management plan provisions
- compliance with any legislation unrelated to the Act
- appropriateness of decisions regarding NRAR's compliance priorities.

The scope outlining the approach for the audit of floodplain management plans is available on the Commission's website.¹⁰

¹⁰ NRC (2025). [Audit scope and plan for floodplain management plans.](#)

2 Performance indicators

Have the relevant responsible parties implemented plan provisions relating to performance indicators?

The Commission found the implementation by DCCEEW-Water of performance indicator provisions in the Plans to be partially compliant during the audit period.

The Commission has identified systems based gaps in the implementation of the performance indicator provisions of the Plans. This will require DCCEEW-Water to undertake work to:

- develop an overarching MER framework
- complete the floodplain environmental evaluation method
- develop the floodplain Aboriginal cultural evaluation method.

The development and completion of these processes will enable the assessment of success of performance indicators, and where required, the update of Plans to achieve Plan objectives.

The Commission noted data collection and monitoring has been undertaken by DCCEEW-Water during the audit period to enable the assessment of performance indicators. However, gaps against Plan requirements were identified, including the verification of ecological and Aboriginal cultural values.

DCCEEW-Water advised that updates to systems and process to support the assessment of performance indicators and ongoing data collection and monitoring will be reliant on resourcing being made available to undertake these work programs.

The Commission notes importance of systems and monitoring of performance indicators provisions being in place to enable adaptive Plan management, or continual improvement in the implementation of floodplain management plans.

2.1 Criterion background

Part 2 of the Plans are made in accordance with Section 35(1) of the Act, requiring:

- a vision statement
- objectives consistent with the vision statement
- strategies for reaching objectives, and
- performance indicators to measure the success of strategies.

This audit examined Part 2 of each Plan. Clause 11 of the Plans outline the performance indicators that are used to measure the success of the strategies to reach each Plan's objectives. The performance indicators used to assess the success of the targeted strategies are based on:

- the extent to which the floodway network map and management zone boundaries represent the movement of floodwater in the floodplain
- the extent to which approved flood works changed flood water behaviour and flood connectivity to flood-dependent ecological, cultural, Aboriginal cultural and heritage values

- the extent to which the Plan has accurately identified flood-dependent ecological, cultural, Aboriginal cultural and heritage values.

DCCEEW-Water are responsible for the development and review of management plans across NSW,¹¹ and is the lead agency responsible for developing and assessing performance indicators in measuring the success of the strategies in meeting the Plan objectives. Other NSW Government agencies, including WaterNSW and the NSW Department of Climate Change, Energy, the Environment and Water – Conservation Programs, Heritage and Regulation (DCCEEW-CPHR), have roles in collecting and evaluating data.

2.2 Compliance summary

The Commission examined two audit questions relevant to the performance indicator provisions in the Plans. The results of this analysis are shown in **Table 2**. This audit focused on the assessment of implementation against the relevant performance indicator clauses of each Plan. The Commission has not verified the extent, accuracy or effectiveness of the data collection, only that where data is required by the Plan, this information has been collected by DCCEEW-Water.

The Commission found the implementation by DCCEEW-Water of performance indicator provisions in the Plans to be partially compliant during the audit period. Findings and recommendations for the partial compliances identified in **Table 2** are presented in the chapter below.

Table 2: Compliance summary for performance indicator provisions

Plan clause	Criterion 1 audit question	Border Rivers	Macquarie Valley
Part 2: both FMP plans	Are there systems and processes in place to assess performance indicators?		~
Border Rivers: Cl 11 Macquarie: Cl 11	Has monitoring and data collection commenced to enable assessment of performance indicators over the life of the Plans?	~	~

2.3 Discussion and findings

2.3.1 Updates are required to systems to enable the assessment of Plan performance indicators

DCCEEW-Water does not have an overarching floodplain management plan monitoring, evaluation and reporting (MER) framework in place to assess Plan performance indicators. Despite this, DCCEEW-Water has progressed individual model updates and environmental evaluations for the Plans. The lack of an overarching MER framework risks inefficient monitoring and evaluation and potentially impacts Plan outcomes and adaptation over time.

¹¹ Roles and Responsibilities Agreement: DCCEEW-Water, NRAR and WaterNSW, [Schedule 1 – Version 1.4](#), p 3-4.

The Commission notes the significant amount of work undertaken by DCCEEW-Water as part of Plan development to identify Aboriginal cultural values.¹² The Plans define Aboriginal cultural values as “*sites, objects, landscapes or resources that are important to Aboriginal people as part of their continuing culture and beliefs, listed in (a) the Aboriginal Heritage Information Management System, (b) the Murray-Darling Basin Authority Aboriginal Submissions Database, (c) the NSW State Heritage Register, (d) the Commonwealth Heritage List, or (e) any other source that, in the Minister’s opinion, is relevant*”. DCCEEW-Water advised that the Plan management zones were defined, in part, considering Aboriginal cultural values, which were identified by:

- reviewing previous studies that investigated cultural values in the floodplain
- consulting with various NSW Government agencies involved with landscape management within the valley (e.g. Local Land Services, National Parks and Wildlife Service, the NSW Department of Planning, Industry and Environment)
- undertaking targeted consultation with members of the Aboriginal community who have knowledge of values connected to the floodplain
- consulting the Aboriginal Technical Working Group, made up of Aboriginal people with a cultural connection to each of the valleys being investigated during the Healthy Floodplains project
- undertaking context-setting using the Aboriginal Sites Decision Support Tool and existing spatial information about the potential distribution of unidentified values.

The establishment of management zones, that have taken into consideration the location of Aboriginal cultural values, aims to provide some level of protection for flood-dependent Aboriginal cultural values, consistent with the performance indicators outlined in the Plans. The role of management zones in providing rules for the approval of flood works is further discussed in **Chapter 3**.

The Commission is of the view that the overarching MER framework could build upon this significant volume of work, including the identification of Aboriginal cultural values, undertaken during Plan development. DCCEEW-Water advised that it is seeking resources to enable the completion of the overarching MER framework, and that implementation will be contingent on funding.

As highlighted in the Commission's previous water sharing plan audits, evaluation methods and ongoing data collection on Aboriginal cultural values, uses and assets has not been undertaken. The Commission highlights the importance of being able to define, monitor and assess plan implementation with respect to Aboriginal cultural outcomes to adequately protect features of major cultural, heritage and spiritual significance in line with the principles of the Act. DCCEEW-Water advised they are seeking the required funding to support scoping of the Aboriginal cultural values method. This critical work is required as soon as possible to enable protection and monitoring of Aboriginal cultural assets, values and heritage sites on the floodplain.

Given these gaps in implementation of performance indicator provisions at the time of the audit, the Commission makes one recommendation in relation to this finding.

¹² DPIE (2020). [Background document to the Floodplain Management Plan for the Border Rivers Valley Floodplain 2020](#).

Recommendation

R 1.1	DCCEEW-Water to finalise the framework and methods necessary to guide Plan MER, including: (a) develop the NSW Floodplain Management Plan Evaluation Framework (b) complete the floodplain environmental evaluation method (c) develop the floodplain Aboriginal cultural evaluation method.
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2.3.2 Gaps in data collection and monitoring should be addressed to enable assessment of performance indicators

The Commission does not expect all monitoring and data collection to be complete at this stage of the Plans. The Commission instead aims to observe that work undertaken by DCCEEW-Water since Plan commencement provides evidence that assessment of performance indicators will be able to occur over the life of the Plans. At the time of this audit, DCCEEW-Water provided the Commission with a draft modelling update and the environmental evaluation report for the Border Rivers Plan.

Despite the lack of an overarching MER framework, as outlined in **Chapter 2.3.1**, the draft environmental evaluation meets some requirements for implementation of assessment of performance indicators for the Border Rivers Plan. DCCEEW-Water advised that the environmental evaluation report for the Macquarie Valley Plan will be finalised in the 2025-2026 water year. DCCEEW-Water indicated the report will be similar to the Border Rivers Plan report, noting ongoing improvements being made to these reports. However, as the environmental evaluation for the Macquarie Valley Plan was not completed during the audit period, the report was not available for the Commission's review.

The Border Rivers environmental evaluation report demonstrates action against some Plan clauses. Evidence was not provided for progress against the following clauses:

- 11 (1)(b)(iii) *'the extent to which flood works, approved in accordance with Part 8 of this Plan, and constructed or modified after the commencement of this Plan, have altered ... flood connectivity to flood-dependent cultural assets and values, including Aboriginal cultural values and heritage sites in the Floodplain',*
- 11 (1)(b)(iv) *'the extent to which flood works, approved in accordance with Part 8 of this Plan, and constructed or modified after the commencement of this Plan, have altered ... the condition of heritage sites in the Floodplain',*
- 11 (1)(c) *'the extent to which this Plan has accurately identified flood-dependent ecological assets and values in the Floodplain',*
- 11 (1)(d) *'the extent to which this Plan has accurately identified flood-dependent cultural assets and values, including Aboriginal cultural values and heritage sites, in the Floodplain.'*

The Commission notes that gaps in data verification, as per Clause 11(1)(c) and (d), may impact the ability to adapt Plan requirements to ensure that Plan objectives are achieved going forward. Given these gaps in progress against these performance indicator provisions at the time of the audit, the Commission makes one recommendation in relation to this finding.

Recommendation

R 1.2	DCCEEW-Water to collect data to assess all Plan performance indicators, including: (a) accuracy of flood-dependent ecological assets and values, and cultural assets and values, including Aboriginal cultural values and heritage sites (b) alterations of flood connectivity to flood-dependent cultural assets and values, Aboriginal cultural values and heritage sites due to flood works approvals under the Plan.
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3 Flood work approvals

Have the relevant responsible parties implemented plan provisions relating to granting or amending flood works approvals?

The Commission found the implementation by WaterNSW and DCCEEW-Water of granting or amending flood works approval provisions in the Plans to be partially compliant during the audit period.

Whilst DCCEEW-Water and WaterNSW have systems and procedures in place to support the flood works approvals assessment process, this audit identified gaps in these systems which require updates to ensure they are implemented in line with Plan requirements. The responsible agencies advised they have commenced steps to address the identified gaps in their systems and processes.

The Commission identified three provisions under Part 8 of the Plans that were partially given effect to by WaterNSW and DCCEEW-Water in their assessment of flood works approvals. These were:

- access road (clause 46(3) in the Macquarie Valley Plan and clause 36(3) in Border Rivers Plan)
- supply channels (clause 36(4) of both Plans)
- rules to maintain adequate flood connectivity to flood-dependent Aboriginal cultural values as outlined in the Plans dictionary.

This presents a risk that the assessing officer may not undertake an assessment in line with all Plan provisions and non-compliant flood work may be granted.

3.1 Criterion background

Part 8 of the Plans, the Act¹³ and the *Water Management (General) Regulation 2018* (NSW) (Regulation)¹⁴ all include rules for granting or amending flood works approvals. The Plan provisions for assessing flood works approvals depend on the management zone where the proposed flood works are located. The Commission notes plan provisions for flood works approvals are given effect once landholders apply for an approval. Approvals are required for:

- new flood works
- modifications to existing flood works
- pre-existing flood works that did not originally require approval but approval is now required under the current plan.¹⁵

DCCEEW-Water¹⁶ and WaterNSW¹⁷ are responsible for assessing and determining all flood works approval applications for their customers.¹⁸

¹³ Relevant sections of the Act include Sections 92, 93, 95, 96, 97, 98;100, 102 and Section 20 of Schedule 10.

¹⁴ Relevant clauses of the Regulation include Clauses 25, 26, 29, and 30.

¹⁵ DPE (2022). [Improving Floodplain Connections: bringing priority unapproved flood works into compliance.](#)

¹⁶ DCCEEW-Water assess and grant water supply work approvals for: water supply work approvals to government agencies including other NSW Government agencies, local councils and the Australian Government; state-owned corporations; major water utilities, water supply authorities, and local water utilities; licensed network operators under the *Water Industry Competition Act 2006*; mining companies;

DCCEEW-Water is also responsible for undertaking floodplain modelling to support WaterNSW in their water impact assessments for licencing and approvals. The Water Licencing System - Approvals Transaction Module is the primary system used by assessment officers to record the assessment of all applications, including approvals, in line with legislative requirements. WaterNSW also record all approvals on the NSW Water Register¹⁹ as required by the Act.²⁰ Each responsible agency has a range of internal guides, procedures, assessment summary sheets and checklists for assessment officers to support the flood works approval process.

3.2 Compliance summary

The Commission examined two audit questions relevant to the flood works approvals provisions in the Plans, testing four of the most recent flood work approvals for each Plan. The Commission's analysis found the implementation by WaterNSW and DCCEEW-Water of flood works approval provisions in the Plans to be partially compliant during the audit period, as summarised within

Table 3. Findings and recommendations for the partial compliances are presented in the sections below.

Table 3: Compliance summary for granting and amending flood work approvals provisions

Plan clause	Criterion 2 audit question	Border Rivers	Macquarie Valley
All Plans Part 8	Does DCCEEW-Water and WaterNSW have procedures and systems in place to govern the flood work approval process?	~	~
Border Rivers: cl 36-47 Macquarie Valley: cl 36-49	Did all flood work approvals granted by WaterNSW and DCCEEW-Water meet all the requirements for the relevant management zone?	~	~

3.3 Discussion and findings

3.3.1 Updates are required to systems and procedures for the flood works approval process

This audit has identified gaps in WaterNSW and DCCEEW-Water procedures and systems for governing the flood works approval process. These systems require updates to ensure processing of flood works approvals under Part 8 of the Plans are implemented in line with Plan requirements.

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- irrigation corporations; Aboriginal communities and businesses; floodplain harvesting; major developments (State significant developments and State significant infrastructure); schools and hospitals.
- ¹⁷ WaterNSW is responsible for assessing and granting water supply work approvals to landholders, industries and developments that are not State significant development or State significant infrastructure.
- ¹⁸ *Roles and Responsibilities Agreement: DCCEEW-Water, NRAR and WaterNSW*, [Schedule 1 – Version 1.4](#), p 21-28.
- ¹⁹ WaterNSW (n.d) [NSW Water Register](#).
- ²⁰ Section 113 of the Act.

The Commission's review of the audit sample found that WaterNSW had made several improvements to the systems and processes used to manage flood work approvals since the Namoi Valley floodplain management plan audit. These include:

- WaterNSW has created a statement of work template which lists all flood works subject to the application and their applicable management zone.
- WaterNSW attaches a separate copy of the legislation to each application, with commentary added on compliance with all relevant zones as a guidance to assessing officers
- the WaterNSW website provides guidance to customers on flood study requirements for flood works in Zone C or CU.

The Commission's analysis identified required improvements in the systems used to manage the flood works approvals process to ensure all Plan provisions are given effect to. Specifically:

- a) integration of the 'statement of work' template into current assessment sheets
- b) update of the Manual of Work Instruction to reflect assessment sheet changes.

Water NSW advised they will commence the update of the WaterNSW Flood Work Manual and Work Instruction post May 2025. DCCEEW-Water advised that it intends to progress updates to the technical assessment methods for flood work approvals to fit in with the Department's and WaterNSW's assessment processes in the 2025-2026 water year.

The flood works approval summary sheets used for assessment do not explicitly require assessing officers to address all Plan clauses. This presents a risk that the assessing officer may not undertake an assessment in line with all Plan provisions, and a non-compliant flood work may be granted. The Commission observed the WaterNSW and DCCEEW-Water²¹ assessment summary sheets did not include:

- specific requirements for supply channels outlined in clause 36(4) of both Plans
- specific requirements for access roads outlined in clause 46(3) in the Macquarie Valley Plan and in clause 36(3) in Border Rivers Plan.

The Commission determined that assessment summary sheets are the primary reference document for assessing officers when determining if proposed flood works are compliant with Part 8 of the Plan. To ensure an assessment of all Plan clauses has occurred, the Commission recommends that assessment summary sheets are updated to include all identified Plan provisions. This will ensure assessment officers consider all clauses are considered flood works assessment.

Recommendation

The Commission makes one recommendation in relation to this finding to each approval agency.

R 2.1a	DCCEEW-Water to update procedures and implement new templates to address gaps and document compliance with the Part 8 rules for flood works approvals to ensure that approvals are not granted for flood works that do not
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²¹ The Commission notes that DCCEEW-Water only assessed one flood work approval in the Macquarie Valley Plan and that the DCCEEW-Water assessment form did not provide assessing officers with a line item to capture compliance with specific requirements for supply channels outlined in Clause 36(4).

	meet Plan requirements.
R 2.1b	WaterNSW to update procedures and implement new templates to address gaps and document compliance with the Part 8 rules for flood works approvals to ensure that approvals are not granted for flood works that do not meet Plan requirements.

3.3.2 System limitations in the Water Licencing System prevent assigning a flood works to multiple management zones

In line with Plan requirements, flood works approvals must comply with thresholds related to the management zone in which the flood works are located.²² The Commission's analysis of flood works approvals granted during the audit period showed that a property may span multiple management zones, or that an individual flood work may span more than one management zone.

The Commission found that the assessment in general had been undertaken according to Plan requirements.²³ However, it observed that where an individual flood works spanned more than one management zone, DCCEEW-Water and WaterNSW do not apply a consistent approach to the resulting flood works approval in WLS due to system limitations in applying more than one management zone.

The Commission identified in these instances that:

- WaterNSW issues a flood works approval without a management zone
- DCCEEW-Water issues a flood works approval in the management zone where most of the flood work is located.

This WLS system limitation may lead to the issuing of approval documentation that inconsistently reflects the management zones and mandatory conditions relevant to a flood works approval. DCCEEW-Water advised that this has not occurred yet, however they are aware of the potential risk posed by this limitation in recording management zone information.

The Commission also found that there is no documented guidance for assessing officers on how to process approvals in WLS for flood works that span multiple management zones. WaterNSW advised a consistent approach by agencies to document management zones where a flood work approval crosses multiple management zones is required.

WaterNSW is currently implementing a large organisation-wide transition of many of its management systems, including WLS, to the WMS. The Commission understands that opportunity exists to capture multiple management zones against an individual flood work approval in the WMS software. This functionality is still under development and WaterNSW advised that changes to the flood works module in WMS are based on a prioritisation process and funding availability, with no date currently set for the completion of the WMS platform.

Recommendation

Based on this finding, the Commission makes one recommendation:

²² These Management zone thresholds are outlined in Part 8 of the Plans.

²³ Noting the gaps in the current assessment summary sheet detail in Chapter 3.3.1 of this report.

R 2.2

WaterNSW to develop the WMS system to allow flood works spanning multiple management zones to be accurately recorded against those zones.

3.3.3 Assessment forms do not accurately document variances to requirements for design flood modelling

The Plans require that flood works approved in management zones A, B, C and D must maintain adequate flood connectivity for flood-dependent ecological assets, flood-dependent Aboriginal values and flood-dependent heritage sites and facilitation of fish passage. Flood connectivity must also be maintained under a range of flood scenarios, including at a minimum, scenarios for the large design flood and small design flood.²⁴

The Commission found that there were inconsistencies in the documentation of the modelling used in the assessment of some flood works approvals sampled for this audit. In some audit samples, WaterNSW only used the large design flood scenario where both large and small design flood scenarios were required. In another audit sample, a small design flood was modelled for a different year to that specified by the Plan. This presents the risks that some flood works may not be protected if adequate flood modelling is not carried out as part of the assessment process.

WaterNSW advised that variations in the modelling approach observed in these audit samples was the result of applying the precautionary approach when undertaking the flood modelling report. WaterNSW advised in some instances, the precautionary approach was appropriate, particularly where the small design flood did not reach the proposed flood works area and was therefore unlikely to have any impact on the proposed work.

The Commission observed while the justification for variance in flood design was presented in the flood modelling report attached to flood works approval applications, this information was not consistently captured in the WaterNSW assessment forms. WaterNSW acknowledged that inclusion of the rationale for varying modelling approaches in assessment forms would benefit the assessment process.

Recommendation

Based on this finding, the Commission makes one recommendation:

R 2.3

WaterNSW assessment form should consistently outline the reason for any change in design flood modelling against the requirements specified in the Plan.

3.3.4 Assessment of Aboriginal cultural values is incomplete

The Plans provisions require that flood works approved in Management Zones A, B, C and D are required to maintain adequate flood connectivity to flood-dependent Aboriginal cultural values, and flood-dependent heritage sites.²⁵ The Plans define Aboriginal cultural values as sites, objects, landscapes or resources that are important to Aboriginal people as part of their continuing culture and beliefs, as listed in:

²⁴ Clauses 39(1), 41(4), 42(3), 47(1) of the Border Rivers Plan and Clauses 39(1), 43(4), 44(3), and 49(1) of the Macquarie Valley Plan.

²⁵ Clauses 39(1), 41(4), 42(3), 47(1) of the Border Rivers Plan and Clauses 39(1), 43(4), 44(3), and 49(1) of the Macquarie Valley Plan.

- (a) the Aboriginal Heritage Information Management System (AHIMS)
- (b) the Murray-Darling Basin Authority Aboriginal Submissions Database
- (c) the NSW State Heritage Register
- (d) the Commonwealth Heritage List, or
- (e) any other source that, in the Minister's opinion, is relevant.²⁶

According to the Plans, it is a requirement that at a minimum, all four databases listed in the Plan are searched for Aboriginal cultural values, when assessing a proposed flood works approval. The Plan additionally allows for the assessment against "any other sources" deemed relevant by the Minister to ensure appropriate protection for these sites.

DCCEEW-Water advised that Aboriginal cultural values were considered in these management zones in part by reviewing several databases, and through targeted consultation with Aboriginal communities at the Plan development phase. This approach has resulted in some thresholds being established in management zones to provide protection of flood dependent Aboriginal cultural values.

DCCEEW-Water also advised that following work undertaken during Plan development, an internal DCCEEW-Water database was developed which incorporated all Aboriginal cultural values as identified in the Plans Dictionary. However, this internal database has not been updated since its development due to lack of resources and a shift towards utilisation of publicly available information for the identification of Aboriginal cultural values. The Commission has not sighted or assessed the DCCEEW-Water internal database.

The Commission notes that, when assessing proposed flood works, both DCCEEW-Water and WaterNSW consistently documented searches for Aboriginal cultural values in AHIMS and the NSW State Heritage Register. However, the Commission did not sight any evidence of searches against the Murray-Darling Basin Authority Aboriginal Submissions Database or the Commonwealth Heritage List.

DCCEEW-Water advised the Commission that due to requirements to protect the privacy of cultural intellectual property, DCCEEW-Water has been unable to share the internal database with WaterNSW to date. This has impacted and will continue to impact the ability of WaterNSW to complete the assessment of proposed flood works against the required datasets outlined in the Plan. WaterNSW advised they have requested DCCEEW-Water amend the Plans to remove the search of the Murray-Darling Basin Authority Aboriginal Submissions Database as this information is not publicly accessible.

An incomplete search for Aboriginal cultural values poses a risk that some flood-dependent Aboriginal cultural values may not be identified or adequately protected when assessing a proposed flood work. Acknowledging information privacy challenges, the Commission notes that assessment against all four databases is at present the minimum requirement outlined in the Plan, and non-assessment will result in a gap in compliance. Given this, there is a requirement for DCCEEW-Water to share its internal database to allow the search to be undertaken. If information privacy challenges can't be resolved, amendment to the Plans would be required to avoid ongoing gaps in compliance with Plan implementation.

²⁶ The Macquarie Valley Plan Dictionary, and the Border Rivers Plan Dictionary.

Recommendation

Based on these findings, the Commission makes one recommendation

R2.4a	DCCEEW-Water to review and make a determination against the Aboriginal Heritage Information Management System, the Murray-Darling Basin Authority Aboriginal Submissions Database, the NSW State Heritage Register, and the Commonwealth Heritage List at a minimum for Aboriginal cultural values when assessing an application for flood work approvals, as required by the Plans.
R2.4b	WaterNSW to review and make a determination against the Aboriginal Heritage Information Management System, the Murray-Darling Basin Authority Aboriginal Submissions Database, the NSW State Heritage Register, and the Commonwealth Heritage List at a minimum for Aboriginal cultural values when assessing an application for flood work approvals, as required by the Plans

3.3.5 Additional audit observations

The Plans require that cumulative impact assessments are undertaken for each flood work as part of the approval process. The Commission observed that the DCCEEW-Water and Water NSW assessment summary sheets did not explicitly document the outcome of the cumulative impact assessment, however cumulative impact assessments were documented in the flood modelling report to address these requirements. The Commission notes that implementation of **R 2.1** by DCCEEW-Water and WaterNSW would address this gap in documentation and no further recommendation is made as part of this audit.

Within the audit sample, the Commission identified a potential gap in cumulative impact assessments relating to consideration of approved but unconstructed flood works. WaterNSW advised that modelling undertaken as part of an individual flood works approval application considers existing flood works in the landscape and the proposed flood works. WaterNSW also acknowledged that a gap exists in modelling the impacts of approved but not yet constructed flood works, and that landholder privacy considerations restrict the release of this information for consideration by proponents of a proposed work.

The valley-wide cumulative impact assessment conducted by DCCEEW-Water for the Border Rivers Plan includes flood works that have been approved but not yet constructed. The residual impact of approved but unconstructed flood works was modelled at this stage, and WaterNSW considers the valley-wide model the most effective way to assess their impact. Since the Plan already includes a mechanism to address all approved flood works, the Commission makes no further recommendations on this matter.

4 Mandatory conditions

Have the relevant responsible parties implemented plan provisions relating to mandatory conditions?

The Commission found that all Plan provisions required to give effect to mandatory conditions were implemented by DCCEEW-Water during the audit period.

DCCEEW-Water and WaterNSW have systems and processes in place to apply, manage and notify licence and approval holders of mandatory conditions, as relevant to their roles.

Mandatory conditions have been given effect on flood work approvals across the floodplain management plans.

4.1 Criterion background

Part 9 of the Plans set out provisions describing the mandatory conditions that flood work approvals must include. Mandatory conditions for flood work approvals relate to:

- general conditions imposed by the Plan, including requirements for the notification of breaches of approval conditions
- decommissioning of a flood work.

To be given effect, mandatory conditions rely on:

- relevant Plan provisions being recorded as mandatory conditions on flood work approvals
- flood work approval holders being notified of mandatory conditions so they are aware of their obligations.

The WLS is the system in which mandatory conditions are applied to flood work approvals. DCCEEW-Water is responsible for the development, application and management of mandatory conditions that are applied to flood work approvals. DCCEEW-Water develops and applies mandatory conditions via the WLS on a case by case basis for certain customers.²⁷ WaterNSW develops and applies mandatory conditions in WLS on a case by case basis for all other flood work approvals. Additionally, WaterNSW is responsible for notifying all water users of any changes to mandatory conditions across flood work approvals via a letter.

4.2 Compliance summary

The Commission tested mandatory conditions on four of the most recent flood work approvals across both Plans. This examined three audit questions related to the mandatory condition provisions in the Plans. The results of this analysis are shown in **Table 4**. The Commission found that all Plan provisions required to give effect to mandatory conditions

²⁷ DCCEEW-Water customers include NSW government agencies, local councils and the Commonwealth and any other Australia jurisdictions, state owned corporations, major water utilities, water supply authorities, and local water utilities, licensed network operators under the Water Industry Competition Act 2006, mining companies, irrigation corporations, Aboriginal communities and businesses, floodplain harvesting, major developments (state significant developments and state significant infrastructure), schools and hospitals.

were implemented during the audit period. Discussion of the findings are presented in the section below.

Table 4: Compliance summary for mandatory conditions provisions

Plan clause	Criterion 3 audit question	Border Rivers	Macquarie Valley
All Plans: Part 9	Are there procedures and systems in place to govern the development and application of mandatory conditions for water supply work approvals?	✓	✓
Border Rivers: cl 48 Macquarie Valley: cl 50	Did water supply work approvals sampled have mandatory conditions to give effect to the general conditions required?	✓	✓
Border Rivers: cl 49 Macquarie Valley: cl 51	Did water supply work approvals sampled have mandatory conditions to give effect to the water supply work decommissioning conditions required?	✓	✓

4.3 Discussion and findings

The Commission considers that procedures and systems in place by both DCCEEW-Water and WaterNSW support the development, application and management of mandatory conditions applied to flood work approvals across these Plans.

This audit did not reassess the notification process of flood works approval holders, noting that the DCCEEW-Water Standard Operating Procedures were in place as at June 2024 to support the notification process.²⁸ DCCEEW-Water has a target timeframe of eight months for notification of mandatory conditions after Plan commencement. The Commission supports the meeting or exceeding of this target timeframe, noting that mandatory conditions are not given effect until the flood works approval holder is notified in writing of the relevant applicable conditions.²⁹

The Commission found that all flood work approvals sampled had mandatory conditions applied to give effect to the general conditions and decommissioning conditions required by the Plans.

The Commission therefore makes no recommendations in relation to the implementation of mandatory conditions as part of this audit.

²⁸ NRC (2023). [Audit of the implementation of five inland groundwater water sharing plans](#), see recommendation 8.1.

²⁹ Sections 67(5) and 102(5) of the Act.

5 Amendments

Have the relevant responsible parties implemented plan provisions relating to Plan amendments?

The Commission found the implementation by DCCEEW-Water of amendment provisions in the Plans to be partially compliant during the audit period.

The Plans assessed in this audit did not include any mandatory amendment provisions. However, optional plan amendments have resulted in all the audited plans being updated since Plan commencement. The Commission found, across both Plans the plan provisions relating to amendments were partially given effect to.

DCCEEW-Water has indicated that it intends to use the Water Management Hub, 'the Hub', to register, process and track amendments to Plan provisions. To date, internal guidance materials and public facing documentation has not been updated to support the use of the Hub for floodplain management plans. The Commission supports the transition to the Hub to implement plan amendment provisions, and DCCEEW-Water updating its processes to enable its adoption.

5.1 Criterion background

Section 45(1) of the Act allows for floodplain management plans to be amended under four circumstances:

- where a water sharing plan provides for a future amendment
- if it is in the public interest to make an amendment
- to give effect to a relevant court decision, or
- to give effect to requirements of the *Water Act 2007* (Cth).

Part 10 of the Plans includes amendment provisions. While the Plans do not contain mandatory amendment provisions, they contain provisions that allow them to be amended for specified reasons (non-mandatory amendments). As such, the Commission has focused on non-mandatory amendment provisions and assessed if they have been given due consideration. DCCEEW- Water manages amendment provisions and updates floodplain management plans as required under the Act.

5.2 Compliance summary

The Commission examined three audit questions relevant to the amendment provisions in the Plans. The results of this analysis are shown in **Table 5**. This audit focused on amendments under section 45(1)(b) of the Act, which relates to the circumstances and matters for amendment that are identified in the Plans. The audit has not explicitly tested other circumstances that may permit an amendment as described in the Act, although there may be common systems and processes that were tested.

The Commission found the implementation by DCCEEW-Water of amendment provisions in the Plans to be partially compliant during the audit period. Findings and recommendations for the partial compliances identified in **Table 5** are presented in the sections below.

Table 5: Compliance summary for amendment provisions

Plan clause	Criterion 4 audit question	Border Rivers	Macquarie Valley
Part 10 of the Plans	Are there procedures and systems in place to govern the amendment process for these floodplain management plans?	~	~
Part 10 of the Plans	Were any mandatory amendments given effect?	NA ³⁰	NA ³⁰
Border Rivers: cl 51-59 Macquarie Valley: cl 53-61	Were optional in-plan amendments given effect?	~	~

5.3 Discussion and findings

5.3.1 Updates are required to internal and external amendment process documentation

The Plans contain provisions allowing them to be amended for specified reasons but do not include mandatory amendments.³¹ The Border Rivers Plan had two amendment orders in 2022 and 2024.³² The Macquarie Plan had one amendment order in 2024.³³ These were available as official records of plan amendments (amendment orders) published on the NSW Legislation website.

DCCEEW-Water provided evidence of its amendment register and the accompanying internal protocol document used to track and manage the amendments made to the Plans during the audit period. The Commission notes that the register in place:

- captures potential floodplain management plan amendments
- aims to classify risks posed by the enactment or non-enactment of the amendment
- prioritises amendments and identifies those requiring change prior to any Plan remake
- documents and tracks the progress of any amendments.

DCCEEW-Water provided evidence of an amendment procedure for floodplain management plans that complements the amendment register. This guidance document identifies the steps involved in identifying, tracking or progressing an amendment.

DCCEEW-Water advised it is their intention move away from the amendment register and adopt the Water Management Hub (the Hub) as the system to identify, monitor and track amendments, as consistent with the process used for water sharing plans. This would be supported by the DCCEEW-Water internal process guide and a public facing protocol.³⁴

Over successive audits, the Commission has observed continuous improvement of the Hub by DCCEEW-Water following its introduction in May 2023. Improvements include

³⁰ There were no mandatory amendments in the Plans.

³¹ The Plans contain provisions that state they may be amended for specified reasons (referred to in this report as 'optional' amendments).

³² [Floodplain Management Plan for the Border Rivers Valley Floodplain Amendment Order 2022 No 864;](#)
[Floodplain Management Plan \(Flood Enhancement Works\) Amendment Order 2024 No 218.](#)

³³ [Floodplain Management Plan \(Flood Enhancement Works\) Amendment Order 2024 No 218.](#)

³⁴ DPE (2022). [Water sharing plan amendment protocol.](#)

documentation of how both the Hub is used and the responsible parties involved in delivery of amendment stages, and improvements in information capture within the Hub. The Commission’s recent audit of groundwater plans highlighted further suggestions to improve the Hub including:

- clear identification of a contact email address that can be used by the public to notify DCCEEW-Water of a potential amendment provision to allow for changes to a plan that are within the public interest
- minor adjustments to the Hub system to accurately reflect amendments as they fall within the amendment stages (proposed amendments, amendments in progress, amendments enacted, and those that have been rejected)
- building ongoing awareness of the role of various DCCEEW-Water staff in raising amendments where these are identified, such as in the case of repealed or outdated Plan provisions.

To date, internal and public facing DCCEEW-Water amendments documentation that provides guidance on using the Hub for amendments has not been updated to reflect floodplain management plans. All guidance material currently refers to water sharing plans, with DCCEEW-Water advising that all system level documentation will be updated post May 2025. DCCEEW-Water also advised that the amendments that have occurred to date and listed on the legislation website were enacted prior to the introduction and adoption of the Hub for the tracking of amendments. DCCEEW-Water indicated that it is their intention to transfer these amendments to the Hub system post May 2025.

The Commission is supportive of the transition to the Hub for the implementation of amendment provisions for floodplain management plans. This includes the adoption of existing internal and external documentation to support staff and provide public transparency of implementation of Plan amendments. In light of these systems and processes not being in place at the time of the audit, the Commission makes one recommendation in relation to this finding.

Recommendation

R 4.1	DCCEEW-Water to implement updates to existing internal and public facing guidance documentation for the identification and tracking of amendments for floodplain management plans via the Hub.
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