

Our ref: V23/18#1

Your ref: D22/3609

Professor Hugh Durrant-Whyte
Commissioner
Natural Resources Commission
GPO BOX 5341
SYDNEY NSW 2001

Email: bryce.wilde@nrc.nsw.gov.au

24 February 2023

Subject: Response to the audit of the Upper Namoi Valley Floodplain Management Plan 2019 and Lower Namoi Valley Floodplain Management Plan 2020

Dear Professor Durrant-Whyte

Thank you for your letter of 20 January 2023 regarding the Natural Resources Commission's (NRC) audit of the implementation of the Upper Namoi Valley Floodplain Management Plan 2019 and Lower Namoi Valley Floodplain Management Plan 2020.

I note the report included positive findings in relation to processes to support plan implementation, assessment of flood work approvals in line with legislative requirements, work on performance monitoring of the plan and processes to capture possible plan amendments. It is also noted that there are several areas where further work is required.

The Department of Planning and the Environment (DPE) has considered each of these recommendations and suggested actions, in the attached tables. As you have identified in your report the department is progressing several areas of work which I believe will contribute to addressing matters identified within the audit. These are:

1. Finalisation of the Monitoring Evaluation and Reporting framework of the northern Murray Darling Basin including scoping the floodplain management plan monitoring and evaluation requirements. Funding support has been sought to assist with the implementation of this work.
2. Development of an Implementation Program for Floodplain Management Plans.
3. Requirement for hydraulic model updates to be implemented with WaterNSW on a regular ongoing basis.
4. Application of mandatory conditions to give effect to plan requirements.
5. Implementation of an amendments register and process to document proposed amendments and their consideration.

DPE Water also continues to work collaboratively with WaterNSW and with NRAR to ensure consideration and implementation of recommendations.

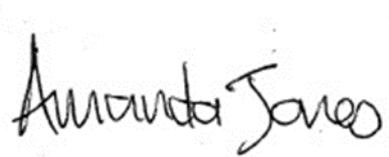
I understand that WaterNSW has either completed, or is in the process of completing, each recommendation relevant to their area of responsibility as follows:

- WaterNSW has already commenced work towards ensuring that all flood work approvals for WaterNSW customers are assigned to their floodplain management plan.
- Since the audit fieldwork was undertaken, WaterNSW has updated its assessment templates as well as completed training to ensure that approvals are not granted for flood works that do not meet the plan requirements.
- WaterNSW is continuing to invest in its digital capabilities to ensure that in the future it can capture where flood works span multiple management zones. Until this work is completed, WaterNSW will continue to ensure that assessments are undertaken against the requirements for each management zone.
- WaterNSW is committed to working with DPE Water to ensure that cumulative impact assessments are undertaken and made available to WaterNSW for assessing future flood work approvals.

A further separate response will be provided from WaterNSW.

The outcomes of this work, along with the Commission's audit and department's current review under Section 43 of the *Water Management Act 2000*, will inform the next steps in relation to this plan. If you require additional information or wish to discuss this matter further, please contact Daniel Connor, Director Health Floodplains Project Implementation at daniel.connore@dpie.nsw.gov.au

Yours sincerely,

A handwritten signature in black ink that reads "Amanda Jones". The signature is written in a cursive, slightly slanted style.

Amanda Jones

Acting Chief Executive Officer, NSW Water Sector

Attachment A – Recommendations and Response summary table

Table 1: Audit findings and recommendations relevant to DPE Water (Upper Namoi FMP/Lower Namoi FMP)

Findings	Recommendations	DPE Water comment
1.1 Planning has commenced to use the Performance indicators under Part 2 of the Upper and Lower Namoi Plans to measure the success of the strategies to reach the plans’ objectives. An environmental monitoring, reporting and evaluation plan has been developed and, although implementation of the monitoring program did not commence within the audit period, a range of evaluation activities have been planned for future years.	R 1.1 DPE-Water to continue to progress work to implement the monitoring and evaluation of performance indicators to measure the success of the strategies to reach the objectives of the Plans, as required under Part 2 of the Plans.	Agree. DPE Water will commence scoping an implementation program for Floodplain Management Plans in 23/24 FY. This program will include any plan MER requirements.
2.1 The Commission identified some converted flood work approvals in the Water Register for which there was no floodplain management plan listed, which may not allow appropriate management of these approvals. The Commission has also seen evidence of at least 12 current flood work approvals in the Water Licensing System with no floodplain management plan listed.	R 2.1.2 . DPE-Water to work with WaterNSW to put a process in place to resolve floodplain management plan gaps for flood work approvals in the approvals system and the Water Register for its customers in the Upper Namoi and Lower Namoi Plan areas.	Agree. Process works expected to be completed by July 2023.
2.5The hydraulic models for the Upper and Lower Namoi Plans have not been updated to reflect new flood works constructed since the plans commenced. These data are required to undertake cumulative impact assessments for new flood work applications in management zones AD and D, as required under Part 8 of the Upper Namoi Plan, and management zones AD, AID and D, as required under Part 8 of the Lower Namoi Plan.	R 2.5 DPE-Water to update the hydraulic models for the plans and implement an appropriate frequency or trigger-based schedule to update the models in the future.	Agree. DPE Water will work with WaterNSW to update the current data agreement by the end of FY22/23 to include a requirement to have 6 monthly meetings with the aim of scheduling in required model updates twice annually. This will apply to all hydraulic models used for FMP implementation.

<p>3.1 Flood work approvals do not consistently include all mandatory conditions required under Part 9 of the plans and approval holders have not been notified of all mandatory conditions.</p>	<p>R 3.1 DPE-Water to draft the mandatory conditions necessary to give effect to requirements of the plans, and code them into the relevant approvals system(s) to be applied to flood work approvals.</p>	<p>Agree. DPE Water has drafted the mandatory conditions that can currently be applied in bulk, and coded the conditions into the relevant system (WLS) in late 2022</p>
	<p>R3.2 DPE-Water to issue an instruction to WaterNSW to re-issue the statements of approval to existing approval holders inclusive of mandatory conditions, as required</p>	<p>Agree. While the mandatory conditions have been coded into the system, DPE Water cannot instruct WaterNSW to notify the approval holders as required until some issues regarding known system gaps (see 2.1) have been resolved. This is expected to be completed within 2 months of the issues being resolved.</p>