

15th September 2022



Natural Resources Commission
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DRAFT EVALUATION FRAMEWORK FOR NRC WATER SHARING REVIEWS

The National Parks Association of NSW (NPA) appreciates the opportunity to comment on the draft evaluation framework for NRC water sharing reviews

NPA's mission is to protect nature through community action. Our strengths include State-wide reach, deep local knowledge, evidence-based input to policy and planning processes, and over 65 years' commitment to advancing the NSW protected area network and its professional management. We also provide outstanding opportunities for experiencing and learning about nature through our unrivalled program of bushwalking, field surveys, bush regeneration and other outdoor activities.

To this regard the NPA believes it is important that the NSW Government protect and sustain healthy and resilient freshwater ecosystems and their associated biodiversity (flora and fauna). This requires actions to: i) protect and sustain healthy and resilient freshwater ecosystems and their associated biodiversity (flora and fauna) and that ii) Natural flows and flow regimes must be protected and managed so that riverine connectivity and associated floodplains remains healthy from the source to the sea (or from sources to naturally terminal wetlands).

Consistent with the above, the NPA believes the draft evaluation framework outlines an important process that underpins the management of our water resources. It would be improved if it recognised that:

- Water is a complex and messy issue to manage. Two opposite approaches are widely regarded as best practice for managing complex problems: complexity reduction and complexity absorption. These best management approaches could be better incorporated into the various parts of the framework.
- The NSW Government is committed to the NSW Program Evaluation Guidelines. The overall intent of evaluation across all Departments being continual improvement of program delivery. This means:
 - While there is a distinction in responsibilities in regard to water, DPIE and the NRC are partners in the evaluation process. DPIE needs to fulfill its obligations at the start of this relationship by ensuring that the outcomes in water sharing plans are precise, accurate and measurable so that NRC evaluations can be meaningful; and
 - As it is a continual improvement process with obligations under the guidelines for accountability and 'transparency', then when a NRC review make a recommendation about how a water plan's outcomes might be made more accountable/measurable in regard to 'material' improvements, then DPIE should make its response to such recommendations publicly available for scrutiny.

Such change will mean continual improvement is embedded into the process.

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Specific Comments

I. Water sharing plan reviews- purpose and objectives

The Commission has a role under Section 43A of the Act to report to the Minister responsible on the extent that the plan's water sharing provisions have materially contributed to the achievement of, or failure to achieve, environmental, social, and economic outcomes.

As water resources are complex systems, complex interventions are characterized by uncertainty or unpredictability. This means any intervention stated in the water sharing plan a plan often has interdependence with a large number of other actors/policies who themselves are also trying influence the system. This means after a plan is implemented there may be emergent outcomes created because there are the connections or relationships with other components of the system. Often these relationships are nonlinearity. Thus it may not be possible to directly correlate the specific outputs and inputs that have materially affected environmental, social, and economic outcomes. That is, all the components involved in water resource management can be a very 'messy' system to try to understand.

However the NSW Program Evaluation guidelines provides guidance to the NRC that it should apply best practice methodologies. Two opposite approaches are widely regarded as best practice for complex problems are: complexity reduction and complexity absorption.

- Traditionally, complexity reduction is seen as a prudent and appropriate evaluation approach. Consistent with the principle of reducing complexity the NPA believes, the NRC draft evaluation framework should make the following modifications:
 - The NRC must 'consider' any other relevant state-wide and regional government policies or agreements relevant to the plan area under Section 43A, Clause 4b of the Act. The NPA suggests that this part of the process be strengthened to specify that such considerations should include communicating to the Minister an assessment of the alignment, or lack thereof, between the water sharing plan and any other relevant state-wide and regional government policies or agreements. This would ultimately reduce the complexity and compounding influences between the water plan and the other actors/policies in that space.
 - The NRC has responsibilities for independent review of water sharing plans, but it is not responsible for plan development, implementation or replacement, operation of water systems, or individual licence monitoring or pricing. This means other agencies may affect the ability of the NRC to reach decision or recommendations: if the outcomes stated in a plan are not precise, accurate, or measurable then any analysis and resulting conclusion/assessment can be difficult. The NPA suggests that this part of the process be strengthened so that the NRC can fulfil its purpose. The NPA recommends that the Department of Planning and Environment (water) - who has a role in plan revision- be required to release a public document on how it has or has not responded to a request by the NRC to make a water sharing plan's outcomes more precise, accurate, and measurable outcomes. This recommendation also applies to the last paragraph in 'section 2.2 Review scope' in the draft framework. This change would make DPIE's role in the evaluation process consistent with the principle of transparency and open to scrutiny as stated within the NSW Program Evaluation Guidelines.
- The Government must acknowledge water managers and decision-makers face many challenges including high levels of uncertainty, limited knowledge and the inherent complexity that arises from the multiple interacting drivers when making a water sharing plan. The result being knowledge of water resource systems is never complete and models which form the basis of these plans are always merely simplifications of reality. The "system," even when referring to a single water body, is at best a legal or conceptual construct, but the behaviours and actions are co-created. This makes ensuring the partnership between plan developers and plan reviewers critically interactive and adaptive.

2: Scope and approach for review program

The draft framework states the NRC engages regularly with DPE-Water to understand any changes in relation to new plans, plan amendments, plan amalgamations, or plan replacements and how this affects our review scope. Consistent with the recommendations about part 1 (above), the NPA suggest this relationship go beyond the words 'engage' and 'understand' and include *'collaborate with each other to develop precise, accurate and measurable water sharing plan outcomes'*. This would make the DPIE component of this relationship consistent with the NSW Program Evaluation Guidelines.

The NRC typically completes the review within the last year or two of a plan's period. The NPA supports this general approach as it provides for adaptive management of water sharing plans.

The document states the NRC takes a risk-based approach to allocating resources to the plan reviews. Including 'likelihood and potential impacts of known risks'. The NPA brings to the NRC's attention that risk matrix frameworks consider severity/scale/extent of the impacts, not simply what the impacts are.

The NPA supports the NRC reviews have a focus on the principles, objects, licence priorities in the Act.

It is stated that the NRC does not have a role in the review or approval of the Water Sharing Plans. The NPA acknowledges/recognises there need to be distinction in organisational responsibilities within NSW. However the NPA notes the entire NSW Government has committed to NSW Program Evaluation Guidelines which state there is a desire to have: *'Well planned and executed evaluation provides evidence for improved program design, delivery, and outcomes'*, that evaluation should "always be undertaken with a view to informing decision making." and there is an "overall aim of evaluation is to inform decision making at all levels," This puts an obligation on DPIE to respond to the NRC recommendations about making water sharing plan outcomes more measurable and assessable, and to open this response to public scrutiny.

Section 2.4 The draft framework provides and outline of 'Indicative evaluation questions and lines of inquiry'. These questions and lines of inquiry are periodically reviewed and may vary depending on the type and geographic location of water sources found in the plan area. The approach to developing these indicative questions has been to disaggregate the environmental, social, and economic' elements of the review. As previously stated, (above) two opposite approaches widely regarded as best practice for complex problems are: complexity reduction and complexity absorption. The NPA recommends an additional set indicative questions might also be developed for 'complexity absorption'. That is, how can the community provide the NRC with evidence when environmental, social, and economic outcomes are combined?

Section 2.5.2 seems to suggest that the only legitimate water 'users' are extractive uses.

Section 2.6 need to be modified to recognise DPIE obligations under the NSW Program Evaluation Guidelines.

Conclusions

NPA can be contacted through [REDACTED]

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