

27 August 2025

Professor Hugh Durrant-Whyte
Commissioner
Natural Resources Commission
Level 6, Martin Place
Sydney NSW 2000

Via email: hugh.durrant-whyte@nrc.nsw.gov.au

Audit of the implementation of seven inland groundwater water sharing plans

Dear Professor Durrant-Whyte,

Thank you for your letter dated 26 June 2025 and the enclosed final report for assessing implementation of the seven inland groundwater water sharing plans (WSPs) as required by Section 44 of the *Water Management Act 2000* (Act). These plans cover the groundwater sources in the:

- Darling Alluvial Groundwater Sources 2020 (Darling Alluvial Plan)
- Namoi Alluvial Groundwater Sources Order 2020 (Namoi Alluvial Plan)
- NSW Border Rivers Alluvial Groundwater Sources 2020 (Border Rivers Plan)
- NSW Great Artesian Basin Groundwater Sources 2020 (GAB Plan)
- NSW Great Artesian Basin Shallow Groundwater Sources Order 2020 (GAB Shallow Plan)
- NSW Murray Darling Basin Fractured Rock Groundwater Sources Order 2020 (MDB Fractured Rock Plan)
- NSW Murray Darling Basin Porous Rock Groundwater Sources Order 2020 (MDB Porous Rock Plan).

As requested, WaterNSW has reviewed the report and is pleased to see the positive findings in the audit, however we note that the audit concluded overall that some of the provisions of the Plan have not been given full effect in accordance with the Act.

WaterNSW commits to actioning the assigned recommendations, including working with NSW Department of Climate Change, Energy, Climate Change and Water (DCCEE - Water Group) where possible. However, it should be noted that previous commitments to update naming conventions for dealings as part of the 2025-2030 roadmap for the Water Market System (WMS) have been de-scoped and will not be implemented in the near term due to ongoing funding constraints. Similarly, actions to address changes to WaterInsights

as noted in recommendation 5.3b would require a significant amount of development work which is unfunded. WaterNSW is not currently in a position to close out the associated recommendation but will maintain it as an open audit action until such time as funding is available.

If your team have any queries, I suggest they contact our Regulatory Compliance Specialist, Rebecca Reid (rebecca.reid@waterNSW.com.au).

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'AG', written over a faint circular stamp.

Andrew George
Chief Executive Officer

Table 1 WaterNSW response to audit findings and recommendations

No.	Findings	Recommendations
5.1	Maximum water account debit provisions had predominantly been applied in the Water Accounting System to the access licence categories as required by the Plans. However, instances were identified where annual use limits had not been applied in the Water Accounting System, or were inconsistent between licence categories or components of a licence category that have maximum water account debit provisions in the Plans.	WaterNSW to apply Annual Use Limits to existing licence categories that have maximum water account debit provisions in the Plans but do not currently have an Annual Use Limit applied in the Water Accounting System.
WaterNSW comment: WaterNSW can confirm that all audited groundwater sharing plans have been reviewed and account use limits corrections applied in the Water Accounting System (WAS) where required.		
5.2	Carryover provisions across licence categories had predominantly been applied as required by the Plans across the groundwater sources. However, isolated instances in the MDB Fractured Rock Plan and the GAB Plan were identified where this did not occur, and incorrect carryover limits had been applied for licence categories in the Water Accounting System.	WaterNSW to review and update configuration of carryover rules in the Water Accounting System to align with Plan provisions.
WaterNSW comment: WaterNSW can confirm that all audited groundwater sharing plans have been reviewed and carryover provisions have been updated in the Water Accounting System (WAS) where required.		

No.	Findings	Recommendations
5.3b	DCCEEW-Water advised that groundwater water licence holders can determine their eligibility to take water according to surface water flow class thresholds by viewing gauge data on the WaterNSW WaterInsights Portal for the relevant gauges specified in the Plans. It also advised that where flow class thresholds do not apply to licences, but rules are detailed in the Plan, licensees are to access additional information such as AWD announcements or 324 orders in related surface water plans. The Commission has identified instances where the surface water gauges in the related plans are not in place to monitor water levels that facilitate extraction by these groundwater users. The audit did not receive any evidence to enable the assessment of whether take was occurring according to the access rules specified by the Plans. DCCEEW-Water and WaterNSW have advised that changing the way information is presented in the WaterInsights Portal would require significant resourcing and would need to be managed against competing priorities. Providing clarity when water users can take water would be beneficial for groundwater systems where access rules are in place across NSW. It is important to take steps to progress this work, while considering other resource requirements.	R 5.3a DCCEEW-Water to build on the gauge data already available in the WaterInsights Portal and to consider other access rules where access of take does not cross reference gauge data to enable the implementation of the access rules identified in the Darling and Namoi Alluvial Plans. R 5.3b WaterNSW to develop a tool to clearly communicate to water licence holders when take of water is permitted following the completion of R 5.3a.
WaterNSW comment: To address R5.3a (and subsequently R5.3b) requires a significant amount of development work to be completed within WaterInsights – this is unfunded. WaterNSW is not currently in a position to close out R5.3b, but will consider it's prioritisation should funding be made available in the future.		
6.1b	Since 2023 and the Commission's last inland groundwater plans audit, WaterNSW have made notable improvements to their process guides and	R 6.1b WaterNSW to review process updates to:

No.	Findings	Recommendations
	assessment forms. The Commission tested samples from Plans with works approved after WaterNSW updated their processes. We found that while progress has been made, further improvements are required to demonstrate all Part 9 Plan requirements have been met. Further details are included in F 6.2 to F 6.6 .	• require assessing officers to provide explicit responses in assessment sheets to provide evidence of assessment and state compliance against all relevant Plan clauses including rules to minimise interference between water supply works, restrictions on water supply works near the high bank of a river and high priority groundwater dependent ecosystems. • rectify gaps identified in R 6.2b and R 6.3b and update any processes or procedures as required.
WaterNSW comment: WaterNSW has developed the groundwater dependent ecosystem (GDE) sub-process that will be used for any assessments completed by WaterNSW. An explicit response is now part of the assessment process.		
6.2b	This audit made findings consistent with previous audits, with multiple gaps in assessment of requirements regarding contamination. This includes the need for a process to support the assessment and documentation of compliance against the Plans' schedule part (c) requirement for assessment of contamination sources. DCCEEW-Water is addressing this issue. Once this process is in place, implementation is required by both agencies to meet plan requirements.	R 6.2a DCCEEW-Water to develop a process to support the assessment and documentation of compliance against the Plans' schedule requirement for assessment of contamination sources including <i>'any site that is or has been the subject of an activity listed in Table 1 of the contaminated land planning guidelines published under the Environmental Planning and Assessment Act 1979 from time to time.'</i> R 6.2b WaterNSW to assess and explicitly document compliance against the Plan's schedule requirement for assessment of contamination sources including: any site that has been declared to be significantly contaminated land under the <i>Contaminated Land Management Act 1997</i>; and upon the completion of R 6.2a, any sites <i>'that are or have been the subject of an activity listed in Table 1</i>

No.	Findings	Recommendations
		<i>of the contaminated land planning guidelines published under the Environmental Planning and Assessment Act 1979 from time to time’.</i>
WaterNSW comment: WaterNSW will implement the process developed by DCCEEW (Water) to consistently assess and explicitly document compliance against the Plans' schedule requirement for assessment of contamination sources, once actions to address 6.2a are completed. WaterNSW is also awaiting access to real time information to be provided by other agencies to enable full implementation of this recommendation.		
6.3b	While agencies carry out Aboriginal Heritage Information Management System (AHIMS) searches, there is no process to identify groundwater-dependent culturally significant areas. DCCEEW-Water has advised that they are progressing work to develop a process for identifying groundwater-dependent culturally significant areas. Once this process has been developed, both agencies should implement it to meet plan requirements.	R 6.3a DCCEEW-Water to continue developing a process to support the identification of groundwater-dependent culturally significant areas to enable assessments of potential impacts from proposed water supply works approvals. R 6.3b Upon completion of R 6.3a, WaterNSW to assess and document compliance with the provisions under Part 9 of the Plans for water supply works near groundwater-dependent culturally significant areas.
WaterNSW comments: As at 31 July 2025, the process to support the identification of groundwater-dependent culturally significant areas has not been developed. WaterNSW will implement the process developed by DCCEEW (Water) to support the identification of groundwater-dependent culturally significant areas once actions to address 6.3a are completed.		
7.1	The Water Licencing System (WLS) processes dealings and reports 710, 71P, 71R, 71S and 71W dealings as a bundle of dealing types. The Plans prohibit 710 dealings (conversion to a new licence category) and many of the Plans prohibit 71R (amendment of licence share component) dealings. The	R 7.1 WaterNSW to update the naming conventions for dealings under WMS to ensure dealing names and system reports accurately reflect dealings undertaken to demonstrate compliance and improve data quality.

No.	Findings	Recommendations
	Commission's sampling identified no prohibited dealing types, with most sampled trades 71W, and also 71S and 71P dealings. WaterNSW has identified that the bundled naming of dealings is a system limitation in WLS, and the only way to identify which dealing type was processed is to open and review each dealing's details. The bundling of dealings types could mask prohibited dealings. The Commission understands that WaterNSW's long-term intention is for dealings to be processed in a new system being developed under the Water Market System (WMS) program.	
WaterNSW comment: Some initiatives previously expected to be delivered as part of the WMS upgrades have now been de-scoped due to increased funding pressures. This work will not be progressed in the near term. WaterNSW will continue the workaround documented in finding 7.1 which identifies all the dealing types processed under a bundled dealing.		
7.2	The Commission determined that the Plan's and <i>Access Licence Dealing Principles Order 2004</i> (ALDPO) dealings provisions were largely complied with. One of the 71W samples did not include evidence of all documentation required to assess compliance with ALDPO clause 20(5). The Commission has found an instance where there is no evidence of compliance with Plan provisions. If the ALDPO clause has not been met, a dealing could have been approved which was prohibited. This could impact local groundwater levels or conditions and have environmental, economic or social impacts. Similar issues and recommendations have been identified in previous audits.	R 7.2 WaterNSW to update the assessment summary sheet structure and process for dealings to: • require assessing officers to provide explicit responses in assessment sheets for each relevant Plan and <i>Access Licence Dealings Principles Order 2004</i> clause • remove default positions on answers to promote active entry of answers by assessing officers.
WaterNSW comment:		

No.	Findings	Recommendations
	WaterNSW has completed the update to assessment summary sheets to be more explicit as to whether compliance with plan provisions are met or not. Default answers have been removed, and staff have received training on the changed requirements.	