



Department of
Primary Industries
Office of Water

2014 audit report of implementation of water sharing plans

Prepared for the period between 1 July 2009 and
30 June 2014

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Acknowledgments

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Acronyms and abbreviations

AWD	Available water determination
Basin Plan	Murray Darling Basin Plan developed under the Commonwealth Water Act (2007)
BLR	Basic Landholder Right
GAB	Great Artesian Basin Water Sharing Plan
GDE	Groundwater dependent ecosystem
LTAAEL	Long-term average annual extraction limit
NRC	Natural Resources Commission
the Minister	NSW Minister for Primary Industries
the Panel	Audit Panel appointed by the Minister for Water under s. 44 of the Water Management Act 2000
WMA	<i>Water Management Act 2000</i> (NSW)

Glossary

Water sharing plan term review refers to the Minister's decision to extend the existing plan or replace it with a new one at the end of its first 10 year term in line with CI 43A provisions of the Act.

Amend water sharing plan refers to changes made to the plan during its 10 year term. These changes may be provided for in the original plan provisions or made by the Minister under s.45(1)(a) of the Act

Executive summary

This report was drafted in 2014 and endorsed by an Audit Panel, appointed under section 44 of the Act, in the same year. It was published in 2018.

In the intervening time, the names of some organisations have changed (e.g. NSW Office of Water has become Department of Industry Water) and some panels or groups have ceased operation (e.g. State Interagency Panel on Water Sharing).

Regardless, the report is being published without modification to ensure transparency and historical correctness.

In mid 2009, the Minister for Water appointed an Audit Panel (the panel) under section 44 of the *Water Management Act 2000* (NSW) (WMA) to audit the implementation of water sharing plans at intervals of not more than five years. This report details the panel's audit of the five water sharing plans that commenced in 2009 (five yearly audit) and five water sharing plans that commenced in 2006 (eight yearly audit). Plans audited are the:

- *Water Sharing Plan for the Lower Gwydir Groundwater Source 2003* (hereafter Lower Gwydir water sharing plan)
- *Water Sharing Plan for the Lower Macquarie Groundwater Sources 2003* (hereafter Lower Macquarie water sharing plan)
- *Water Sharing Plan for the Lower Murray Groundwater Source 2003* (hereafter Lower Murray water sharing plan)
- *Water Sharing Plan for the Lower Murrumbidgee Groundwater Sources 2003* (hereafter Lower Murrumbidgee water sharing plan)
- *Water Sharing Plan for the Upper and Lower Namoi Groundwater Sources 2003* (hereafter Upper and Lower Namoi water sharing plan)
- *Water Sharing Plan for the NSW Border Rivers Regulated Water Source 2009* (hereafter NSW Border Rivers water sharing plan)
- *Water Sharing Plan for the Central Coast Unregulated Water Sources 2009* (hereafter Central Coast water sharing plan)
- *Water Sharing Plan for the Coffs Harbour Area Unregulated and Alluvial Water Sources 2009* (hereafter Coffs Coast water sharing plan)
- *Water Sharing Plan for the Hunter Unregulated and Alluvial Water Sources 2009* (hereafter Hunter Unreg and Alluvial water sharing plan)
- *Water Sharing Plan for the Lower North Coast Unregulated and Alluvial Water Sources 2009* (hereafter Lower North Coast water sharing plan)

In accordance with the WMA and the panel's terms of reference, the audit focussed on whether the water sharing plans' provisions were implemented, either from their commencement in 2009 until 30 June 2014 for the regulated and unregulated and alluvial plans, or for the three years since the last audit for the groundwater plans. It did not focus on the effectiveness of the plans' as this will be considered at the end of the plans' 10 year term.

The Office of Water, under the direction of the panel, has prepared this report to the Minister.

Section 1 of the report outlines the audit's scope and the methodology used by the panel to assess and highlight differences in implementation activity across the plans.

Section 2 summarises the panel's findings. Differences in implementation activity across the two water plan types (coastal unregulated river and alluvial groundwater, and inland groundwater) and within plans are discussed.

The panel's main findings are listed below.

Inland groundwater plans

- The majority of the groundwater plans have been satisfactorily implemented. A number of issues have been identified, including a limited number of licences missing some mandatory conditions, and issues of interpretation which need to be resolved between Water NSW and the Office of Water.
- Monitoring of water extractions to assess compliance with extraction limits was undertaken annually for each groundwater source covered by the groundwater plans, and have identified a number of years where usage has exceeded the annual limit but not the LTAAEL. Consideration will need to be given to whether a growth in use response is required as per the plan rules in some of these areas.
- Alternative methods for assessing interference impacts have been developed. These methods do not comply with plan requirements. Consideration should be given to amending the plan to recognise these methods

Regulated river plan

- The majority of the Border Rivers water sharing plan has been satisfactorily implemented. A number of issues have been identified, including a number of licences not having mandatory conditions as required by the plan, and interpretation issues to do with storage operation and water accounting rules, which require resolution with Water NSW.
- Conversion factors have not been established, and this means that a number of water trading rules cannot be used. Both the ACCC and MDBA have raised issues with the potential for third party impacts associated with conversions. The plan may will be amended to remove conversion factors.

Coastal unregulated river and alluvial groundwater plans

- The majority of provisions of the unregulated plans have not been satisfactorily implemented. There are two major reasons for this:
 - With the exception of major utilities, mandatory conditions have not been issued for water access licences and water supply work approvals within the unregulated water sharing plan areas. This has since been rectified in the Coffs Coast water sharing plan area, but licences in the Central Coast, Hunter and Lower North Coast plan areas remained without mandatory conditions at the time of publication of this report.
 - the absence of meters and water use information, which impacted upon the implementation of daily flow sharing provisions, account management and temporary trading.
- The lack of a numerical specification for the Long Term Average Annual Extraction Limit has also been found to be impacting on trading rules.

Section 3 outlines the additional measures identified by the panel that are required to give effect to the current plans and lessons for future water sharing plans.

Key measures identified across all plans are:

- Undertake a review of existing licence conditions to continue to identify mandatory condition anomalies, and update conditions to reflect this. It is recognised that this work

will need to fit in with existing priority and workload requirements within the Water Regulation function of the Office of Water.

- Finalise the guidelines for take and use of water under domestic and stock rights, which specify the volume of water considered to be reasonable to extract under basic landholder rights. Update BLR figures when plans are reviewed or replaced to reflect estimates made using the refined methodology.

Key measures identified for the groundwater plans are:

- Continue to review usage figures against the LTAAEL, to see if the growth in use strategy defined in the plan is required.
- Review licensing processes to ensure that they align with plan requirements for bore applications to limit interference between neighbouring bores, groundwater dependent ecosystems and Aboriginal cultural heritage values. Where alternate management practices have been identified to manage distance issues, consider amending the plan to include these additional strategies, and removal of plan rules which they replace.
- Continue to resolve interpretation issues with Water NSW for account management provisions, and reflect improved arrangements within appropriate agreements.
- Consider the results of new or updated approaches to the identification of GDEs during the life of the plans to ensure they include the best available information.

Key measures identified for the regulated plan

- Continue to resolve interpretation issues with Water NSW for transparency releases and stimulus flow releases, and reflect improved arrangements through amendments to the Pindari Dam work approval and if necessary amend plan to reflect accounting arrangements.
- Consideration of the need to establish channel capacity management rules.
- Ongoing review and refinement of protocols to manage rates of change for releases from the storages.

Key measures identified for the coastal unregulated and alluvial plan are:

- Issuing mandatory conditions on all licences and work approvals
- Resolution of water metering requirements
- Calculation of a numerical specification for the Long Term Average Annual Extraction Limit

Key measures identified for future water sharing plans focus on realistically anticipating the information and resources that will be available to support implementation of plan rules at the planning stage.

Section 4 sets out the next steps for improving implementation of the water sharing plans following submission of the audit report to the Minister. These include:

- Translating the additional measures identified by the panel, and adopted by the Minister, into tangible actions. It is acknowledged that this will be the responsibility of the Office of Water. The panel requests that the State Interagency Panel on Water Sharing be kept informed of progress.
- Attracting funding via the Independent Pricing and Regulatory Tribunal (IPART) process for the introduction of water use measurement in the Bellinger water sharing plan area.

The Act also requires that the Minister consider the most recent audit of plans (conducted under s 44 of the WMA) and a report from the Natural Resources Commission (NRC) on the contribution of the water sharing plans to the achievement of the relevant state-wide natural resource management standards and targets in the relevant catchment action plans together with any recommended plan changes when deciding whether to review or replace an existing plan.

1. Introduction

Section 44 of the WMA requires that management plans (including water sharing plans) be audited at intervals of not more than five years in order to ascertain whether their provisions are being given effect to. The Minister is required to have regard to the results of the most recent audit conducted under this section when setting terms of reference for the preparation of a management plan to replace an existing water management plan.

To this end, the Minister appointed a panel in 2009 to review the implementation of water sharing plans (see Attachment A for a list of members and terms of reference).

1.1 Scope of the audit

The 2014 audit covered the first audit of the five water sharing plans that commenced in 2009 and considered the degree to which their provisions had been implemented during the five years since their commencement. The audit also covered the second audit of the five water sharing plans which commenced in 2006, and considered the degree to which their provisions had been implemented during the three years since the first audit was conducted for these plans. All ten plans were audited up to June 2014. The plans, their type, and the audit period are summarised in Table 1.

Table 1 Water sharing plans covered by the 2014 audit of implementation

Plan area	Audit period	Plan type
NSW Border Rivers	2009-2014 (First audit)	Regulated River
Coffs Coast	2009-2014 (First audit)	Unregulated and Alluvial
Lower North Coast	2009-2014 (First audit)	Unregulated and Alluvial
Hunter	2009-2014 (First audit)	Unregulated and Alluvial
Central Coast	2009-2014 (First audit)	Unregulated
Lower Murrumbidgee	2011-2014 (Second audit)	Alluvial Groundwater
Lower Gwydir	2011-2014 (Second audit)	Alluvial Groundwater
Lower Macquarie	2011-2014 (Second audit)	Alluvial Groundwater and Sandstone (part of GAB)
Lower Murray	2011-2014 (Second audit)	Alluvial Groundwater
Upper and Lower Namoi	2011-2014 (Second audit)	Alluvial Groundwater

1.2 Methodology

The audit of implementation of each water sharing plan relied on analysis conducted by the Office of Water for the consideration of the panel. This analysis was summarised and classified the degree of implementation of water sharing plan provisions (not required, implemented, sometimes implemented, or not implemented).

In accordance with the requirements of the WMA and the panel's terms of reference, the focus of this audit was on the implementation of the provisions in the plans. There was no attempt to assess the outcomes or effectiveness of the plans in achieving their objectives.

The focus on implementation of water sharing plan provisions also means that the analysis did not summarise all of the water management activities that the NSW Government is involved in. Activities that complement the implementation of the plans or are undertaken to fulfil NSW

requirements under the National Water Initiative, State Plan or other drivers were not reported on.

In past audits, the total number and percentages of implemented clauses were totalled up and used as a measure of success of the plan implementation. This method has not been used in this audit. The level of complexity involved in the introduction of any clause differs, and the relative importance of each clause varies. In addition, many of the clauses, considered individually, may have been achieved, but the failure to implement one key clause may mean that an overall plan rule has not been satisfactorily implemented. As an example, in unregulated systems where cease to pump conditions are specified within a water source, the necessary gauging stations may have been installed, and Available Water Determinations made as required under the plan, however the cease to pump rules as a whole have not been satisfactorily implemented, as legally enforceable conditions have not been placed on licences.

The approach taken in this audit has involved a review of the processes undertaken within the agency (or regulated by the agency, where Water NSW is required to undertake activities under licence conditions or work approvals) which contribute to the achievement of the plan. This has been achieved through extensive discussions with various parts of the Office of Water, with Water NSW, as well as review of a sample of licence conditions and implementation documentation, to determine if processes are in place and are working.

Following this assessment, the plan clauses have been considered for their relative contribution to an overall plan strategy or target (such as the successful implementation of Cease to Pump rules) to obtain an overview of the level of success of the implementation of each of the plan strategies.

The varying complexity and structure of the individual plan rules meant that a particular implementation activity may not have been required in all plans or in all years. For example, all five of the groundwater plans include provisions to make changes to share components, however, the requirement to cancel supplementary water access licences are not required until after 1 July 2018, so these clauses have not yet been required.

The panel did not have the capacity to independently verify the Office of Water documentation and assessment of water sharing plan implementation in detail. Instead, they drew upon their knowledge of particular plans and/or areas to intuitively assess the accuracy of Office of Water documentation of water sharing plan implementation. This was supplemented via consultation on Office of Water work within each of the panel member's organisations. Where required, the original audit material was modified to take into account feedback from this consultation.

The panel then reviewed the audit material to:

- identify patterns of implementation activities across plan types and types of water sharing plan provisions
- identify actions needed to address instances of partial and non-implementation
- develop broad recommendations for improving the implementation of existing plans and the robustness of new plans
- identify opportunities for linking the audit findings with other related processes, namely the Commonwealth Murray-Darling Basin Plan and review of the Local Land Services' catchment action plan targets.

The panel gave greatest consideration to provisions that were not implemented when required or only partially implemented. This focus is reflected in the discussions throughout this report. It should be noted, however, that the panel acknowledges the significant improvement in water management arrangements and implementation of water sharing plan rules that has occurred since the first plans were gazetted.

2. Findings

2.1 Patterns of implementation across water sharing plans

Implementation differed across the three plan types (regulated river, inland groundwater, and coastal unregulated river and alluvial groundwater plans). On the whole, implementation activities have been successfully carried out for the regulated and groundwater plans audited, with generally only isolated instances where implementation activities have been overlooked or not fully completed. In the regulated system, a number of instances exist where Water NSW and the Office of Water have different views on what constitutes successful implementation. These issues mainly relate to level of service criteria, which Water NSW have introduced, but are not reflected within the plan. However the implementation of the unregulated and alluvial coastal plans has been more problematic. This is mainly due to the absence of water use metering and the lack of mandatory licence and work approval conditions. A number of anomalies were also noted in the account management rules in both the regulated and groundwater plans. Errors that were observed in the groundwater plans included some accounts taking more water than was permitted, holding more water than was permitted or carrying over more water than was permitted. The Office of Water is working with Water NSW to fix the water accounting systems database to correct difficulties in correctly applying water account balances following permanent trades that occur in the middle of the water year.

The panel also noted the absence of a numerical specification of the Long Term Average Annual Extraction Limit (LTAAEL) as an impediment to the implementation of a number of plan clauses, in both the regulated and unregulated plans audited.

It should be noted that the types of plans vary significantly in rule type and complexity. The regulated system contains a large number of clauses governing the operation of the water storage, both to supply users, provide for environmental requirements, and to maintain safe operation of the structures. The groundwater systems contain large numbers of clauses controlling the distance between bores and surrounding bores and environmental features, to minimise interference effects. While the rules for each water source in unregulated plans are generally simpler than those for groundwater and regulated systems, the unregulated macro plan approach, where a number of water sources are addressed within a single plan, the complexity of the plans is increased through the need to provide appropriate rules in differing water sources. A number of the unregulated plans also include rules to manage alluvial groundwater, and so have many of the distance rules prescribed in groundwater plans. Consequently, the unregulated and alluvial plans contain the most provisions which needed to be audited, even though each water source within these are generally not as complex as the rules required for the regulated or inland groundwater systems.

2.2 Patterns of implementation within plans

Inland groundwater

The audit found that the majority of provisions in the inland plans have either been satisfactorily implemented or have not been required. Issues identified by this audit include:

- One outstanding Water Act Licence in the Murrumbidgee groundwater source which has not been converted to a Water Management Act licence. The outstanding licence is for the purpose of groundwater level control to prevent land salinisation within the Murrumbidgee Irrigation Area, and does not fit easily into any of the categories of licence allowed for within the plan. An additional special purpose licence category has been established under the regulations to allow the issuing of this licence.
- Annual extraction has exceeded the annual limit in the Upper and Lower Namoi and in the Lower Gwydir but not the long term annual average extraction limit. These

exceedances have not yet triggered a reduction in AWDs within the rules of the plan, but this may be required in some zones of the Namoi within the next year.

- A number of account management issues have occurred across the plan areas. These issues involve accounts falling below zero (overdraw), or maximum balances or carryover provisions being exceeded. These issues are dealt with on a day to day basis by Water NSW, with significant compliance issues reported to the Office of Water. NSW Water arrangements for managing compliance with the account management rules in the plan need to be the subject of ongoing review by the Office of Water.
- Distance conditions specified in the plan are not always adhered to as it is sometimes difficult to locate bores in locations which satisfy the distance requirements, particularly in areas with small land holdings. The plan allows for this, but requires a remediation condition be placed on licences. A 2010 review identified 170 licences which did not meet the distance criteria. The Office of Water is aiming to amend these licences prior to plan remake to include the additional criteria.
- A requirement for a water quality baseline level for electrical conductivity to be established in the Macquarie plan has not been completed by year 6 as required by the plan. A process is currently underway to improve the data network and collect the necessary information to establish this baseline.
- Rules requiring setback of bores from groundwater dependent ecosystems (primarily rivers and creeks) in the Lower Gwydir and the shallow groundwater source in the Lower Murrumbidgee may not always be complied with. Water Act licences did not define accurate location information for works. On conversion, a Geographic Information System program was used to estimate the location of these works, however the exact location within a property is not defined. As a result, a number of licences may be located closer to GDEs than the plan allows. The Office of Water is continuing to update the locational information as part of any licencing activity.
- While the audit found that the majority of licences had mandatory conditions as specified in the plan, a small number of licences reviewed in a random audit were found to be missing a number of conditions. Water Regulation have been made aware of these anomalies, and a wider review may be required to identify if these are isolated errors or part of a larger problem.
- Two mandatory conditions have been identified in the plans which have not been placed on any licences or work approvals. One of these conditions defines the assessment responsibility for identifying if local impact rules are required. No local impact areas have been defined during the audit period, however the need for this condition should be reconsidered at plan remake. The second mandatory condition which has not been included on licences is a requirement in the Lower Macquarie for the referral of all new applications to the NSW Aboriginal Land Council for an assessment of impacts. While not included as a mandatory condition, this action is undertaken as part of the Water Licencing standard assessment processes, so the condition is not considered to be required.

Regulated River

The Audit shows that the majority of provisions in the Border Rivers Regulated plan have been satisfactorily implemented or were not required during the term of the audit. Issues identified with the implementation of the plan include:

- Transparency release rules from Pindari Dam for environmental purposes were not complied with on a number of occasions. During the first year of the plan, there was no

formal arrangement with Water NSW requiring these releases, and so the rules in the plan were not always complied with. In November 2010, requirements for the releases were included in the work approval which Water NSW hold for Pindari Dam. Since then there have been minor issues with interpretation of the work approval between the Office of Water and Water NSW which require resolution. This may involve the definition of criteria for success.

- One licence was converted to the WMA as a General Security licence, a category which does not exist in the plan. As a result, an AWD was made for this category of licence in 2009-2010 and 2011-2012 water years. This problem has been resolved, with the licence reissued to the correct category.
- The plan requires the establishment of conversion factors to allow a number of the transfer/trading rules to operate. These conversion factors have not been established. Both the ACCC and the MDBA have expressed concerns regarding conversion of licences and the third party issues which may occur as a result. Office of Water will amend the plan to remove references to conversion factors in line with MDB Plan requirements.
- The Plan allows for the nomination of interstate works to transfer allocation (tagged temporary trade). This was not available in the first 2 years of the plan as licencing procedures to enable these clauses were not in place. With the introduction of these procedures, tagged temporary trade has been occurring as per plan requirements.
- While the audit found that the majority of mandatory conditions have been applied to licences and water supply works, one of the conditions is inconsistent with the plan, and the other, relating to data provision requirements for water supply works extracting water in Queensland, has not been placed on these licences.
- Rules relating to the determination of channel capacity protocols have not been implemented.
- Rules relating to the rates of change to storage releases were not implemented in the first three years of the plan. Since then, a draft protocol has been established and has been trialled. Further work is required to fully implement these rules, including finalising the protocol and changing the wording of the condition in the water supply work approval for Pindari Dam from protocol development to operate in accordance with the protocol.

Coastal unregulated river and alluvial groundwater

The audit has found that significant parts of the coastal unregulated and alluvial plans were not implemented, or only partially implemented. There are three primary reasons for this non or partial implementation. In all of the coastal unregulated and alluvial plan areas audited, a lack of metering, a failure to place mandatory licence conditions on licences or work approvals, and difficulties in determining an exact figure for the Long Term Average Extraction Limit have limited the effective implementation of these plans. These problems have impacted on the establishment of flow classes, protection of environmental water, assessment and compliance of the Long Term Average Annual Extraction Limit, Daily Flow Sharing, and compliance with mandatory conditions.

Mandatory conditions prescribe rules as to how or when a work approval or access licence can or cannot operate. The plans were amended in 2013 so that its water access rules could be specified as a condition on the water supply work approval and not the water access licence, which is the current approach for water sharing plans. Within the audit period, mandatory conditions were not issued for licences in the unregulated and alluvial plan areas, with the exception of Major Utility licences for town water supply and power generation in the Hunter.

The absence of water use measurement in these plan areas prevented water allocation account management in the unregulated and alluvial water sharing plan areas. A number of anomalies were also noted in the account management rules in both the regulated and groundwater plans.

The audit found that the unregulated and alluvial water sharing plans do not include a numerical definition of the LTAAEL. This has limited the implementation of a number of water trading rules which specify limits on volumes of entitlement within water sources or zones. These trade rules have been implemented as a “no trade” rule.

3. Additional measures to give effect to the water sharing plans

3.1 Water sharing plans covered by the audit

Where there was less than full implementation of plan provisions, the panel identified a number of additional measures that may be required to address this. All actions are to be carried out by the Office of Water.

For all plans, the panel recommended the following:

- Finalise the guidelines for take and use of water under domestic and stock rights, which specify the volume of water considered to be reasonable to extract under basic landholder rights. Update BLR figures when plans are reviewed or replaced to reflect estimates made using the refined methodology.
- Undertake a review of existing licence conditions to continue to identify mandatory condition anomalies, and update conditions to reflect this. It is recognised that this work will need to fit in with existing priority and workload requirements within the Water Regulation function of the Office of Water.

For the inland groundwater water sharing plans audited, the panel recommended the following:

- Continue to review usage figures against the LTAAEL, to see if the growth in use strategy defined in the plan is required.
- Review licensing processes to ensure that they align with plan requirements for bore applications to limit interference between neighbouring bores, groundwater dependent ecosystems and Aboriginal cultural heritage values. Interference management restricted areas. Where alternate management practices have been identified to manage distance issues, consider amending the plan to include these additional strategies, and removal of conditions which they replace.
- Continue to resolve interpretation issues with Water NSW for account management provisions, and reflect improved arrangements within appropriate agreements.
- Continue state-wide identification and mapping of potential groundwater dependent terrestrial vegetation and provide guidance for future investigations.

For the Border Rivers Regulated water sharing plan, the panel recommended the following:

- Continue to resolve interpretation issues with Water NSW for transparency releases and stimulus flow releases, and reflect improved arrangements through amendments to the Pindari Dam work approval and if necessary amend plan to reflect accounting arrangements.
- Consideration of the need to establish channel capacity management rules.
- Ongoing review and refinement of protocols to manage rates of change for releases from the storages.

For the coastal unregulated river and alluvial groundwater water sharing plan, the key recommendations include:

- Ensuring mandatory conditions are included on access licences and work approvals as a matter of priority.

- Attracting funds and introducing water use measurement, or alternatively, identification for alternative methods for estimating usage.
- Identify and specify a numerical expression of the Long Term Average Annual Extraction Limit.
- Enabling other provisions, such as establishing and managing water accounts, full dealing rules and mandatory conditions once water use information is available.

Of these recommendations, the inclusion of mandatory conditions and the introduction of water use measurement are seen as the most important actions required to improve the implementation of unregulated and alluvial plans, as these issues have been identified as the primary reasons for non implementation across a number of plan areas.

3.2 Lessons for future plans

Experiences in implementation of these water sharing plans should inform future plans developed under the Act where relevant. Key lessons for future plans include:

- Review processes for licence conversion at commencement of new plans to ensure licence categories are correctly carried across to the WMA and consider implementing an ongoing process that will identify if licences have been incorrectly converted at the time of plan commencement
- Provisions should be cost effective and practical to implement.

4. Next steps

The panel acknowledges that a separate process will be required for translating the additional measures identified in this report and adopted by the Minister into tangible actions. This process will necessarily involve analysis of the implications of the additional measures identified by the panel, in terms of practicality, urgency, information availability, resources required to support the measures, community expectations, and synergies with other planning processes, particularly the Commonwealth's Murray-Darling Basin Plan.

Some consultation will be required for a number of the additional measures identified by the panel. The nature and extent of any consultation undertaken should be explicitly considered in the strategy adopted to progress the measures.

The panel requests that the Office of Water reports to the State Interagency Panel on its progress analysing and developing the additional measures identified in this report. It is suggested that each time the audit process is commenced for water sharing plans the Office will report to the State Interagency Panel on the progress of outcomes from previous audits.

The Act requires that when deciding whether to extend or replace an existing plan, the Minister consider:

- the most recent audit of water sharing plans conducted under s.44 when reviewing or renewing a plan
- a report from the NRC prepared within the previous five years, on the extent to which the water sharing provisions have materially contributed to the achievement, or the failure to achieve, the State priorities for local land services that relate to natural resource management, and whether any changes to the plan are warranted.

Attachment A: Terms of reference and membership of the 2011 s. 44 Panel

Section 44 Audit Panel Terms of Reference

The Terms of Reference for the Water Sharing Plan Audit Panel established under section 44 of the WMA are as follows:

- Review audit reports prepared by Office of Water
- Advise on appropriateness of the assessments made by the Office of Water in these reports
- Identify any additional measures required to give effect to the water sharing plans.

The audit reports that will be prepared by the Office of Water will be based on periodic reviews of the implementation programs, developed for all of the water sharing plans, which commenced in July 2004 and subject to this audit. These implementation programs detail management targets that will deliver the outcomes of the plans and identify strategies Office of Water will adopt to ensure the requirements established in the plans will be achieved during their term.

Timeframes

The following indicative time frames will apply:

Jan	Office of Water commence preparation of report for panel
End March	Audit report provided to panel for consideration
End June	Panel report to the Minister for Water on its deliberations

Membership

Membership of the panel will reflect that of the State Interagency Panel for Water Sharing:

- Mr Robert O'Neill, Office of Water (Chair)
- Ms Althea Kannane, Office of Environment and Heritage
- Dr Tracey MacDonald, Department of Primary Industries
- Ms Sarah Fairfull, Department of Primary Industries
- Mr Mathew Davidson, Local Land Services (inland)
- Mr Brett Miners, Local Land Services (coastal)

A representative from the Natural Resources Commission will be invited to participate in the Audit process as an observer.

The Office of Water will provide an Executive Officer to support the panel.

Decision making

The preferred decision making process will be by consensus. In the event that consensus cannot be achieved, a minority report may be provided where appropriate.

Reporting

The panel will report directly to the Minister for Primary Industries.