

Proposed changes to water sharing plan arrangements in the *Upper Namoi and Lower Namoi Regulated River Water Sources*

Water sharing plans are made under the NSW *Water Management Act 2000 (WM Act 2000)*, and continue to be the primary tool to define water sharing arrangements in NSW. The water sharing plans (WSP) are therefore a central component of each water resource plan (WRP), and are being changed to meet the Murray-Darling Basin Plan (Basin Plan) requirements where necessary.

This fact sheet explains the proposed changes to the water sharing arrangements currently in the *Water Sharing Plan for the Upper Namoi and Lower Namoi Regulated River Water Sources 2016*. As part of the water resource plan finalisation process, this water sharing plan will be repealed under section 45A of the Act, and replaced with a new *Water Sharing Plan for the Upper Namoi and Lower Namoi Regulated Rivers Water Sources 2020*. The draft of this 2020 plan is on public exhibition.

As a result of this date change, the formal review for the *Water Sharing Plan for the Upper Namoi and Lower Namoi Regulated Rivers Water Source 2020* will occur prior to 2030. Although the formal review of the water sharing plan will be delayed, amendments can be made to the plan between now and 2030. Amendments can be made:

- if the plan provides for these
- if the Minister is satisfied it is in the public interest to do so; or
- because of requirements arising under the Commonwealth *Water Act 2007*.

Why we propose making the changes

The *Water Sharing Plan for the Upper Namoi and Lower Namoi Regulated River Water Sources* was rolled over in 2016 with minimal change. Changes to the water sharing plan have been considered as part of the development of the Namoi WRP to meet requirements of Chapter 10 of the *Basin Plan 2012*. These proposed amendments aim to provide better outcomes for water licence holders and the environment.

The proposed changes have been developed in consultation with the Namoi and Peel Stakeholder Advisory Panel (SAP). The SAP includes representatives from key stakeholder groups and relevant NSW and Commonwealth government agencies.

The NSW Department of Planning, Industry and Environment is seeking specific comment on the proposed changes to the water sharing rules.

Changes to align with the Basin Plan

Water Sharing Plan and the Water Resource Plan areas

As part of developing the WRP, alignment between each WRP and the associated WSPs is proposed as follows:

- WSPs for groundwater and surface water will be separate
- the unregulated rivers of the Namoi and Peel will be combined into a single plan; and
- the regulated river WSPs for both the Namoi and Peel will be remade, commencing on 1 July 2020.

Table 1 summarises the current WSPs and proposed WSPs within the Namoi WRP area.

Table 1: Current and proposed Water Sharing Plans within the Namoi WRP Area.

Current Water Sharing Plans	Proposed Water Sharing Plans	Comment
<i>Water Sharing Plan for the Upper Namoi and Lower Namoi Regulated River Water Sources 2016</i>	<i>Water Sharing Plan for the Upper Namoi and Lower Namoi Regulated Rivers Water Source 2020</i>	The name of the WSP and the water sources covered by this plan are unchanged. The water sharing plan is being remade with a commencement date of 2020.
<i>Water Sharing Plan for the Namoi Unregulated and Alluvial Water Sources 2012</i>	<i>Water Sharing Plan for the Namoi and Peel Unregulated Rivers Water Sources 2012</i> <i>Water Sharing Plan for the Namoi Alluvial Groundwater Sources 2020</i>	Unregulated river surface water sources from the <i>Water Sharing Plan for the Peel Valley Regulated, Unregulated, Alluvium and Fractured Rock Water Sources 2010</i> have been added to the Namoi unregulated river WSP. The alluvial water sources have been moved, and will be included in a WSP covering all alluvial water sources of the Namoi and Peels valleys.
<i>Water Sharing Plan for the Peel Valley Regulated, Unregulated, Alluvium and Fractured Rock Water Sources 2010</i>	<i>Water Sharing Plan for the Peel Regulated River Water Source 2020</i> <i>Water Sharing Plan for the Namoi and Peel Unregulated Rivers Water Sources 2012</i> <i>Water Sharing Plan for the Namoi Alluvial Groundwater Sources 2020</i> <i>Water Sharing Plan for the NSW Murray Darling Basin Fractured Rock Groundwater Sources 2020</i>	The Peel unregulated surface water sources and the alluvium and fractured rock groundwater sources have been moved to other water sharing plans. The new stand-alone WSP for the Peel regulated will commence on July 1 2020.

Compliance with Basin Plan sustainable diversion limits

Changes have been made to incorporate an additional assessment and compliance framework that relates directly to the Basin Plan (Division 2 of Part 4 of Chapter 6 of the Basin Plan). A second extraction limit is established that is equal to the sustainable diversion limit (SDL) specified in the Basin Plan. The Murray–Darling Basin Authority has released the [Sustainable Diversion Limit Reporting and Compliance Framework](#).

Changes to water sharing rules

Increase the maximum volume that may be held in a general security water allocation account in the Upper Namoi regulated river water source

The NSW Department of Planning, Industry and Environment is proposing to increase the maximum allocation that may be held in a water allocation account at any time from 1.0 ML per unit of share of entitlement to 1.5 ML per unit of share of entitlement in the Upper Namoi. This change will provide slightly better reliability to the water users in the Upper Namoi water source and will have no noticeable impact on other water users or the environment.

Supplementary flow access rule

When the water sharing plan for the Upper Namoi and Lower Namoi Regulated River Water Sources was first gazetted in 2003, the supplementary flow sharing arrangements in the Lower Namoi water source were as follows. There was 90% for the environment and 10% (90:10) for water users between July and October each year, and 50:50 for the rest of the year. From 5 March 2015 to 30 June 2019, a trial was undertaken of 50:50 supplementary flow sharing throughout the year.

During the trial period, a scientific study was undertaken by NSW Government agencies and partner organisations. The study assessed whether increasing access to supplementary flow events in the July to October period had any adverse impact on planned environment water and environmental outcomes. This study concluded that the 50:50 sharing arrangement did not provide the same level of protection to the environment compared with the 90:10 arrangements.

A six month extension of the trial period has been proposed, and is currently under consideration. The NSW Department of Planning, Industry and Environment is investigating alternative supplementary water flow sharing rule options.

If an acceptable alternative is not found, we propose reverting to the 90:10 supplementary flow sharing rule over the July-October period.

The Department has written an option paper that provides information on two options being considered as alternates to the current supplementary flow sharing arrangements. The paper also includes the principles that are being used to determine the final rule package and assessment criteria. Further work and consultation is being carried out by the department on both options.

The NSW Department of Planning, Industry and Environment is seeking comment on the options in regards to the supplementary flow rules in the *Water Sharing Plan for Upper and Lower Namoi Regulated River 2020*. Refer to the *Options Paper – Lower Namoi water source supplementary access rules*. This paper is to be found on the website:

<https://www.industry.nsw.gov.au/namoi-surface-wrp>.

When making your comments, please consider the effectiveness and timing of the flows and their environmental outcomes, as well as the long term outcomes.

Restrict permanent water trading from Lower to Upper Namoi Water Sources

We propose to cap trade from the Lower Namoi water source to Upper Namoi water source at the entitlement level in the Upper Namoi water source at the commencement of the remade water sharing plan. If water is traded out of the Upper Namoi water source, an equal amount would be able to be traded back into the Upper Namoi water source.

The capping of trade is being undertaken to limit the potential negative impacts on reliability of

Upper Namoi water users, particularly in drier periods. There is also the potential for an increase in take in the Upper Namoi water source which could result in compliance issues in this water source.

Trade between regulated and unregulated water sources (Part 9 Minister's note)

We are considering the potential option of allowing the conversion of regulated (high security) entitlements from downstream regulated river water sources to access licences in connected upstream unregulated river water sources. The *Basin Plan 2012* encourages open trade as long as it complies with the *Basin Plan 2012* water trading rules and the NSW Access Licence Dealing Principles made under the NSW *WM Act 2000*. This would allow landholders upstream of dams to have access to a greater market, and enable water dependent development in these areas.

A Minister's note has been added to the Part 9 - Access Licence Dealing Rules to seek feedback from stakeholders and to understand if there is an appetite for trade of this kind. Prior to any changes being made to water sharing plans, an assessment of any impacts on water users and the environment will be conducted and stakeholder engagement undertaken to review alternate options.

Permanent water trading from Regulated Peel Water Source to the Regulated Lower Namoi Water Source

Permanent trade is permitted from the Peel Regulated River Water Source to the Lower Namoi Water Source and is subject to:

- a conversion factor to account for transmission losses between the Peel Water Source and the Lower Namoi Water Source
- a volumetric trade limit

To ensure alignment with the *Basin Plan 2012* requirements, we propose to amend the value of the conversion factor from the existing value of 0.4 to 0.5, in order to more accurately reflect transmission losses.

Temporary water trading from the Regulated Peel Water Source to the Regulated Lower Namoi Water Source

We propose to repeal the temporary water trading provisions between the Peel to Lower Namoi regulated river water sources, which was included in the water sharing plan for these water sources in the 2014/15 water year. The trade regime was demonstrated to have an impact on Lower Namoi water users who did not participate in trading between the two water sources.

Other changes

Changes have been made to regulated river water sharing plans to bring them into line with the current drafting template used by the NSW Department of Planning, Industry and Environment. These changes will improve consistency across all regulated water sharing plans, and bring plans in line with current administrative practices. In some circumstances, plans were re-drafted to provide clarity or remove any ambiguity associated with existing rules.

These changes do not affect the operation of the rules governing the conditions under which water can be taken, the manner in which water infrastructure is operated, or the rules governing environmental water.

The major changes are listed below.

Objectives, strategies and performance indicators

The objectives, strategies and performance indicators have been revised. The provisions have

been modified to:

- create a stronger logical connection between the objectives, strategies and performance indicators
- more clearly distinguish between the environmental, economic, social/cultural and Aboriginal cultural objectives of the water sharing plan.

Role of the Operator and Environmental Water Manager

Changes have been made to the system operational rules of the regulated WSPs to formally recognise the roles of the Operator of the water supply system and of the Environmental Water Manager. These roles are not new but are currently not specified in the water sharing plans. The changes clarify who is responsible for particular tasks and decisions that will be undertaken or made under the WSP.

Compliance Assessment Advisory Committees

Compliance Assessment Advisory Committees (CAACs) were to be established for inland regulated water sources for the purposes of providing advice regarding the assessment of the long term average annual extraction limits and compliance measures. The CAACs were never established. The major changes proposed are to:

- remove the detailed provisions for establishing CAACs, including the memberships and terms of reference
- replace these detailed provisions with a simple provision which allows the Minister to consult with water user representatives when assessing compliance with the extraction limit.

Environmental Water Advisory Groups

The provisions regarding Environmental Water Advisory Groups (EWAGs) are being included in the new *Water Sharing Plan for the Upper Namoi and Lower Namoi Regulated Rivers Water Source 2020* and *Water Sharing Plan for the Peel Regulated River Water Source 2020*. These clauses are standardised and streamlined across all NSW plans with EWAGs.

Environmental Water Advisory Groups (EWAGs) are convened by the NSW Government and inform how environmental water is managed in each valley. These groups meet regularly to discuss proposed or upcoming watering events, any issues or concerns, the results of watering events and future opportunities.

More information

The draft Namoi Surface Water Resource Plan and other fact sheets are available from <https://www.industry.nsw.gov.au/namoi-surface-wrp>

If you would like to stay informed about all of the departments upcoming engagement activities please visit our [website](#) or join our [newsletter](#).

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