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How increased harvestable rights will affect water sharing in NSW's coastal-draining catchments

This document answers frequently asked questions about how the increase in harvestable rights will affect water users' ability to take water in coastal draining catchments.

From early 2022, landholders in coastal-draining catchments of NSW will be able to capture up to 30% of the average regional rainfall runoff from their property in harvestable right dams built on non-permanent minor streams, hillsides and gullies, with the remaining runoff flowing into licensed dams and local river systems, where it is shared among all water users and the environment.

This increase from a 10 percent to 30 percent limit follows a [review and community consultation](#) of harvestable right limits in coastal-draining areas of NSW. It will provide landholders those areas with better access to water storage for specific purposes (domestic use, stock watering and extensive agriculture).

The new limit and rules for coastal harvestable rights will come into effect in early 2022. Detailed assessments of each catchment will then be conducted to assess and confirm the 30 percent limit or recommend a lower or higher limit for that catchment depending on its specific characteristics.

Further information is available at [Increase in harvestable rights for landholders in coastal-draining catchments - Water in New South Wales \(nsw.gov.au\)](https://www.nsw.gov.au/water/increase-in-harvestable-rights-for-landholders-in-coastal-draining-catchments).

Will the increase in harvestable rights affect other water users (including the environment)?

Potentially, yes. The increase in harvestable rights for landholders in coastal-draining catchments could affect licensed water users, other water users with basic landholder rights and the environment as a result of changes to the frequency and duration of downstream flows.

Extraction limits

The amount of water that users can take from a river system is limited. Water sharing plans set these limits, known as extraction limits. In setting these extraction limits, it is assumed that all licence holders are extracting their entire entitlement. In many instances licence holders do not extract their full entitlement. In addition, not all water users capture their full harvestable right. As such, these assumptions in the calculations of extraction limits provide a buffer for any growth in harvestable rights that occurs.

The amount of water users take may vary each year, depending on seasonal conditions. On average, however, water sharing plans do not allow this amount to continually go beyond an extraction limit.

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Under increased harvestable rights for landholders, any additional rainfall runoff that landholders capture will need to be counted as use against the existing extraction limits.

If average extraction goes beyond an extraction limit, the Department of Planning, Industry and Environment may need to reduce licence holders' access to water in the following year/s to return the average extraction to the limit. To do this, we would reduce the available water determination for some water access licences, lowering them to less than 1 ML per share of entitlement. This would only apply to licenced water users and would reduce the amount of water available in a water user's water allocation account.

Access rules

Users have limits to when they can extract surface water at times of low river flow. Water sharing plans set access rules that prohibit and/or restrict users from taking water during periods of no flow or low flows. These access rules include:

- cease-to-pump rules at low flow levels
- recommence-to-pump rules that delay how soon users can take water for a time after rainfall events, to allow for flushing flows through the river system.

An increase in the capture and use of harvestable rights may result in longer and more frequent periods of no flow or low river flow and fewer flushing flow events. This potentially reduces access for water users during dry conditions. Hydrological modelling done as part of the review shows that the extent of changes in downstream flows with increasing harvestable rights varies considerably between different catchments.

Trade rules

There are limits on when users can trade water within or into other water sources set by the water sharing plans. Trades are limited where areas have high instream values or there is high hydrological stress.

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How might coastal water sharing plans change in light of the increase in the harvestable rights limit?

Water sharing plans have been in place in coastal catchments since 2004. Changing information and government policies requires the amendment of plans from time to time. In addition, water sharing plans are in place for ten years. During this time the Natural Resources Commission undertakes a review of the plans to inform whether they are extended or replaced at the ten-year term.

In light of the coastal harvestable rights review we will need to change coastal water sharing plans to address the increase in the limit for harvestable rights for landholders in coastal-draining catchments. This change will occur over time, generally as plans are replaced.

Extraction limits

Water sharing plans set limits on the amount of water that users can take from river systems. In some plans, these extraction limits include the volume of water that users are allowed to take under the current 10% limit for harvestable rights. In other plans, this 10% is not included in the

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current extraction limit. As plans are replaced the extraction limit will include the 10% volume of harvestable rights if not currently included.

Access rules

The more landholders use harvestable rights, the more likely it is that there will be more frequent periods of no flow or low river flow and reduced flushing flows.

As a result, we may need to review access rules in coastal water sharing plans where we identify a significant impact on environmental assets, or the risk of a significant impact on water users. This review would occur within the first 3-5 years of the plans (dependent on the potential for growth in harvestable rights).

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Into the future the Department will be undertaking additional coastal catchment assessments and updates to their risk assessment method to inform water sharing plan rules and processes in response to the recent changes to the harvestable rights.

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