

Impacts of increased harvestable rights on water sharing in coastal NSW

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

From May 2022, landholders in coastal-draining catchments of NSW will be able to capture up to 30 per cent of the average annual regional rainfall runoff from their property in harvestable right dams built on non-permanent minor streams, hillsides and gullies. Water that is not captured in this way will continue as 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 per cent to 30 per cent limit follows a review and community consultation regarding harvestable right limits in coastal-draining areas of NSW. It allows landholders in those areas to increase runoff water captured and stored for specific purposes (domestic use, stock watering and extensive agriculture).

Detailed assessments of each catchment will commence in 2022 to assess and confirm the 30 per cent limit, or to recommend a different limit for that catchment depending on its specific characteristics.

Further information is available at harvestable rights in coastal-draining catchments:
<https://water.dpie.nsw.gov.au/licensing-and-trade/basic-landholder-rights/harvestable-rights/coastal-draining-catchments>.

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

From 2022, the Department of Planning and Environment will undertake detailed assessments of each catchment to determine whether the increase in harvestable rights for landholders in coastal-draining catchments is likely to affect licensed water users, other water users with basic landholder rights and the environment. These impacts could result from changes to the frequency and duration of downstream flows. Where necessary, the harvestable rights limits may change, and adjustments to harvestable rights dams may be required by landholders.

Extraction limits

Water sharing plans set the volume of water that users are permitted to take from a river system, extraction limits. In setting these extraction limits, it is assumed that all licence holders are extracting their entire entitlement, but in many instances they extract less than this. Similarly, not all water users capture their full harvestable right.

The assumptions used in calculating extraction limits provide a buffer for any growth in harvestable rights that occurs. Nonetheless, with the increased harvestable rights for landholders in coastal catchments, the additional rainfall runoff that landholders capture will need to be counted against the existing extraction limits.

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.

If average extraction goes beyond an extraction limit, the department 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, the available water determination for some water access licence categories would be reduced. This means that some licenced water users would have their entitlement reduced to less than 1ML per share, reducing the amount of water available in a water user's water allocation account.

Access and trade rules

Water sharing plans set access rules that prohibit and/or restrict water users from taking water during periods when rivers have 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 after rainfall events, to allow for flushing flows through the river system.

Water sharing plans also set limits on when users can trade water within or across water sources. Trades are limited where areas have high instream values or there is high hydrological stress.

Hydrological modelling done as part of the Coastal Harvestable Rights Review in 2021 shows that the extent of changes in downstream flows with increasing harvestable rights varies considerably between different catchments. 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 and reduces opportunities for trade in some water sources.

These potential impacts will be assessed in each catchment, starting in 2022, and adjustments will be made to harvestable rights limits where necessary.

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

Water sharing plans are 10-year plans and have been in place in coastal catchments since 2004. New information and changing government policies also require the amendment of water sharing plans from time to time. The Natural Resources Commission reviews the plans at the end of their ten-year term to assess if they should be extended or replaced.

The increase in harvestable rights in coastal-draining catchments means coastal water sharing plans will change. This change will occur over time, as plans are replaced or reviewed over the next 3-5 years.

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 up to 10 per cent of rainfall runoff. In other plans, it is not included in the current extraction limit. As plans are replaced the extraction limit will be updated to include water that can be captured up to the 10 per cent rainfall runoff.

Access and trade rules

In catchments where a large proportion of landholders use their full harvestable rights entitlement, it is more likely there would be more frequent periods of no flow or low river flow and reduced flushing flows.

We will review access rules in coastal water sharing plans and harvestable rights where we identify a risk of significant impact on environmental assets, or on water users.

We may also need to review trade rules in coastal water sharing plans where increases in the uptake of harvestable rights present a risk of significant impact on environmental assets, or on water users.

The volume of additional harvestable rights captured in coastal catchments may change the risk that water extraction poses to the environment. Updates to the current risk assessment method will commence in 2022 to consider the potential impacts of additional capture of water. These will inform water sharing plan rules and processes. An initial review of rules in water sharing plans will occur within the first 3-5 years of each water sharing plan commencing (dependent on the potential for growth in harvestable rights), with subsequent reviews being incorporated into ongoing water sharing plan review cycles.