Wetlands policy position statement 2026

A set of policy positions on the identification and management of selected wetlands in water sharing plans in inland NSW.

Definitions

In this document, the following terms have the meanings set out below. It is important to refer to these definitions to fully understand the policy positions.

Wetlands are areas of land that are inundated cyclically, intermittently or permanently by surface water and/or groundwater, and the inundation has occurred long enough that plants and animals depend on the wet conditions for at least part of their lifecycle.

Persistence criteria is where water persists in a wetland for a period of 3-4 months under a range of conditions.

Existing plan is a water sharing plan which is coming to the end of its 10-year term and needs to be replaced.

Replacement plan is a water sharing plan developed to replace a water sharing plan that is coming to the end of its 10-year term.

Prior WSP wetlands are wetlands identified in an existing plan and incorporated into a replacement plan as a 'WSP prescribed wetland from prior WSP'.

Existing work is an approved water supply work that was constructed prior to a replacement plan commencing.

Replacement work is a water supply work constructed for the purpose of replacing an existing approved water supply work, in accordance with the requirements set out in the relevant water sharing plan.

Minimal harm is set out in the wetland-specific *Minimal harm guidelines* which are being developed by the department and will be published once complete.

Ramsar wetland is a declared Ramsar wetland and has the same meaning as in the *Environment Protection and Biodiversity Conservation Act 1999* of the Commonwealth.

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Objective

The objective of identifying wetlands in water sharing plans is to manage water supply works and water trades in these areas to ensure that no further water supply demand is placed on those wetlands beyond levels permitted under an existing plan. This objective directly aligns with the following principles set out in the *Water Management Act 2000* (WM Act)*:*

- Section 5(2)(a): *water sources, floodplains and dependent ecosystems (including groundwater and wetlands) should be protected and restored and, where possible, land should not be degraded*, and
- Section 5(2)(b): *habitats, animals and plants that benefit from water or are potentially affected by managed activities should be protected and (in the case of habitats) restored*, and
- Section 5(3)(a): *sharing of water from a water source must protect the water source and its dependent ecosystems*.

Policy position 1: Wetlands are identified in water sharing plans to limit extraction over the long-term and ensure that no further water supply demand is placed on those wetlands beyond levels permitted under an existing plan, consistent with the principles of the *Water Management Act 2000.*

Identification of wetlands

Wetlands are identified for inclusion in a water sharing plan using the approach set out in this section noting that there will be significant overlap in the wetlands identified. For example, a Ramsar wetland may also meet the criteria for a Prior WSP wetland. Where this occurs, a hierarchy is applied to ensure the most appropriate rule set is applied to that wetland.

Wetlands are shown in a water sharing plan on a map and are distinguished according to the approach used for identification. These are (listed in hierarchy):

- Ramsar wetlands
- Prior WSP wetlands
- WSP prescribed wetlands

Please refer to the decision tree in Appendix 1: Understanding how a wetland is identifiedto assist in understanding how an area of land has been identified as a wetland in a water sharing plan.

Prior WSP wetlands

Existing plans may have wetlands that have been protected throughout that plan's duration. These wetlands are carried over into a replacement plan without change, except that they are now being shown on a map instead of being referenced by name or Lot and DP. The rules applying to Prior WSP wetlands remain the same in the replacement plan. These wetlands are described as Prior WSP wetlands.

Policy position 2: Wetlands identified in an existing water sharing plan will be identified and managed in the corresponding replacement water sharing plan without rule changes.

Ramsar wetlands

These wetlands are of international significance and are protected under the global international treaty known as the Ramsar Convention. NSW has 13 Ramsar wetlands with most located in the Gwydir, Macquarie and Murray Lower Darling valleys.

Policy position 3: All Ramsar wetlands will be identified and managed in the relevant water sharing plans.

WSP prescribed wetlands

Prescribed wetlands consist of the following types of wetlands refined to ensure the areas identified are **not** located on a named river or creek and meet the persistence criteria.

Directory of Important Wetlands of Australia (DIWA) with persistence criteria

The Directory of Important Wetlands Australia (DIWA) is a register of wetlands which have national significance. The DIWA wetlands identified in WSPs are refined to exclude those located on a named river or creek and assessed against the persistence criteria to ensure they are appropriate for inclusion in the replacement plan.

Floodplain management plan wetlands with persistence criteria

Floodplain management plans (FMPs) are statutory documents that set rules for the construction and use of flood works, such as levees. FMPs identify wetlands for the purpose of ensuring flood flow is not blocked by a flood work.

Wetlands with a special feature, such as a recipient of environmental water or recorded waterbird breeding area, are identified in an FMP as management zone SP (southern inland FMPs) or management zone D or D1 (northern inland FMPs).

The wetlands identified in management zone SP, D and D1 are refined to exclude those located on a named river or creek and assessed against the persistence criteria to ensure they are appropriate for inclusion in the replacement plan.

Policy position 4: WSP prescribed wetlands will be identified and managed in water sharing plans using a subset of the wetland areas identified in DIWA and management zones SP, D and/or D1 in the relevant floodplain management plan.

Protection of wetlands

Water sharing plans manage extraction in Ramsar, WSP prescribed wetlands and Prior WSP wetlands by limiting the amount of:

- water supply works, such as pumps and regulators, and
- entitlement, expressed as units shares on a water access licence or ML in a water allocation account, through restrictions on trade into these areas.

Importantly, due to their international significance, Ramsar wetlands have a unique, more restrictive, rule set that applies a 3 km buffer upstream of these wetlands.

Construction and use of water supply works

The rules **apply to new water supply works only** and are intended to manage extraction in wetlands ensure that no further water supply demand is placed on those wetlands beyond levels permitted under a relevant existing plan. This aligns with the following requirement under the WM Act:

- Section 97(2): *A water management work approval is not to be granted unless the Minister is satisfied that adequate arrangements are in force to ensure that no more than minimal harm will be done to any water source, or its dependent ecosystems, as a consequence of the construction or use of the proposed water management work.*

The rules **do not apply to existing works or replacement works**. This aligns with the following principles of the WM Act:

- Section 5(2)(g): *the social and economic benefits to the community should be maximised*, and
- Section 5(3)(b): *sharing of water from a water source must protect basic landholder rights*.

Please refer to the decision tree in Appendix 2: Understanding what water supply work rules apply to assist in understanding what rules apply to your water supply works.

Ramsar wetlands

New water supply works cannot be constructed within or within 3 km upstream of areas identified as Ramsar wetlands, unless there would be no more than minimal harm.

Existing approved water supply works can continue to be used including works constructed to replace an existing approved water supply.

Prior WSP wetlands

New water supply works cannot be constructed within areas identified as Prior WSP wetlands.

Existing approved water supply works can continue to be used including works constructed to replace an existing approved water supply.

WSP prescribed wetlands

New water supply works cannot be constructed within areas identified as WSP prescribed wetlands, unless there would be no more than minimal harm.

Existing approved water supply works can continue to be used including works constructed to replace an existing approved water supply.

Policy position 5: Extraction in wetlands identified in water sharing plans is managed over the long-term through rules that prevent new water supply works being constructed unless, in certain circumstances, there would be no more than minimal harm, consistent with the principles and requirements of the *Water Management Act 2000.*

Trade rules

The trading rules are intended to protect Ramsar and WSP prescribed wetlands by managing extraction over the long-term. This aligns with the following principle set out in the *Water Management Act 2000:*

- Section 5(3)(a): *sharing of water from a water source must protect the water source and its dependent ecosystems*

Please refer to the decision tree in Appendix 3: Understanding what trade rules apply to assist in understanding what trade rules apply.

Ramsar, Prior WSP wetlands and WSP prescribed wetlands

Licenced entitlement (unit shares) and allocation cannot be traded:

- into these wetlands
- between different wetlands of these types

Licenced entitlement (unit shares) and allocation can be traded within the same wetland.

Existing rules

In some existing plans, there are trade and water supply works rules designed to protect wetlands. These rules are carried over into a replacement plan without change for Prior WSP wetlands.

Exemptions

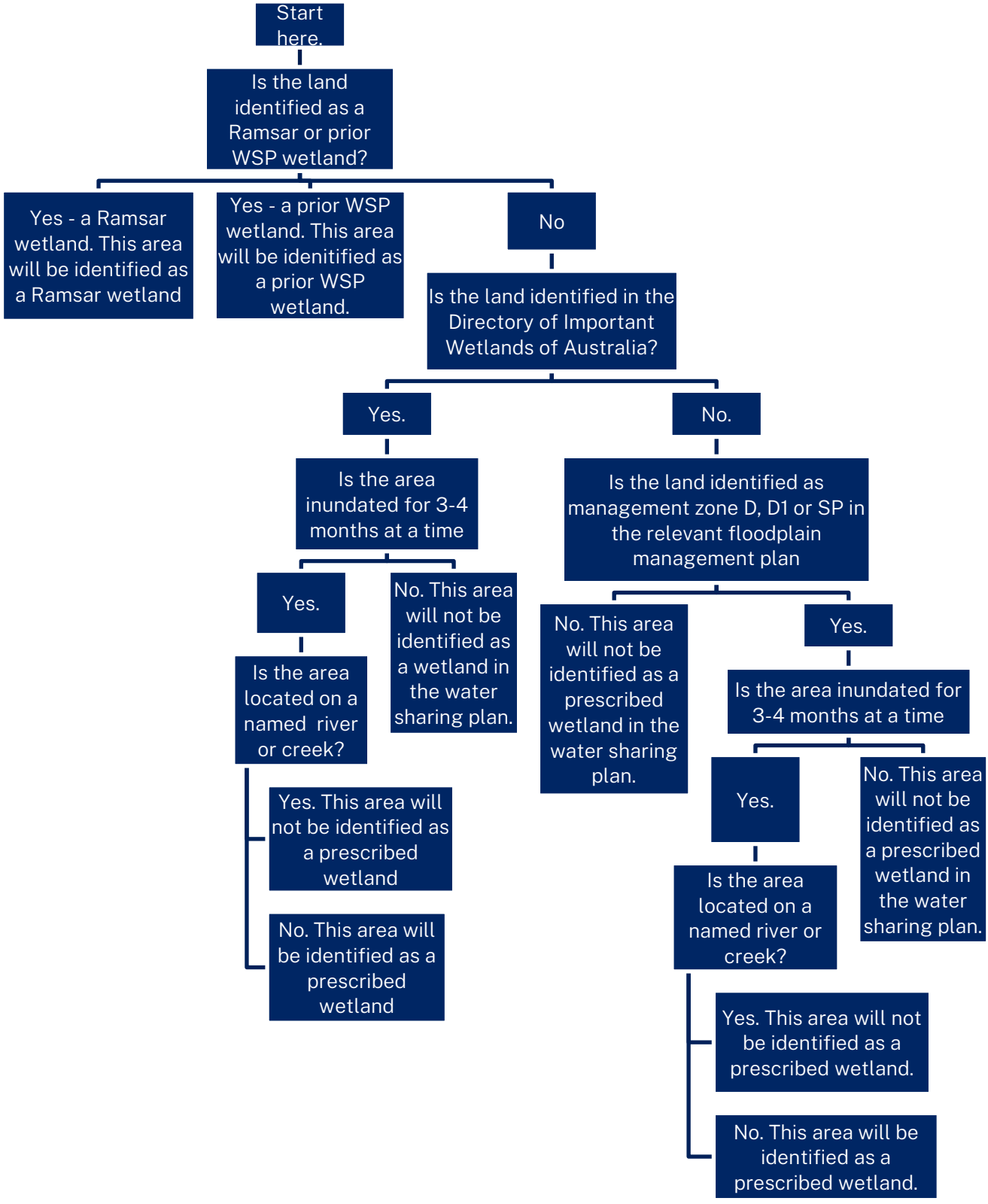
There is an exemption to the trade rules in circumstances where, at the commencement of the relevant water sharing plan, a licence nominated 2 or more water supply works with one or more located within an identified wetland area AND one or more located outside an identified wetland area. These licences are identified by the department and listed in the relevant water sharing plan.

The exemption prevents licence holders being disadvantaged in relation to works located outside wetland areas. This aligns with the following principles of the WM Act:

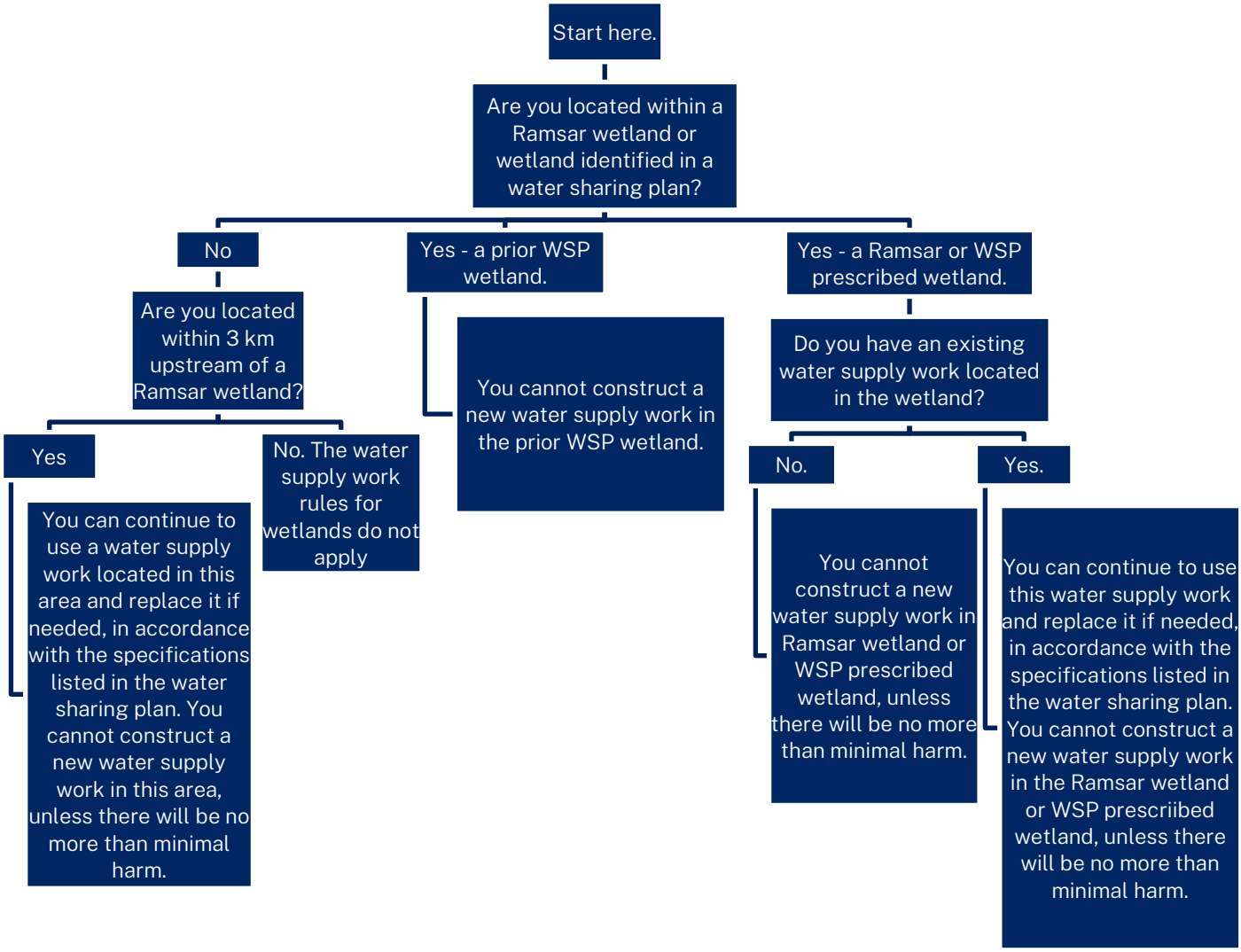
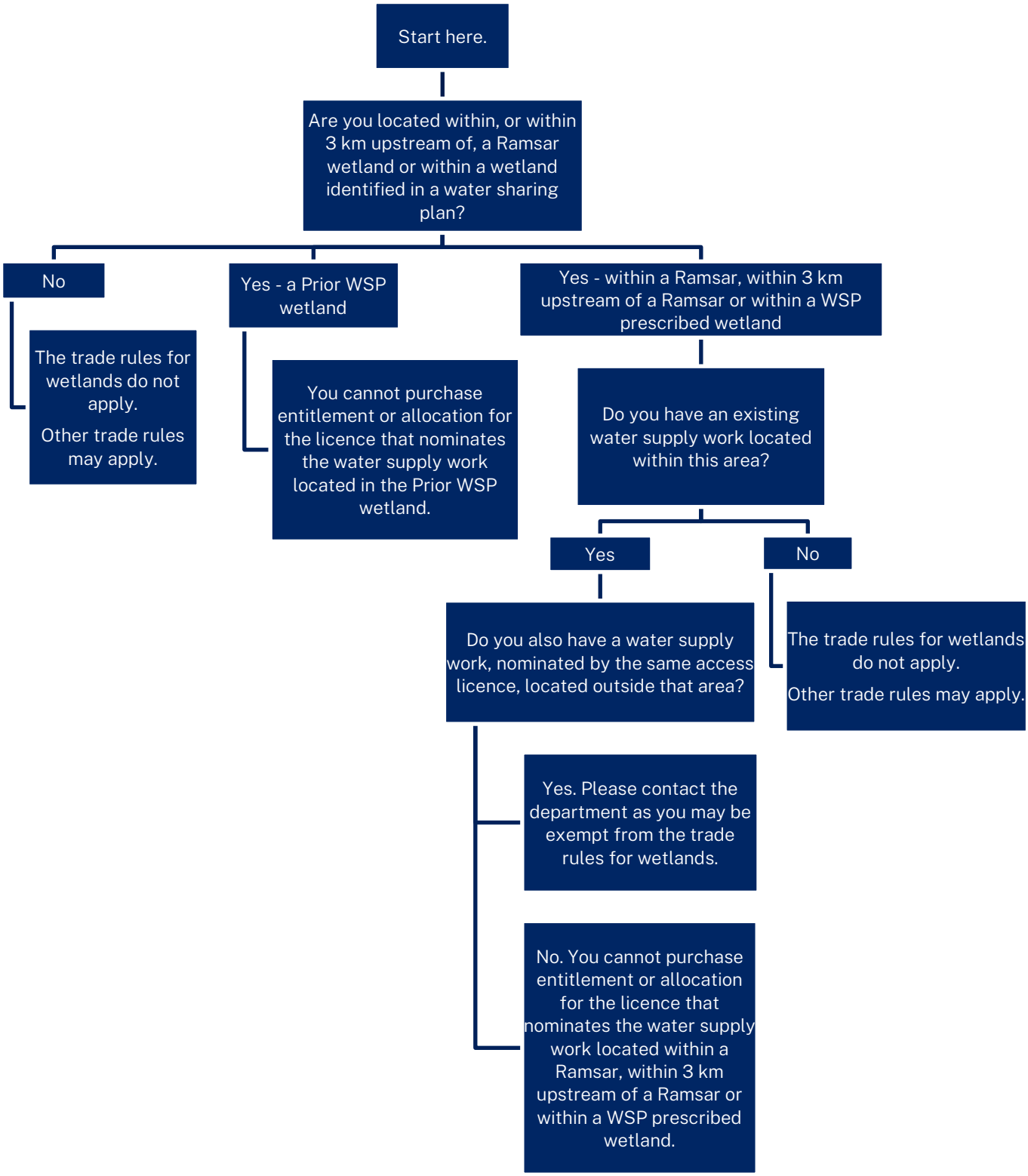
- Section 5(2)(g): *the social and economic benefits to the community should be maximised*.

Policy position 6: Extraction in wetlands identified in water sharing plans is managed over the long-term through trade rules that prevent increased entitlement or allocation occurring via trade, subject to some minor exemptions, consistent with the principles of the *Water Management Act 2000*.

Appendix 1: Understanding how a wetland is identified



Appendix 2: Understanding what water supply work rules apply



Appendix 3: Understanding what trade rules apply