Government response to the Natural Resources Commission recommendations for the Water Sharing Plan for the Lachlan Unregulated River Water Sources 2012

This document outlines how the Department has responded to the independent review of the *Water Sharing Plan for the Lachlan Unregulated River Water Sources 2012* under S43A of the *Water Management Act 2000*.

Water sharing plans (plans) are statutory instruments under the *Water Management Act 2000* (WM Act). They prescribe how water is managed to support sustainable environmental, social, cultural and economic outcomes. They intend to provide certainty regarding rules for water sharing for water users over the life of the plan, which is typically 10 years unless they are extended.

The *Water Sharing Plan for the Lachlan Unregulated River Water Sources 2012* (the 2012 plan) commenced on 14 September 2012 and expired on 30 June 2025.

The Natural Resources Commission (NRC) has a role under Section 43A of the WM Act to review plans within 5 years of expiry and report to the Minister on:

- the extent to which the 2012 plan's water sharing provisions have materially contributed to the achievement of, or failure to achieve, environmental, social and economic outcomes
- if changes to the 2012 plan provisions are warranted.

The final review report for the 2012 plan is available on the NRC's website. The report was done as a combined review report with the *Water Sharing Plan for the Belubula Regulated River Water Source 2012* (Belubula WSP). Where the recommendations are specific to the Belubula WSP they have not been included in this fact sheet.

The NRC may recommend extending or replacing plans depending on its review findings. In this instance, the NRC recommended replacing the 2012 plan by no later than 30 June 2025.

The recommendations and suggested actions arising from the NRC review and the status of the response to these actions by the Department of Climate Change, Energy, the Environment and

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Water (the Department) previously Department of Planning and Environment – Water (DPE-Water), are referenced below.

NRC Recommendations

Recommendation 1

The Belubula Regulated Plan and the Lachlan Unregulated Plan should be:

a) extended for up to two years until 30 June 2025, to allow time to complete data collection and analysis, consultation, and development of amended provisions

b) replaced by 1 July 2025, at the latest, supported by the completion of the recommendations of this review.

Department response

The Department welcomes the recommendation to extend the Plan for a period of two years to provide for a draft plan based on best available information.

The Department accepts this recommendation.

Action taken to address NRC recommendation

Replacement plan, the *Water Sharing Plan for the Lachlan Unregulated River Water Sources 2026 (2026 Plan)*, made under section 50 of the *Water Management Act 2000* and commenced upon publication on the NSW legislation website on 27 February 2026.

Recommendation 2

For the Lachlan Unregulated Plan, DPE Water should:

a) establish and include accurate numeric values for long-term average annual extraction limits (LTAAELs) in the Plan based on up-to-date information on all forms of extraction. These LTAAELs should be established at the appropriate scale

b) consider utilising clause 80(1)(a) of the Lachlan Unregulated Plan to develop appropriate Plan provisions to effectively manage impacts of take and diversions on the floodplain areas in the Plan area. These rules should be informed by the work being progressed by DPE Water for the replacement of the southern floodplain management plans

c) undertake LTAAEL compliance assessment using best available estimates of extraction and make this assessment publicly available. The LTAAEL assessment should not be delayed until better information is available, rather it should be done immediately based on information available and continually improved over time

d) include a provision in the replacement Plan requiring DPE Water to determine the sustainable level of extraction by Year 5 based on best available ecological requirements, hydrological and climate information. This information should be used to define and amend the Plan's LTAAEL for each EMU.

Department response

a) Actioned. The Department is committed to adding numeric values for LTAAELs to the plan by December 2026. A provision will be included in the replacement plan to allow for this amendment.

The Department accepts this recommendation.

b) The NSW Floodplain Harvesting Policy has not been implemented in the Lachlan valley and isn't expected to be at this time. The work may be undertaken in the future if it is identified as a priority. Any current take of overland flow in this plan area should be under an unregulated licence. This recommendation is not applicable until such time as the NSW Floodplain Harvesting Policy is implemented in this water source.

The Department notes this recommendation.

c) There is currently a pilot project investigating using remote sensing to assess the LTAAEL in inland unregulated plan areas, and priority coastal areas. The method has been piloted in the Lachlan and Richmond valleys, and then will be rolled out in the Northern inland and Clarence valleys. The results of the project will inform the extent to which valleys are likely to have exceeded / not exceeded their LTAAEL, and hence whether compliance action is required. The Lachlan pilot will be completed by end December 2024, and subject to approval, the results may then be used to consider growth in use action.

d) The Department will include a provision in the replacement plan to review the LTAAEL by year 6 of the plan term to ensure a sustainable level of take. Any review of extraction limits would need to be undertaken within the framework of the Basin Plan and would likely coincide with a review of sustainable diversion limits for the Lachlan Water Resource Plan. The Department will seek the advice of the NRC in this review and also consider the outcomes of a current work program informing maintenance of water supply in inland regulated river systems. This is a key piece of work in relation to climate considerations within plans.

The Department accepts recommendation c) – d) in principle.

Action taken to address NRC recommendation

Changes to the 2026 plan

Provisions have been included to:
- determine and publish a numeric LTAAEL by December 2026
- review the LTAAEL (by 1 July 2030) to ensure a sustainable level of take. This work will be undertaken with advice from NRC and take into account the outcomes of the Basin Plan review
- review the LTAAEL (by 1 July 2030) to consider and adapt to climate change
- allow the plan to be amended to give effect to changes to rules as a result of the reviews.

Other Actions

The Department is undertaking 2 pilot unregulated LTAAEL compliance assessments in the Lachlan and Richmond catchment. The method uses the best available information, including remote sensing data, and will be reviewed to include metering data when available. Pending the outcomes of the pilots, the method will be applied to other unregulated water sources. The Department has consulted with the NRC on the project plan and intends to consult further on the pilot results, when complete.

Recommendation 3

DPE Water should ensure the replacement of the Lachlan Unregulated Plan includes requirements for:

a) AWDs to be set adequately to protect the priorities under the *Water Management Act 2000*, if DPE Water does not make and publish a reasonable estimate of annual extraction and assess compliance with the LTAAELs

b) proactive AWDs to support sustainable numeric LTAAELs and revise account management rules (carryover and account limits) to support any AWD changes. These proactive AWDs should be developed in consultation with stakeholders by Year 5 of the Plan.

Department response

It would be inappropriate to include provisions that fetter the Minister's discretion in setting available water determinations (AWDs). The 2012 plan specifies what compliance action is to occur when extraction exceeds the plan limit, which is reducing AWDs for lower priority users (ie. unregulated river access licences). However, the amount of the reduction is not specified in the 2012 plan as it varies depending on the amount of exceedance, the licence category driving the growth,

results from hydrologic analysis which are peer reviewed. On this basis alone it would be inappropriate to specify set figures for AWD reductions in the plan. Instead, a provision has been included that allows for the Minister to consider AWD reductions if LTAAEL compliance assessment has not been undertaken. The extent of this reduction would be at the discretion of the Minister.

The Department partially supports recommendations a) – b).

Action taken to address NRC recommendation

Changes to the 2026 plan

Provisions have been drafted to:

- allow for AWD reductions if LTAAEL compliance assessment is not undertaken.

Recommendation 4

For the Lachlan Unregulated Plan and the Belubula Regulated Plan, DPE Water should:

a) review and update the replacement Plans with the estimated entitlement shares and basic landholder rights volumes based on best available information

b) continue to update these figures whenever the Plans are amended, or at a minimum every five years

c) undertake a risk assessment if the entitlement shares and basic landholder rights estimates change by more than 5 percent in any water source to determine whether the Plans' provisions remain adequate to protect the water source, the environment, basic landholder rights and town water supplies

d) include provisions to account for the establishment of Native Title rights, water entitlements beneficially owned by First Nations and cultural flows.

Department response

a) Updating share components in the plan is a standard part of the replacement process. The data is taken from the access licence register which is the source of licencing information.

The Department accepts this recommendation.

b) Estimates are usually only updated when plans are replaced, however if estimates have changed significantly the plan may be updated to reflect the new estimates.

The Department accepts this recommendation.

c) The Department's priority will be to undertake LTAAEL compliance assessments for the plan area. An assessment of actual take (not entitlement) is the most appropriate information to use to determine if AWDs should be reduced.

The Department notes this recommendation.

d) The 2012 plan includes provisions to recognise any Native Title determinations made and requirements for water associated with that determination.

The Department accepts this recommendation.

Action taken to address NRC recommendation

Actions during plan replacement process

Share components have been updated based on the water access licence register and basic landholder rights estimates have been updated to reflect updated land use since the 2012 plan commenced.

Changes to the 2026 plan

The plan provides up to date estimates of basic landholder rights and share components.

Recommendation 5

The Commission recommends DPE Water considers merging the Belubula Regulated Plan into the Lachlan Unregulated Plan and setting up a separate EMU for all surface water resources in the Belubula catchment as part of the Lachlan Unregulated Plan.

This would require a fundamental review of all provisions in the Belubula Regulated Plan and the Lachlan Unregulated Plan that relate to the management and accounting of surface water sources in the Belubula catchment, but would allow for more simplified, targeted and equitable access provisions.

Department response

The Department acknowledges the unique features of the Belubula catchment but does not consider merging the plan will result in less complex rules nor help meeting end of flow system rules. The amendments to the 2012 plan have seen the inclusion of a first flush rule (48(2)(b)), changes to the water accounting rules and the taking of uncontrolled flows. During the plan replacement process the Department considered altering these rules to achieve better outcomes.

The Department notes this recommendation.

Action taken to address NRC recommendation

Changes to the plan

No further action required.

Recommendation 7

In the Lachlan Unregulated Plan, to improve outcomes in the Belubula catchment, DPE Water should introduce more appropriate access rules for the Belubula Tributaries Below Carcoar Dam Water Source to protect the unregulated water source, support connectivity and improve its contribution to end-of-system flow targets in the Belubula Regulated River.

Department response

Access rules for the water sources in the 2012 plan will be reviewed as part of the replacement process. Specifically, this review will focus on water sources at high risk from extraction using the Risk Assessment for the plan. However, consideration could be given to how the tributaries can improve their contribution to end of system flows. Management options will be limited in water sources that do not have suitable gauging infrastructure.

The Department accepts this recommendation in principle.

Action taken to address NRC recommendation

Actions during plan replacement process

This was considered as part of the Plan replacement.

The Belubula Tributaries below Carcoar Dam Water Source has one potential gauge available to manage access rules , located in Flyers Creek. In this case, there was limited extraction (aside from Cadia mine which is managed to a private gauge) and low HEVAE values to protect.

The gauge was not considered suitable to manage access in other subcatchments as spring-fed conditions in Flyers Creek are not likely representative of conditions in other subcatchments within the water source. The water source is not identified as a high-risk water source.

Changes to the 2026 plan

An amendment provision has been inserted. This will allow for reassessment of the adequacy of flow releases from Lake Rowlands in the event the Belubula Water Security Project is implemented.

Other action

Water Act 1912 conditions requiring set flow releases from Lake Rowlands are being reapplied to the Lake Rowlands work approval.

Recommendation 10

As part of the Lachlan Unregulated Plan replacement plan, to address the inadequacy of the environmental protection provided by current access rules, DPE Water should:

a) review the current hydrometric network to identify where the Plan can reference operational gauges for establishing flow classes and flow-based access rules

b) ensure as a priority that high environmental value water sources at medium to high risk from extraction have flow-based access rules that support connectivity and adequately protect water sources and their dependent ecosystems (this should include Mandagery Creek as a priority)

c) review if conditions attached to current water access licences and works approvals are appropriate to protect high priority needs and ensure any changes to access rules from (a) and (b) are reflected in water access licence/water supply works approval conditions.

Department response

a) and b) A review of the current hydrometric network to identify suitable telemetric gauges is a standard part of plan replacement process. Where water sources have been identified as being at high risk from extraction, and a reliable gauge is available to manage extraction, new access rules were considered and changes made in relevant water sources. This has included Mandagery Creek Water Source. However, note that there are significant gaps in the gauge network in unregulated areas. The Department can identify high priority areas for new infrastructure during hydrometric reviews, which we undertake periodically. Decisions on the installation of infrastructure are risk-based and dependent on available resources and maintenance funding.

The Department accepts this recommendation.

c) Access rules established by the plan are included as mandatory conditions on relevant unregulated water access licences. Following the replacement process, water access licence/works

approval conditions identified in schedules in the plans will be updated to ensure they are appropriate.

The Department accepts this recommendation.

Action taken to address NRC recommendation

Actions during replacement process

A review of operational gauges identified some suitable gauges. Others were not suitable for managing access as they were either not reliable enough to manage real time access or were not in a suitable location representative of conditions where extraction occurs. Flow-based access rules were investigated in water sources with high potential risk from extraction where an appropriate gauge was available.

Changes to the 2026 plan

Boorowa River and Hovells Creek Water Source: Spilt into 2 management zones as follows:

(a) Lower Boorowa River Management Zone – increased the CtP from 0 ML/day to 6 ML/day at the Boorowa River at Prossers Crossing gauge (412029)

(b) Upper Boorowa River and Hovells Creek Management Zone – retained existing rule of 0 ML/day at Prossers Crossing gauge (412029)

Crookwell River Water Source: Increased cease-to-pump (CtP) from 2 ML/day to 4 ML/day at Crookwell River at Narrawa North gauge (412050).

Lachlan River above Reids Flat Water Source: Split into 2 management zones above the confluence with the Crookwell River:

(a) Narrawa Management Zone – increased the CtP from 2 ML/day to 5 ML/day at the current flow reference point – Lachlan River at Narrawa gauge (412065).

(b) Reids Flat Management Zone – adopted a new flow reference point of Lachlan River at Reids Flat gauge (412027) and set the CTP at 10 ML/day (equivalent to the 5 ML/day at the Narrawa gauge).

Mandagery Creek Water Source: Changed access rules.

(a) Removed the (inactive) flow classes in all management zones except the Lower Mandagery Creek Management Zone.

(b) Lower Mandagery Creek Management zone – adopted a new flow reference point of Mandagery Creek upstream Eugowra gauge (412030), and set the CTP to 10 ML/day, plus a first

flush rule that restricts access until flows exceed an average of 10ML/day over 2 days following a period of no access.

(c) Merged other management zones into 'Other Tributaries Management Zone' with a no visible flow at the pump site access rule due to there being no suitable gauge in the management zone.

Recommendation 11

To ensure that nationally and regionally significant wetlands are protected in the Lachlan Unregulated Plan replacement, DPE Water should:

a) update the Plan schedules to include all significant wetlands in the Plan area

b) ensure that access rules and trade rules for tributaries of significant wetlands are adequately protective and contribute to inflows to maintain the ecological character of these wetlands

c) determine if drawdown provisions for Lake Waljeers and Lake Forbes are adequately protective of environmental and Aboriginal cultural values and include provisions to phase out pool drawdown where appropriate.

Department response

a) The Department will continue to work with NSW DCCEEW- Conservation Programs, Heritage & Regulation Group (CPHR) and DPI Fisheries to identify regionally significant assets including wetlands at risk, to improve environmental outcomes. The current plan includes rules that protect wetlands and in-river pools and off-river pools (which both include wetlands) from being drawn down. Lake Waljeers is listed under Lachlan Swamp (part of mid Lachlan Wetlands) in the Directory of Important Wetlands in Australia.

The Department accepts this recommendation.

b) Access rules, trade rules and water supply work approval rules were reviewed during the replacement process. Any potential water take impacts were considered and appropriate rules put in place to mitigate potential threats to wetlands.

The Department accepts this recommendation.

c) The Department considered how to improve implementation (and by extension, compliance) with the 2012 rule, which provided information to support such the reviews.

The Department accepts this recommendation in principle.

Action taken to address NRC recommendation

Actions during plan replacement process

Additional wetlands have been identified and new rules to improve protection have been recommended.

Phasing out of draw down rules in Lake Waljeers and Lake Forbes has been considered. Lake Forbes is managed to an artificial level, no changes are proposed to the drawdown rules at this time.

Existing water users on Lake Waljeers were invited to provide a submission to retain access down to 80% of full capacity.

Changes to the 2026 plan

Consistent with the approach used for other replacement inland unregulated water sharing plans (WSPs), the 2026 plan introduces new rules to protect many new wetlands. These are identified in a map of WSP Prescribed Wetlands.

The new rules prohibit new surface water works and trades into and within 3 km upstream of internationally significant (Ramsar) wetlands and into WSP Prescribed Wetlands. Trade within these wetlands will be allowed between licences/works within the same wetland but not between wetlands.

One water user on Lake Waljeers provided a submission and will continue to be permitted to draw down to 80% of full capacity and is identified in a plan schedule.

Recommendation 12

In the Lachlan Unregulated Plan to improve the outcomes associated with provision of flows in effluent creeks of the Lachlan, DPE Water should:

a) clarify that replenishment flows provide stock and domestic needs and environmental benefits in unregulated river water sources

b) codify operating rules for regulating structures along effluent creeks in the replacement Plan

c) establish end-of-system flow targets for effluent creeks with significant environmental values to ensure that flows are provided downstream of Trust districts (in addition to environmental water deliveries).

Department response

a) To be addressed outside the replacement process. Any review and amendment of replenishment flow requirements and provisions for their release should be undertaken as part of the Lachlan regulated WSP replacement.

The Department accepts this recommendation.

b) To be addressed outside the replacement process. Factors that WaterNSW consider when making decisions to make replenishment flows are not appropriate to be included in the replacement plan. The Department have suggested WaterNSW develop and publish operating protocols detailing this information to improve transparency and accountability. This would be similar to protocols for managing supplementary water events.

The Department notes this recommendation.

c) Provisions to protect replenishment flows from being extracted for irrigation purposes will be considered during the replacement process.

The Department accepts this recommendation.

Action taken to address NRC recommendation

Actions undertaken during plan replacement process

End-of-system flow targets were considered as part of the 2012 Plan review, however, a lack of appropriate gauging infrastructure in the water source prevents such rules from being progressed.

Other action

Specific works in Merrowie Creek and Booberoi Creek will have their *Water Act 1912* conditions for operating regulating structures reapplied.

Recommendation 13

To ensure environmental water deliveries from the regulated Lachlan River can achieve their intended outcomes in the unregulated river water sources, the replacement Lachlan Unregulated Plan must include provisions that:

a) protect these flows from unauthorised extraction, obstruction and diversion in unregulated river water sources

b) require that private structures along unregulated river water sources are operated (e.g., boards removed) to allow for environmental water deliveries to pass through.

Department response

This was considered as part of the replacement process, noting that under NSW water legislation, when planned environmental water (PEW) in one water source flows into another it is considered part of the inflows available for use in the downstream water source in accordance with the downstream rules and licence conditions. This is an outcome of the application of the bulk water regime prescribed under WM Act s20(2). Options for protecting Held Environmental Water (HEW) and the operation of regulating structures were investigated during the replacement process.

The Department accepts this recommendation.

Action taken to address NRC recommendation

Action during plan replacement

A preliminary assessment to identify if there was a demonstrable risk to HEW from unregulated extraction, determined that active management or similar provisions were not necessary for these water sources.

Investigations into whether *Water Act 1912* conditions on relevant works were carried over during conversion was undertaken.

Changes to 2026 plan

The 2026 plan continues to protect replenishment and environmental flow releases made from the *Water Sharing Plan for the Lachlan Regulated River Water Source 2016*.

Other action

Conditions regarding the operation of regulating structures are being reapplied to relevant water supply works approvals. Licence and approval holders will be notified of the reinstatement of these conditions, so they understand their responsibilities.

Recommendation 14

As part of the replacement of the Lachlan Unregulated Plan and Belubula Regulated Plan, to deliver better outcomes for Aboriginal peoples through water management, DPE Water must:

a) undertake culturally appropriate engagement with Traditional Owners and knowledge holders who have connection to Country in the Plan areas

b) include registered Native Title claims and identify and include water-dependent cultural values and uses in the Plans

c) co-design Plan objectives and rules to protect Aboriginal values and uses of water

d) ensure that the definition of 'cultural practice' in the Plans includes trade activities and does not restrict cultural access licences to 10 ML per application

e) ensure the Plans' objectives and corresponding provisions are consistent with the NSW Water Strategy and Closing the Gap targets

f) when making controlled allocations ensure Aboriginal rights and access including Native Title are prioritised consistent with giving effect to the principles of the Act

g) improve reporting on key performance indicators that increase Aboriginal benefit including external influences (including regulatory action outcomes).

Department response

a) The Department will ensure ongoing engagement with Traditional Owners, communities and relevant stakeholders for the best possible outcomes on Country.

b) The Department, through the Aboriginal Water Program (AWP), intends to work more closely with NTSCORP (the Native Title representative body for NSW) and Native Title holders.

c) The Department is working with Aboriginal groups to co-design and deliver an Aboriginal Water Strategy. The design of the strategy will consider the matters raised by the NRC, including access to water. The Department will ensure ongoing engagement with Traditional Owners, communities and relevant stakeholders for the best possible outcomes on Country.

d) The Department's AWP is investigating measures through legislative and policy reforms to reform the 10 ML cultural access licence. This is a statewide project and will not form part of the replacement process.

e) The Aboriginal Water Strategy engagement commenced in early 2024. The final strategy will include an implementation plan and state-wide actions.

The Department accepts recommendations a) – e)

f) The Department is currently developing a risk-based framework for assessing how unassigned water is managed. The framework would inform how surrendered licences are managed, and if, and when, controlled allocations orders should be made. Aboriginal access to water rights for cultural and economic needs will be a key factor when assessing how these licences are managed in the future. Consistent with NSW Partnership Agreement for Closing the Gap, the Department is now working with NSW Aboriginal Land Council, representing the NSW Coalition of Aboriginal Peak

Organisations, and NTSCorp to develop a water target specifically for NSW and identify mechanisms to achieve it.

This recommendation is subject to further consideration.

g) Further work is being undertaken by the Department to development a cultural MER framework.

This recommendation is subject to further consideration

Action taken to address NRC recommendation

Changes to 2026 plan

No change required.

Other action

To inform reviews of policy and licensing frameworks a pilot Cultural Watering Plan program is underway. The program enables the Department to gain better understanding the Cultural (and other) watering needs of Aboriginal communities and highlights opportunities and barriers to achieving the desired outcome. Insights from this program will be used to better inform policy and planning decisions to make water more accessible for Aboriginal people.

The Regional Aboriginal Engagement team is dedicated to Improving consultation with Aboriginal stakeholders on water management and planning. The team have established 12 Regional Aboriginal Water Committees across NSW. The purpose of the committees is to give greater recognition to Aboriginal water rights and interests, ensuring Aboriginal people can contribute to water management. There is a committee that represents the Lachlan valley.

The Department has committed to improving information provided to First Nations people about water management and access. Improved information and communication materials fosters informed participation in engagement processes and builds greater awareness for water access mechanisms. This is in line with the principles of free, prior and informed consent (FPIC) as outlined in the Department's Indigenous Cultural and Intellectual Property (ICIP) Protocol.

The Aboriginal Water Strategy was published in October 2025 and provides the strategic direction to the commitments made by the Department. It is guided by 4 key priorities:

- strengthen the role of Aboriginal people in water planning and management
- provide Aboriginal ownership of and access to water for cultural and economic purposes
- work with Aboriginal people to maintain and preserve water-related cultural sites and landscapes
- work with Aboriginal people to improve shared water knowledge and build capacity.

The co-design of the strategy commenced in early 2024 with Regional Aboriginal Water Committees and Peak Aboriginal Organisations with input from the public.

The department is undertaking a process of transferring surrendered water access licences to Aboriginal legal entities through a registration of interest process that closed on 19 December 2025. The action aims to:

- contribute to the NSW Water Strategy's and the Closing the Gap National Agreement's commitment to increase Aboriginal peoples' ownership of water
- increase Aboriginal peoples' opportunities to take and use water for any purposes
- create more opportunities for Aboriginal entities to enter the water market.

Recommendation 15

As part of the replacement of the Lachlan Unregulated Plan and the Belubula Regulated Plan, DPE Water should:

a) review the adequacy of relevant flow classes and access rules in the Lachlan Unregulated Plan for the Boorowa River and Hovells Creek Water Source, the Crookwell River Water Source, the Lachlan River above Reids Flat Water Source, the Goobang and Billabong Creeks Water Source, the Unregulated Effluent Creeks Water Source and the Belubula Tributaries below Carcoar Water Source (particularly Coombing Creek), to ensure the provisions are adequate to protect town water supplies without impeding on, or compromising the principles and priorities of the Act

b) insert a clause in Part 12 of the Lachlan Unregulated Plan and the Belubula Regulated Plan that enables the Plans to be amended in the event that the Belubula Water Security Project is progressed during the term of the replacement Plans.

Department response

a) It is important to protect the water supply security. Where unregulated extraction impacts town water security access rules have been reviewed. The Department recognises the importance of assessing risks to town water supply and will continue to engage and work collaboratively with local water utilities in the development of strategic plans to address water security requirements.

b) The Department acknowledges that there are a number of issues that should be addressed prior to a decision being made about progressing the Belubula Water Security Project. In order to address these issues, changes may be required to the plans.

The Department accepts recommendations a) – b).

Action taken to address NRC recommendation

Actions during plan replacement process

The relevant water sources were reviewed by the Department.

Changes to the 2026 plan

The water sources with changed flow classes or access rules include:

- Boorowa River and Hovells Creek
- Crookwell River
- Lachlan River above Reids Flat
- Mandagery Creek.

An amendment provision was included to review access rules in the following water sources at year 3 of the Plan:

- Bogandillon and Manna Creeks
- Crowther Creek
- Goobang and Billabong Creeks
- Unregulated Effluent Creeks
- Waugoola Creek
- Western Bland Creek.

Recommendation 16

To improve outcomes through trade, DPE Water should review and revise existing water access licence dealings provisions in the Lachlan Unregulated Plan at an appropriate scale. This review should be based on the latest information on hydrologic stress, entitlement and basic landholder rights' volumes, connectivity, HEVAE mapping and cultural assets and values, and be supported by an accompanying explanatory document.

Department response

A review of current dealing rules will be undertaken as part of plan remake to improve flexibility for water users by increasing opportunities for trading. This review will use best available information, using the results of the risk assessment which incorporates the HEVAE mapping.

The Department accepts this recommendation.

Action taken to address NRC recommendation

Actions during plan replacement process

A review of current dealing rules across all water sources and management zones was undertaken.

Changes to the Plan

Change from 'no trade in' to 'limited trade in' for the following four low risk water sources without high likelihood of risk from extraction:

- Gunningbland and Yarrabandai Water Source, additional 35 ML
- Humbug Creek Water Source, additional 10 ML
- Lake Forbes and Back Yamma Creek Water Source, additional 26 ML
- Mount Hope Area Water Source, additional 10 ML.

Recommendation 17

To inform the replacement of the Lachlan Unregulated Plan and Belubula Regulated Plan and improve Plan-specific MER, DPE Water should, in consultation with other agencies:

a) identify and address critical knowledge gaps

b) specify what MER activities will be undertaken to address critical knowledge gaps, support transparency and adaptive management of the Belubula Regulated and Lachlan Unregulated Plans in line with the NSW Water Sharing Plan Evaluation Framework and Prioritisation Tool (i.e., prioritise MER activities based on value and risk)

c) strengthen stakeholder engagement in the lead up to and during the Plans' replacement process

d) includes equity objectives and co-designed Aboriginal objectives and corresponding performance indicators

e) specifies timely reporting requirements of the results of MER activities to support transparency and adaptive management. This should include but is not limited to reporting on:

- includes reporting on environmental outcomes
- water management during extreme events that occur in the Plan areas
- benefits for Aboriginal people arising from the Plan provisions.

Department response

The Department acknowledges there has been a lack of coordinated and plan specific MER programs as identified in Section 9 of the report. To address this issue the Department is developing and implementing the NSW Water Sharing Plan Evaluation Framework. Methods to evaluate social, economic, environmental and water quality outcomes for all water sharing plans have been developed and are being applied to evaluate water sharing plans that commenced in 2016. The Department continues to engage with the NRC and Conservation Programs, Heritage & Regulation Group (CPHR) during the development and implementation of the Framework.

a) It is not feasible for the Department to identify and address all plan knowledge gaps by June 2025 with current resourcing. Any future work to address knowledge gaps will need to be prioritised based on risk and resources available across all NSW water sharing plans. The Department will engage with relevant agencies and consider the knowledge gap areas identified in this report when undertaking future planning.

The Department notes this recommendation.

b) and e) The NSW Government is committed to preparing MER plans for each plan area by 31 December 2026. A provision will be added to the replacement plan clarifying this commitment and will also require the Minister to publicly report on the implementation of the plan, including progress against the MER plan. Additionally, the replacement plan will include a provision requiring evaluation reporting to be undertaken by year 9 of the plan. The Department is using the MER Prioritisation Tool to guide decision making on evaluation effort. Noting the scale of MER the Department is able to implement is wholly dependent on funding received from IPART determinations to assess plan performance.

c) Stakeholders will be engaged during the plan replacement process. Noting recommendations on stakeholder engagement in plan development, replacement and amendment are distinct from plan performance MER activities and requirements.

The Department accepts recommendations b) – c) and e).

d) See response to recommendation 14.

Action taken to address NRC recommendation

Actions during plan replacement process

During the replacement period, new methods for the evaluation of plan social, economic, environmental and water quality were developed and trialled. These methods were used to guide development of MER plans when the plan is replaced.

Changes to the 2026 Plan

An additional sub section has been included to require monitoring and evaluation of performance indicators. A MER plan for the plan will be published by December 2026. The implementation of the 2026 plan, including progress against the MER plan will be publicly reported on annually thereafter. In Year 9 of the Plan, the Minister will publicly report on the results of the monitoring and evaluation undertaken.

Other actions:

Implementation of the MER program commenced in 2024. This clarified the roles and responsibilities, reporting requirements, governance arrangements and timeframes associated with the program. Social, economic and environmental outcome evaluation methods have been developed and applied to pilot surface water WSPs and reviewed by the NRC. Work has now commenced on expanding method statements to include groundwater specific components. NSW also undertook the first Benchmarking survey to collect primary data that informs evaluation of social outcomes of WSPs. Data was collected from communities and water users across all WSP areas.