

## Amendments to the *Water Sharing Plan for the Barwon–Darling Unregulated and Alluvial Water Sources 2012* relating to daily extraction limits and individual annual take limits

The Water Management Amendment Bill 2018 will amend the *Water Sharing Plan for the Barwon–Darling Unregulated and Alluvial Water Sources 2012* (the Barwon–Darling WSP), including amendment of daily extraction limits and the individual annual take limit.

### Change to daily extraction limits

A clear recommendation arising from the independent Matthews investigation was that implementing individual daily extraction limits (IDELs) in the Barwon–Darling may assist in providing a solution to better manage environmental water and should be investigated. There was concern raised through the Water Reform Action Plan consultation process that the current Barwon–Darling WSP rules, which provide for the establishment of these limits, were not well-designed and could have perverse outcomes for some licence holders. Concerns were also raised that enabling IDELs to be assigned between access licences could have unintended environmental consequences dependent on how total daily extraction limits (TDELs) are determined. In response, changes will be made to the Barwon–Darling WSP, as summarised in Table 1.

### Change to the take limit

Clause 42(3) of the Barwon–Darling WSP defines the individual annual take limit for unregulated river A, B and C-class access licences. The individual take limit is designed to support compliance with Murray–Darling Basin Cap (MDB Cap) over the long-term, and therefore compliance with the long-term average annual extraction limit (LTAAEL) which is set at this cap and limits total extractions from the water source to a maximum 300% of shares in any given water year.

The original intent of the clause was to limit individual take plus water traded from a water access licence account in any water year to a maximum of 3 ML per unit share at the commencement of that water year plus any additional water assigned to the water access licence account:

$$(\text{take} + \text{trades out}) \leq (3 \text{ ML/share} + \text{trades in})$$

Under the current WSP rules, it is possible to process trades under section 71T of the *Water Management Act 2000* above the take limit if there is sufficient water in the water allocation account of an access licence. This is because clause 42(3) of the Barwon–Darling WSP only provides for the calculation of a take limit and does not attempt to limit trades under section 71T to that limit.

The way clause 42(3) currently operates can undermine the cap and LTAAEL management strategy by allowing maximum water taken from the water source in any given year to exceed 300% of entitlement. As the LTAAEL is a primary mechanism for ensuring the protection of planned environmental water in NSW, it is recommended this error be fixed.

This change has previously been discussed by the Barwon–Darling Stakeholder Advisory Panel (SAP).

The intention of this change remains the same, but amendment has been brought forward, rather than wait for the commencement of the Barwon–Darling Water Resource Plan in 2019. The change is summarised in Table 2.

**Table 1. Amendment to allow for daily extraction limits in the Barwon–Darling**

WSP clause	Recommended change	Key reasons
<p><b>Clause 51</b></p> <p>Clause 51 provides for TDELs.</p> <p>At presented there are no TDELs established.</p>	<p>Addition of a note under this clause explaining that options for imposing TDELs are proposed to be reviewed on or before 1 July 2019.</p>	<p>This change signals the clear intention to implement TDELs while providing the additional time and flexibility to fully consider the potential benefits and impacts of the various options for determining TDELs. This may include investigating a new option for TDELs to consider sharing of flows in each flow class between licenced extraction and the environment, based on the best available evidence for the ecological flow requirement in the Barwon–Darling River.</p>
<p><b>Clause 52</b></p> <p>Clause 52 currently outlines how IDELs are to be calculated</p>	<p>Deletion of subclauses 52(2) to 52(7) and addition of a note that IDELs will be reviewed on or before 1 July 2019.</p> <p>Consequentially notes 3 and 4 under Clause 62 and the note under Clause 80 will be removed.</p>	<p>The method for determining IDELs currently outlined by Clause 52 is known to be problematic in that it has unintended consequences for some licence holders. The issue has been previously discussed with the SAP.</p> <p>This change signals the clear intention to implement IDELs while providing the additional time to fully consider the potential benefits and impacts of the various options for distributing IDELs, including the option requested to be investigated at the April SAP and, the option to issue IDELs that are a product of a newly developed TDEL.</p>
<p><b>Clause 78</b></p> <p>Clause 78 currently authorises amendments to the plan to enable TDELs to be established, amended or removed.</p>	<p>Addition of a subclause to Clause 78 to authorise amendments to the plan to enable IDELs to be established, amended, assigned or removed.</p>	<p>This change ensures that the Barwon–Darling WSP can be amended once investigations have been completed to determine the most appropriate option for IDELs and TDELs.</p>

**Table 2. Amendments to the individual annual take limit for A, B and C-class access licences**

WSP clause	Recommended change	Key reasons
<p><b>Clause 42 (3)</b></p> <p>Clause 42(3) of the Barwon–Darling WSP defines the individual annual take limit</p>	<p>Amend individual annual take limit for A, B and C-class licences to ensure the annual take plus trades from the water access licence does not exceed 3 ML/unit share plus assignments to the water access licence.</p>	<p>To address the risk of take exceeding the MDB Cap and LTAAEL, and therefore reduce risk to the protection of planned environmental water.</p> <p>This also ensures the clause operates as intended when the Barwon-Darling WSP was developed.</p>

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