



Australian Government
National Water Commission



National Water Planning Report Card 2011





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Australian Government
National Water Commission

Chair

Mr David Parker
Chair
Water Thematic Oversight Group
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Dear Mr Parker

It is with pleasure that I deliver to you, and through you to the members of the Water Thematic Oversight Group, the first National Water Planning Report Card (Report Card). The Report Card provides a consolidated summary of the status of water plans across Australia and an analysis of jurisdictional progress in the development and implementation of water planning.

The Commission has undertaken the task of preparing the first Report Card at the request of the COAG Water Reform Committee (WRC). This report is one of a number of actions developed by the WRC in response to the National Water Commission's 2009 Biennial Assessment of progress in implementation of the National Water Initiative.

I would like to acknowledge the cooperation of all jurisdictions both in terms of the development of the Report Card assessment framework and the assessment process. The Commission recognises that jurisdiction input and comment has had a significant positive impact on this report.

By establishing a baseline for water planning across Australia, using criteria determined by the WRC, this report provides a benchmark for evaluating progress and will support a more objective discussion on future planning priorities.

The Commission considers that the second Report Card, due in 2013, should build on this baseline by placing more emphasis on the adequacy and effectiveness of implementation activities, noting that there will be a smaller number of new plans requiring a full assessment.

Although good planning provides the roadmap for improved water management, tangible benefits to communities, the economy and the environment are delivered through effective implementation of plan objectives and transparent reporting of outcomes.

The Commission welcomes the commitment by governments to assess the progress of water planning across all jurisdictions. Robust planning, alongside appropriate regulation and effective markets, is critical to achieving the efficient and sustainable water management system agreed under the National Water Initiative.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chloe Munro'.

Chloe Munro
14 December 2011

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1. Executive Summary



EXECUTIVE SUMMARY



This inaugural National Water Planning Report Card 2011 (Report Card) prepared by the Commission on behalf of the Council of Australian Governments (COAG) provides a consolidated summary of the status of water plans across Australia. It shows how all jurisdictions have made progress in the development and implementation of water planning.

This Report Card task examines the extent to which water planning frameworks and 157 individual water plans¹ include the critical elements of water planning contained in the National Water Initiative (NWI). This report also provides improved clarity around the complex and often poorly understood processes for water planning across different jurisdictions. It is intended that future Report Cards will be undertaken biennially and will describe how management arrangements and their implementation have changed since the previous Report Card.

Importantly, when considered together the individual Report Cards and jurisdictional summaries of water planning frameworks tell a story of how water planning arrangements have progressed over time. The report does not compare state and territory water planning frameworks or advocate a particular water planning model and it does not provide an in-depth evaluation of onground implementation of water plans.

Water planning is the central mechanism used by governments and communities in making water management and allocation decisions to meet specific productive, environmental and social objectives. It is critically important in managing stressed water systems and for managing resources under climatic extremes. There is no single best practice for water planning and jurisdictions use a range of governance structures to manage the diversity of water systems across Australia.

This report provides a clear, agreed baseline for future reference and will facilitate a national discussion on the quality of water plans and planning frameworks, areas of better practice and areas for improvement.

1 The water plans assessed for each jurisdiction included all water plans that had commenced as at 30 June 2011, as well as any relevant draft water plans that were available for assessment (e.g. on public exhibition). Any change in the status of these water plans up to 30 September 2011 was incorporated into the assessment.

National Trends

The summary of findings below outlines trends in water planning across Australia identified during this Report Card assessment. The findings do not relate to all jurisdictions or all water plan areas but rather show the general direction that water planning is heading nationally. Notable exceptions to these trends are identified within jurisdictional summaries and individual Report Card assessments contained in the following chapters.

- Substantial progress has been made in the development of water planning arrangements consistent with the NWI to manage surface water and groundwater resources across Australia. There are however still significant delays in the development and implementation of water plans and water plan reviews that jurisdictions have made commitments to do. This is of particular concern where failure to act has irreversible consequences for the water resource.
- Jurisdictions that have a large number of water systems without water plans tend not to undertake comprehensive assessments of when, or whether, they will prepare a water plan for each water system. They make decisions to do a water plan where one is most needed, rather than explicitly making decisions not to plan for particular systems.
- The coverage of key hydrological, environmental, social and economic assessments and their use in informing water planning decisions has improved. This is particularly evident in the transparency of trade-off decisions for water plans or the associated documentation of water planning decisions.
- Although progress has been made in all jurisdictions, interception activities are not yet consistently managed in accordance with the NWI. Water planning instruments do not often contain a transparent assessment of the significance of interception activities on catchments and aquifers and appropriate measures such as the setting of thresholds above which activities must be licensed. Where such arrangements are in place, monitoring of interception activities is not comprehensive, even for systems that are identified as fully allocated, over allocated or approaching full allocation.
- Considerable effort is currently being directed at the development of monitoring and evaluation frameworks. However, older water plans in particular do not always articulate outcomes that are easily measured and the coordination of monitoring effort is often limited. Reporting on implementation and ultimately progress towards achieving stated water planning outcomes is not done well and has limited capacity to influence the adaptive management and review of water plans.
- Jurisdictions have made provisions for compliance and enforcement measures in their water planning frameworks to combat unlawful water use, however there is limited reporting and information available to determine how well it is undertaken. In recognition that compliance and enforcement arrangements across jurisdictions have significant gaps, the National Framework for Compliance and Enforcement Systems for Water Resource Management was recently developed. The Commission expects to see further development in jurisdictions' management of compliance and enforcement activities in the future, in line with the national approach articulated in that framework.
- Provision for environmental water remains substantially rules based within water plans, rather than entitlement based. Transparency of the coordination and accountability for planned environmental water activities is limited in most jurisdictions. It is often difficult to determine the extent to which rules-based commitments in water plans result in environmental water being made available. Monitoring and reporting of water plan provisions are not done systematically or comprehensively and it is difficult to tell from existing reports whether water plan implementation is achieving environmental objectives.

2. Introduction



Introduction

This report is the inaugural National Water Planning Report Card (Report Card) undertaken by the National Water Commission (the Commission). The report provides a transparent summary of the status of 157 water plans² across Australia to show how all jurisdictions have progressed with the development and implementation of water planning across all water resource systems³.

It is timely to undertake an assessment of water planning across Australia given that all jurisdictions have accelerated work on water planning in line with commitments under the 2004 National Water Initiative (NWI). This report provides clarity around water planning frameworks across jurisdictions and forms a solid foundation for all future assessments.

The Commission has undertaken the task of the first Report Card as a key action towards progressing NWI water reform priorities in Australia. The objectives of the task were developed through the Water Reform Committee⁴ in 2010 in response to the National Water Commission's 2009 Biennial Assessment of Progress in Implementation of the NWI. The committee proposed that the Report Card will be a stand-alone, enduring report published biennially by or on behalf of the Council of Australian Governments (COAG)⁵.

The Report Card is a desktop assessment. It assesses whether key elements of water planning, consistent with the NWI and the Draft NWI Policy Guidelines for Water Planning and Management (draft guidelines), are addressed by each jurisdiction. It does not compare state and territory water planning frameworks or advocate a particular water planning model.

The Report Card assessment criteria (see Appendix 1) examine the inclusion of key water planning elements within different state and territory water planning frameworks. It is important to note that detailed examination of the effectiveness of implementation of these elements by jurisdictions is not within the scope of this task.

The findings of the Report Card are based on evidence that was in the public domain at the time of assessment, or that was provided to the Commission by the lead water planning agency in each jurisdiction for the purpose of this and other assessment tasks.

The importance of water planning

Water planning is a process for transparently determining the distribution of water resources over time. It is the central mechanism used by governments and communities in making water management and allocation decisions to meet specific productive, environmental and social objectives. Water plans sit within a broader management system including regulatory and market structures that also guide water use.

In Australia, water is vested in the state and territory governments. State and territory governments are responsible for managing water resources to facilitate the achievement of public and private benefits of water. The Australian Government's involvement in water reform has increased since 1994 with the COAG Water Reform Framework with national goals and actions further outlined in the NWI.

2 The number of plans assessed for each jurisdiction included all plans that had commenced as at 30 June 2011, as well as any relevant draft plans that were available for assessment. Information on the status of these plans was considered up until 30 September 2011. For example, between July and September, a number of suspended plans in New South Wales recommenced and some draft plans became operational, and these are included in this Report Card assessment.

3 This includes unregulated, regulated, surface water and groundwater systems.

4 The Water Reform Committee comprised all jurisdictions and was chaired by the Department of Sustainability, Environment, Water, Populations and Communities (DSEWPoC). It was reconstituted in 2011 as the Water Thematic Oversight Group.

5 Subsequent Report Cards will describe how management arrangements and their implementation have changed since the previous Report Card, including actions in response to changes in system condition or resource availability.

Statutory water plans provide security to all water users through clearly defined entitlements to a share of water. Further, water planning is a participatory process that allows for community input to government decision making in relation to the management of water resources in their local area.

Water planning is particularly important for managing Australia's water resources effectively throughout the extremes in wet and dry climatic conditions and is critical where resources are contested.

The importance of water planning is highlighted by the large number of water reform actions agreed to in the NWI that are delivered through implementation of sound water planning arrangements. There is no one best practice for water planning and jurisdictions use a range of governance structures to manage the diversity of water systems across Australia. However, the NWI does specify the objectives for water access entitlements and planning and provided guidelines for planning processes which have been further articulated in the more recent draft guidelines. Both the NWI and draft guidelines for water planning and management have informed the Report Card assessment framework.

The National Water Initiative

The NWI addresses water management issues at a national level, reflecting the imperative for national compatibility and a strategic, coordinated approach to managing connected water systems. The NWI is a commitment by all state and territory governments and the Australian Government through COAG. It maps out Australia's water use and management objectives and actions and, importantly, sets out the basis on which freshwater resources are to be shared to support resilient and viable communities, healthy freshwater ecosystems and economic development.

Through the NWI, all jurisdictions have agreed to a set of key elements to include within their water planning frameworks and the closely linked water access entitlement frameworks (see NWI Clause 25). It was agreed that these frameworks will:

- i. enhance the security and commercial certainty of water access entitlements by clearly specifying the statutory nature of those entitlements
- ii. provide a statutory basis for environmental and other public benefit outcomes in surface water and groundwater systems to protect water sources and their dependent ecosystems
- iii. be characterised by planning processes in which there is adequate opportunity for productive, environmental and other public benefit considerations to be identified and considered in an open and transparent way
- iv. provide for adaptive management of surface water and groundwater systems in order to meet productive, environmental and other public benefit outcomes
- v. implement firm pathways and open processes for returning previously overallocated and/or overdrawn surface water and groundwater systems to environmentally-sustainable levels of extraction
- vi. clearly assign the risks arising from future changes to the consumptive pool
- vii. in the case of water access entitlements, be compatible across jurisdictions to improve investment certainty, be competitively neutral and to minimise transaction costs on water trades (where relevant)
- viii. reflect regional differences in the variability of water supply and the state of knowledge underpinning regional allocation decisions
- ix. recognise Indigenous needs in relation to water access and management
- x. identify and acknowledge surface water and groundwater systems of high conservation value, and manage these systems to protect and enhance those values
- xi. protect the integrity of water access entitlements from unregulated growth in interception through land-use change.

Draft Policy Guidelines for Water Planning and Management

All jurisdictions, through COAG, have expanded on the commitments contained in the NWI and identified better practice across the range of key water planning elements in the Draft NWI Policy Guidelines for Water Planning and Management (draft guidelines). The need for this guidance was identified in the Commission's 2009 Biennial Assessment of Progress in Implementation of the NWI.

Consistent with the NWI, the draft guidelines are intended to be relevant nationally for all water systems. They recognise that legislative and administrative arrangements for water resource management differ among jurisdictions, and do not mandate a specific approach across all elements of water planning.

The objective of these guidelines is to assist all jurisdictions' water planners, policymakers and interested stakeholders in developing and implementing NWI-consistent water planning and management arrangements. Their value is in encouraging a degree of commonality at a national level in water planning approaches, which is important for achieving progress towards national water reform outcomes.

The changing nature of water planning

There has been a significant shift in the focus of water policy and management from resource development (i.e. building dams and allocating available water for productive purposes) during much of the twentieth century to a multi-outcome focus that seeks to optimise social, economic and environmental objectives now articulated in the NWI.

All jurisdictions have developed their own frameworks for water planning that reflect the different priorities and issues faced in different parts of the country. This has led to often innovative approaches to water planning and management of water resources. All governments have demonstrated a long-term commitment to water planning over many years, gaining momentum for a nationally consistent approach through the 1994 COAG Water Reform Framework and then a renewed focus with the 2004 NWI.

Water planning in all jurisdictions is now based on an assessment of water resources and competing demands within a system to inform management arrangements over long periods. All jurisdictions have become more aware of the information and approaches required to inform water planning decisions and are working through the difficulties of developing individual water plans to operationalise them. The challenges of implementation now dominate water planning across the country.

In addition to onground implementation of plans, there are increasingly important issues in water planning that pose ongoing challenges for jurisdictions. These include significant uncertainty surrounding climate change and extremes in inflows and recharge and the pressures of urban, mining and agricultural development, addressing interception and changing expectations surrounding the health of ecosystems. These pressures drive a continued push for efficient, effective and equitable water management. The principles outlined in the NWI and draft guidelines to encourage continuous improvement through the application of new knowledge and regular monitoring and review provide an essential framework for governments to deal with these challenges responsively and fairly.

Development of the National Water Planning Report Card

The task

The Report Card is one of a number of actions contained within Water Reform Committee advice to COAG in response to the Commission's Biennial Assessment of Progress in Implementation of the NWI 2009. As part of this advice, the Water Reform Committee recommended that the Commission complete the first National Water Planning Report Card in 2011.

The intent of this National Water Planning Report Card is threefold:

1. Document a baseline of the status of water planning across Australia
2. Report on progress with the development and implementation of water plans in all water resource systems with reference to the draft guidelines
3. Provide a succinct evaluation of the status of each water plan against specific components of water planning (see below) to facilitate continual improvement of water planning in Australia by providing transparency of water planning processes across jurisdictions and highlighting better practice approaches.

The Water Reform Committee agreed on a list of key water planning components to be used as indicators of progress of development and implementation of water plans.

KEY WATER PLANNING COMPONENTS TO BE EVALUATED:

- a. *overuse status and whether there is a pathway to return to a sustainable water extraction regime*
- b. *inclusion of clearly identified and measurable outcomes*
- c. *facilitation of water trade (absence of trade barriers, meeting service standards for trade, etc.)*
- d. *integration of mining, forestry and other water intercepting activities within the water planning and entitlements system where appropriate*
- e. *surface water/groundwater connectivity*
- f. *accountable environmental water management arrangements, together with a comprehensive environmental watering plan (or other appropriate environmental water management arrangement)*
- g. *the adequacy of monitoring, compliance and enforcement provisions, and*
- h. *planning for climate change and extremes in inflows or recharge that may occur during the planning cycle.*

In addition, the National Water Planning Report Card will assess the adequacy of stakeholder engagement in planning processes and the extent to which identified outcomes have been achieved during the reporting period.

As well as the ten areas identified above, this National Water Planning Report Card also outlines where water plans have not been developed for water systems and jurisdictions' reasons for those decisions.

Our approach

The Commission's approach to the Report Card task was designed to accommodate the complexity and diversity of water planning across Australia.

The Commission developed an assessment framework for the evaluation of water plans. Building on the 10 indicators provided by the Water Reform Committee, the Commission identified 12 criteria against which all water plans were assessed (see Appendix 1).

As outlined in the NWI and the draft guidelines, a water plan may be a single legal document or a number of legal and policy instruments working together. The water planning arrangements for one water plan area can thus be distributed across several documents. The evaluation of each individual water plan area recognised the contribution of overarching legislation, regulation and policy frameworks where they are a component of a water planning framework.

Similarly, the scale at which a water plan is developed varies, and each jurisdiction has taken a different approach. A water plan may apply to a number of water systems or a discrete part of a water system. All jurisdictions have prioritised plans where systems are under stress.

It was important for the Commission to utilise a consistent approach in assessing water plan areas against each criterion and that the objectivity of the evaluation was maintained. More detailed sub-criteria were developed to clarify and standardise the detail of the assessment. These sub-criteria were based heavily on the various elements of good water planning as presented in the NWI and the draft guidelines. They then were further refined on the basis of feedback received from jurisdictional water planning agencies and early assessments undertaken for the task. These sub-criteria are shown at Appendix 1.

All plans underwent a 'baseline' assessment against all criteria and a limited set of sub-criteria. A more detailed assessment focussing further on the implementation of certain water planning elements was undertaken for a sample of 25 water plans. The additional 18 sub-criteria addressed plan implementation in areas such as environmental water, stakeholder engagement, interception and the reporting of outcomes.

Extensive internal and external consultation, peer review and quality assurance measures employed by the Commission ensured informed analysis and consistency in assessment of the criteria across all water plans. The Commission notes, however, that a degree of judgement was still required to ensure contextual matters were adequately taken into account.

The Report Card made use of all publicly available information through desktop analysis. This allowed examination of a large volume of information within a relatively short timeframe. Guidance was sought from jurisdictions to source documentation that is difficult to access and some additional information that is not publicly available was provided upon request. This was particularly the case for the older water plans.

This report provides a baseline for understanding the status of water plans and the maturation of water planning arrangements across Australia. However, the limitations of the scope of this first Report Card are recognised. Future biennial Report Card assessments, the next due in 2013, will describe how management arrangements and their implementation have changed since the previous Report Card, including actions by jurisdictions in response to changes in system condition or resource availability. The Commission considers that further examination of the onground implementation of key elements of water plans would be valuable, particularly in areas of monitoring and reporting, compliance, stakeholder engagement and the achievement of water plan outcomes.

Structure of this report

Sections 3-10 are organised by jurisdiction. Each section contains jurisdictional summary and individual Report Cards for each water plan area.

INDIVIDUAL REPORT CARDS

Individual Report Cards apply the National Water Planning Report Card assessment framework to each water plan in Australia.

Each Report Card provides both direct answers to all criteria questions, as per the standard answers noted in Appendix 1, as well as comments providing further details of the reasoning behind each answer given.

The standard answers provide a snapshot of which components of water planning have been addressed well, and which components are lacking, for that particular water plan.

The comments associated with each answer provide insight into what factors contributed to the answer given. This comment is particularly important for highlighting the distinct factors affecting specific water plans and explaining any differences in answers across the same assessment criteria for water plans within the same jurisdiction.

JURISDICTIONAL SUMMARIES

The findings from the individual Report Cards are consolidated to develop an overview of how water planning operates in each jurisdiction.

It is important to address water planning at the state and territory level, as well as the individual water plan level, as many of the associated functions are governed by jurisdiction-scale instruments, such as for trade, compliance and enforcement and state-wide policies that guide consultation and monitoring and reporting activities. The state and territory summaries provide important context for understanding how individual water plans are built in each jurisdiction.

A succinct summary of the key aspects of each jurisdiction's water planning framework has been compiled. Further, the key instruments that govern different aspects of water planning are linked to each of the Report Card assessment criteria. The descriptions help to bring greater transparency to what is often a very complex process.

The summary is then linked to a synthesis of the findings from individual water plan Report Cards to provide a general description of how water planning activities relate to the Report Card assessment criteria. This allows the opportunity to highlight areas of good practice and achievement as well as areas for further attention.

The multiple layers of information for each jurisdiction are consolidated into an assessment overview as a concise record of the key take home messages for each jurisdiction.

