



Reference No: BN15/6086

To: Dr Rhondda Dickson
Chief Executive
Murray-Darling Basin Authority

From: Gavin Hanlon
Deputy Director General, DPI Water
NSW

Statement of Assurance for NSW for 2014-15

To maximise transparency and provide assurance to other parties and the community that the obligations of the Basin Plan are being implemented appropriately and in line with agreed arrangements under the Basin Plan 2012 Implementation Agreement, NSW has completed a self-assessment of performance against its obligations under the *Basin Plan 2012* (refer Tables 1 and 2).

I certify that, to best of my knowledge, for the 2014-15 water accounting period the information provided in the self-assessment attached to this statement accurately reflects the extent to which NSW is compliant with its obligations under the *Basin Plan 2012*.

Where non-compliance or partial compliance has been detected, I have identified the measures NSW has implemented, is implementing, or plans to implement and any impediments that are outside of NSW control which may impact on compliance with particular provisions of the Basin Plan.

Gavin Hanlon on behalf of NSW

Gavin Hanlon
Name

A handwritten signature in black ink, appearing to read 'G Hanlon', written over a faint circular stamp.

Signature

17/9/15
Date

<p style="text-align: center;">Basin Plan Implementation Agreement Tasks (refer note 2)</p>	<p style="text-align: center;">Timing</p>	<p style="text-align: center;">Summary of standards and processes for delivering tasks</p>	<p style="text-align: center;">Compliance Status (Yes, No, Partial) (Refer note 3)</p>	<p style="text-align: center;">Commentary (refer note 4) (Summary of Note 4: For ‘full compliance’, may provide a good example or commentary; for ‘no’ or ‘partial compliance’, must explain the situation, actions taken or planned to ensure compliance at a specified future date, and describe any third party impediments that hindered compliance)</p>
<p>Task 14.2: Develop constraint management proposals.</p>	<p>From December 2013.</p>	<p>Basin States may develop proposals to address constraints, having regard to the Constraints Management Strategy.</p>	<p>Yes</p>	<p>NSW is actively participating in phase 2 of the Constraints Management Strategy and developing business cases for the relaxation of constraints.</p> <p>Development of constraints measure business cases is underway in two NSW high priority areas identified in the Constraints Management Strategy, the Gwydir and Murrumbidgee. NSW has also been an active participant in the inter-jurisdictional process for development of constraints business cases in the three Murray priority areas. Joint consultation with local stakeholders and Victoria will commence shortly. Recommendations for addressing constraints in the Lower Darling will be considered as part of the Menindee Lakes supply measure business case (in development).</p> <p>To develop these business cases, NSW has requested funding from the Commonwealth. A primary component of developing the business cases involves stakeholder consultation and addressing third party impacts.</p> <p>Note: A draft Pre-requisite Policy Measure Implementation Plan, which addresses priority operational and management constraints, was provided to the MDBA for review in August 2015.</p>

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Task 19: Annual environmental watering priorities (Refers compliance status with sections 8.23 - 8.26 of the Basin Plan).				
<p>Task 19.1: Identify annual environmental watering priorities for each water resource plan (WRP) area.</p>	<p>By 31 May each year or as agreed.</p>	<p>Basin States will submit their annual environmental watering priorities (AEWP) or other relevant instrument as agreed with the MDBA, for the purposes of identifying the annual environmental watering priorities for the water resource plan areas.</p> <p>Please refer Note 6.</p>	<p>Yes</p>	<p>NSW has identified the annual environmental watering priorities (AEWP) for surface water in each water resource plan area for 2015/2016, having had regard to the Basin Plan Part 4 of Chapter 8, Division 4 and the principles in Part 6 of Chapter 8. These priority statements outline how environmental water may be used in the coming year, depending on ecological and climatic factors and water availability</p> <p>The AEWPs were developed by NSW and their respective Environmental Water Advisory Groups (EWAGs) and are derived from the NSW annual environmental watering plans. Preparation of the AEWPs also involved consultation with the Commonwealth Environmental Water Office (CEWO).</p> <p>These priorities were provided to the MDBA in May 2015 and can be found on the NSW OEH website at:</p> <p>http://www.environment.nsw.gov.au/environmentalwater/planning-reporting.htm</p>

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<p>Task 20: Coordination of environmental water on an annual and long-term basis (Refers compliance status with sections ss8.11, 8.19, 8.24, 8.35, 8.44 of the Basin Plan).</p>				
<p>Task 20.1: Identify possible cooperative arrangements that will support the delivery of environmental water in accordance with the priorities identified in the annual environmental watering priorities.</p>	<p>From the commencement of the 2013-14 water year.</p>	<p>The parties agree to identify possible cooperative delivery arrangements where appropriate, noting that decisions about the use of environmental water are a matter to be determined by the holders of held environmental water and managers of planned environmental water.</p>	<p>Yes</p>	<p>NSW annual environmental watering priorities (AEWP) for surface water in each water resource plan area for 2015/2016 were developed by NSW and their respective Environmental Water Advisory Groups (EWAGs) and are derived from the annual environmental watering plans. The EWAGs include observers from all holders of environmental water, representatives of agencies responsible for planned environmental water, and representatives of holders of ecological assets (National Parks and Wildlife Services, private Ramsar site managers), as well as a diversity of peak and local stakeholder membership. Preparation of the AEWPs also involved consultation with the Commonwealth Environmental Water Office (CEWO).</p>
<p>Task 20.2: Report when the Basin annual environmental watering priorities are not followed.</p>	<p>By 31 October 2014 and annually thereafter.</p>	<p>Where Basin Annual Environmental Watering Priorities (BAEWP) are not followed, Basin States will provide the MDBA with a statement of reasons as to why environmental watering has not been undertaken in accordance with the BAEWP for the relevant water year in Table 2.</p>	<p>Partial</p>	<p>NSW confirms that all but one of the environmental watering events in the NSW Murray Darling Basin in 2014/2015 were consistent with the Basin Annual Environmental Watering Priorities.</p> <p>For further clarification on why one of the priorities was only partially complied with in regards to the Basin Annual Environmental Watering Priorities, please refer to Table 2, Priority 2.</p>

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Task 21: Targets for managing water flows (Refers compliance status with section s9.14 of the Basin Plan).				
<p>Task 21.1: Have regard to flow- related targets on dissolved oxygen, recreational water quality and levels of salinity when performing their functions and when making decisions about the use of environmental water.</p>	<p>From commencement of the Plan.</p>	<p>Schedule 12 of the Plan requires the parties to report on the extent to which they have had regard to the targets. (The <i>Basin Plan Schedule 12 Reporting Guideline</i> provides guidance on meeting the reporting requirements related to the obligations identified in Schedule 12).</p> <p>Please refer Note 7.</p>	<p>Yes</p>	<p>NSW environmental water events seek to maximise environmental outcomes whilst having regard to the Basin Plan’s water quality and salinity targets. All approvals for environmental water releases need to demonstrate adequate risk identification and mitigation, and have regard to the targets in s9.14, as prescribed in Form A (Request to deliver environmental water).</p> <p>Where possible, modelling is used to assess potential water quality impacts of proposed water actions (e.g. bank erosion, blackwater, acid sulphate soils, salinity, dissolved oxygen and temperature). The delivery strategy is developed with regard to water quality and salinity targets.</p> <p>Additionally, risk mitigation strategies are developed to address potential water quality impacts and salinity issues that may occur during the delivery of environmental water. These may include cessation of water delivery, changes to the timing, duration or inundation extent of the environmental water delivery, or use of dilution flows.</p>

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Task 23: Application of salinity targets for the purposes of long-term salinity planning and management ((Refers compliance status with section s9.19 of the Basin Plan).				
Task 23.1: Apply salinity targets in the Murray–Darling Basin Agreement for salinity planning and management.	From commencement of the Plan.	The MDBA, the Basin Officials Committee, and Basin States are to undertake any long-term salinity planning and management functions in accordance with the targets in Appendix 1 of Schedule B of the Murray-Darling Basin Agreement (including the Basin Salinity Management Strategy Operational Protocols).	Yes	Basin Salinity Management Strategy (BSMS) implementation is delivered through operational protocols which include maintenance of salinity registers, annual jurisdictional implementation reports and annual audits via an independent audit group. The BSMS runs to 2015, and a new strategy is being developed for Ministerial Council approval in October, 2015.
Task 26: Water quality and salinity trigger points (Refers compliance status with sections s11.05 of the Basin Plan).				
Task 26.1: Determine whether the trigger is reached.	Event based.	If New South Wales, Victoria or South Australia considers the triggers have been reached, its BOC member should advise the Executive Director, River Management Division, MDBA. Emergency response, if required, will be led by BOC and prepared by the MDBA for BOC to then action, with the process to be supported by the Water Liaison Working Group. The Guideline for the triggers and processes for changing water sharing Tiers provides guidance on how the MDBA and Basin States should communicate if the triggers are reached. Please refer Note 8	Yes	NSW is not aware of any triggers being breached that would result in a need for emergency response during the year.

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<p>Task 27: Risk management approach for inter-annual planning for critical human water needs arrangements (Refers compliance status with section s11.08 of the Basin Plan).</p>				
<p>Task 27.1: Consider the water available for critical human water needs before allocating water to other uses.</p>	<p>By 31 May, each year.</p>	<p>The MDBA will provide the New South Wales, Victoria and South Australia with Water Resource Assessments, from which the States make decisions about allocations. Assessments will be provided at least monthly, and more frequently if conditions warrant.</p>	<p>Yes</p>	
<p>Task 27.2: Make decisions on allocations.</p>	<p>Event based.</p>	<p>During periods of Tier 3 water sharing arrangements, the MDBA will provide the Ministerial Council with Water Resource Assessments, from which New South Wales, Victoria and South Australia make decisions about allocations when determining if water can be made available for uses other than critical human water. Assessments will be provided at least monthly, and more frequently if conditions warrant.</p> <p>A Basin State must have regard to advice from the Authority regarding the volume of water to be made available to it in a particular year, when making decisions about whether water is made available for uses other than meeting critical human water needs (s11.08(3)).</p>	<p>Yes</p>	

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Task 28: Commencement and cessation of Tier 3 water sharing arrangements (Refers compliance status with sections ss11.15, 11.16 of the Basin Plan).				
<p>Task 28.1: Determine whether the trigger is reached and Tier 3 applies.</p>	<p>Event based.</p>	<p>The MDBA, through the preparation of the Water Resource Assessment will determine if the appropriate conditions apply. If New South Wales, Victoria or South Australia considers the triggers have been reached, its BOC member should advise the Executive Director, River Management Division, MDBA.</p> <p>The MDBA will publish a notice on its website declaring that:</p> <ul style="list-style-type: none"> • Tier 1 or Tier 2 water sharing arrangements cease and Tier 3 water sharing arrangements commence; or • Tier 3 water sharing arrangements cease and Tier 2 water sharing arrangements commence; or • Tier 3 water sharing arrangements cease and Tier 1 water sharing arrangements commence. <p>If conditions require water sharing arrangements to change from Tier 3 to Tier 1, the MDBA will declare that Tier 2 arrangements commenced when Tier 3 arrangements ended but ceased immediately afterwards.</p> <p>The Guideline for the triggers and processes</p>	<p>Yes</p>	

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		for changing water sharing Tiers provides more information on how the MDBA will communicate a change in water sharing arrangements to the Basin States, the CEWH and the Department.		
Tasks 29 and 31: "Restrictions on trade and their application" (Refers compliance status with sections ss12.02-12.27 of the Basin Plan) and "Information and reporting requirements (Refers compliance status with sections ss12.40-12.51 of the Basin Plan).				
Task 29.1, Task 31.1 and Task 31.3: Compliance with obligations associated with the water trading rules	From 1 July 2014.	Has (Basin State) exercised their best endeavours to ensure that the relevant water trading rules, policies and processes meet their obligations under the Implementation Agreement? <i>The MDBA is interested in information related to compliance with the water trading rules. For reporting in 2014-15, the MDBA suggests that states focus on commentary around processes associated with 31.3 (the disclosure and management of water announcements)</i>	Partial	29.1 NSW is continuing to work with the MDBA to ensure NSW trade rules are consistent with the water trading rules set out by the Basin Plan. Several issues have been identified to be resolved as a part of Water Resource Plan development. Discussion between NSW and the MDBA are ongoing to resolve the priority issues as identified by the Authority, to the satisfaction of both parties. 31.1 NSW provided initial reports to the MDBA of the information required under Section 12.43 - 12.44 and 12.46 in accordance with the request of the Authority and the Basin Plan respectively. Communication is ongoing between NSW and the Authority and further reporting under Section 12.46 may be required depending on the outcome of these discussions. 31.3 NSW is currently developing a 'Water Trading – Market Sensitive Information Policy' which will strengthen existing information management practices to ensure that NSW is compliant with Section 12.49-12.52 of the Basin Plan.

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<p>Task 32: Reporting requirements (Refers compliance status with sections 13.14 and 13.15 of the Basin Plan).</p>				
<p>Task 32.1 Produce a report on each Basin State’s Category B matter listed in Schedule 12.</p>	<p>By 31 October 2015.</p>	<p>2014-15 reporting year: Basin States will provide reports in line with Basin Plan reporting requirements as per Schedule 12 and the Chapter 13 guideline to the extent agreed in BPIC – Monitoring and Evaluation Working Group. The guideline sets out a transition process to full reporting.</p>	<p>Yes</p>	

Table 2: Statement of reasons why watering not undertaken complying Basin Annual Environmental Watering Priorities (BAEWP) for 2014-15 (Refer IA Task 20.2)

Section 8.44 of the Basin Plan (2012) requires that: If a person undertakes environmental watering other than in accordance with the Basin annual environmental watering priorities accessible at <http://www.mdba.gov.au/what-we-do/environmental-water/environmental-watering-priorities/priorities-14-15> that person must give to the Authority a statement of reasons why environmental watering has not been undertaken in accordance with the Basin annual environmental watering priorities (8.44(1)). The person must give the statement to the Authority as soon as practicable, but in any event within four months after the end of the water accounting period in which the environmental watering was undertaken (8.44(2)).

	Basin annual environmental watering (BAEWP) priorities for 2014–15	Jurisdictions to consider reporting	Please tick (x), where BAEWP not complied with	Statement of reasons why BAEWP not followed
	Connect rivers and floodplains			
1	Gwydir Wetlands: Improve the condition and maintain the extent of wetland vegetation communities in the Gwydir Wetlands (including Ramsar sites) by restoring hydrological connectivity and a flow regime that meets ecological requirements (relisted Priority).	NSW	Complied	
2	Mid-Murrumbidgee wetlands: Improve the condition of wetland vegetation communities in the mid-Murrumbidgee wetlands through a winter or spring fresh (relisted Priority).	NSW, ACT	X	NSW was unable to carry out a winter or spring fresh in 2014/15 due to a lack of natural flow cues. However, seven environmental watering events were successfully delivered in 2014/15. These targeted: MIA Wetlands, Yarrada Lagoon, Coonancoocabil Lagoon, Yanco Creek, Old Man Creek, Sandy Creek, Gras Innes and Oak Creek in the Mid- Murrumbidgee Wetlands. These events resulted in a total of 12,573 ML (5,745 ML of EWA water) and were undertaken in accordance with the BAEWP.

	Basin annual environmental watering (BAEWP) priorities for 2014–15	Jurisdictions to consider reporting	Please tick (x), where BAEWP not complied with	Statement of reasons why BAEWP not followed
	Support in-stream functions			
3	3. Macquarie River: Improve native fish habitat within the Macquarie River below Burrendong Dam, by restoring a more natural flow regime and managing cold water pollution.	NSW	Complied	
4	Connectivity in the River Murray System: Improve riparian, littoral and aquatic vegetation (e.g. <i>Ruppia tuberosa</i>) and native fish populations, by increasing ecosystem connectivity through coordinating water delivery in the River Murray system.	NSW, Vic, ACT	Complied	
5	Winter flows for fish in the southern Basin: Improve survival, recruitment and condition of native fish populations, by providing winter flows to tributaries and creeks of the River Murray and through the barrages to the Coorong.	NSW, Vic, ACT, SA	Complied	

	Enhance and protect refuge habitat			
6	Native fish in the northern Basin: Improve survival of native fish populations by enhancing and protecting dry period refuge habitat in the northern Basin.	Qld, NSW	Complied	
7	Waterbird refuge: Maintain waterbird habitat, including refuge sites and food sources, to support waterbird populations across the Murray–Darling Basin. Support waterbird breeding where feasible.	NSW, Vic, SA, Qld, ACT	Complied	

Notes for Basin State SoA compliance

Note 1 – Statements of Assurance are at jurisdictional rather than agency level. This means that where assurance is provided by the lead agency of a Basin State, it is provided as a single response covering all relevant agencies within that State.

Note 2 – There are only a small number of obligations on Basin States for 2014-15. Coverage of assurance reporting will increase over time as further obligations arise. For example the Water Trading Rules commence on 1 July 2014 and will be reported in assurance statements for 2014-15 and beyond, the obligation on Basin States to develop long term environmental watering plans for each surface water resource plan area will be included in assurance statements for the in 2015-16. Water resource plans and Sustainable Diversion Limits become enforceable from 1 July 2019 and would be included in Statements of Assurance for 2019-20.

Note 3 - An obligation may require action at one of three levels, Basin Plan level, water resource plan area level or at the SDL resource unit level. The obligation level will impact on the assessment as, for example, a Basin State may have more than one water resource plan area and have differing compliance status between these areas, meaning that a Basin State is fully compliant where the obligations relevant to all water resource plan areas are met.

Where, in the opinion of the Basin State, an obligation has been fully met (for example, where an obligation is required to be met for all water resource plan areas and it has been met for all as discussed above) the answer is ‘**Yes**’. Where, in the opinion of the Basin State, an obligation has not been met to any degree (for example, where an obligation is required to be met for all water resource plan areas and it has not been met in any) the answer is ‘**No**’. Where, in the opinion of the Basin State, an obligation has

not been fully met but has been met to some degree (for example, where an obligation is required to be met for all water resource plan areas and it has been met for some but not all) the answer is **'Partial'**.

Note 4 - Commentary is not required where the Compliance status is **'Yes'**; however, Basin States may provide commentary in these circumstances if desired. Where the 'Compliance status' is **'No'** or **'Partial'**, Basin States are asked to provide commentary on the details of the situation, the actions it has taken or plans to take that will ensure compliance at a future date and the date that compliance is expected to be achieved. The reporter should also describe any third party impediments out of their control which impact on their ability to comply with the obligation.

Note 5 - Statements of Assurance are voluntary reports to the community and other stakeholders provided to the MDBA by agreement, to enhance the transparency of the implementation of the Basin Plan and further promote voluntary compliance. There is no statutory requirement on a Basin State to produce a Statement of Assurance (SOA) and SOA do not underpin the application of statutory enforcement action that the MDBA may elect to take from time to time. To ensure the ongoing integrity of the assurance process, the MDBA may undertake random audits of Statements of Assurance, either as specific audits or as elements of other audits. Audits will be undertaken in accordance with the MDBA's Audit Policy.

Note 6 – Annual environmental watering priorities (AEWP) for each of the 20 surface WRP area:

1. must have regard to the Basin- wide Environmental Watering Strategy (BEWS) (s8.25(2)(a).
2. Number of AEWP are: Qld- four; NSW- Nine; ACT- one; Vic- three; and SA- three;
3. must apply the principles: and method outlined in Part 6 of Chapter 9.

Note 7:

1. Always Dissolved oxygen of at least 50% saturation at 250C and 1 atmosphere pressure (s9.14 (5) (a);
2. Recreational water quality: refer Table 6.2, 6.3, 6.4, 6.5 of Chapter 6 of the Guidelines for Managing Risks in Recreational Water at http://www.nhmrc.gov.au/_files_nhmrc/publications/attachments/eh38.pdf.

Note 8 - Trigger point for taking raw water from the River Murray system at or upstream of Wellington for treatment and supply for human consumption for:

1. Salinity: $\geq 1,400 \mu\text{s}/\text{cm}$;
2. Water quality not being able to meet Australian Drinking Water Guidelines 6, 2011, 2.0 Updated December 2013.

Disclaimer

The publication of a Basin State's Statement of Assurance on the MDBA's website does not in any way indicate or imply that the MDBA agrees in part or whole with the statement. Nor does it mean that the MDBA has found the Basin State to be fully compliant with their obligations under the Basin Plan. The statement does not in any way act to reduce or alter the authority of the MDBA to enforce the Basin Plan where deemed appropriate.