

# Basin Plan Water Resource Plan Requirements Position Statement 9A Risk assessment method

<b>POLICY ISSUE</b>	<b>What must be included as part of the risk assessment methodology for a WRP?</b>
<b>REFERENCES</b>	Basin Plan Chapter 10, Part 9, s10.40-s10.43, s10.22, s10.23, s10.31

<b>MDBA POSITION STATEMENT</b>
<p>A water resource plan must be prepared having regard to risks to the condition and availability of water resources of the plan area (s10.41). This means that all parts of the water resource plan must be prepared having regard to the risks identified and assessed under this provision. For further information on what ‘having regard to’ requires see WRP Position Statement 1B on interpreting ‘have regard to’.</p> <p>Specifically, a water resource plan must follow the risk identification and assessment methodology set out in s10.41 and s10.42. This requires consideration of risks set out in s10.41(2) as far as they are relevant, as well as risks identified in s4.02, and any guidelines published by MDBA relating to risk identification and assessment.</p> <p>The water resource plan must list and assess all identified risks, and define the level of each risk.</p> <p>Certain phrases used in s10.41(1) are not defined by the <i>Water Act 2007</i> (Cth), or by the Basin Plan. Based on the ordinary meaning of the words used and the context of their use, when assessing water resource plans for accreditation, MDBA will adopt the following interpretations:</p> <ul style="list-style-type: none"> <li>• The phrase “current and future risks” refers to all risks to water resources that have previously been identified, are occurring at the time the water resource plan is being prepared, or have not previously been identified. This includes risks to water resources that could occur during, or beyond the life of the water resource plan regardless of whether a management strategy is currently in place.</li> <li>• The “condition” of the water resources is a reference to the overall condition of water resources in a plan area, being the water sources and all aspects of them, including the water itself, organisms and other components and ecosystems that contribute to the state and environmental value of the water resource. The overall condition of Basin water resources is described in Schedule 1 of the Basin Plan.</li> <li>• The “continued availability of the water resources” means the availability of water resources for all users (including the environment) within historical trends and the overall reliability of the water resources.</li> </ul> <p>The risk levels used in the risk assessment methodology (Basin Plan s10.41(6)) must be defined before being applied to any identified risks. If any part of the risk assessment carried out for s10.41 is based on an assumption that existing management strategies will</p>

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be continued, those strategies must be identified as part of the risk assessment (in line with the *AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines* and s10.40) and be consistent with other Basin Plan requirements where applicable.

The risk identification and assessment carried out for s10.41 must include consideration of water resources with significant hydrological connection to those in the plan area (including where water resources are managed under different water resource plans or cross state borders) (Basin Plan s10.05) (see Position Statement 2B on interpreting ‘significant hydrological connection’).

The risk identification and assessment must be based on best available information (Basin Plan s10.49) (see Position Statement 12A on how MDBA will consider best available information).

A management strategy to treat a medium or higher level risk need not be implemented within the same water resource plan area as the water resource being impacted, if it is more effective to address the source of the risk elsewhere.

In addition to a water resource plan setting out the material in relation to risk identification and assessment that is required by sections 10.41 – 10.43, MDBA will seek supporting documentation that establishes how regard has been had to the risk identification and assessment in preparation of the water resource plan as a whole. That is, MDBA will seek evidence that the obligation in s10.41(1) has been fulfilled. Information should include an explanation of the approach, tools and information used to undertake a risk assessment and the linkages between the outcomes of the risk assessment and the arrangements in the water resource plan.

## **Rationale**

Risk assessments are critical to informing the development of water resource plans (WRPs) and the approach to different obligations in the Basin Plan (for example, preparation of long-term watering plans and undertaking environmental watering, or specifying measures in a WRP to improve measurement of take). A robust risk assessment will provide MDBA with confidence in the appropriateness of a Basin State’s approach to Basin Plan requirements that will be sought during assessment of a WRP submitted for accreditation.

MDBA uses the principles for risk management in the *AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines* to guide decisions on risk assessments when assessing WRPs for accreditation. The requirements of Chapter 10, Part 9 of the Basin Plan are consistent with the approach of these standards for risk management (see Basin Plan 2012 Explanatory Statement). Further guidelines that support these principles for risk assessment are also available.

Chapter 4 identifies broad risks to the condition or continued availability of Basin water resources that must be taken into account when identifying risks for s10.41. It also lists strategies to manage those risks. The requirement in s10.41 for risks for the WRP area to be identified having regard to the risks and strategies in Chapter 4 does not impose obligations to carry out particular activities or incur costs in relation to the strategies noted there (see Basin Plan 2012 Explanatory Statement paragraph 52).

Chapter 10, Part 9 is silent on how to deal with identified risks classified as being a low level of risk. A WRP does not need to include strategies to address low level risks, but other parts of Chapter 10 may impose obligations in relation to those risks. Specifically, sections 10.22, 10.23 and 10.31 contain requirements relating to any risks identified for s10.41.

Further, as the general requirement in s10.41 is that the WRP itself is prepared having regard to risks, it is expected that the risk assessment will have informed management approaches specified throughout the WRP.

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The risk assessment is a useful tool for guiding the weight that should be given to various matters when the Basin Plan includes a requirement to ‘have regard’ to matters. For example, s10.23 requires a WRP to specify whether any types of interception activity have the potential to have significant impact on water resources, having regard to the risk assessment. Risks assessed as low are less likely to require careful consideration for the purpose of s10.23.

Chapter 10, Part 9 does not specify inclusion of risks to, or from, other neighbouring or connected water resources. However, consistent with the requirement in s10.05, regard must be had to connected areas or resources. In particular, where the impacts of a medium or higher level risk impact can move between connected WRP areas, MDBA considers this significant enough for some coordination between relevant WRPs.

Section 10.41(2)(d) specifically highlights the need to have regard to the risks that ‘arise’ from elevated salinity or other water quality concerns. MDBA considers this a requirement to consider in particular the different types of risks, and the sources of risks, that could pose a threat in the particular system, beyond those specified in s4.02 as risks to Basin water resources more generally.

The definition of the level of each risk (s10.41(6)) is to include a description of the different parameters used to assign risk levels to individual risks (e.g. likelihood and consequence). This is in line with the *AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines*.

It is important that a WRP clearly states how the levels of risk are defined, and the basis for categorisation of each risk. This is because it is only medium or higher level risks that need to be addressed through strategies or other explanation (s10.43) and there needs to be confidence that all risks have been assessed consistently and that low level risks have been categorised appropriately (see Basin Plan 2012 Explanatory Statement Chapter 10, Part 9).

Section 10.43(1)(b) recognises there may be situations where medium or higher level risks are not able to be adequately addressed by a WRP. For assessment purposes, a WRP needs to explain the limitations of the WRP managing these risks adequately, which would include other instruments that contribute to management of that risk.

Social and economic information should be taken into account as part of having regard to current and future risks to the condition and availability of water resources in the WRP area, consistently with the identification of risks and consequences in s4.02. This includes risks arising from insufficient or unsuitable water for consumptive, economic, social, cultural and other public benefit values (see WRP Position Statement 1G on socioeconomic requirements).

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