

Implementation of water management corruption prevention actions

Final Progress Report to the Independent Commission Against Corruption (ICAC)

May 2023





Acknowledgement of Country

The Department of Planning and Environment acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land and we show our respect for Elders past and present through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

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Introduction

In 2020, The NSW Independent Commission Against Corruption (ICAC) conducted two related investigations into complaints about water management in NSW: Operation Avon and Operation Mezzo. These investigations focused on a diverse range of matters over a significant period of time (from 2003 to when the investigations commenced in 2020).

ICAC published its report *Investigation into Complaints of Corruption in the Management of Water in NSW and Systemic Non-compliance with the Water Management Act 2000* in November 2020 noting the Commission made no findings for corrupt conduct.

The report did, however, make 15 recommendations that once implemented would help address corruption risks identified during the investigation. The NSW Government responded to the report in March 2021.

A 12 month progress report - DPIE and the NSW Government - Operation Avon and Mezza was published on the ICAC website in May 2022. This report confirmed that 13 of the 15 recommendations had been completed (recommendations 2 – 6 and 8 – 15).

The Department is also required to provide a final progress report to the Commission at 24 months. This is the final Department of Planning and Environment (formerly the Department of Planning, Industry and Environment: DPIE) report to ICAC. It provides information on the status of implementation of the final 2 recommendations by the NSW Government over the past 24 months.

At April 2023, all 15 recommendations had been completed.

Recommendation 1

That the Department of Planning, Industry and Environment (DPIE) publicly records:

- its water strategy, objectives and priorities for the use and management of NSW's water resources in a manner consistent with the mandatory duty in s 9 of the Water Management Act 2000 No. 92 (WMA)
- the need to ensure the water management principles in s 5, and in particular those that relate to sharing, as set out in s 5(3) of the WMA, are all given effect.

Section 9 of the WMA should also inform relevant key departmental records, including agency policies, guidelines and role descriptions, concerning the management of water resources.

Progress Update

Complete

The implementation approach for this recommendation is largely consistent with the NSW Government's March 2021 response and the 2022 progress update.

Water strategies

In September 2021, the NSW Government launched the NSW Water Strategy.

The [Metropolitan Water Strategies](#) were finalised in 2022.

The Department publishes the status of all [Regional water strategies in New South Wales](#). At April 2023, six Regional water strategies have been published with their implementation plans, and three strategies will be published during 2023. The remaining strategies require further consultation that has been delayed by flooding impacts on relevant communities. The Department's website has further information relating to the additional [plans and programs](#) underway for NSW's water resources and the standard review processes that are now established.

Water sharing plans

The Department publishes documentation with each water sharing plan (WSP) remake or amendment. This documentation explains how the WSP's provisions meet the principles of the WMA in particular section 5(3), and the duty in section 9.

Visit the Department's website for more information about [Water sharing plans](#).

Water policy reviews

Incident Response Guides have been updated with measures to manage water resources during drought conditions. These were submitted to the MDBA as part of the amended water resource plan packages, available at [Publications | Murray-Darling Basin Authority \(mdba.gov.au\)](#).

Policy review is continual and includes consideration of many factors, such as alignment with section 5 and section 9 of the WMA.

The Department's website has more information relating to [Legislation and policies](#)

Water Management Act 2000 (WMA) Section 10 review

Using the method outlined in the 2022 response, the department commenced the section 10 review in 2022. The review is on track for completion by mid-2023. The results of the review will be published in the department's Annual Report and website.

Recommendation 7

That the NSW Government recommences funding of scientific audits that periodically monitor the environmental health of its rivers and river flows to provide independent assurance of the effectiveness of its water management policies.

Progress Update

Complete

The implementation approach for this recommendation has been updated since the NSW Government's [March 2021 response](#) to include an improved NSW WSP evaluation program. An updated River Condition Index has

been published, and updates the High Ecological Value Aquatic Ecosystems Framework (HEVAE) align with Water Sharing Plan revision timeframes and will be delivered according to a standard process.

Environmental and scientific monitoring funding

Funding is provided for environmental and scientific monitoring and is conducted jointly with the department's Environment & Heritage group and the Department of Regional NSW's Fisheries group for all inland catchments. Targeted monitoring, evaluation, and reporting activities are scheduled in coastal areas in line with Water Sharing Plan revision timeframes. These activities are also conducted with input from Fisheries.

River Condition Index, River Styles and HEVAE updates

The [NSW River Condition Index \(RCI\)](#) is current to 2023. This is the primary long-term reporting tool for assessing riverine condition. It calculates a condition score based on indicators that include riparian vegetation, geomorphic condition, hydrologic stress, biodiversity, catchment disturbance and water quality.

[River styles in NSW](#) includes access to the completed [NSW River Styles Database](#) and information about the [River Style Framework](#) used to characterise geomorphic river types, their behaviour, condition and recovery potential and to develop prioritisation strategies for conservation and rehabilitation.

The High Ecological Values Aquatic Ecosystems (HEVAE) [NSW HEVAE framework](#) identifies surface and groundwater systems with high conservation values and presents them as a spatial mapping tool. Identifying rivers of high importance or high ecological value allows for their protection and enhancement, essential for water sharing rules in NSW rivers.

The HEVAE will continue to be updated in alignment with Water Sharing Plan revision timeframes.

NSW Water sharing plan evaluation program

In 2021, the department commenced development of a new NSW Monitoring, Evaluation, Reporting and Improvement Framework (the Framework) for water sharing plans. The framework sets a roadmap for evaluating water sharing. The department commenced developing an updated program to evaluate water sharing plan environmental, social and economic outcomes. In 2022-23, the department developed draft environmental, social and economic outcome evaluation methods that align with the Framework and these methods will apply to water sharing plan evaluations from 2023.