

# Attachment 1- Interim Management Response

## BORDER RIVERS INTERSTATE TRADING

### INSPECTOR-GENERAL FOR WATER COMPLIANCE

#### INTERIM MANAGEMENT RESPONSE TO FINAL AUDIT REPORT

FINDING	RECOMMENDATION	MANAGEMENT RESPONSE
<b>Water Trading</b>		
1. The establishment of a permanent link between approved works for taking water in NSW and a water entitlement in Qld is not recognised as tagged water access entitlement.	1. The establishment of a permanent link between approved works for taking water in NSW and a water entitlement in Qld needs to be recognised as a tagged water access entitlement that is a trade under the Basin Plan.	<b>Management Response:</b> The Department of Regional Development, Manufacturing and Water (the department) has concerns with Recommendations 1 and 2 in relation to water trading and will work with the Inspector-General for Water Compliance prior to providing a final management response.
2. The transfer of water allocation to another jurisdiction through works that are permanently linked is not recognised by either NSW or Qld as a trade that needs to comply with the processes and rules that apply to other types of trade, or the reporting requirements of the Water Act section 71(1)(f).	2. Both DPE and DRDMW must recognise the transfer of water allocation to another jurisdiction through works that are permanently linked as a trade, as required under the Basin Plan; and institute a documented approval process to ensure that all relevant rules, conditions, and reporting requirements are properly considered for each such transfer.	

<b>Accounting and Reporting</b>		
3. There were numerous inconsistencies and inaccuracies identified in the water accounting records of both NSW and Qld.	3. Both DPE and DRDMW should undertake regular reconciliation of water trade data to identify and promptly resolve any data integrity anomalies.	<b>Management Response:</b> Recommendations are accepted or accepted in part. The department will continue to review systems and processes to deliver improvements.
4. There were numerous deficiencies in the processes and systems of both NSW and Qld for recording interstate trade between the jurisdictions.	4. Both DPE and DRDMW should improve their systems and processes to ensure that water trade data is accurately recorded and can be reconciled.	
5. The agreement between NSW and Qld to rely on the state of origin for trade adjustments does not ensure the accuracy of what is reported.	5. There should be regular reconciliation of water trade data between DPE and DRDMW to ensure the accuracy of information that is reported.	
<b>Compliance Monitoring</b>		
6. NSW do not require a meter reading to confirm water availability in the seller account before approving an application to trade allocation.	6. WaterNSW should validate meter reading data before a trade is approved.	<b>Management Response:</b> Recommendations are accepted, accepted in part or not applicable to Queensland. The department will continue to record outcomes of investigations involving matters where water was taken before a trade was approved.
7. There were two instances where NSW water was recorded as having been taken in Qld before the trade of this water was approved.	7. DRDMW should investigate and record the outcome of investigations in all instances where water was taken before the trade was approved. The outcome of the investigations into non-compliance identified from this audit should be reported to the IGWC.	