

Water Reform Action Plan

Quarter 2 progress report (April–June 2018)

July 2018



Our water goals in NSW

Introduce best practice
for water management



Ensure transparency in
how we share, allocate
and manage water



Build a compliance and
enforcement regime
that ensures strong and
certain regulation



Build capability to
support implementation
of water reforms



Water is one of the most important natural assets in New South Wales (NSW). The community, business and the environment all rely on water to survive and prosper.

In December 2017, the NSW Government released the Water Reform Action Plan to reform water management. The government committed to:

- introducing best-practice water management in NSW
- establishing a compliance-and-enforcement regime that delivers strong and certain regulation
- ensuring transparency and equity in how water is shared, allocated and managed in NSW
- building capability across the NSW Department of Industry (the department) to support effective implementation of water reforms.



Quarter 1 achievements

By the end of the first quarter of 2018, we had completed 16 actions from the Water Reform Action Plan, that laid the foundation for an effective water reform management program. We consulted on three key reform areas, inviting community input on consultation papers about water-take measurement and metering, transparency measures and better management of environmental water.

The NSW Government enacted the *Natural Resources Access Regulator Act 2017* to establish the Natural Resources Access Regulator (NRAR). The NRAR now oversees the compliance and enforcement of NSW water law in the state. Executive recruitment was finalised, with Grant Barnes appointed as Chief Regulatory Officer.

The quarter 1 progress report is available from industry.nsw.gov.au¹

Quarter 2 achievements

By the end of the second quarter 2018, we had continued to deliver key commitments in the plan. We also amended the *Water Management Act 2000* to:

- create a legislative basis for robust water metering across the state
- facilitate the implementation of enduring solutions to better manage environmental water
- enable the creation of a single point of information on water entitlements, water licences and water works approvals
- increase penalties for serious water offences.

We delivered the **Better management of environmental water—Interim solutions package**.²

This includes measures that can be initiated relatively quickly to address immediate environmental water issues. It also includes a roadmap for how to develop and implement enduring solutions for the longer-term.

¹ industry.nsw.gov.au/___data/assets/pdf_file/0020/156017/wrap-q1-report-jan-mar-18.pdf

² industry.nsw.gov.au/___data/assets/pdf_file/0009/162891/Better-management-of-environmental-water-interim-solutions-package.pdf

The NRAR officially opened its doors for business on 30 April 2018. Most of the work to handover water compliance responsibilities from WaterNSW to the NRAR was finalised and compliance staff were transferred.

In its first three months of operations, the NRAR undertook targeted compliance operations in the Murray and Murrumbidgee river areas, ensuring that water users held the correct licences and were not exceeding their water allocation. It also participated in a joint compliance operation with its state and federal regulatory counterparts to monitor an environmental flow embargoed in the northern Murray–Darling Basin.

The NRAR released its compliance priorities for quarter 3, outlining its intention to focus on a number of projects. These included monitoring for unlicensed water take, meter installation and log book maintenance, protection of environmental flows, unlicensed bores and harvestable rights.

Community feedback

Throughout March and April 2018, we held 20 consultation events in regional areas and received over 250 submissions. We asked for feedback about improving water meter coverage and standards, increasing transparency in water regulation and management, and better managing environmental water. We also sought feedback on implementing the floodplain harvesting policy.

Some of the key messages we heard during the consultation included:

- strong support for metering licensed water take
- support for the NRAR and increased penalties for non-compliance
- support for protection of environmental water, especially in the northern basin
- support for a comprehensive public register that holds water data in one place
- a call for ongoing consultation on possible changes that may impact water users.

A summary of the feedback received from these consultations, as well as our next steps, were published in the **What we heard report**.³ This feedback helped shape the recent amendments to the *Water Management Act 2000*.

Next steps

The focus of the second half of 2018 will be:

- consulting with the community on regulations to implement the metering reforms
- working with successful grant applicants to commence the technology projects
- analysing potential enduring solutions to better manage environmental water, which will inform water sharing plan rules
- continuing to undertake targeted compliance operations
- continuing to recruit additional regulatory officers for the NRAR to strengthen its compliance and enforcement capacity across NSW
- continuing the roll out of ethics and professional standards training across the department.

Consultation on enduring solutions to better manage environmental water will be undertaken as part of the water resource plan development process.

³ industry.nsw.gov.au/__data/assets/pdf_file/0003/162849/Community-consultation-what-we-heard.pdf

Water Reform Action Plan deliverables



Introduce best practice for water management

What we are doing	How we will do it	By when	Status
Establishing a new regulatory framework for water management	<ul style="list-style-type: none"> Appoint a chief regulatory officer 	Q2 2018	Completed in Q1
	<ul style="list-style-type: none"> Develop and publish the Natural Resources Access Regulator Establishment Plan 	Q2 2018	Completed in Q1 NRAR Establishment Plan⁴
Define and explain the specific roles of government bodies that have accountability for water management	<ul style="list-style-type: none"> Clarify the accountabilities of departments and agencies with water management responsibilities in NSW 	Q2 2018	Complete
	<ul style="list-style-type: none"> Create clear functional separation between those who provide and sell water to customers and those who oversee and regulate water as a public resource 	Q2 2018	Complete
	<ul style="list-style-type: none"> Make information on accountability and roles publicly available 	Q2 2018	Ongoing Roles of water management agencies in NSW⁵

⁴ industry.nsw.gov.au/__data/assets/pdf_file/0007/145546/NRAR-Establishment-Plan-2018.pdf

⁵ industry.nsw.gov.au/__data/assets/pdf_file/0019/166024/Roles-of-water-management-agencies-in-NSW.pdf



Build a compliance and enforcement regime that ensures strong and certain regulation

What we are doing	How we will do it	By when	Status
Strengthening compliance and enforcement capacity	<ul style="list-style-type: none"> Recruit additional compliance and enforcement officers 	Q2 2018	Continuing Senior investigator interviews completed and recruitment in final stage
Establish a new independent regulator with strong regulatory powers	<ul style="list-style-type: none"> Natural Resources Access Regulator (NRAR) to lead on compliance matters 	Q2 2018	Complete NRAR began operations on 30 April 2018
	<ul style="list-style-type: none"> NRAR to take appropriate enforcement action, including penalty infringement notices and prosecutions 	Q2 2018	Commenced
	<ul style="list-style-type: none"> WaterNSW to implement mandatory, immediate reporting to the NRAR of suspected breaches 	Q2 2018	Commenced—operational arrangements in place
	<ul style="list-style-type: none"> NRAR to produce and publish clear and effective policies and processes for compliance that also address the recommendations of the Matthews and NSW ombudsman reports and the Murray–Darling Basin Authority’s water compliance review 	Q2 2018	Ongoing Key policies published—NRAR Regulatory Policy, Prosecution Guidelines, Guideline to report alleged breaches Ongoing review of compliance policies and processes
Implement a robust metering framework	<ul style="list-style-type: none"> Consult on a metering and water discussion paper for public consultation incorporating: <ul style="list-style-type: none"> an approach to implementing ‘no meter, no pump’ objectives identification of any necessary legislative reforms to support these changes how we monitor metering of water consumption policy on self-reporting and random checks 	Q2 2018	Completed in Q1
Adopt innovative technologies to improve compliance effectiveness	<ul style="list-style-type: none"> Seek proposals to pilot the use of technology for water monitoring and compliance activities, which could include remote sensing of on-farm water storages and indicators such as crop growth and telemetry 	Q2 2018	Completed in Q1.



Ensure transparency in how we share, allocate and manage water

What we are doing	How we will do it	By when	Status
Increase transparency in water management	<ul style="list-style-type: none">Release a discussion paper on creating a public register of water information that could cover water entitlements, water licences and water work approvals	Q2 2018	Completed in Q1 ⁶
	<ul style="list-style-type: none">Regularly report on progress implementing water inquiry reforms	Q1 2018 onwards	Ongoing
Better manage environmental water	<ul style="list-style-type: none">Have the working group present interim solutions within 90 days of commencement	Q2 2018	Complete Better management of environmental water⁷

⁶ https://www.industry.nsw.gov.au/___data/assets/pdf_file/0019/145423/transparency-measures-consultation-paper.pdf

⁷ [industry.nsw.gov.au/water-reform/better-management-of-environmental-water](https://www.industry.nsw.gov.au/water-reform/better-management-of-environmental-water)



Build capability to support implementation of water reforms

What we are doing	How we will do it	By when	Status
Build capability, improve standards and embed an ethical culture	<ul style="list-style-type: none">Roll out department-wide ethics and professional standards training	Q1 2018	Online course available. Face-to-face training being progressed

More information

NSW Department of Industry
industry.nsw.gov.au/water-reform
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