



**Niall Blair**

Minister for Primary Industries  
Minister for Regional Water  
Minister for Trade and Industry

## MEDIA RELEASE

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### **INDEPENDENT INVESTIGATION INTO NSW WATER MANAGEMENT**

Ken Matthews' interim report into water administration and compliance in NSW has been received by the NSW Government.

Minister for Regional Water, Niall Blair, thanked Mr Matthews and his team for undertaking such a thorough and comprehensive investigation so quickly.

"I commissioned this independent investigation as I was deeply concerned about the seriousness and complexity of the allegations and issues aired on ABC Four Corners in July," Mr Blair said.

"Mr Matthews has been forthright in his findings; the results are both confronting and significant for Government. We now have a better understanding of what has happened, as well as strong recommendations to address the issues identified.

"Mr Matthews has been in discussions with ICAC and his report acknowledges that actions coming out of it should not impede any other investigations.

"The report acknowledges several matters where he has provided investigative material to appropriate authorities who have the powers needed to bring them to conclusion."

Key findings from the interim report:

- Aspects of water related compliance and enforcement arrangements in NSW have been ineffectual for some time and require significant and urgent improvement;
- Individual cases of alleged non-compliance have remained unresolved;
- Some public servants involved in water administration have not been effective in their duties;
- This is undermining the public's confidence in the administration of water management in NSW.

The interim report outlines a comprehensive set of reforms in a Water Management Compliance Improvement Package.

Mr Blair said he accepts the principles set out in the Water Management Compliance Improvement Package and actions on the issues identified in the report will start immediately.

“I have already asked the Department of Industry to investigate the creation of a new Natural Resource Asset Division and a new independent Natural Resource Access Regulator,” Mr Blair said.

“I will commence discussions with stakeholder groups, Cabinet colleagues, my peers in other states, the Commonwealth and the Murray Darling Basin Authority (MDBA) on the policy and structural recommendations proposed for Basin-wide reforms, some of which may require legislation.

“Where they do not exist, urgent installation of water meters for all large users in NSW within 12 months will be a top priority.

“It’s imperative that larger users have adequate, functioning water meters installed, given the volume of water needed to support farming and the impact this has on smaller users.”

The interim report found a sufficient case may exist for the Secretary of the Department of Industry to commence misconduct processes against staff members whose actions may not have been in keeping with departmental policies and procedures.

The Secretary has advised Mr Gavin Hanlon that he is commencing misconduct procedures as set out in the Government Sector Employment legislation. Under the legislation, all employees who may have committed misconduct must be given an opportunity to be presented with a case to answer, before decisions are made. Mr Hanlon has been stood down while these procedures are completed.

The interim report found that allegations of breaches of licence conditions and water theft were not adequately investigated nor has there been appropriate compliance and enforcement action on these matters.

To address these gaps an investigative task force has been established with specialists in law enforcement. They have been asked to create briefs of evidence to enable decision making on whether prosecutions should be commenced.

To read the full report please visit [www.industry.nsw.gov.au/matthewsreport](http://www.industry.nsw.gov.au/matthewsreport)

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