



MONDAY 11 SEPTEMBER 2017

## KEN MATTHEWS' STATEMENT ON INTERIM REPORT

I am pleased to announce that I have submitted my interim report for my Independent Investigation into NSW Water Management and Compliance to the Secretary of the NSW Department of Industry.

The Investigation was commissioned following the broadcast on 24 July of an ABC Four Corners program "Pumped: who is benefiting from the billions spent on the Murray-Darling?" The program prompted significant public concern about the effectiveness of current NSW compliance and enforcement arrangements for water. In the light of my initial investigations, I share these concerns.

There are now no less than five separate inquiries or reviews that have been proposed, launched, or widened to address issues raised in the ABC Four Corners program.

I have focused my interim report on whether the Department's policies, procedures and actions were appropriate and have recommended whether further actions should be undertaken. Further testing of the specific allegations about non-compliant or illegal irrigation activities will be carried forward in other investigation processes.

My principal finding is that water-related compliance and enforcement arrangements in NSW have been ineffectual and require significant and urgent improvement.

A 'systemic fix' is required to address what are legacy issues. The major output of my report is therefore a set of recommended reforms I have called the Water Management Compliance Improvement Package. The key to these reforms is that any future system needs to be:

- more transparent;
- more independent; and
- considerably more effective than the current system.

Part of this package includes proposals for how the Murray Darling Basin Authority could contribute. These proposals are subject to independent consideration by other basin states and the Authority itself. However, if they were to be picked up, many of the reforms now proposed for NSW would be carried also into other states—with benefits to the basin as a whole.

Despite the frequent discord about many water management issues, there is one thing that all parties agree on—non-compliant or illegal extraction of water should not be tolerated and should be dealt with firmly.

Some of these reforms may not be welcomed by the current beneficiaries of an inadequate system. However, to rebuild public confidence will require more than incremental change – no change is not an option.

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