



BARNES COTTON AUSTRALIA - AUG18

WELCOME

E ngā mana – to the indigenous people of this place, I acknowledge you;

E ngā reo – to Adam & Michael of Cotton Australia and sponsors of the 2018 Conference, I thank you for the invitation;

E rau rangatira mā o ngā hau e whā – to my colleagues and those who have gathered here today from far and wide, I greet you all;

Tēnā koutou, tēnā koutou, tēnā tātou katoa – greetings one and all

Ko Grant Barnes tōku ingoa – My name is Grant Barnes

DROUGHT ACKNOWLEDGEMENT

In addition to those greetings, I'd also like to acknowledge all the landholders who are experiencing hardship as a result of the drought. It is in these times that the character of rural Australia is demonstrated; its resolve, strength and fortitude.

ADDRESS

A lot has happened in twelve months.

Late last month was the anniversary of the ABC Four Corners program 'Pumped'. The NSW Government's response was prompt; Ken Matthews AO undertook an independent review of water regulation and his recommendations were accepted in full, the Water Reform Action Plan quickly followed, and soon thereafter the Natural Resources Access Regulator was initiated replete with its own legislation and independent Board.

For my short address this morning, I will briefly reflect on 3 things:

- NRAR; its mandate and approach
- Why our establishment matters to the cotton industry, and
- How NRAR will deliver

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### **So to the first point, NRAR and its activities**

NRAR has been established with a clear, legislated mandate to;

- Firstly, ensure the efficient, effective, transparent and accountable delivery of the regulatory regime for water, and
- Restore public trust and confidence.



In a mechanistic sense we have been up and running for 102 days.

- We are operational and our teams are on the ground engaging with stakeholders, providing assistance when it is sought.
- We are working diligently on compliance matters. We are focused on addressing the legacy cases inherited from WaterNSW and the former department
- We have embraced transparency and proactively publish on-line the actions of our governors, our policies and procedures, our engagement with stakeholders, and our compliance activities. This speech for instance, will soon be published.
- We have taken enforcement action when necessary and have commenced prosecutions in a small number of matters where alleged breaches require direct action.

We are though in our infancy and there is much to do.

Reviews by independent bodies draw attention to the behaviour of some at the detriment of many. The reputation of lot of good farmers and irrigators have been unfairly sullied.

The same can be said of the overwhelming majority of professional and hardworking departmental staff whose expertise was ignored and contributions marginalised.

The bad behaviour of a few has had an adverse effect on the performance of many.

With an eye then intently on the future, the only way is up.

As the independent regulator, we need to make sure we do all the things necessary:

1. to re-establish a physical compliance presence - 'boots on the ground'. We are actively recruiting now to more than double our capacity.
2. to re-state what is required to be a professional regulator; outcome focused, intelligence led.
3. to require the highest of ethical standards of our people; accountability, integrity, service and trust.
4. and to resolutely commit to act in the public interest at all times.

**OK now to the second matter; why do I think the cotton industry should care?**

In preparing for this role and since joining NRAR as Chief Regulatory Officer, I have met cotton growers and been hosted by major cotton producers.



I've learnt that the market for cotton is global with Australian growers competing with around 100 nations for their share of trade. I've observed that the Australian cotton industry is highly respected with its product in high demand. I see this reflected in Australia being the third largest exporter of cotton in the world (behind the US and India).

But you know all this.

You know too the importance of water as a critical input to cotton production. Security of supply goes hand in hand.

Equally, you understand that the ability to access water and to extract for productive use is a right that confers both economic value and social obligations.

Now I understand that just like the land you farm, you own the right to water. Just as you have an expectation of protection from the theft of your land, you have a right to the protection of your water assets. Both are essential to your businesses and deserve active protection under the law.

Low accountability of water users undermines the integrity of the regulatory system and the confidence therein. A downward spiral can ensue.

Water users act rationally to purchase water at a price that is in part based on the certainty that they'll get what they paid for. That there will be little or no 'leakage'

### **Thirdly and finally, how will NRAR deliver?**

With NRAR we are rebuilding a compliance regime that affirms the value of water as an asset, protected from those who seek to obtain it unlawfully.

An effective & efficient regulatory system is best determined by a robust, fair and ethical compliance agency. That is where NRAR comes in. We make it easy to comply and painful to not.

A visible, independent, professional and, importantly, well resourced NRAR affirms the social licence of lawful operators by validating their compliance as distinct from unlawful actors whose activities flout the law.



## Natural Resources Access Regulator

By having a presence on the ground with clear rules, fairly and consistently applied, NRAR endorse the good and marginalise the bad.

It is with this final point that I acknowledge the cautious support of Cotton Australia and its members. Through my tour of regional NSW I have consistently heard that the greatmajority of water users are honest operators who appreciate the need for rules and want them fairly applied.

That is NRARs commitment to you.

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