

Compliance monitoring and audit

Fact sheet

May 2020 Natural Resources Access Regulator



The Natural Resources Access Regulator (NRAR) is an independent regulator established under the NSW *Natural Resources Access Regulator Act 2017*. The current regulatory focus of NRAR is water regulation, a key part of which is to prevent, detect and stop unlawful water activities.

NRAR seeks to build community confidence as a trusted, credible, effective, efficient and transparent regulator.

NRAR will encourage and assist water users to achieve high levels of voluntary compliance with appropriate regulatory action, education, guidance and advice.



What compliance monitoring and audit does

NRAR is responsible for ensuring compliance with NSW water management laws to enable secure and sustainable sharing of water between users and the environment.

Compliance monitoring and auditing is an essential part of NRAR's role. Information gathered during compliance monitoring and auditing can assist in:

- detecting instances of non-compliance in a timely manner
- determining the level of and trends in compliance
- identifying when and what type of education responses or enforcement action may be required
- identifying where action may be required to avoid or mitigate harm
- assessing and reviewing the effectiveness of targeted operations, education and information programs.

How we undertake compliance monitoring

NRAR monitors water use in various ways, including:

On-ground monitoring

Authorised officers from NRAR visit properties and inspect water-related activities to check compliance with legal requirements.

We inspect sites on individual properties to:

- help licence or approval holders to understand the conditions on their licences or works approvals
- check meters or other measuring devices are fitted correctly and are working properly
- check water is being taken in accordance with the basic landholder rights or any water restrictions that may apply
- check a valid licence or approval is held for water-related activities where required
- determine whether activities are exempt from licensing and approval requirements.

Remote monitoring

Remote sensing technology, such as satellite imagery and aerial photography is used to detect potential illegal use or storage of water.



Remote sensing data can support other compliance activities, such as on-ground monitoring, and can provide evidence for enforcement action.

- NRAR exercises a range of proactive, planned compliance monitoring and audit programs to determine the level of compliance within a regulated community.
- Compliance monitoring and audit programs will be used to inform policy and law makers to improve regulatory settings, operations policy and education.
- The use of compliance monitoring and audit allows NRAR to test the effectiveness and efficiency of regulatory actions and tools such as the risk-based determination of priorities.
- Outcomes from compliance monitoring and audit encourages water users to solve compliance problems at a regional and/or industry level.

Compliance audits

A compliance audit is an objective assessment of the licence and approval holder's compliance against a selected set of specified conditions on their licence or works approval. This may include checking:

- water is being taken in accordance with licence conditions
- the construction and operation of water management works is in accordance with approval conditions
- controlled activities are being conducted in accordance with approval conditions
- help licence or approval holders understand the conditions on their licences or works approvals.

Compliance audits may take the form of a desktop audit, a property inspection or a combination of both.

The audit report can then be used to:

- review—and as necessary—make changes to the licence or approval holder's operational processes and infrastructure

- encourage voluntary compliance and education of water users.

Outcomes for licence and approval holders

Follow-up action to address any non-compliance issues identified in an inspection or audit depends on the level of non-compliance and may include:

- preventative action such as advisory letters or official warnings
- enforceable directions to take certain actions
- penalty infringement notices
- changes to licence and approval conditions
- further investigation and regulatory action, such as penalty notices or prosecution, as required.

The compliance monitoring and audit team will assist with guidance and education in carrying out any follow-up actions from an inspection or audit.

More information

This fact sheet is one in a series explaining water management, compliance and associated issues. You can find this series and more information about licensing, approvals and compliance on the NRAR website at www.industry.nsw.gov.au/nrar

Copies of the Acts and associated Regulations are available on the NSW Government legislation site at www.legislation.nsw.gov.au

For enquiries call NRAR on 1800 633 362 or email at nrar.enquiries@nrar.nsw.gov.au.

For more information on the Natural Resources Access Regulator visit industry.nsw.gov.au/nrar



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