
Regulatory priorities 2022-23



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About our regulatory priorities

The Natural Resources Access Regulator (NRAR) was established under the *Natural Resources Access Regulator Act 2017*. NRAR's principal objective is to ensure effective, efficient, transparent and accountable compliance and enforcement measures to support natural resources management legislation. Publishing our regulatory priorities not only shows how and where we focus our efforts but also builds and maintains public confidence in water management in NSW.

To achieve our objectives, we employ a whole-of-agency approach, responding to emerging and persistent issues according to our regulatory priorities. The regulatory priorities are crafted to align with the **Water Reform Action Plan** and the **NSW Water Strategy**, and to support the goals for water management in NSW.

This document sets out our priorities for 2022-23, details our approach to setting priorities, and demonstrates how we weave these priorities into our strategy.



Our purpose

We build public trust
and confidence as a regulator by:

**educating, enabling, and
encouraging people** to actively
comply with natural resources laws

enforcing the law to provide a
deterrent, and to ensure fairness for
the compliant

championing improvements
to the management of
natural resources.

Regulatory priorities 2022-23

Our annual priorities

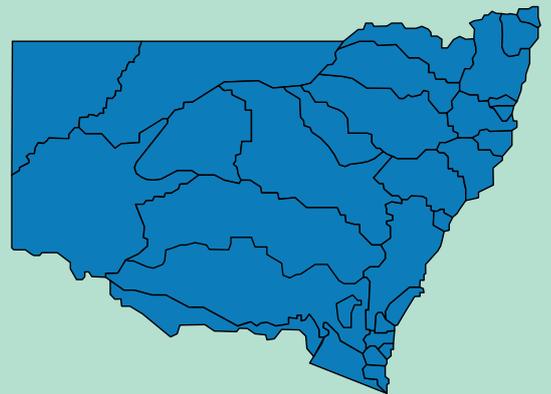
NRAR will focus on the following annual priority areas:

1. Non-urban water metering reform and implementation with a spotlight on duly qualified persons

Target: statewide



The non-urban water metering reform is one of the most significant changes to water management in NSW in the last few decades. The reforms provide a robust framework to improve the standard and coverage of non-urban water meters across NSW. Successful implementation of the reforms is an important step to help build community confidence in how the state's water is managed.



Metering is a key component of the [Water Reform Action Plan](#) and the [NSW Water Strategy](#). Action 1.7 of the NSW Water Strategy requires the NSW Government to make sure the majority of non-urban water take in NSW is accurately measured.

Accurate measurement of water take will support NRAR to continue to deliver an effective and efficient compliance program and ensure fair and equitable access to water for industry, communities, culture and the environment.

Under the metering reforms, pattern-approved meters for surface water pumps 500mm and above were required to be installed by 1 December 2020. Owners of remaining works in the Northern Inland region were required to comply with the metering regulations by 1 December 2021. NRAR has published our compliance approach to the metering regulations [Metering regulations – NRAR compliance approach \(nsw.gov.au\)](#) and expects all affected licence or approval holders to demonstrate they have made every effort to comply with the new regulations. NRAR will prioritise enforcement against those who choose not to comply with the new metering regulations.

Remaining works in the Southern Inland region by 1 December 2022

By 1 December 2022, owners of the remaining works in the Southern Inland region are required to comply with the metering regulations. NRAR expects compliance before 1 December 2022. Those who are required to comply and choose to continue to break the law will be subject to enforcement action.

Duly qualified persons

Duly qualified persons (DQPs) are integral to ensuring water take is accurately measured and recorded, and that metering equipment has been installed and verified correctly. NRAR will undertake checks of DQPs' installation and verification of metering equipment to ensure consistency and accuracy of work. We have established a memorandum of understanding with Irrigation Australia Limited (IAL), which can act against DQPs who do the wrong thing under its certification program. NRAR retains the right to investigate and take regulatory action against DQPs who are not complying with their obligations.

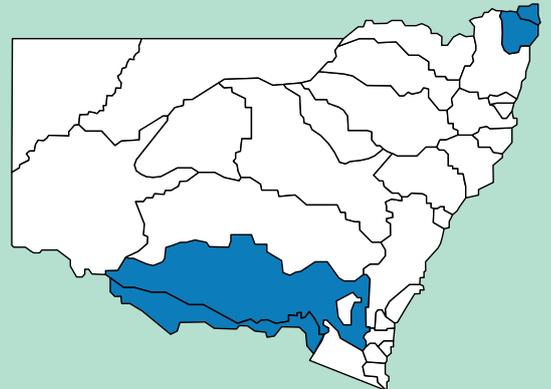
2. Water use for irrigated agriculture

Target: Murray, Murrumbidgee and the Far North Coast (Richmond, Brunswick and Tweed)



Irrigated agriculture often includes the largest water users within a particular region. The extraction and use of significant water volumes risks causing harm to the environment and other water users if irrigators act unlawfully.

NRAR will target a range of irrigated agriculture activities, which may include certain crop types (such as nuts, grains and berries) and activities that extract large volumes of water.



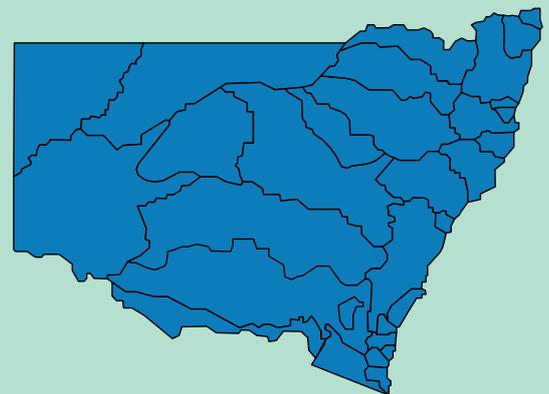
3. Water reporting in mining operations and extractive industries

Target: statewide



Mining and extractive industries use large volumes of water in several areas in NSW. Accurate measurement, accounting and reporting of this water take is important to ensure transparent and fair access to water for all water users and the environment.

NRAR is aware of inconsistencies in how water take is measured and reported across the state's mining operations and extractive industries. A standardised reporting framework is needed to provide clear requirements for these operations and industries to demonstrate compliance with water regulations and ensure water take is accurately measured, modelled, and accounted for.



Developing a measurement and reporting framework for mining operations and extractive industries

NRAR will examine water take measurement and reporting practices across the mining and extractive industry sectors. NRAR will consult with relevant operators, associations, and industry experts, as well as key stakeholder groups and other government agencies, when designing an appropriate measurement and reporting framework that supports consistent, accurate and transparent water compliance measurement, modelling and reporting across the sector. This framework will form the basis of an audit program to test compliance against water take measurement and reporting requirements.

Our enduring priorities

The following enduring priorities will play a significant role in NRAR's programs and activities for years to come:

Water take is accurately accounted for

Water take is measured and reported accurately and reliably in line with the law.

This is a cornerstone of the government's reforms for "no meter no pump" and will contribute to restoring community confidence in our water laws. Transparency of water take builds community confidence that this precious resource is fairly accessed and enables efficient and effective enforcement for the benefit of all water users.

Protecting and prioritising Aboriginal cultural and spiritual values in water regulation

Water is central to the cultural and spiritual values of Aboriginal peoples of NSW and is intrinsically linked to their obligations in caring for Country.

We will identify the benefits and impacts to Aboriginal cultural and spiritual values in our regulatory functions and activities. We will strive to improve the understanding of the social and economic relationships that arise from the effective protection of Aboriginal cultural and spiritual values through targeted stakeholder engagement and regulatory programs.

Unlawful activity that causes significant harm to the environment and other water users

Regulating people who undertake unlawful activities, as a single activity or cumulative activities undertaken by many water users, that are likely to have significant environmental or hydrological consequences for water sources or a high impact on other water users. This may include activity in an area of high ecological or hydrological value or during periods of limited water supply.

Unauthorised structures that prevent water from getting to where it should on the floodplain

Regulating people with unauthorised structures on the floodplain that divert water from important environmental assets and places and traditions of cultural significance.

This includes unauthorised structures that divert water that could have been taken legitimately by other water users.

Regulatory priorities strategy

NRAR's regulatory priorities play a central role in its strategy to encourage voluntary compliance and demonstrate how the regulator works. The regulatory priorities identify problems that require a programmed approach to achieve effective regulatory outcomes. This includes activities, areas and industries with high levels of non-compliance or the potential to cause harm.

The regulatory priorities put targeted sectors of our regulated community on notice to comply with the law. This includes water users whose water take is unlawful depending on the timing, volume or location.

We will support water users to move into compliance where appropriate and will take strong enforcement action against those who wilfully and persistently engage in unlawful conduct.

We will review the regulatory priorities to ensure we focus on issues of importance. We remain adaptive and responsive to issues outside of agency control, such as droughts and floods, and will appropriately direct resources to new and emerging issues, even if they are not yet identified in our regulatory priorities.

We cannot respond to all reported matters but will prioritise reports of activities that fall within the regulatory priority areas. We will continue to respond to individual instances of unlawful activity using a risk-based approach, taking into consideration the factors specified in our [regulatory policy](#).

To achieve the greatest overall benefit for the state, we look to the following when deciding on our regulatory priorities:

- the areas and activities with a demonstrable history of non-compliance
- the activities with the highest potential for harm to the environment and other water users
- delivering balanced outcomes that support the greatest impact on compliance and water management.

[NRAR strategic plan 2021-2023](#)



Regulatory priorities approach

We utilise the expertise of our compliance teams alongside data and intelligence to review and identify priority areas. NRAR has dedicated data and intelligence specialists to identify likely non-compliance and is consistently testing and adopting new technologies to advance our ability to identify those engaging in unlawful activity.

We will continue to broadly monitor compliance and undertake a mix of proactive and reactive regulatory work. We will also be responsive to the evolving needs of the community and the environment and will continue to communicate on the actions and outcomes from our work on the regulatory priorities.

Our approach



Identify

Data from internal sources, community reports, licence conditions, water accounts, water allocations, drones and ongoing satellite monitoring are all used in combination to identify areas for NRAR's focus. Intelligence specialists undertake horizon scanning for upcoming issues that are likely to become significant, such as drought or flood events, and changes in the regulatory and legislative framework that may require NRAR's attention.

Understand

Intelligence specialists work with compliance teams to capture knowledge and deepen our understanding of real-world non-compliance and harm. Regions, activities or industries that engage in non-compliant activity are targeted. We can target individual properties where unlawful activity is likely being engaged in and prioritise these for inspection. All information gathered is used to determine the best regulatory tools and approach to solve the issue.

Support

NRAR promotes priority areas and upcoming campaign work. As part of the campaign process, NRAR may engage with local industry and representative groups to help support those who want to do the right thing and move into compliance.

NRAR encourages water users towards voluntary compliance and may undertake education or extension work. There is also an opportunity for those who are unable to become compliant to self-report to NRAR. We will use discretion in accordance with the NRAR Regulatory Policy when deciding on a response to any non-compliance identified.

Enforce

Those who continue to engage in unlawful activity will be prioritised for strong enforcement responses. NRAR will act more severely against those who break the law in priority areas. When deciding on an appropriate response to non-compliance, NRAR will consider the degree of harm, the culpability of the person, the public interest and the attitude to compliance, in accordance with the NRAR Regulatory Policy.

NRAR identifies annual and enduring regulatory priorities

Our annual priorities may include emerging issues or matters that require a targeted whole-of-agency approach to achieve effective regulatory outcomes. Annual priorities may be statewide or localised in a specific area or region. These priority areas may also include issues that we have identified as requiring further investigation before we decide on an appropriate response to solve the problem. The annual priorities are typically less complex, compared to our enduring priorities, and we can solve them by understanding the problem, supporting industry and enforcing the law. The goal of NRAR's annual priorities is to drive widespread voluntary compliance as effectively as possible using the most appropriate mix of regulatory tools. NRAR may continue to focus on annual priorities in subsequent years if the impact persists beyond an acceptable level.

Our enduring priorities address activities and conduct that typically pose greater risk to water management in NSW, or are values that underpin the decisions we make and the work we do. Enduring priorities are often complex and take longer to solve or act on and may be areas that NRAR will always consider important. Enduring priorities often require additional work beyond supporting industry and enforcing the law. In addition to the work we do in our annual priority areas, we incorporate activities relating to our enduring priorities in our day-to-day work.



Determining our regulatory priorities

When deciding on regulatory priorities, we consider the factors set out in our **regulatory policy**. NRAR uses data and intelligence to inform the priority areas and considers where the greatest impact from operational campaigns can be made. NRAR considers several factors when identifying the regulatory priorities, including but not limited to:

- the level of non-compliance and the impact of harms (environment, community, culture, economy) from unlawful activity, including the impact of cumulative harms from widespread non-compliance from a particular activity or industry,
- the persistence and solvability of the issue,
- the enduring value and the potential to prevent future harm and non-compliance
- the impact to the integrity of the regulatory system and how likely the unlawful activity is to encourage others to engage in the same conduct.

