



Australian Government



Inspector-  
General of  
Water  
Compliance

# Murray-Darling Basin Compliance Performance Report 2022–23

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# Foreword

**As the Inspector-General of Water Compliance, I am pleased to present the first Murray-Darling Basin Compliance Performance Report. This initiative provides valuable insights into the diverse approaches employed by Basin States <sup>1</sup> in managing water take compliance. It sheds light on the effectiveness of specific enforcement tools, the need for greater consistency and transparency in reporting practices, and the importance of collaboration.**

This report complements other reporting I undertake such as reports provided on sustainable diversion limit and water resource plan compliance. The matters reported on in this document have been provided by Basin State water compliance regulators as part of collaborative efforts to shift towards a consistent, outcomes-based approach to reporting on water take compliance across the Basin. I acknowledge and thank the regulators for the good will and effort expended by the Basin States to date.

One of the most notable observations from this report is the impact of legislative differences on enforcement capabilities across the Basin. For example, South Australia's ability to issue mandatory fines for unauthorised water take has proven to be a strong and efficient enforcement tool. The high number of financial penalties issued by South Australia during 2022-23 underscores the potential for other Basin States to consider adopting similar legislative provisions to enhance their enforcement tools. By learning from each other's successes and challenges, Basin States can work towards developing a more cohesive and effective compliance framework.

<sup>1</sup> Basin States refers to New South Wales, Queensland, South Australia, Victoria and the Australian Capital Territory.



While the variation in compliance and enforcement strategies across the Basin States can be attributed to the unique legislative frameworks and resource characteristics of each jurisdiction, I recognise the need for greater consistency and transparency in reporting practices. To address this issue, I am committed to working closely with the Basin States to develop more standardised reporting metrics and practices. By fostering greater collaboration and information sharing among the jurisdictions, we aim to create a more comprehensive and accurate picture of the state of water take compliance in the Basin.

Moving forward, I will continue to monitor the water take compliance performance of Basin States, focusing on identifying best practices and areas for improvement. Together with the Basin States, we will work towards expanding the scope of our reporting to include a wider range of compliance performance metrics, providing a more detailed and nuanced understanding of the effectiveness of compliance efforts. Additionally, we will place a strong emphasis on reporting outcomes, as this is a crucial component of the project that will help us assess the real-world impact of compliance efforts on water resource management and sustainability.

I recognise that the success of the compliance performance reporting project depends on the trust and confidence of stakeholders and the public. To this end, we will work towards making our reporting more accessible, easily understood, and responsive to the needs and concerns of all parties involved.

In conclusion, the first year of compliance performance reporting has laid the groundwork for more robust and effective reporting of water take on compliance and enforcement in the Basin. As the Inspector-General, I am encouraged by the progress made thus far and remain committed to working with the Basin States to promote responsible water use and maintain the sustainability of this critical resource for generations to come. By expanding the scope of our reporting, focusing on outcomes, and increasing transparency, we will continue to drive positive change to ensure the long-term health and resilience of the Basin.

Yours sincerely,



**Hon. Troy Grant**  
Inspector-General of Water Compliance



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# Water compliance performance reporting

There has been strong community demand for clear and open reporting on water take compliance activities and outcomes in the Murray-Darling Basin (the Basin).

This became particularly evident through the Australian Government's *Murray-Darling Basin Water Compliance Review*,<sup>2</sup> prompted by the 'Pumped' episode of Four Corners in 2017. This review exposed the inadequacy of existing compliance reporting, describing it as "limited and difficult to locate". The review also underscored the significance of accessible and comprehensive reporting, stating, "easy to locate and quality reporting is critical to the transparency of compliance frameworks and practices, and it underpins community confidence in the effectiveness of the compliance system".

Following this, all Basin governments signed the *Murray-Darling Basin Compliance Compact* (the Compliance Compact) in 2018. The Compliance Compact contains a series of commitments designed to improve Basin-wide compliance outcomes. One of these commitments was to enhance the level of public reporting on compliance and enforcement actions, a need that was reiterated in the *2021 Compliance Compact Review*.<sup>3</sup>

The importance of transparency was further confirmed in a 2022 review for the Inspector-General of Water Compliance, the *Compliance and enforcement across the Murray-Darling Basin Review*.<sup>4</sup> This review examined the various compliance and enforcement frameworks across the Basin. This review advocated for consistent public reporting throughout the Basin to transparently showcase the results of compliance efforts.

Recent survey work conducted by the Inspector-General has also revealed several noteworthy findings regarding water compliance within the Basin community.<sup>5</sup> There was strong support among both community member and water licence holder participants for the enforcement of rules and regulations – with the view that this was important for the health of the Basin. Despite this, the surveys show a notable gap in detailed knowledge about specific compliance processes and the current effectiveness of enforcement, pointing towards a need for better communication and education about these critical issues.

The Inspector-General, in collaboration with all Basin State regulatory agencies through the Regulatory Leaders' Forum, has progressed a project to develop and implement improved and consistent Basin-wide public reporting on water take compliance performance. This report consolidates data voluntarily provided by Basin State regulatory agencies and is intended to improve the transparency and understanding of compliance activities for water take across the Basin and support continuous improvement.

By reporting on metrics across Basin States that link to compliance outcomes, this reporting allows stakeholders and the public gain a better understanding of the effectiveness of the Basin States' regulatory efforts. This approach demonstrates how regulators are using different tools specific to their jurisdictions, and adapting their strategies to achieve better compliance outcomes, which contribute to improved water resource sustainability and greater public trust in the management of the Basin's water resources.

This compliance performance report provides a sample of common compliance activities metrics for each Basin State which will be incorporated into progressively broader reporting under a Basin-wide compliance performance reporting scheme. It is also anticipated that future reporting on compliance activities will be at the water resource plan level.

2 <https://webarchive.nla.gov.au/awa/20200921173818/https://www.mdba.gov.au/sites/default/files/pubs/MDB-Compliance-Review-Final-Report.pdf>

3 <https://webarchive.nla.gov.au/awa/20210604024037/https://prod-origin.mdba.gov.au/node/5066>

4 Accessed through <https://www.igwc.gov.au/publications/reviews-reports>

5 <https://www.igwc.gov.au/publications/annual-survey>

# Basin-wide compliance performance reporting scheme

A water compliance regulator performance and outcomes reporting scheme is being developed in collaboration between the Inspector-General and Basin State compliance regulators, through the Regulatory Leaders Forum (refer to Appendix 1). The scheme will support systematic and objective reporting on matters that demonstrate how water compliance regulators contribute to achieving legislative and policy objectives of relevant governments (see Figure 1).

The scheme will also be informed by further work for the Inspector-General relating to public perceptions of water compliance in the Basin. This aims to provide an indication of water users' understanding of their compliance obligations, their perception of their regulator's role and approach, and their awareness of potential penalties.

In practical terms, it is the regulator's activities and outputs that result in the outcomes (short and long-term) expected through the performance of their functions. This report focuses on a sample of activities and outputs of compliance regulators, which demonstrate the comparative efforts of those regulators in managing risks around non-compliance with water extraction laws.

Future reports will cover information Basin State compliance regulators provide to demonstrate outcomes from water take compliance in their jurisdictions, which will be consolidated by the Inspector-General. The Inspector-General will publish this consolidated information, as part of continuing to build water take compliance performance reporting across the Basin.

**Figure 1: Regulator performance indicators**



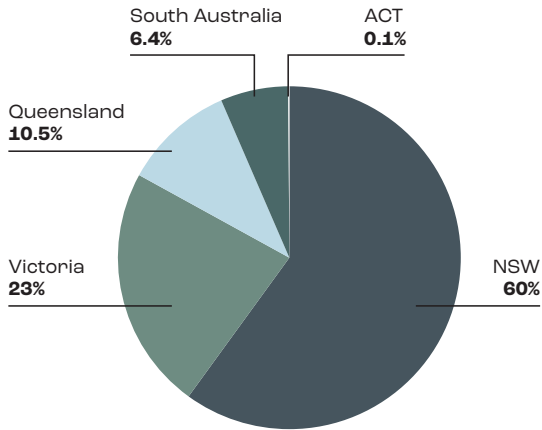


# Regulatory context 2022-23

The *Water Act 2007* (Cth) and the *Basin Plan 2012* (Cth) (the Basin Plan) is a national regulatory framework that enables integrated management of Basin water resources in the national interest by the Australian and Basin State governments. The implementation of the Basin Plan is through water resource plans, prepared by Basin States. Water resource plans are implemented through Basin State water laws, which are the principal laws applying in the regulation of water take by individuals.<sup>6</sup> As such, the effectiveness of Commonwealth water laws in the collective management of Basin water resources depends on compliance with Basin State water extraction laws.

Figure 2 shows the proportion of water taken in each Basin State for the 2022-23 water accounting period. These proportions show the relative contribution of each Basin State to the management of Basin water resources as a whole, and provides context around the relative scale of risks being managed through ensuring compliance with water take laws in each jurisdiction.

**Figure 2: Proportion of water take by Basin State**



Source: Inspector-General of Water Compliance, *Sustainable Diversion Limit Compliance Statement for 2022–2023*, July 2024.

In managing the Basin water resources in its jurisdiction, each Basin State applies its own, unique regulatory framework. These frameworks include specific legislation, institutional arrangements, water rights, water resource characteristics, and measurement practices. As a result, compliance and enforcement methods vary across states to fulfill their legal and strategic obligations.

The differences in compliance and regulatory approaches present a challenge for the establishment of common compliance performance metrics for reporting, potentially leading to inconsistent data and misleading conclusions. To mitigate this risk, the Inspector-General and Basin States have created a set of foundational metrics for consistent reporting on compliance activities for the first year.



6 Noting these laws largely existed before the commencement of the *Water Act 2007* (Cth).



## Water take compliance monitoring

### Relevance of water take compliance monitoring to compliance performance

This section provides an outline of the way that water is monitored in each Basin State. This information provides necessary context for other matters reported in this document as it demonstrates how water compliance regulators initially identify potential water theft before undertaking the compliance and enforcement activities reported in this document.

### All Basin States monitor water licence holders to maximise compliance with extraction regulations, using either direct measurements or models of water take.

The volume of water extracted from Basin resources is tracked through manual meter readings by statutory officers or licence holders, or automatically using information and communications technology (ICT) systems like telemetry or satellite imagery. This data is then compared to the licensee's permitted allocation to identify any discrepancies. This process, known as water accounting, helps detect breaches of water extraction limits.

Data on non-urban water meters is published separately on the Inspector-General's website.<sup>7</sup>

Metering plays a crucial role in ensuring the accuracy and reliability of water accounting processes, which are essential for effective water management and distribution. Accurate metering enables water authorities to monitor and track water take, allocate resources fairly, and make informed decisions based on reliable data. In 2017, all Basin States, as part of the Compliance Compact, committed to improving metering coverage and accuracy within their jurisdictions.

Basin States report annually to the Inspector-General on their progress towards meeting these commitments. These reports serve as a means of accountability and transparency, allowing the Inspector-General to assess the effectiveness of each state's metering initiatives and identify areas that may require further attention or improvement.

The following provides a description of each Basin State's approach to monitoring water take.



<sup>7</sup> For 2022-23 data, see <https://www.igwc.gov.au/sites/default/files/2024-04/murray-darling-basin-metering-report-card-2023.pdf>



## New South Wales

**In the year 2022–23 there were approximately 22,616 water access licences in the New South Wales portion of the Basin, with approximately 11,882 unique licence holders in the Basin.**

The New South Wales Natural Resources Access Regulator (NRAR) responds to and investigates alleged breaches, as well as having teams across New South Wales that actively monitor and audit the use of surface and groundwater. NRAR is responsible for monitoring and enforcing compliance with the non-urban metering rules.

NRAR use a variety of methods to monitor water take and detect unlawful water take, including:

- reports from the public and other government agencies
- on-ground inspections, and auditing of properties and works
- remote monitoring and detection using satellite imagery, drones and state-of-the-art survey equipment
- reconciling water use data from water licensing systems, water accounting systems and other sources.

For the NSW portion of the Basin in 2022–23, NRAR:

- inspected and provided advice and education directly to 1,282 properties, which included over 1,650 works.
- received 852 suspicious activity reports, of which 313 were referred for more investigation.
- finalised 517 investigations, including 250 investigations for water take or metering offenses.
- took over 150 enforcement actions.



## Queensland

**In the Queensland part of the Basin there were approximately 5,597 water entitlements in the 2022-23 water accounting period. Of these entitlements, 1,493 were metered, accounting for 74 per cent of total entitlement volume. Metering requirements are determined through a state-wide risk assessment of water resource pressure, with new areas added as needed.**

Water take for metered entitlements is rigorously monitored for compliance in Queensland through several processes:

- Meter reads are submitted by licence holders either online or manually in response to a statutory notice and includes follow up reminders before the due date and, for event-based licences, additional reads are required post-event.
- Anomalies in meter reads are flagged for follow-up, which includes verifying water take and checking meter accuracy, and to support future audits.
- Meter owners are also required to notify the Queensland Department of Regional Development, Manufacturing, and Water (RDMW) as soon as they identify a fault with their meter.
- Officers monitor the replacement and validation of faulty meters, and records of water take are required to be kept by metered entitlement holders.
- RDMW strives for 100 per cent submission of meter reads to ensure accurate water take assessment.
- Any detected excess take prompts compliance and enforcement actions according to the *Regulatory Strategy; Water Resource Management 2022-2024*.<sup>8</sup>

Under the *Annual Compliance Plan 2022-23*,<sup>9</sup> RDMW conducted targeted compliance monitoring informed by risk assessments, including both field and desktop audits.

This included inspections of water take, infrastructure, and related activities. RDMW also responded to third-party notifications with desktop or field assessments and through annual reports on compliance activities and outcomes, sharing details across communication platforms to enhance regulatory understanding.

In 2022-23, RDMW undertook compliance monitoring that included oversight of water take activities:

- Where meter reads were required to be provided to RDMW over the course of the water accounting period, failure to provide reads, late reads and reporting on faulty meters were followed up and addressed.
- Measured water use was accounted for to determine compliance, with one case of minor excess water take identified and addressed with a warning and corrective measures.
- 132 field audits were conducted, with 105 determined to be compliant, and 27 found to be non-compliant, leading to further investigation and action.



<sup>8</sup> [https://www.rdmw.qld.gov.au/\\_\\_data/assets/pdf\\_file/0011/1630784/regulatory-strategy-wrm-2022-24.pdf](https://www.rdmw.qld.gov.au/__data/assets/pdf_file/0011/1630784/regulatory-strategy-wrm-2022-24.pdf)

<sup>9</sup> <https://qldgov.softlnkhosting.com.au:443/liberty/OpacLogin?mode=BASIC&openDetail=true&corporation=DERM&action=search&queryTerm=uuid%3D%224ec479500a0200f04402ee4700201762%22&editionUuid=4ec479500a0200f04402ee4700201762&operator=OR&url=%2Fopac%2Fsearch.do>



## South Australia

**In 2022-23, South Australia managed 5,318 water take authorisations in the Basin. In these areas, 98.2 per cent of water take is metered. All water use is accounted for, and compliance action taken for unauthorised taking of water.**

In South Australia, the take of water from the Basin resources was rigorously monitored, accounted for and regulated.

There are 5,318 water licences, which includes the regulation of licences for stock or domestic use in the River Murray. Licensed water use is monitored closely, with 98.2 per cent of take being metered. All water take is accounted for, either through meter readings or for unmetered sites, through modelling/estimates in accordance with published methods.

Meter readings are required to be provided quarterly in the River Murray (which comprise 56 per cent of Murray-Darling Basin licences in South Australia) and annually elsewhere. Licence holders are also required to report meter faults, repair or replace faulty meters and comply with obligations in relation to meter maintenance and inspections.

Meter reads are submitted by licence holders following automated notices and reminders. South Australia's new water licensing system tracks submission progress, identifies missing or anomalous readings, overuse and faulty meters and routes these for manual investigation by compliance officers, resulting in desktop review and/or site visits. Furthermore, South Australia targets at least 10 per cent of licenses for on-site compliance monitoring annually, including unmetered sites.

In summary, activities for 2022-23 included:

- 2,300 authorisations audited via desktop automatically
- 1,231 authorisations manually audited via desktop
- 462 on-site inspections conducted.

Water taken in excess of, or without, an authorisation, incurs a financial penalty that is significantly higher than the contemporaneous trade price of water. This acts as an effective deterrent with very high and consistent compliance rates (99 per cent). Other compliance tools are available and implemented for other offences or for repeated/ significant non-compliance, including expiations, directions, licence variations, suspensions or cancellations, and court action.





## Victoria

**In 2022-23, Victoria had 60,974 authorisations to take water across northern Victoria (the Victorian part of the Basin) issued under the *Water Act 1989* (Vic). In northern Victoria there are 47,035 meters installed, of which approximately 29,013 have telemetry. In 2022-23, 98 per cent of water taken was metered; 89 per cent of total take was through meters that conform with Australian Standard for non-urban water meters (AS 4747) and are of contemporary standard accurate to  $\pm 5\%$  accuracy; and 76 per cent of total take was telemetered.**

Breaches of the *Water Act 1989* (Vic) and the potential unauthorised take of water is monitored primarily through metering and telemetry. Victoria's Rural Water Corporations (RWCs) own meter assets and are responsible for manually reading meters where telemetry is not available. The *Victorian Non-Urban Water Metering Policy 2020* requires RWCs to read meters at least once a year for low volume low-risk meters, more frequently for higher-risk volumes, and at least twice a year for surface water winter-fill licences or where there is a history of breaches.<sup>10</sup>

In 2022-23, 38,001 meter reads were conducted in northern Victoria, including 19,190 additional inspections, to ensure meters were maintained and functioning efficiently. In addition, potential non-compliance was also identified by RWC field officers and community reports for investigation.

Telemetry devices provide real-time water take data to RWCs and the Victorian Department of Energy, Environment, and Climate Action (DEECA). RWCs use telemetry data to undertake daily desktop reviews of their customers' water use and to check for meter errors/ volume anomalies to be corrected, where water users are at risk of unauthorised take, they are notified by SMS.

The *Water Act 1989* (Vic) empowers RWCs to undertake compliance activities and utilise their enforcement powers to ensure compliance. Victoria has zero-tolerance for unauthorised take, meaning all non-compliance will be investigated. If potential non-compliance is identified, RWCs proactively engage with the water user to inform them of the potential breach and support compliance.

If a breach is identified and not rectified, the RWC will send a warning or advisory letter, followed by issuing a notice of contravention or penalty infringement notice. In serious cases, this may be followed by restricting supply and possible prosecution. In 2022-23, RWCs reported 1,315 enforcement actions for unauthorised take of water.



<sup>10</sup> [https://www.water.vic.gov.au/\\_\\_data/assets/pdf\\_file/0038/667991/victorian-non-urban-water-policy-2020.pdf](https://www.water.vic.gov.au/__data/assets/pdf_file/0038/667991/victorian-non-urban-water-policy-2020.pdf)

## Australian Capital Territory

**In 2022-23, the Australian Capital Territory's Environment Protection Authority (EPA) managed 182 active water licences under the Water Resources Act 2007 (ACT), with no new licences issued. During this period, one licence expired, and another was cancelled.**

The EPA ensures compliance through comprehensive metering, with all licenced water take fully metered. Each meter is uniquely identified by a serial number linked to the water user's licence file. Licence conditions require the installation and maintenance of meters, as well as regular data reporting.

In total, 307 water meters were monitored, and licence holders are mandated to submit water meter readings as frequently as their licence specifies, based on factors like licenced volume and past compliance.

Due to the small size and accessibility of the regulated area in the Australian Capital Territory, telemetry systems are not required. The Australian Capital Territory's Water Regulation Team, consisting of four members, oversees

a rigorous inspection schedule aiming to check each meter at least once every three years, or more often if needed. In the reporting period, 47 inspections were conducted – 16 for groundwater and 31 for surface water.

The EPA also employs satellite imagery to monitor water take and detect any anomalies or unauthorised activities; however, no issues were detected in 2022-23.

Non-compliance is handled through a risk-based and proportional strategy, escalating based on the environmental record of the user, volume taken, and impact. Initial investigations into suspected breaches are typically desktop-based.

In response to non-compliance, the EPA issued four warning letters in 2022-23:

- one for water overuse (exceeding a licenced volume of water)
- one for unauthorised water take (taking water without a licence)
- two for failing to submit meter readings.

This approach is part of the EPA's broader Environmental Protection; Compliance Framework, designed to, among other things, ensure effective adherence to water management laws. <sup>11</sup>



<sup>11</sup> [https://www.accesscanberra.act.gov.au/\\_\\_data/assets/pdf\\_file/0020/2303570/Environment-protection-compliance-framework.pdf](https://www.accesscanberra.act.gov.au/__data/assets/pdf_file/0020/2303570/Environment-protection-compliance-framework.pdf)



## Number of licences

### Relevance of number of licences to compliance performance outcomes

This metric provides information on the number of licences to take water under state legislation that need to be regulated in each jurisdiction. This information provides necessary context for other matters reported in this document as it demonstrates the extent of effort required by Basin States to regulate water take in their respective jurisdictions.

A water licence ('water entitlement' or 'approval' in some jurisdictions) permits an entity to legally extract water from the groundwater or surface water systems of the Basin. However, the structure of water licensing and approvals varies across the Basin States, complicating direct comparisons. Every identified licence or entitlement requires regulatory efforts from the respective Basin State.



**Table 1: Number of licences authorisations to take water in the Basin portion of each Basin State**

<b>NSW</b>	<b>22,616</b> Licences	Known as water access licences (WAL) for irrigation, industrial or commercial purposes.
<b>QLD</b>	<b>5,597</b> Licences	Covers supplemented and unsupplemented groundwater and surface water use.
<b>SA</b>	<b>5,318</b> Licences	Includes the number of water accounts and 1,912 licences for stock and domestic use.
<b>VIC</b>	<b>60,974</b> Licences	Includes take and use licences to take water from unregulated rivers, groundwater and private farm dams and captures general place of take approvals, where individual water users may have multiple general place of take approvals.
<b>ACT</b>	<b>180</b> Licences	Licence-holder must also hold, or be exempt from holding, a Water Access Entitlement, which provides a right to a quantity of surface water or groundwater.

## Number of statutory officers

### Relevance of number of statutory officers to compliance performance outcomes

This metric provides information on the number of full-time equivalent statutory officers who are active in the Basin portion of the jurisdiction (except for Queensland which includes statutory officers for all of southern Queensland). This information provides necessary context for other matters reported in this document as it is indicative of the amount of resources Basin States allocate for the regulation of water take.

Statutory officers are those officers who are authorised under legislation to conduct compliance activities such as on-site inspections and formal investigations. All Basin States also have non-statutory appointed officers contributing to regulatory activities that do not involve the use of authorised powers.



**Table 2: Number of statutory officers**

<b>NSW</b>	<b>115</b> Statutory Officers	82 statutory officers (with full powers) and 33 'partially appointed' statutory officers undertook functions in the New South Wales part of the Basin.
<b>QLD</b>	<b>85</b> Statutory Officers	42 Category 1 Officers (with basic compliance powers) and 43 Category 2 Officers (with more extensive powers) operate in southern Queensland, which includes the Basin portion of the state.
<b>SA</b>	<b>4</b> Statutory Officers	4 authorised persons operate in the South Australian part of the Basin.
<b>VIC</b>	<b>124</b> Statutory Officers	Approximately 36 authorised persons and 88 authorised water officers in water corporations undertook a range of functions in the Victorian part of the Basin.
<b>ACT</b>	<b>3</b> Statutory Officers	3 authorised officers operate in the Australian Capital Territory part of the Basin



# Activity Metrics 2022-23

This section outlines an initial snapshot of some of the activities relevant to water take compliance undertaken across the Basin. As described in the previous section, each jurisdiction uses a range of tools and approaches to regulate the take of water in their regions.

These metrics do not cover the full range of activities that states undertake to regulate water resources and are intended to provide an example of the sorts of metrics that are being identified as linking to outcomes for future compliance performance reporting.

## Use of compliance powers

### Investigations into suspected breaches

#### Relevance of investigations into suspected breaches to compliance performance outcomes

This metric provides information on the number of investigations into suspected breaches with water take rules in each Basin State. It is linked to performance outcomes by illustrating, along with other activities, that regulators' compliance efforts are proportionate to risk and that they apply consistent and transparent compliance responses.

An investigation begins when a jurisdiction detects an apparent legislative breach or an anomaly during routine water accounting, or when community members report to the regulator. Efforts in investigations vary from brief desktop reviews of water take data to extensive formal investigations aimed at gathering evidence for prosecution. Anomalies investigated via desktop reviews are usually resolved quickly, leading to administrative actions like sanctions or warnings. In contrast, significant investigations demand more resources, span multiple water years, and are often conducted with the potential outcome being prosecution of a licensee in court.

Figure 3: Number of investigations commenced

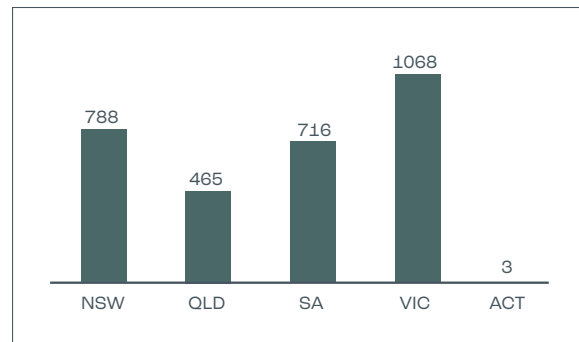
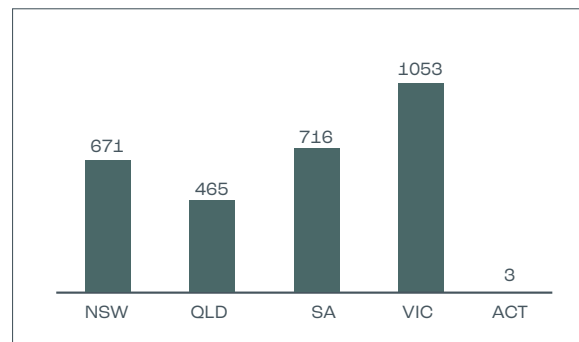


Figure 4: Number of investigations completed



In the 2022-23 water accounting period, Victoria recorded the highest number of investigations, which led to the commencement of 6 new prosecutions and the completion of 7. South Australia also conducted a significant number of investigations (716), relative to the number of licences they oversee. This is attributed to South Australia's water accounting system, which detects all instances of excessive water use and anomalies from meter readings at every outlet, prompting an investigation. As a result, South Australia issued 191 financial penalties to licence holders.

New South Wales completed 671 investigations, initiating 4 new prosecutions in the process. Queensland also conducted a high number of investigations relative to their licences, but none led to prosecutions. Similarly, no prosecutions resulted from investigations in the Australian Capital Territory.

## Warnings

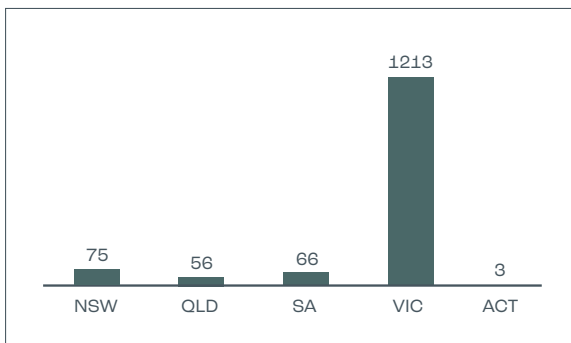
### Relevance of warnings to compliance performance outcomes

This metric provides information on the number of warnings issued for actual or suspected breaches with water take rules in each Basin State. It is linked to short term performance outcomes by illustrating, along with other activities, that regulators' compliance efforts are proportionate to risk and that they apply consistent and transparent compliance responses.

Warnings are formal cautions issued by a statutory officer to licence holders, alerting them of potential or actual breaches of legislation. In some Basin States, warnings aim to prevent future breaches, while others include directives for the licensee to rectify the damage caused by a breach. Warnings serve as a regulatory tool to notify licensees of the potential escalation to formal regulatory processes if further breaches occur.

During the 2022-23 water accounting period, Victoria issued significantly more warnings than any other jurisdiction, primarily for unauthorised water take. It is noteworthy that all warnings in South Australia were related to the non-submission of water meter readings. In cases of confirmed unauthorised water extraction, South Australia does not issue warnings; instead, a legislated penalty is imposed.

**Figure 5: Number of warnings**



## Financial penalties (imposed by the regulator)

### Relevance of financial penalties (imposed by the regulator) to compliance performance outcomes

This metric provides information on the number and value of financial penalties imposed by regulators in response to confirmed water take breaches. It is linked to short term performance outcomes by illustrating, among other activities, the regulator is responsive and that they apply consistent and transparent compliance responses.

Financial penalties imposed by Basin State regulators for the 2022-23 water accounting period cover, depending on what is allowed under relevant laws:

- Legislated penalties for breach of water take rules (excess take)
- Enforceable undertakings for confirmed breaches of water take regulations
- Penalty infringement notices and expiations for minor breaches.

South Australia recorded the highest number of financial penalties during the 2022-23 water accounting period (191 comprising 57 legislated penalties and 134 expiations). South Australia also recorded the highest total value of financial penalties (\$2,298,579), where legislated penalties issued for excess take (\$2,151,983) were significantly greater than the market rate for the water taken, as a deterrent measure, for every kilolitre of water taken above the permitted amount.

New South Wales is the only Basin State that accepts enforceable undertakings, which are legally binding agreements between a licensee and NRAR. NRAR may opt to accept an enforceable undertaking proposed by an entity when water laws are contravened, as an alternative to prosecution and court proceedings. In the 2022-23 water accounting period, NRAR accepted one enforceable undertaking valued at \$54,240 and issued 50 penalty infringement notices totalling \$52,500.

Victoria issued 19 penalty infringement notices during the 2022-23 water accounting period, with a maximum penalty issued for \$2,073. In addition to these penalties, Victoria requires that licensees must balance their account through their permitted water allocation, for example by purchasing water allocations on the market. This ensures that any unauthorised take does not reduce the available water for other water users and the environment. Queensland issued one penalty infringement notice during the reporting period.

Figure 6: Number of financial penalties

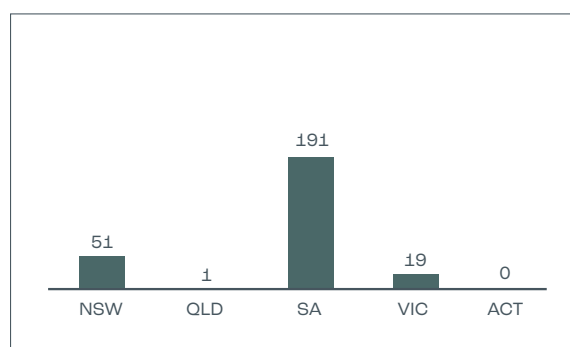


Table 3: Total value of financial penalties

STATE	VALUE
NSW	\$106,740
QLD	\$2,757
SA	\$2,298,579
VIC	\$15,493
ACT	N/A
<b>Total</b>	<b>\$2,423,569</b>



## Financial penalties imposed by a court

### Relevance of financial penalties imposed by a court to compliance performance

This metric provides information on the number and value of financial penalties imposed by a court following successful prosecutions. It is linked to short term performance outcomes by helping demonstrate that the regulator is responsive to risk and that they apply consistent and transparent compliance responses.

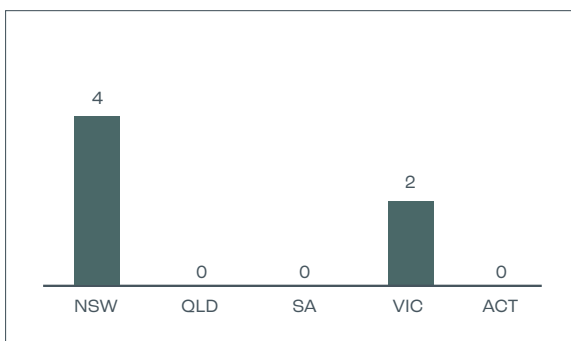
This section sets out the number and value of financial penalties imposed by courts following successful prosecutions.

In New South Wales, 4 prosecutions led to convictions, with court-ordered penalties totalling \$416,250. A water holder from the Gwydir River region was fined \$353,750 after pleading guilty to two counts of unauthorised water take. Victoria achieved two successful prosecutions related to non-compliance in the Murray System Merbein region; one for unauthorised water take and another for obstructing officers.

South Australia typically does not pursue court prosecutions as its primary enforcement method. Instead, mandatory fines under the Landscape South Australia Act 2019 (SA) apply to breaches of water take laws. Other compliance tools, including court action, are instigated where necessary.

In Queensland and the Australian Capital Territory, investigations conducted did not lead to any prosecutions, resulting in no court-imposed financial penalties.

**Figure 7: Number of financial penalties**



**Table 4: Total value of financial penalties**

STATE	VALUE
NSW	\$416,250
QLD	N/A
SA	N/A
VIC	\$4,500
ACT	N/A
<b>Total</b>	<b>\$420,750</b>





# Appendix 1: Vision for the Water Compliance Performance Reporting Framework

