



Australian Government



Inspector-  
General of  
Water  
Compliance

Ref: D22/779350

Senator Karen Grogan  
Chair of the Environment and Communications Legislation Committee  
Parliament House, Canberra

9 November 2022

Dear Senator and Committee Members,

My sincere apologies that I cannot be present at the hearings on 11 November 2022 as I'm in the United Kingdom on an approved leave of absence. Mr Daniel Blacker is appearing on my behalf as Acting Inspector-General of Water Compliance, supported by Deputy Inspector-General, Ms Bridgett Leopold.

I look forward to attending the next hearing in person, but in the meantime as this is a new committee, and in the interest of transparency, the Acting Inspector-General Mr Blacker will table several documents for your information.

Attached you will find the following documents:

- Attachment A – Organisational Chart of the Inspector-General of Water Compliance
- Attachment B – Staffing and location details
- Attachment C – 2022-23 Work Plan
- Attachment D – 2021-22 Work Plan

Acting Inspector-General Blacker and Deputy Inspector-General Leopold will be able to answer any questions you have in relation to the above, or any of our past or planned activities.

Yours faithfully,

The Hon. Troy Grant  
Inspector-General of Water Compliance



Australian Government



Inspector-General of Water Compliance

Inspector-General of Water Compliance - Troy Grant



Deputy IGWC Regulation - Daniel Blacker

Deputy IGWC Capability - Bridgett Leopold

Director Basin Plan Trade Regulation	Director Monitoring	Director Audit & Investigation	Director Governance	Director Oversight & Inquiry	Director Media & Communications	Director Field Operations	Director Intergovernmental Relations
Water trade compliance expertise	Water Resource Plan compliance	Case management	Strategy and risk	Oversight	Media liaison	Community engagement	Regulatory collaboration
Water markets regulatory reform liaison	Sustainable Diversion Limit compliance	Compliance audits	Regulatory best practice	Research	Corporate Communications	Communications outreach	State and Commonwealth government engagement
	Compliance Risk Assessment	Investigations	Coordination	Inquiries			
	State metering reform assurance		Corporate				



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## Office locations

Location	Office Address	Details
<b>Australian Capital Territory</b>	Level 3 7 London Circuit Canberra ACT 2601	Current address, hosted in former DAWE building.
	John Gorton Building King Edward Terrace Parkes ACT 2600	Future address, hosted in DCCEEW building. Anticipated from mid-November 2022.
<b>New South Wales - North</b>	Office 2 65 Dandaloo Street Narromine NSW 2821	
<b>New South Wales - South</b>	531 Kiewa Street Albury NSW 2640	
<b>Victoria</b>	125 Deakin Avenue Mildura Vic 3500	
<b>South Australia</b>	Loxton Agricultural Research Centre Bookpurnong Road Loxton SA 5333	
	Adelaide International Airport Sir Donald Bradman Drive Export Park SA 5950	Hosted in former DAWE building
<b>Queensland</b>	Shop 3 72 Callandoon Street Goondiwindi Qld 4390	



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Inspector-General staffing and location breakdown as of 31 October 2022*						
Location	Staff Total	Field Operations	Auditors and Investigators	Senior Executive	Other APS Staff	Other (Secondee/Contractor)
Albury	5	1	0	1	3	0
Canberra	14	0	2**	0	8	4
Dubbo	6	2	0	0	4	0
Goondiwindi	2	2	0	0	0	0
Mildura	5	1	2	0	2	0
Loxton	2	1	0	0	1	0
Adelaide	4	0	2	0	2	0
Brisbane	6	0	1	0	5	0
Sydney	1	0	0	1	0	0
<b>Total</b>	<b>45</b>	<b>7</b>	<b>7</b>	<b>2</b>	<b>25</b>	<b>4</b>
Female	24	3	2	1	14	4
Male	21	4	5	1	11	0

\*Excludes Inspector-General

\*\*Includes one staff member who is yet to commence.



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# Annual Workplan 2022–2023



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## Cataloguing data

This publication (and any material sourced from it) should be attributed as: Inspector-General of Water Compliance 2022, Inspector-General of Water Compliance, Annual Workplan 2022-2023, the Australian Government, Canberra, August. CC BY 4.0.

This publication is available at <https://www.igwc.gov.au/governance>  
Inspector-General of Water Compliance  
GPO Box 3090 Canberra ACT 2601

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## Acknowledgement of the Traditional Owners of the Murray–Darling Basin

The Author pays respect to the Traditional Owners and their Nations of the Murray–Darling Basin. We acknowledge their deep cultural, social, environmental, spiritual and economic connection to their lands and waters.

The guidance and support received from the Murray Lower Darling Rivers Indigenous Nations, the Northern Basin Aboriginal Nations and our many Traditional Owner friends and colleagues is very much valued and appreciated.

Aboriginal people should be aware that this publication may contain images, names or quotations of deceased persons.

## Accessibility

The document and information is available in accessible formats. On some occasions the highly technical nature of the document means that we cannot make some sections fully accessible. If you encounter accessibility problems or the document is in a format that you cannot access, please contact us.

# Inspector-General of Water Compliance

The Inspector-General of Water Compliance was established by the Australian Parliament on 5 August 2021 to provide the public with transparency, get to the truth on how water is managed and ensure compliance with the Basin Plan's water rules. The Inspector-General's independence and focus on community engagement aims to ensure that water compliance is fair and equitable.

The Inspector-General has powers to scrutinise, provide oversight of and monitor compliance with the Basin Plan 2012, Water Resource Plans and intergovernmental agreements and arrangements relating to water resource management in the Basin.

The Inspector-General is supported by offices working from five regional offices across the Murray-Darling Basin (Goondiwindi, Dubbo, Albury, Mildura and Loxton) along with various staff in Canberra, Adelaide, Sydney and Brisbane.

## Workplan

Following the Inspector-General's first year of operation, this 2022–2023 workplan reflects the chosen approach to prioritise work aimed at ensuring water is managed in accordance with the rules set by the Basin Plan and report the facts to the community.

As an independent regulator, the Inspector General has discretion in performing compliance and enforcement functions, and at any time may use their powers and choose to change the priorities beyond those published in the workplan.

## Key priorities in the workplan

The Inspector-General takes a proactive risk-based approach to address the risks in water compliance and areas where the office has concerns about water management and compliance. This enables the Inspector-General to focus its regulatory activities and resources on areas where the relative risks of possible or actual non-compliance or harm are greatest.

Three prioritised focus areas have been identified for the 2022–2023 year:

- Trade enforcement
- Water Resource Plan compliance
- Building trust and confidence throughout Basin communities and water stakeholders

The workplan will be reviewed throughout the year to ensure the oversight, compliance and enforcement responses and activities are appropriate and effective. The workplan includes activities that may span multiple years to complete and may also be varied to reflect new priorities, inquiries requested of the Inspector-General and changing risks.



## Development of the workplan

The workplan is designed to respond to current and emerging risks and challenges affecting water compliance. A range of factors are considered to set the work program, including:

- what community groups and stakeholders have told the Inspector-General and their office
- analysis of water compliance data and information demonstrating the level of compliance with the Basin Plan and water management arrangements in each state
- the condition of the Basin including water quality, health of the river and the environment
- monitoring and oversight of governments meeting their commitments to the public and each other
- the current state of water reforms and potential future scenarios and likely challenges.

The Inspector-General recognises there are current challenges that affect the Basin's communities and resources. Consideration of short, medium and long-term risks has highlighted that climate, changing demographics, new technologies and changing social values, are all influencing and shaping the industries and communities in the Basin. The Inspector-General will adapt the workplan as required.

## Delivering against the workplan

The Inspector-General will undertake inquiries (if planned or required) and publish reviews and audits to report to the community how water is managed. The Inspector-General will publish the outcomes of key areas of work to support transparency and ensure compliance with legislation. Please consult the website at: [www.igwc.gov.au](http://www.igwc.gov.au) for all previous publications.

### Priority 1: Trade enforcement

#### Why it's a priority

The healthy operation of the water market relies on transparent, accurate and timely reporting of data. Water market compliance and enforcement are predominantly the domain of Basin states, however the Inspector-General has a limited role to enforce rules within the Basin Plan. The ACCC's final inquiry report demonstrated that significant improvements are needed across all aspects of water market regulation and a concerted effort is required by all levels of government and regulators.

#### Inspector-General's desired outcome

The regulated water community understand the rules and comply with them.

#### What the Inspector-General will do

- Focus on provisions in the Water Act and the Basin Plan which require the price of a trade to be reported.
- Publish one audit report in relation to compliance with trade disclosure obligations under the Murray-Darling Basin Plan.
- Publish one audit report in relation to trade accounting and compliance.
- Undertake investigations into compliance with the Basin Plan Water Trading Rules and take enforcement action as appropriate.



## Priority 2: Water Resource Plan compliance

### Why it's a priority

This is about integrity. WRPs are where the 'rubber hits the road' under the Basin Plan. WRPs are an essential part of implementing the Basin Plan. At the time of publication, none (zero) of the 20 WRPs have been accredited in NSW.

### Inspector-General's desired outcome

Enhanced Water Resource Plan compliance to support trust and confidence in the Basin Plan.

### What the Inspector-General will do

- Monitor progress of the 20 NSW Water Resource Plans toward accreditation.
- Publish two Water Resource Plan audits.
- Undertake research and intelligence gathering to support Water Resource Plan risk assessments and compliance.

## Priority 3: Building trust and confidence

### Why it's a priority

The Inspector-General has heard, time and time again when speaking with and listening to the community, trust and confidence across the Basin are recognised as being fundamental challenges in relation to water compliance, and water management more broadly. The Inspector-General's role was established to strengthen compliance, increase transparency, improve trust and build community confidence — a focus that has driven everything that the Inspector-General has done since being formally established on 5 August 2021.

### Inspector-General's Desired outcome

By undertaking evidence-based research, the Inspector-General will determine the drivers of mistrust and the origin of mistruths in order to build confidence in water compliance across the Basin.

### What the Inspector-General will do

Undertake qualitative and quantitative research across the Basin to form an evidence base of trust and confidence in water management and compliance that can be monitored.

Using plain English, communicate with the public the role and legislative remit of the Inspector-General, including powers, scope and deliverables.

Publish findings into matters relating to environmental water, river operations and state differences in water compliance management.



Inspector-General of  
Water Compliance

# Inspector-General of Water Compliance – Compliance Priorities and Workplan

Compliance Priorities and Workplan

August 2021

## Published by

Inspector-General of Water Compliance

August 2021

## Cataloguing data

**Title:** Inspector-General of Water Compliance – Compliance Priorities and Workplan

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The Inspector-General of Water Compliance was established by the Australian Parliament to provide the public with transparency, tell the truth on how water is managed and ensure compliance with the Basin Plan's water rules. The Inspector-General independence and focus on community engagement ensures that water compliance is fair and equitable.

The Inspector-General has powers to scrutinise, provide oversight of and monitor compliance with the Basin Plan 2012, Water Resource Plans and intergovernmental agreements and arrangements relating to water resource management in the Basin.

The Inspector-General is supported by an office with a capability and performance branch working from five regional offices across the Murray-Darling Basin (Goondiwindi, Narromine, Albury, Mildura and Loxton).

## Work plan

This work plan reflects the Inspector-General's immediate approach to ensure water is managed in accordance with the rules set by the Basin Plan and report the facts to the community.

The Inspector-General has a proactive approach to address the risks in water compliance and areas where the office has concerns about water management and compliance.

As an independent regulator, the Inspector General has discretion in performing compliance and enforcement functions, and at any time may use his powers and choose to change his priorities beyond those published in the work plan.

### Key priorities in the work plan

The Inspector-General takes a risk-based approach to develop his compliance priorities. This enables the Inspector-General to focus its regulatory activities and resources on areas where the relative risks of possible or actual non-compliance or harm are greatest.

Three compliance priorities areas have been identified for the 2021-2022 year:

- Whether the compliance and accounting approaches adopted by each Basin government are effective in responding to water theft and accountability
- Oversight of the water metering and floodplain harvesting measurement reforms
- Scrutinising increasing groundwater use

The work plan will be reviewed throughout the year to ensure the compliance and enforcement responses and activities are appropriate and effective. The work plan includes activities that may span multiple years to complete and may also be varied to reflect new priorities, inquiries requested of the Inspector-General and changing risks.

## Development of the work plan

The work plan is designed to respond to current and emerging risks and challenges impacting water compliance. A range of factors are considered to set the work program, including:

- what community groups and stakeholders have told the Inspector-General and his office
- analysis of water compliance data and information demonstrating the level of compliance with the Basin Plan and water management arrangements in each state
- the condition of the Basin including water quality, health of the river and the environment
- monitoring and oversight of governments meeting their commitments to the public and each other
- the current state of water reforms and potential future scenarios and likely challenges.

The Inspector-General recognises there are current challenges that affect the Basin's communities and resources. Consideration of short, medium and long-term risks has highlighted that climate, changing demographics, new technologies and changing social values, are all influencing and shaping the industries and communities in the Basin. The Inspector-General will adapt the work plan as required.

## Delivering against the work plan

The Office of the Inspector-General will undertake inquiries (if planned or required) and publish reviews and audits to report to the community how water is management. The Inspector-General will publish the outcomes of key areas of work to support transparency and ensure compliance with legislation.

## Compliance Work Program Priority 1: Effective approach to water compliance

### Why it's a priority

Inconsistency in Basin states' response to water theft risks undermining confidence. Left unchecked, these differences, including in the mandatory response to water theft, reinforces views that water management is unfair or not effective.

### Inspector-General's Desired outcome

Ensure the Basin has clear, fair and effective compliance frameworks.

### What the Inspector-General will do

- Review whether Commonwealth water agencies are abiding by the Basin Plan rules
- Independently review and publicly report on each State's water compliance and enforcement systems
- Work with states to develop a set of common metrics to be used to communicate and report on water compliance performance and effort across the Basin

## Priority 2: Water metering and measurement

### Why it's a priority

Reforms to ensure accurate metering and measurement of water take is far from complete. Whilst policies have been developed and implementation plans are rolling out, increased meter accuracy and its benefits to communities, landowners and regulators is still some years away. This lag creates a risk of unchecked water theft.

### Inspector-General's Desired outcome

Accurate metering and measurement of water take is in place across the Basin

### What the Inspector-General will do

- Monitor jurisdictions commitments to develop and implement metering and measurement reforms
- Audit key areas of risk
- Provide easy to understand information to the community with a focus on outcomes

## Priority 3: Managing increasing groundwater use

### Why it's a priority

Groundwater extraction is increasing. All governments need to ensure that this precious resource is sustainably managed, particularly for surviving the next drought. If increasing use and demand for groundwater is not appropriately managed, it can lead to declining pressure levels, permanent salinity and drawdown problems, reversal of flow direction and affect dependent ecosystems.

### Inspector-General's Desired outcome

Ensure the ground water management rules are complied with and enforced

### What the Inspector-General will do

- Audit Water Resource Plan groundwater compliance