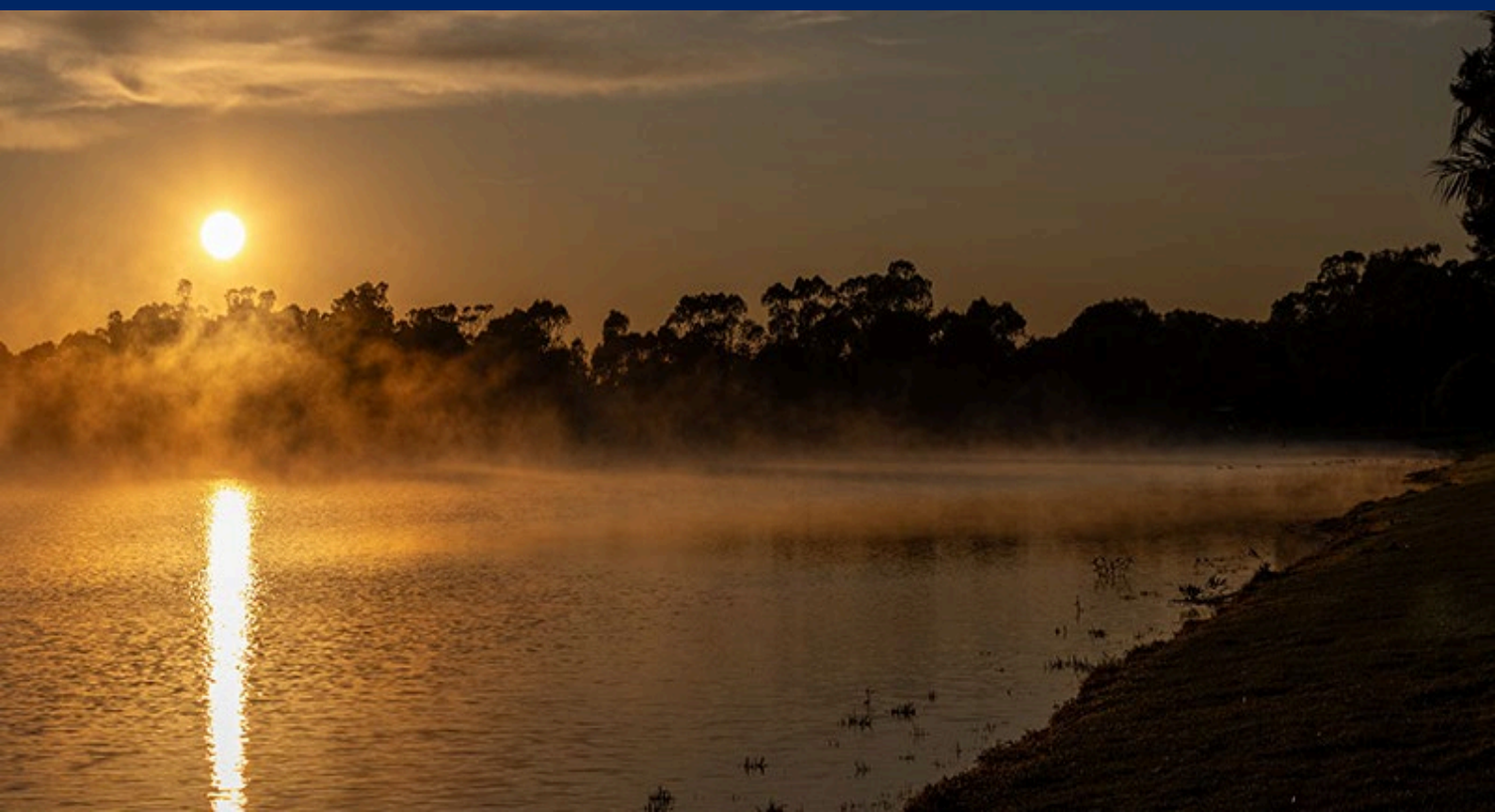


What we heard report

Remake of the Water Management (General) Regulation 2018

August 2025



Acknowledgement of Country



Department of Climate Change, Energy, the Environment and Water acknowledges the traditional custodians of the land and pays respect to Elders past, present and future.

We recognise Australian Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships to place and their rich contribution to society.

Artist and designer Nikita Ridgeway from Aboriginal design agency – Boss Lady Creative Designs, created the People and Community symbol.

What we heard report

Published by NSW Department of Climate Change, Energy, the Environment and Water

<https://www.dpie.nsw.gov.au/water>

First published: August 2025

Department or Agency reference number: DOC25/230813

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Executive summary

The Water Management (General) Regulation 2018 (2018 Regulation) is due for repeal on 1 September 2025 under the statutory [NSW staged repeal process](#). The Department of Climate Change, Energy, the Environment and Water (the department) proposes to remake the 2018 Regulation with amendments by replacing it with 2 new regulations.

The intent of the proposed amendments is to streamline the regulations and licensing and approvals processes and reduce costs for the benefit of water users, stakeholders, the department and regulators, while also strengthening the protection of waterfront lands, water sources and their dependent ecosystems.

The 2 proposed new regulations and a regulatory impact statement (RIS) were placed on public exhibition for 4 weeks from 10 March to 6 April 2025 to allow the community and stakeholders to have their say on the proposed changes.

This What we heard report details the feedback received during the public exhibition period. Members of the public and stakeholders were provided with the opportunity to hear directly from the department on the proposed changes and to ask questions and seek clarification on the remake process via an online webinar held on 26 March 2025. Feedback on the draft regulations and RIS was captured via an online submission form. The online webinar was attended by 65 people and the department received 16 online submissions. All but 2 of the submissions received related to the draft Water Management (General) Regulation 2025.

The key issues raised in submissions were not limited to the proposed amendments and covered a broad range of water management issues, including: wetland protection, management and restoration; metering; infrastructure and construction dewatering; excluded works exemptions; controlled activities on waterfront land; penalties for water theft; dust suppression and emergency drought works.

This feedback has resulted in several additional changes being made to the draft Water Management (General) Regulation 2025. No changes were made to the draft Water Management (Water Supply Authorities) Regulation 2025. Some of the issues raised relate to work being progressed by other projects led by the department — such as the [Coastal Floodplain Drainage Project](#), and the [Housing Approvals Reforms Action Plan](#). Feedback on these issues has been passed onto the relevant project teams for consideration.

About this report

This report provides an overview of what we heard from submissions made by stakeholders on the [Water Management Regulation Remake](#) and provides the community with an understanding of the range of feedback we received on the 2 draft regulations and the RIS. It also outlines the additional changes made to the regulations following this feedback and aims to assure community and stakeholders that we have heard the concerns and issues they raised in their feedback.

The report consists of:

- an overview of the engagement process and participation by community members
- a summary of key feedback received

- detailed feedback received on the draft regulations and RIS, and the department's responses to this feedback
- information on further changes made to the regulations following public exhibition
- next steps.

Introduction

Background

The Water Management (General) Regulation 2018 (2018 Regulation) will be automatically repealed on 1 September 2025 under the *Subordinate Legislation Act 1989*, following two 1-year postponements of its scheduled repeal in 2023 and 2024. This is known as the NSW staged repeal process.

Under the staged repeal process, NSW regulations are automatically repealed after 5 years, unless they are remade. It is important to have regulations in place because they support the operation of the *Water Management Act 2000* (the WM Act).

The department is proposing to remake the 2018 Regulation with amendments by replacing it with the Water Management (General) Regulation 2025 and Water Management (Water Supply Authorities) Regulation 2025.

The proposed amendments to the 2018 Regulation are intended to:

- strengthen the protection of water sources and their dependent ecosystems, including by limiting some existing exemptions
- improve protection of waterfront lands when controlled activities are carried out without approval (that is, under an exemption)
- enable streamlined and digitalised processes to help make processes faster and easier for customers
- reduce unnecessary regulatory costs to applicants, the department and other relevant agencies through expanding exemptions from licence and approval requirements
- streamline and clarify wording of the regulations to improve understanding and compliance.

The 2 new regulations have been written to reflect modern legislation drafting practices.

The RIS shows that the benefits of remaking the 2018 Regulation with the proposed amendments by replacing it with the Water Management (General) Regulation 2025 and the Water Management (Water Supply Authorities) Regulation 2025 will outweigh the anticipated costs and provide the largest net benefits for NSW.

Engagement overview

Public consultation on the Water Management Regulation remake commenced on 10 March 2025 and closed on 6 April 2025. The department released the draft Water Management (General) Regulation 2025, the draft Water Management (Water Supply Authorities) Regulation 2025 and the RIS and sought feedback from the public and stakeholders during this period through an online submission form. An online public webinar was held on 26 March 2025 to provide the public and stakeholders with an overview of the proposed changes and an opportunity to ask questions and seek clarification on the remake process. Eighty-four people registered for the webinar and 65 people attended.

Over 4,500 stakeholders across NSW were informed of the public consultation process via email to the department's Water e-newsletter subscribers and peak bodies. The consultation was also promoted in print advertisements in The Sydney Morning Herald, Koori Mail, The Australian and The Land.

During the exhibition period, 16 stakeholders provided submissions comprising 8 individuals largely from rural or regional areas and 8 organisations, including: Sydney Water, NSW Irrigators' Council, NSW Minerals Council, the Law Society of NSW, National Parks Association of NSW, Nature Conservation Council of NSW, a First Nations community organisation, and the Australian Rail Track Corporation (ARTC).

Figure 1. Summary of Water Management Regulation engagement statistics



What we heard

The majority of feedback received related to the draft Water Management (General) Regulation 2025, with only 2 submissions making comments on the draft Water Management (Water Supply Authorities) Regulation 2025. One submission made comments on the RIS. While feedback was received on most of the amendments proposed as part of the regulation remake, feedback also covered a range of broader water management issues.

Key issues raised include:

- wetlands — the importance of protecting wetlands of significance in inland areas of NSW and suggestions for supporting proposed wetland restoration works
- controlled activities on waterfront land — the proposed amendments to controlled activity approval exemptions for separating structures and storm clean-up
- excluded works exemptions — the scope of exemptions that allow specific types of dams to be constructed without a water supply work or use approval
- non-urban metering — recent amendments made to the 2018 Regulation to implement changes to metering requirements following the [Review of the Non-Urban Metering Framework](#)
- advertising requirements for water supply work approvals, including flood work approvals
- construction and infrastructure dewatering — the potential for further exemptions from licensing and approval requirements for these activities
- dust suppression — seeking clarification on the requirement for public and roads authorities to undertake environmental assessments prior to undertaking dust suppression activities
- emergency drought works — the proposed amendment to require public authorities to maintain or decommission emergency drought works constructed under an approval exemption once the exemption lapses or expires
- penalties for water theft — the methods used to value water illegally taken, current penalty amounts and their effectiveness
- licensing, approval and exemption requirements for mining and exploration activities.

Feedback on the draft Water Management (General) Regulation 2025

This section outlines feedback received in written submissions on the draft Water Management (General) Regulation 2025, sorted into themes and the department's responses to the issues raised.

Wetland management

1.1.1 Issue – water supply work approval exemptions

One of the amendments proposed in the draft Water Management (General) Regulation 2025 was to allow portions of certain types of water supply works to be assessed according to their risks, these works include:

- water supply works used only for prospecting or fossicking under the mining legislation
- water pipes used solely for moving water from one place to another, and
- water reticulation works on land that has a water use approval.

The amendment means:

- portions of a relevant work that cross 'sensitive land' (that is, land specified in the regulation as excluded from the exemption) will continue to require a water supply work approval
- portions of a relevant work that do not cross 'sensitive land' will no longer require a water supply work approval.

Some respondents are of the view that inland wetlands should be added to the list of 'sensitive land' excluded from the exemption from water supply work approvals. These stakeholders also recommended that the regulations align with the 12 principles outlined in the [NSW Wetlands Policy](#) and, as they apply across NSW, the consideration of critical habitat and ecosystem function under the Basin Plan.

Response

The department recognises the importance of protecting wetlands of significance in inland areas of NSW. Most of the Ramsar wetlands located in NSW are within national parks, nature reserves, state conservation areas or State forests and are therefore already included in the different types of 'sensitive land' listed in the regulation, which are excluded from the exemption. To ensure that all of these works/parts of these works proposed in Ramsar wetlands are excluded from this exemption, the department has made an amendment to the draft Water Management (General) Regulation 2025 following public exhibition to explicitly include Ramsar wetlands in the list of 'sensitive lands'.

The department has consulted with stakeholders on new water sharing plan (WSP) rules to provide wetlands identified in inland WSP areas as '[WSP prescribed wetlands](#)' with additional protection from water supply works and trade. There will be a requirement for all proposed new water supply works in WSP prescribed wetlands to undergo a minimal harm assessment. A wetland shown in a WSP as a 'WSP prescribed wetland from prior WSP' will have existing protections from previous WSPs, which prohibit new water supply works and/or trades into those wetlands.

The WSP prescribed wetlands maps and related rules will protect internationally (Ramsar), nationally and regionally important wetlands within the relevant water sharing plan areas.

The department has been and will continue to work closely with residents, landholders and stakeholder groups on the prescribed wetlands adjustments.

1.1.2 Issue – wetland restoration

Respondents expressed concerns that complex regulation impedes wetland restoration works. Several specific regulatory changes were requested by these respondents, which related to tidal restriction mechanisms and works, exemptions from flood work approvals and controlled activity approvals for some types of wetland restoration works, a single assessment and approval process and assessment time limits for wetland restoration project applications.

Response

Relevant regulatory review work is underway as part of other NSW Government projects. Therefore, no changes to the draft Water Management (General) Regulation 2025 are proposed as part of the remake process regarding wetland restoration works.

All the suggested changes require in-depth analysis, and it is not feasible to do this before the 2018 Regulation is remade on 1 September 2025.

The suggested changes and comments have been referred to the interagency Coastal Floodplain Drainage Project led by the department's Water Group. This project aims to reduce regulatory complexity and water quality impacts of coastal drainage works and is currently considering a wide range of stakeholder feedback – including the issue of wetland restoration.

The NSW Department of Planning, Housing and Infrastructure is also reviewing planning approval pathways to streamline approvals and facilitate wetland restoration, blue carbon and other ecosystem restoration projects.

Non-urban metering

A range of issues and concerns were raised in relation to non-urban metering rules and the changes made to the 2018 Regulation in early March 2025 (via the Water Management (General) Amendment (Metering) Regulation 2025). These issues have already been raised, discussed and responded to during the consultation on the Review of the Non-Urban Metering Framework (the metering review) and the Water Management (General) Amendment (Metering) Regulation 2025. Responses to the issues raised are provided below.

1.1.3 Issue – exemption for pumps less than 100 mm (surface water) and 200 mm (groundwater) diameter

Concern was raised over the potential environmental impacts of not requiring pumps with a diameter of less than 100 mm (for surface water) and 200 mm (for groundwater) to be metered. Some respondents were of the view that compliance with extraction limits cannot be assessed if this extraction is not metered as the majority of pumps in coastal and inland unregulated rivers would not be metered.

Response

Key objectives of the NSW Non-Urban Metering Policy are to ensure that the vast majority of all licensed water take capacity is measured using accurate, auditable and tamper-evident meters and undue costs on smaller water users are minimised. The permanent exemptions from the metering conditions for surface water pumps with a diameter of 100 mm or less and groundwater pumps with a diameter of 200 mm or less align with these policy objectives. They also enable metering resources to be focused on water users with larger infrastructure. These size exemptions apply if there is only 1 pump or bore on a property. If there is more than one pump or bore on a property, different size based exemptions apply. For example, the maximum pump size permitted for either pump when there are 2 surface water pumps on a property is 74 mm.

Authority holders with an exemption from the mandatory metering equipment condition are still required to record and report their take of water, with initiatives currently progressing to strengthen these requirements. Once more metered and non-metered data is available, the department will consider whether further metering is required for smaller water users.

1.1.4 Issue – metering exemption for rainfall run-off capture above harvestable rights

Concern was raised about the metering exemption for rainfall runoff captured above a landholder's harvestable right. Some respondents were of the view that all water diversions above harvestable rights should be measured to manage potential over-extraction of stressed river systems.

Response

If no other water is being harvested from outside the property, then rainfall runoff capture is exempt from requiring an access licence and therefore exempt from the non-urban metering requirements. There are many reasons for this exemption including that:

- it cannot be easily separated from tailwater returns
- tailwater returns contain silt, nutrients and other agricultural products that should not be returned to the river
- the vast majority of rainfall runoff from irrigation properties is artificially created
- it makes floodplain harvesting metering implementable (noting that it is already the most complex form of water take to meter).

If other water is being harvested from outside of the property, for example through floodplain harvesting, then rainfall runoff is not exempt and will be measured and accounted for against a water access licence.

1.1.5 Issue – potential for ambiguous policy intent/interpretation

Some respondents noted that recent amendments made to non-urban metering rules have several positive urban water metering outcomes. However, they were of the view that some of the amendments allowed for ambiguous policy intent/interpretation between licence holders, duly qualified persons (DQPs), WaterNSW and departmental licensing and approvals staff and the Natural Resources Access Regulator (NRAR).

Response

The amendments that were made to the 2018 Regulation in early March 2025 added necessary complexity to enable non-urban metering resources to be focused on water users with larger infrastructure and larger entitlement. The establishment of a work classification system will assist by clearly identifying specific works that are not required to be metered. The department has also updated the [metering guidance tool](#) and provided fact sheets and additional information on the [department's website](#) to support users to be compliant with non-urban metering requirements. The department will also continue to work with other agencies to ensure that the policy intent of the non-urban metering framework is clear.

1.1.6 Issue – mandatory metering condition MW2452–00001 for Hunter Regulated River water users

Concerns were raised around a metering condition that applies to Hunter Regulated River Users (MW2452–00001), which has compliance dates and measurement requirements that are different to the NSW Non-Urban Metering Framework, and the potential for this to cause confusion.

Response

Hunter Regulated River water users have had a mandatory metering condition to comply with the Australian standard for non-urban water meters (AS4747) since 2016, which was imposed by their WSP.

When the Non-Urban Metering Equipment mandatory condition is applied to coastal areas under section 101A of the WM Act, the previous (pre-existing) metering condition will cease to have effect. This mandatory condition is due to commence on 1 December 2026; the 2018 Regulation and the draft Water Management (General) Regulation 2025 give these water users a temporary exemption until 1 December 2026.

The former NSW CEO Water made an exemption on 16 March 2021 that allowed people with a pre-existing metering condition who had a flow meter installed (but not to the Australian standard AS4747) to continue with that meter until the mandatory metering equipment condition commences, otherwise they needed to install a meter to AS4747 standard by December 2021.

1.1.7 Issue – telemetry connectivity issues

Some respondents noted that ongoing telemetry connectivity issues are resulting in further costs for water users. They want to see telemetry requirements decoupled from non-urban metering requirements and allow water users to voluntarily connect to telemetry based on their circumstances. They are of the view that no requirement should be placed on water users to attest data submitted by telemetry.

Response

Water users are able to voluntarily connect to telemetry. As a result of the metering review, telemetry is optional for all works nominated by an entitlement of less than 100 ML, which is in addition to the metering exemptions that were in place prior to the metering review. The telemetry requirement introduced in early 2025 for groundwater works with entitlement of >100 ML is commensurate to the risk of how much water could be taken by those works and ensures groundwater users and surface water users are treated equitably.

The metering review included a commitment to a telemetry review which is currently underway. The telemetry review will identify broad systemic improvements with the aim of enabling telemetry installation to be easier whilst ensuring the integrity of telemetered data. It will also explore potential support for third party telemetry systems in the future.

The draft Water Management (General) Regulation 2025 does not include any requirement for water users to attest to how much water is taken under an access licence. Further work in relation to attestation is currently being undertaken by the department as part of the Stage 2 amendments to the regulations to implement outcomes of the metering review.

1.1.8 Issue – confusion around size and allocation-based metering exemptions

One respondent was of the view that there is still confusion regarding the size and allocation-based metering exemptions in the draft Water Management (General) Regulation 2025, particularly a specific condition (WM2452-00001). They noted the complexity of these rules goes against the intent of the non-urban metering reforms, which is to remove confusion. They suggested this confusion could be addressed by moving to an allocation-based model only and having various stages to become compliant depending on a licence holders' allocation size.

Response

Extensive analysis has been undertaken to determine the metering exemptions that should apply to meet policy objectives of ensuring the vast majority of licensed water take is measured in NSW and that undue costs on small water users is minimised. While adding more complexity, introducing an additional metering exemption for water users with licence entitlement of 15 ML or less meets the policy objective, focuses metering resources on larger water users and aims to accelerate metering compliance. Removing the metering exemptions based on infrastructure size would lead to more approval holders being required to install a meter and introduces more regulatory uncertainty. Instead, the department and other agencies will continue to communicate with water users so that it is clear what metering obligations apply.

1.1.9 Issue – measurement of floodplain harvesting

One respondent was of the view that alternative measurement options remain limited for unregulated river access licence holders who take overland flow. They wanted the regulations to allow alternative metering methods to be approved by the Minister, subject to certification by a DQP and in accordance with guidelines prescribed by the department.

Response

Amendments were made to the 2018 Regulation in March 2025 to enable unregulated river access licence holders taking overland flow water from a designated floodplain to access the floodplain harvesting measurement provisions, including point-of-intake metering and storage measurement provisions. If it is not possible for water taken to be measured in this way, then an approval holder can apply for an exemption from the mandatory floodplain harvesting condition under section 87 of the draft Water Management (General) Regulation 2025. This exemption can be granted unconditionally or subject to conditions.

1.1.10 Issue – clarification needed in relation to metering for floodplain harvesting

Some respondents expressed that greater clarification is needed in the draft Water Management (General) Regulation 2025 in relation to metering for floodplain harvesting, specifically relating to Part 5 Division 3 and Schedule 7. They noted the metering of floodplain harvesting is detailed in Part 5 Division 3 of the draft Water Management (General) Regulation 2025, yet floodplain harvesting is listed as exempt from metering in Schedule 7.

Response

The draft Water Management (General) Regulation 2025 includes a separate mandatory floodplain harvesting metering condition (Part 5 Division 3) to apply to licence holders taking water under a floodplain harvesting (regulated river) access licence, a floodplain harvesting (unregulated river) access licence or from a work used solely to take overland flow water from a designated floodplain under an unregulated river access licence. The mandatory floodplain harvesting condition specifies different measurement rules due to the nature of how water is taken and therefore these works are exempt via Schedule 7 of the draft Water Management (General) Regulation 2025 from the mandatory metering condition. This exemption exists in section 231 (f) and (f1) in the 2018 Regulation.

The 2018 Regulation was amended in early March 2025 to allow works taking solely overland flow water from a designated floodplain under an unregulated river access licence to access the same measurement rules as floodplain harvesting access licence holders. This is because water is taken and captured in storages in the same way as floodplain harvesting.

Floodplain harvesting

1.1.11 Issue – confusion around how floodplain harvesting provisions of the 2018 Regulation have been reflected in the draft Water Management (General) Regulation 2025

Respondents expressed concerns that clauses in the draft Water Management (General) Regulation 2025 do not appear in the 2018 Regulation in a similar format or wording.

Response

All material changes to the floodplain harvesting measurement framework were made through amendments to the 2018 Regulation in early March 2025, which went through a separate public exhibition process. The floodplain harvesting measurement provisions of the draft Water Management (General) Regulation 2025 have the same legal effect as the provisions in the 2018 Regulation. A factsheet is available on [our website](#) detailing those changes, the most significant being allowing floodplain harvesters to use water for irrigation during a floodplain harvesting event as long as this water is measured using equipment compliant with the mandatory metering equipment condition.

1.1.12 Issue – advertising applications for floodplain harvesting water supply works

Several respondents objected to the exemption for advertising applications for floodplain harvesting water supply works. They were of the view that all applications for water supply works need to be advertised to ensure transparency.

Response

Clause 26 of the 2018 Regulation sets out advertising requirements, including for works used for floodplain harvesting. Advertising requirements for flood works are not changing.

As stated under clause 48(1) of the draft Water Management (General) Regulation 2025, advertising requirements apply to:

- applications for flood work approvals for flood works that the Minister has assessed to be non-complying flood works
- applications for flood work approvals for flood works that are situated in or on a floodplain for which there is no management plan in force with respect to that floodplain.

Floodplain management plans also contain advertising requirements.

Exemptions from these requirements relate only to existing works that were in place on 3 July 2008. Section 50 of the draft Water Management (General) Regulation 2025 (Advertising not required for works for floodplain harvesting) states that advertising of an application for a water supply work approval is not required for a water supply work if:

- (a) the water supply work is used to take water for floodplain harvesting by a landholder, and
- (b) the floodplain harvesting will be permitted under a replacement floodplain harvesting access licence.

Once floodplain harvesting licensing is completed for a specified floodplain, the department must publish a notice advising that licensing has been completed in respect of that floodplain. Thereafter any applications lodged to authorise floodplain harvesting works within that floodplain will not be covered by the advertising exemption. To date such notices have been published for the NSW Border Rivers, Gwydir, Macquarie and Barwon–Darling floodplains.

Replacement floodplain harvesting access licences relate only to existing works that were either in place on 3 July 2008 or were the subject of an undetermined application for approval as at 3 July 2008. See section 33 of the draft Water Management (General) Regulation 2025 (Eligibility for replacement floodplain harvesting access licences).

1.1.13 Issue – floodplain harvesting must have limits

One respondent noted that floodplain harvesting must have limits to protect downstream requirements and extraction limits.

Response

Licensing floodplain harvesting is critical to ensure take of this important resource is measured and managed within appropriate rules and limits. Licensing of floodplain harvesting provides a framework to limit extraction and ensure the sustainability of take of floodplain water.

Floodplain harvesting needs to be accurately measured to ensure that water take is consistent with the individual licensed volumes and is constrained within the legal limit prescribed by the relevant water sharing plan. To measure floodplain harvesting, licence holders must install telemetered measurement equipment, either on storages or at the point where water is taken.

The department and WaterNSW share the responsibility for granting and managing water licences and approvals in NSW. NRAR is the independent regulator that ensures compliance with these licences and approvals.

The NSW Government amended the 2018 Regulation in December 2023. The amendments strengthen environmental protections and take a more precautionary approach to future licensing of floodplain harvesting in unregulated river water sources.

Construction and infrastructure dewatering

1.1.14 Issue – exemptions for temporary dewatering

Some respondents requested exemptions from certain approvals and licences for low impact works and temporary dewatering activities, and for temporary dewatering to be exempt from the notification requirements for construction or use of water supply works smaller than authorised.

These respondents noted that there may be opportunities for considering aligning roads authority activities (road construction and road maintenance) with rail infrastructure activities in the draft Water Management (General) Regulation 2025 and any associated guidance documents.

Response

Exemptions for roads authorities and transport authorities, as stated under Schedule 4, Part 1, clauses 2 and 3 of the 2018 Regulation (Sch 4, Part 2, sections 5 and 6 of the draft Water Management (General) Regulation 2025), only relate to access licences. These exemptions do not apply to approvals. Currently, there are no exemptions for approvals in place for construction dewatering.

New temporary groundwater licensing exemptions for construction of buildings and infrastructure commenced on 6 June 2025 via the Water Management (General) Amendment (Exemptions for Infrastructure) Regulation 2025 to help fast-track housing and infrastructure delivery. These include:

- a temporary water access licence exemption for water taken in connection with the construction (but not ongoing maintenance) of buildings and infrastructure in designated coastal areas. The exemption applies only for water taken within specified coastal water sharing plan areas and is valid until 30 June 2029.
- replacement of existing water access licence exemptions for road and rail construction and maintenance with a broader exemption for essential infrastructure by public authorities and for private water industry infrastructure which serves a public purpose.

Approval requirements, noted in the Housing Approvals Reform Action Plan, are being considered as part of a potential package of long-term, fit-for-purpose infrastructure dewatering reforms. Related actions include:

- exploring the possibility to provide the Minister for Water with the ability to specify areas of the Sydney Metropolitan region within which residential developments are exempt from water supply work approval requirements
- exploring the possibility to provide a conditional water supply work approval exemption for public authorities building and maintaining road, rail and public utility infrastructure
- implementing a reformed, fit-for-purpose, long-term licensing and approvals framework for infrastructure dewatering.

The department notes all comments or concerns raised during the Water Management Regulation remake consultation process about construction and infrastructure dewatering and will consider them as part of the long-term infrastructure dewatering reform work program.

Dust suppression by public and roads authorities

1.1.15 Issue – impacts of dust suppression activities

Some respondents supported the addition of the requirement for roads and public authorities to be satisfied there is no significant adverse impact on water sources and their dependent ecosystems.

One respondent enquired if guidance would be provided to public authorities around implementing the change.

Another respondent requested that a requirement for a sediment and erosion control plan be developed if any dust suppression activity undertaken using a water tanker threatens water sources and dependent ecosystems.

Response

The department is of the view that having a requirement for public and roads authorities to consider these impacts is better than the status quo. The onus is placed on the public or roads authorities responsible for the dust suppression works to assess environmental risks and ensure compliance.

Public and roads authorities routinely assess the impacts of their activities and, in the case of local councils, routinely assess development applications for large projects (for example, housing developments). A public or roads authority should therefore know if and what investigations need to be conducted or commissioned for the dust suppression activity. The public or roads authority needs to be satisfied they have undertaken the necessary checks.

Like any other water user, a public or roads authority may use the [Water Assist tool](#) on the department's website or contact the [department](#) for support and advice.

Should a dust suppression activity carried out by a public or roads authority have the potential to threaten water sources and dependent ecosystems, the authority would not be eligible to claim the licence exemption for that activity or the exemption applying to the use of a water tanker for that activity without an approval. The authority would need to apply for the necessary approvals and access licence for the activity. A sediment and erosion control plan could be considered as a condition on their water use approval or water supply work approval for the activity (as opposed to the water access licence, which regulates the take of a specified volume of water from a specified water source). Conditions are application-specific and are aimed at minimising negative impacts while limiting overregulation.

Excluded works exemptions

1.1.16 Issue – location of excluded works

Some respondents were of the view that excluded works (certain types of dams that are exempt from a water supply work approval, water use approval and licence) should be explicitly allowed in locations other than on minor streams.

Response

The department recognises that excluded works often need to be located on hillsides or gullies within the catchments of minor streams to meet their intended purpose. Allowing these dams on hillsides and gullies within the catchment of minor streams does not cause greater downstream impacts.

An amendment has been made to the draft Water Management (General) Regulation 2025 to clarify this. See [*Amendments made to the regulations following public exhibition*](#) section of this document for more information.

Allowing excluded works to be located on or near third and higher order streams is not appropriate due to greater potential downstream impacts. Some WSPs allow dams to be located on third-order streams subject to approvals and/or licences that enable dam-specific assessments and conditions to manage the higher risks posed by such dams.

1.1.17 Issue – excluded works for capturing, containing and recirculating drainage or effluent

Respondents noted that the removal of the requirement for excluded works for the capture, containment and recirculation of drainage and effluent to be constructed and used according to ‘best management practice’ has unintentionally narrowed the scope of the exemption.

In the draft Water Management (General) Regulation 2025, these dams must be constructed and used ‘as required by a public authority’. Not all existing works would have been approved by a public authority and therefore be built in line with such requirements (that is, if they were instead built in line with ‘best management practice’).

Response

The reference to ‘best management practice’ has been removed as the department does not have a public facing set of guidelines that the regulation can refer to precisely define what ‘best management practice’ means.

It is important that the scope of this exemption is maintained to provide certainty to stakeholders and ensure the construction and use of these dams allows the intended purpose to be achieved, while also minimising potential impacts to the environment and other water users.

A new requirement relating to minimum dam size has been included in the draft Water Management (General) Regulation 2025 that is aimed at replicating the most important requirement of ‘best management practice’ for these types of excluded works. See [*Amendments made to the regulations following public exhibition*](#) section of this document.

1.1.18 Issue – maps referred to for excluded works located in the Western Division

One respondent noted that finding the specific versions of the maps referenced in Schedule 4, Part 7, section 74 (Works in the Western Division) of the draft Water Management (General) Regulation 2025 may be difficult given their age and availability. They noted that references to modern versions of maps, including digital copies, would reduce confusion.

Response

The department is looking at modernising maps and access to them. Hard copy map references will be replaced over time.

Controlled activities on waterfront land

1.1.19 Issue – controlled activities on certain waterfront land

Several respondents raised concerns that broadening exemptions for controlled activities on waterfront land by removing reference to stream order will weaken the protection of the riparian corridor.

Response

The removal of the reference to a stream order only concerns the controlled activity approval (CAA) exemption “Controlled activities on certain waterfront land” (clause 31 of the 2018 Regulation).

The determining factor for this exemption is the presence of a separating feature, rather than the size or order of the watercourse. The separating feature, acting like a barrier, means that some level of protection of the watercourse, against sediment run-off for example, is already present, that a riparian corridor cannot be established, and/or that the area is already environmentally degraded. Reinforcing this, hard stand spaces that act as separating structures are required to be sealed. In these circumstances, issuing a controlled activity approval serves little to no purpose and imposes unnecessary regulatory and administrative costs on applicants and the department.

1.1.20 Issue – CAA exemption for the removal of detritus after a storm

Two respondents raised concerns with the proposed 6-month time limit for the CAA exemption for repair and restoration work after a storm event, suggesting it is unrealistic. One stakeholder did not support the proposal. These respondents were of the view that requiring a CAA may discourage landholders from removing detritus after storms, which could potentially pose risks to bridges.

Response

The proposed amendment only relates to the CAA exemption for the removal of detritus deposited on waterfront land as a result of a storm (Schedule 4, Part 2, section 34 (b) of the 2018 Regulation). No change is proposed to the CAA exemption for repair work on buildings and structures damaged by a storm (Schedule 4, Part 2, section 34 (a) of the 2018 Regulation).

The proposed amendments do not remove the CAA exemption for the removal of detritus deposited on waterfront land as a result of a storm. The amendments proposed in the draft Water Management (General) Regulation 2025 restrict the exemption to waterfront land that is not the bed and/or bank of the watercourse and limit the timeframe the exemption applies to 6 months after

the material is deposited by a storm event. The intent of the exemption is to ensure sufficient protections remain in place for waterfront land while allowing landholders to undertake urgent clean-up of woody debris and detritus following a storm event when they do not have the time and/or resources to apply for a CAA.

The department recognises the challenges related to the proposal to limit the timeframe of the exemption to 6 months, including:

- the difficulty in finding equipment and contractors after such events
- the time it may take to ensure safe access to waterfront land, as the banks of the watercourse need to stabilise and waterlogged paddocks to dry
- that other necessary repairs resulting from the storm may be given a higher priority.

As a result, the department has changed the draft Water Management (General) Regulation 2025 to allow 12 months for landholders to remove detritus after it is deposited as result of a storm. See the [Amendments made to the regulation following public exhibition](#) section of this report.

The proposal to restrict the exemption to waterfront land that is not the bed and/or bank of the watercourse is considered appropriate and has been retained. The in-channel removal of detritus poses significant risks to the geomorphological stability of waterways. Such work likely includes excavation of the stream bed and possibly the use of equipment in-stream. These risks are too great for this type of activity to be exempt from the requirement of a CAA.

The removal of large woody debris on the banks and in the bed of waterways is classified as a key threatening process under the *Fisheries Management Act 1994* (the FM Act). The removal of woody debris and snags or work that involves the removal of material from waterfront land of third-order streams and above that disturbs, moves or harms woody debris and snags is a "dredging" activity under the FM Act. For stream orders 3 and above, if a CAA is in place, then no dredge and reclamation approval is required under the FM Act.

Regarding the potential risk to water infrastructure including public bridges (in the case of detritus not being cleared by discouraged landholders), public authorities are exempt from requiring a CAA and therefore have the ability to maintain their assets as they deem necessary. Debris piled up against lawfully constructed culverts and bridges can also be removed without a CAA.

At the time of writing this report, 72% of CAA applications are completed by the department within the key performance indicator of 80 days. The department recognises that clean-up activities after a storm are a response to unforeseen events and has the discretion to waive application fees depending on the particular circumstances. Additionally, the department's licensing and approval officers are available to provide advice to CAA applicants as necessary.

1.1.21 Issue – interaction of storm clean-up CAA exemption with other CAA exemptions applying to State or Commonwealth bodies and public authorities

Several respondents questioned whether the amendments made to the CAA exemption for cleanup of detritus after a storm had any impact on/limited the existing exemptions from CAAs for State or Commonwealth bodies and public authorities.

Response

Changes to controlled activity exemptions do not impact existing exemptions from controlled activity approvals that apply to State or Commonwealth bodies or public authorities (see Part 4, section 63 and Schedule 4, Part 6, section 49 of the draft Water Management (General) Regulation 2025 for these exemptions).

1.1.22 Issue – specific CAA exemptions for development precincts

One respondent noted that exemptions have been granted for controlled activity approvals for Rouse Hill and Oran Park precincts to ensure waterway and stormwater management and improvement strategies can be implemented effectively. They recommended that specific exemptions be added for other areas where Sydney Water will be acting as a regional stormwater authority and implementing local environmental plans and development control plans (for example Mamre Road and Western Sydney Aerotropolis precincts).

Response

There is no need for further specific CAA exemptions to be added to the draft Water Management (General) Regulation 2025 as Sydney Water is already exempt from CAAs as a public authority (under Part 4, section 63 of the draft Water Management (General) Regulation 2025).

Emergency drought works

1.1.23 Issue – decommissioning emergency drought works

Some respondents were of the view that all water supply works constructed by public authorities under the emergency drought works exemption that fail to obtain an approval once the exemption lapses should be decommissioned, rather than having an option to maintain the works. Weirs were given as an example of water supply works that would continue to have impacts if they are maintained rather than decommissioned.

Response

The intent of the exemption is to allow prompt construction and use of water supply works by a public authority to supply water for critical needs in times of drought.

The works can only be used while the exemption is in place or if the authority obtains a water supply work approval once the exemption lapses. There are situations where an approval cannot be granted for these works once the exemption lapses (for example, works do not meet water sharing plan rules).

If these works have a useful purpose in future droughts, it is more beneficial to maintain rather than decommission them. This minimises costs to the authority, the government and the public. Allowing the works to be maintained does not pose a threat to the environment or other water users but ensures these emergency works can be used, if necessary, during the next drought.

The department notes concerns raised in relation to weirs specifically. The department agrees that unlike other types of works that may be constructed under this exemption, weirs remain in operation as long as they are in place and continue to have impacts on the environment and other water users. Even if they may be of use in future droughts, allowing them to remain in place and be maintained in

the meantime is likely to lead to unacceptable impacts. See the [Amendments made to the regulations following public exhibition](#) section of this report for more information.

Exemption from the requirement for a water use approval

1.1.24 Issue – exemption from water use approval for the supply of water to towns

One respondent was of the view that an exemption from the requirement for a water use approval should not apply to the supply of water to towns and communities for domestic and commercial use if a significant or increased proportion of the water is indirectly applied to land or used for purposes such as commercial aquaculture. They noted that the special priority and subsidies given to town water supplies should not enable either wasteful use or commercial uses that should not have priority over all other water users and the environment.

Response

The exemptions that have been added to the water use approvals exemptions in the draft Water Management (General) Regulation 2025 will not increase direct risks to the environment or water sources because the uses that will be exempt do not directly apply water to land. A water use approval is aimed at minimising impacts to land to which water is applied. Where water is not directly applied to land by the approval holder, a water use approval adds no value to water management outcomes.

For example, water use approvals are granted to local water utilities in their role as a supplier of water to end-use consumers. In this instance, local water utilities are not applying water to land nor using it at a single point, which makes it difficult to determine the impact of their water ‘use’.

However, the activities will still be assessed and managed through the *Environmental Planning and Assessment Act 1979*, water access licences and water supply work approvals as relevant.

Supply of water to towns and communities for domestic consumption and commercial activities is exempted from needing a water use approval. Domestic consumption is defined in section 52 of the WM Act as consumption for normal household purposes in domestic premises situated on the land. It includes stock watering for animals associated with the household but is not associated with commercial activities.

Commercial activities are defined in section 66(3A) of the WM Act as activities within the following categories recognised in the Australian and New Zealand Standard Industry Classification:

- construction
- wholesale trade
- retail trade
- accommodation
- cafes
- restaurants
- communication services
- finance and insurance

- property and business services
- government administration and defence
- education, health and community services
- cultural and recreational services
- personal and other services.

Cultural and recreational services include zoos, botanic gardens, recreational parks and gardens, sports grounds including golf courses, and racecourses for horse and dog racing.

Commercial activities do not include agriculture, mining, manufacturing and transport.

Mining and exploration licensing and exemptions

1.1.25 Issue – previous licence exemption for prospecting and fossicking

One respondent requested that a previous water access licence exemption relating specifically to prospecting and fossicking activities, which was removed in 2019, be restored. This exemption allowed any person lawfully engaged in prospecting or fossicking for minerals or petroleum to:

- take water required for these activities (up to a maximum of 3 ML for each authority in a water year). An authority included a lease, licence, mineral claim, environmental assessment permit or petroleum title, and
- take up to 3 ML of water required for all other prospecting or fossicking in a water year.

Response

There have been no changes to the exemptions from water access licence requirements for prospecting and fossicking as part of the Water Management Regulation remake.

The department is not considering further changes to these exemptions at this stage due to: potential impacts on small, sensitive and vulnerable water sources and environmental water delivery; cumulative impacts; demand for water already equal to or exceeding availability in most water sources; the significant impacts small amounts of unaccounted water take can have during drought and bushfires; and the need to plan for drier times given climate change predictions.

There are a range of options to access water for prospecting and fossicking activities within the existing regulatory framework. These include:

- the water access licence exemption for aquifer interference activities — this exemption allows up to 3 ML of groundwater to be taken without a licence for drilling/exploration activities per water year per project. This water can be used when conducting these activities as the primary purpose of the take is not consumptive use or supply.
- using mine dewatering/wastewater — water taken incidentally via a mine void (open pit or underground void). Extraction of this water is already accounted for under a mine's water licence. The use of this water may be limited by an environment protection licence (EPL) issued by the NSW Environment Protection Authority.
- using water from a harvestable rights dam/s — a basic landholder right that allows a landholder to capture and store up to 10% of the average annual rainfall runoff from their landholding in one

or more harvestable rights dams. This water can be used for any purpose on the same landholding.

- purchasing water on the market — obtain a water access licence and approval and sufficient permanent entitlement or temporary water allocation via the water market to cover the required take of water.

1.1.26 Issue – clean water diversions

One respondent was of the view that there is no reasonable justification to require water access licences for clean water diversions around a mining site and that the department's position on this issue varied. They suggested that an exemption from licensing requirements for clean water diversions could be created as part of the Water Management Regulation remake.

Response

The department is not proposing to make immediate changes to the regulation of clean water diversions. There is already capacity for mining proponents and landholders to work within the harvestable rights limit to divert clean water around sites to prevent the contamination of water without triggering water licensing requirements (when the water diversion is within a minor stream zone). The department advocates for the re-alignment of watercourses around a site in the first instance, rather than the use of pipes, pumps and dams which may involve the removal from a water source.

Penalties for water illegally taken

1.1.27 Issue – effectiveness and consistency of penalties

Respondents expressed concerns that penalties are not increasing for taking water illegally and that fines in Schedule 10 of the draft Water Management (General) Regulation 2025 are not a sufficiently high deterrent. Respondents recommended increasing penalties and other consequences that should apply.

Some respondents stated that charges for water illegally taken and damage to works should be consistent across all water users, including private irrigation corporations.

Response

Penalty notice amounts for breaches of water law increased on 20 September 2024. These increases ensure that consequences match the severity of the offence and align NSW with other states within the Murray–Darling Basin.

Daily penalties also apply for each day an offence continues. Individuals can face up to 2 years in prison for some offences.

NRAR follows a regulatory policy and, when applicable, prosecution guidelines and uses these to decide how to respond to breaches of water laws. This includes considering the impact of any breach on a water source.

Having a consistent methodology for valuing water illegally taken makes the rules clearer to regulators and stakeholders and is consistent with the original intent of the private water corporations reforms (to simplify the rules applying to these entities). The draft Water Management (General) Regulation 2025 has been amended to apply the newest methodology for calculating the

value of water to all water users, including private water corporations. See the [Amendments made to the regulations following public exhibition](#) section of this report.

Water Management Regulation hydro line spatial dataset

1.1.28 Issue – refresh process for the Water Management (General) Regulation hydro line dataset

Some respondents requested an update on the status of the department's work to implement an update/refresh process for the existing Water Management (General) Regulation hydro line spatial dataset (the Regulation dataset), which is used by the department to determine stream order.

Response

The department committed to considering whether there is a way to change the regulatory approach in relation to the application of the Water Management (General) Regulation dataset without any unacceptable impact on other water users. It is important we do not implement any changes that would result in compliant water users inadvertently becoming non-compliant.

Work is currently being done to consider whether it would be possible to use the NSW Spatial Services hydro line dataset as it would apply at any point in time, rather than the existing Water Management (General) Regulation dataset. Work has commenced to assess differences between the Water Management (General) Regulation dataset and the NSW Spatial Services dataset on a statewide level.

The technical analysis has taken longer than anticipated. This work will not be completed in time for inclusion in the Water Management (General) Regulation 2025 commencing on 1 September 2025. Once completed, the analysis will be considered and any recommendations will be made to the Minister for Water.

It has been difficult to anticipate the timing to complete this work because if substantive changes to the regulatory regime are recommended, extensive public consultation on these will be required. Nevertheless, the department is committed to progressing this work in consultation with stakeholders.

Feedback on the draft Water Management (Water Supply Authorities) Regulation 2025

This section outlines feedback received in written submissions on the draft Water Management (Water Supply Authorities) Regulation 2025 and the department's responses to the issues raised.

Resolving disputes with water supply authorities and access to private land

1.1.29 Issue – request for an arbitrator and authorisation of works constructed by water supply authorities on private land

Two respondents suggested that an arbitrator is needed to resolve disputes with water supply authorities (WSAs) and that a licence should be required for any works constructed by WSAs on private land.

Response

Both WaterNSW and Essential Water are members of the independent Energy & Water Ombudsman NSW. This means the WaterNSW Fish River water supply scheme and Essential Water customers have access to independent dispute resolution services in relation to complaints about these WSAs. If a matter is not resolved, the Energy & Water Ombudsman NSW may make a binding decision.

WaterNSW's Operating Licence 2024–2028 also requires WaterNSW to establish and maintain an agreement with each customer of the Fish River water supply scheme that specifies, among other things, dispute resolution and complaint handling procedures.

In relation to Cobar Water Board and the Sydney Olympic Park Authority, complaints can be taken to the NSW Ombudsman.

In relation to the construction of, and access to, works on private land, the WM Act allows WSAs to exercise the function of providing water supply services (and sewerage services in the case of Essential Energy) as set out in the draft Water Management (Water Supply Authorities) Regulation 2025 within their area of operations. It is important that WSAs can perform their functions so they can provide safe and effective services to their customers and communities. This may require access to private land to construct, maintain or operate a water supply work.

Where possible/appropriate, WSAs will negotiate access agreements with private landholders but they can legally enter privately owned land within their area of operations to perform their functions under the WM Act.

Feedback on the RIS

This section outlines feedback received in written submissions on the RIS and the department's responses to the issues raised.

CAA exemption for clean-up after storms

1.1.30 Issue – cost/benefit analysis of amendment to CAA exemption for clean-up after storms

One respondent questioned the cost/benefit analysis provided in the RIS for the proposed change regarding the CAA exemption for repair and restoration work after a storm event. They disagreed with the RIS assessment that the benefits will likely significantly exceed the costs arising from the need to submit and assess more CAA applications. They were concerned about the estimation of the costs, including costs to landholders applying for CAAs and potential costs of infrastructure damage if landholders were discouraged by the process and did not end up proceeding with clean-up work.

Response

The department considers that it is more beneficial for the environment to leave long present in-stream detritus in place rather than removing it without a CAA. There is scientific evidence to support this. The conclusions of the RIS, which was prepared by a specialist economist consultant, support this approach.

The department considers the cost/benefit analysis to be adequate to the level of risk carried by the proposed change. In the department's experience, 8 to 24 hours to complete and submit a CAA application is sufficient for more complex applications. It should be noted that the application fee in the RIS calculations is considered a 'transfer', not an economic cost or benefit (that is, the cost to the fee payer is offset by receipt of revenue from the fee recipient), and was therefore not included in the assessment of costs and benefits.

See [Issue – CAA exemption for the removal of detritus after a storm](#) section of this report for information regarding application fees and the potential risk posed to infrastructure, including bridges.

Online improvements to water licensing and approval processes

1.1.31 Issue – support for online improvements

One respondent expressed their support for online improvements to water licensing and approvals processes through the digitalisation of forms and online notification and tracking as noted in section 1.3.4 of the RIS.

Response

The department thanks the respondent for their support of these amendments. It is important that processes are modernised and improved where possible to make it faster and easier for applicants and make the most of department resources.

General feedback

This section outlines general feedback received in written submissions and the department's responses to the issues raised.

Public exhibition/consultation process

1.1.32 Issue – notification and duration of public exhibition and registering for online webinar

Two respondents were dissatisfied with how stakeholders were notified of the Water Management Regulation remake public exhibition, noted difficulties with registering for the online webinar and were of the view there was insufficient time to review, understand and respond to the amendment proposals.

Response

The 2 draft regulations and the RIS were on public exhibition on the department's website for 4 weeks from 10 March to 6 April 2025. Over 4,500 stakeholders across NSW were informed of the public consultation process via email. Advertisements were placed in a range of print newspapers throughout March. These included ads in *The Sydney Morning Herald*, *Koori Mail*, *The Australian* and *The Land*. An online webinar was held on 26 March to give the public a chance to learn more about the changes before making a submission.

The department is of the view that the time and notice given to consider the materials placed on public exhibition as part of the Water Management Regulation remake was reasonable and sufficient. The information provided in fact sheets, frequently asked questions and the public online webinar were also carefully prepared and presented to assist stakeholders in understanding the regulation remake process and amendment proposals.

Regulation drafting and structure

1.1.33 Issue – length, language and structure of the draft Water Management (General) Regulation 2025

Several respondents expressed concerns regarding the length, language and structure of the draft Water Management (General) Regulation 2025.

Response

The Parliamentary Counsel's Office adheres to legislation drafting standards that are updated from time to time. The structure and language of the regulations has been updated to reflect current NSW legislation drafting standards. Splitting the regulation into 2 reduces the length and complexity of the Water Management (General) Regulation 2025.

General support for the draft regulations

1.1.34 Issue – Support for the draft regulations

Several respondents expressed their general support for the draft Water Management (General) Regulation 2025 and the draft Water Management (Water Supply Authorities) Regulation 2025, including the proposed changes to modernise and streamline the regulations.

Response

The department thanks these respondents for their comments and is pleased to hear that the draft regulations were well received. It is important to have clear and accessible regulations in place to support stakeholders understanding of the water management rules in NSW and support the operation of the WM Act.

Typographical errors and clarity of wording

1.1.35 Issue – fixing errors and ensuring clarity

Respondents expressed the need for minor corrections to fix typographical errors and ensure clarity of wording.

Response

The department appreciates these types of errors being brought to our attention. Most of the suggested changes accurately reflect the intent and meaning of the relevant clauses and have been included in the final regulations.

Amendments made to the regulations following public exhibition

This section outlines the additional amendments being made to the draft Water Management (General) Regulation 2025 following consideration of the submissions received during public exhibition. No changes are proposed to the draft Water Management (Water Supply Authorities) Regulation 2025.

Emergency drought works

Weirs constructed under an emergency drought works exemption must be decommissioned

In response to concerns about the impacts of weirs that may be constructed under the emergency drought works exemption, the department has amended the exemption to clarify that any weirs constructed under the exemption must be decommissioned when the exemption lapses/expires. While a weir has not been constructed under this exemption (the works typically applied for are bores), a change to the regulation will make the rules clear to both stakeholders and regulators if such a case were to arise.

Offence applies for non-compliance with maintenance and decommissioning condition

To ensure the requirement/condition for public authorities to maintain or decommission emergency drought works is enforceable, a new offence has been created. The offence allows NRAR to apply the maximum penalty under the regulations (20 penalty units = \$2200). It is also a continuing offence – meaning the public authority is committing an offence for each day they are in non-compliance and is liable for further penalties. Eighteen penalty units may be applied for each day the non-compliance continues.

Creating an offence provides a way for NRAR to take enforcement action against public authorities that don't comply with the requirement to maintain or decommission an emergency drought work. The offence and the penalty attached to it should provide sufficient incentive for public authorities to comply without NRAR needing to take enforcement action.

Advertising not required for water supply works applications for firefighting

Applications for water supply work approvals, apart from those used for basic landholder rights, must be advertised for 28 days to provide the public with an opportunity to lodge an objection to the granting of the application before a decision is made.

This requirement can cause time delays for assessing approval applications. In the case of works required for firefighting, these delays impact the ability for users to prepare for and respond to fire threats in a timely manner, creating a safety issue.

The department has amended the draft Water Management (General) Regulation 2025 to include an exemption from the requirement for advertising applications where a water supply work is used for firefighting and related activities. The amendment allows landholders to prepare for and respond to fire threats in a timely manner, reducing safety risks and loss of property.

Consistent method for valuing water illegally taken

In the draft Water Management (General) Regulation 2025, the method for valuing water illegally taken for private water corporations is different to the newer method for valuing water used by NRAR for the purposes of imposing charges for illegally taken water. The draft Water Management (General) Regulation 2025 has been amended so that the newer method can be applied by private water corporations. This results in one consistent method being applied to all water users.

Location of excluded works – hillsides and gullies

The 2018 Regulation and the draft Water Management (General) Regulation 2025 specify that all types of excluded works must be located on a minor stream. An amendment has been made to clarify that excluded works can be located on a minor stream or within the catchment of a minor stream. This clarifies that excluded works can be located on hillsides and gullies that drain into minor streams where needed without causing greater downstream impacts.

Excluded works for capturing, containing and recirculating drainage or effluent – ‘best management practice’

The 2018 Regulation requires that excluded works (dams) for capturing, containing and recirculating drainage or effluent to prevent the contamination of a watercourse must be constructed and used according to ‘best management practice’ or as required by a public authority. The reference to ‘best management practice’ was removed from the draft Water Management (General) Regulation 2025 as the department does not have a public facing set of guidelines that the regulation can refer to define what ‘best management practice’ means.

The wording of the draft Water Management (General) Regulation 2025 has the unintended effect of narrowing the exemption to only dams approved by a public authority.

The draft Water Management (General) Regulation 2025 has been amended to reflect the existing policy intent by including a requirement that a dam constructed and used under this exemption is:

- the minimum structural size necessary to fulfill the purpose of capturing, containing and recirculating drainage or effluent to prevent the contamination of a water source, or
- as required by a public authority.

The inclusion of ‘the minimum structural size necessary to fulfill the purpose’ replicates the most important requirement of ‘best management practice’ for these types of excluded works. This ensures the existing exemption is not narrowed.

The change allows works already constructed and used under this exemption to remain in place and any new works constructed and used under this exemption to be held to the same standards as existing works.

Controlled activity exemption for repair and restoration work after storms – time limit now 12 months

The department recognises the challenges related to the 6-month timeframe proposed as part of the draft Water Management (General) Regulation 2025 for the CAA exemption for repair and restoration work after storms.

As a result, the department has amended the draft Water Management (General) Regulation 2025 to allow 12 months for landholders to remove detritus after it is deposited by a storm.

Licence and approval exemption for emergency works – retaining information

Under this exemption, public or private sector entities can carry out urgent dewatering in emergency situations without needing to apply for and hold a licence or approval. However, under the 2018 Regulation they must provide certain information to NRAR (for example, dates, times, location, purpose, volume of water taken).

NRAR has requested that this information is no longer sent to them but is kept as a record by the entity claiming the exemption for a period of 5 years. Removing the requirement to submit information to NRAR reduces administrative burden on the entity claiming the exemption and NRAR. NRAR can require relevant entities to provide this information under their investigative powers if/when needed.

Typographical errors and clarity

Minor errors have been corrected and wording clarified in various sections of the draft Water Management (General) Regulation 2025. This ensures the regulations are accurate and clear and that the wording properly reflects policy intent.

Amendments made to the 2018 Regulation since April 2025

Several amendments have been made to the 2018 Regulation since the Water Management Regulation remake public exhibition in March–April 2025. These amendments were developed separately to the remake process, were subject to separate stakeholder consultation and have already commenced under the 2018 Regulation.

These amendments have been written into the Water Management (General) Regulation 2025 (to match the style and structure of the new regulation), ready for its commencement on 1 September 2025. Information on these amendments is provided below.

Riverina County Council specific purpose access licence

An amendment to the 2018 Regulation to create a new category of specific purpose access licence (SPAL) (Riverina Water County Council PFAS Alternate Supply access licence) commenced on 6 June 2025 via the Water Management (General) Amendment (Specific Purpose Access Licence) Regulation 2025. The SPAL allows Riverina County Council to switch source water from groundwater to the Murrumbidgee Regulated River Water Source if groundwater PFAS (Per- and polyfluoroalkyl substances) contamination exceeds the Australian Drinking Water Guidelines. The SPAL was created to assist Riverina Council to proactively manage potential risks to Wagga Wagga's groundwater supply following the detection of PFAS (in concentrations within safe drinking water guidelines) in groundwater near Wagga Wagga in 2023.

Temporary groundwater licensing exemption to support housing and infrastructure delivery

A temporary groundwater licensing exemption commenced on 6 June 2025 via the Water Management (General) Amendment (Exemptions for Infrastructure) Regulation 2025 to help fast-track housing and infrastructure delivery. The exemption applies to dewatering required during construction and removes the need for a water access licence for qualifying housing and infrastructure projects along the NSW coast. The exemption applies across specific coastal water sharing plan areas and will remain in effect until 30 June 2029, supporting delivery of housing and infrastructure while longer-term regulatory reforms are developed.

An ongoing, statewide licensing exemption also now applies to the construction of essential infrastructure by or on behalf of public authorities, as well as for the construction of private water industry infrastructure that serves a public purpose.

This amendment has resulted in some previous provisions under the then clauses 2 (road construction), 3 (rail construction) and 17A (excavation dewatering in Botany Sands area), in the 2018 Regulation being repealed and replaced by the new, expanded exemptions. This means that the 2018 Regulation remake proposal to add a requirement for roads authorities to be satisfied that there is no significant adverse impact on water sources and dependent ecosystems from road construction and maintenance activities is not proceeding at this stage. The department will review the operation of the updated exemptions and the need for the additional requirement in the future.

Landholder Negotiation Scheme Regulation

The Landholder Negotiation Scheme Regulation (LNS Regulation) commenced on 6 June 2025 via the Water Management (General) Amendment (Landholder Negotiation Scheme) Regulation 2025. The LNS provides the approach the NSW Government will take when negotiating voluntary agreements with landholders affected by future environmental water deliveries at higher flow levels, or under different regimes, than current operating practice.

Next steps

Your feedback during the public exhibition has helped us identify and draft further amendments to the draft Water Management (General) Regulation 2025 and has confirmed that only minor typographical changes are required to the draft Water Management (Water Supply Authorities) Regulation 2025.

Both regulations were approved by the NSW Executive Council on 20 August 2025 and are now published on the NSW Legislation website. Both regulations will commence on 1 September 2025 when the 2018 Regulation is repealed. Information on the department's website will be updated to reflect the changes once the regulations commence.