

Proposed Water Management (General) Regulation 2025 and Water Management (Water Supply Authorities) Regulation 2025

Proposed changes to modernise and improve processes, cut red tape, improve water management outcomes and streamline, and improve, understanding and compliance

The Water Management (General) Regulation 2018 (the 2018 Regulation) will be automatically repealed (that is, stop operating) on 1 September 2025. It is important to have regulations in place because they support the operation of the *Water Management Act 2000* (the Act) by specifying various procedural matters for access licences and approvals, including exemptions from licence and approval requirements.

The NSW Department of Climate Change, Energy, the Environment and Water (the department) is proposing to replace the 2018 Regulation with the:

- Water Management (General) Regulation 2025
- Water Management (Water Supply Authorities) 2025 Regulation.

The two regulations will commence by 1 September 2025.

Most of the content of the two regulations will be the same as the 2018 Regulation, but the department has proposed some changes to be included in the new regulations. Factsheets have been prepared to provide high-level summaries of the proposed changes in the Water Management (General) Regulation 2025. Detailed analysis and the rationale for the changes are outlined in the Regulatory Impact Statement.

This fact sheet provides a summary of all the proposed changes.

Summary of changes

Summary of changes and whether they are being made in the Draft Water Management (General) Regulation 2025 and/or the Draft Water Management (Water Supply Authorities) Regulation 2025

Which Draft Regulation?	What has changed?	Why?
General and Water Supply Authorities	All provisions in the regulations have been reviewed and re-written. This includes wording changes, deleting unnecessary/duplicative provisions, numbering changes, and rearranging sections in the regulations.	These changes have been made to ensure the regulations are clear, streamlined, reflect modern drafting practices and that each clause of the regulations has a clear and specific statutory basis. These changes do not alter legal effect but simplify the regulations and make the existing rules easier to interpret and understand.
General	Some specific purpose access licences (SPALs) have been removed and/or the ability to apply for them has been removed.	Some of these SPALs have had their purpose fulfilled and are no longer required (e.g. temporary critical conveyance), or there is no need to maintain the possibility of future applications for the SPAL (e.g. aquaculture facility at Cudgen).

Which Draft Regulation?	What has changed?	Why?
General	<p>Activities that do not directly apply water to land are now exempt from requiring a water use approval. The following uses will be exempted:</p> <ul style="list-style-type: none"> the use of water for power generation by a major utility if development consent is in place under the <i>Environmental Planning and Assessment Act 1979</i> (EP&A Act) the supply of water to towns and communities for domestic consumption and commercial activities. 	<p>These uses will be exempted because the risk of environmental impacts is minimal and the impacts are already assessed and managed through water access licences, water supply work approvals and/or EP&A Act development consents. The changes aim to reduce unnecessary regulatory costs to applicants, the department and other relevant agencies.</p>
General	<p>New requirement for public authorities (e.g. local councils) who have constructed emergency drought works under an exemption to maintain or decommission the works once the exemption has lapsed (i.e. the drought has ended).</p>	<p>To ensure works that could be used in future droughts are properly tested and maintained, to reduce the need for major repairs or new works (and associated costs) if the works fall into disrepair.</p> <p>To avoid potential impacts on water sources and the surrounding environment from not properly maintaining or decommissioning works (e.g. water source contamination).</p>

Which Draft Regulation?	What has changed?	Why?
General	A new requirement has been added to the water supply work approval exemption for dust suppression using water tankers, and water access licence exemptions for dust suppression and road construction and maintenance. Public authorities must now be satisfied there will be no significant adverse impact on water sources and dependent ecosystems as a result of these activities.	To strengthen protection of water sources and their dependent ecosystems.
General	Currently, a water supply work approval must be held for the entire length of certain water supply, conveyance and reticulation works (e.g. pipelines). The proposed change allows these works, or sections of them, that do not cross sensitive land to be exempt from the requirement to hold a water supply work approval.	Making this change shortens and simplifies the approvals process and reduces costs to applicants and the government agencies assessing applications without impacting on resource and environmental management outcomes.

Which Draft Regulation?	What has changed?	Why?
General	<p>The 2018 Regulation permits controlled activities on waterfront land in relation to a minor stream or third order stream without a controlled activity approval where the activity is separated from the bed of the stream by a public road, hard stand space (such as a car park or building) or certain types of levee banks. This exemption has been clarified by removing reference to stream order, specifying that any hard stand must be sealed and replacing reference to the ‘bed’ of the watercourse with the term ‘certain waterfront land’, which is specifically defined in the new regulation.</p>	<p>The presence of a separating feature determines the potential impact of the controlled activity on the watercourse not the size of the watercourse. In this context, the stream order is irrelevant to water management outcomes.</p> <p>Unsealed hard stand spaces are not fixed and require ongoing maintenance and site disturbances, which can present ongoing risks to watercourses. Specifying that the road and hard stand spaces must be ‘sealed’ would make the exemption clearer and improve watercourse protection outcomes.</p> <p>Removing reference to the ‘bed’ of the watercourse and providing a clear and specific definition of ‘certain waterfront land’ reflects what is practical and current operational practice in assessing whether there is a separating structure.</p>

Which Draft Regulation?	What has changed?	Why?
General	Clarifying that the removal of in-stream detritus material after storms now requires a controlled activity approval and the removal of material deposited on waterfront land after a storm under an exemption must occur within 6 months of the material being deposited.	Allows for the clear and consistent application of the exemption to storm events to adequately manage impacts to the environment, landholders and water users and to promote the appropriate use of the exemption.
General	Clarifying the scope of excluded works exemptions (e.g. licence and approval exemptions for soil erosion dams, flood detention and mitigation dams, contaminated water dams and environmental management dams) and clarifying ambiguities in line with the existing policy intent.	Provides more certainty for water users, the department and the Natural Resources Access Regulator in how the exemptions should be interpreted and complied with.
General and Water Supply Authorities	Modernisation and digitalisation of processes, which include enabling electronic signatures and security steps to create and log into accounts; updating lodgement, service and notification requirements to include digital methods; making maps and registers available online and removing physical registers at offices for public inspection.	Reflects the modern realities of communication and correspondence, minimises transaction costs to applicants, licensees, regulators and services providers, and enables process improvements.

Which Draft Regulation?	What has changed?	Why?
General	Prescriptive requirements for licence and approval applications have been removed from the new regulation. Instead, the new regulation simply states that the applications should be in an 'approved form'.	Removes duplication, simplifies the new regulation and allows the Minister to change the required contents and form of applications as needed. This provides more flexibility and allows for lower cost and more accessible ways of submitting, assessing and processing licence and approval applications without compromising water management outcomes.

Which Draft Regulation?	What has changed?	Why?
General	In the 2018 Regulation, licence holders' water allocation carryover is protected from water management plan (e.g. water sharing plan) suspensions due to water shortages. A change has been made to extend this protection to situations when water management plans within the Murray Darling Basin are suspended due to an extreme event.	<p>Ensures unused water allocation carried over by a licence holder for use in future water years is maintained across the state (including in Murray Darling Basin management areas) if a water management plan is suspended due to water shortages or an extreme event. This promotes consistency in the treatment of carryover across NSW.</p> <p>Allowing licence holders to keep their carryover does not adversely impact other water users, critical needs or the environment during dry times/extreme events because access to the carryover would be restricted during those times. It just delays them being able to access their water allocations until conditions improve and the suspensions are lifted.</p>

Which Draft Regulation?	What has changed?	Why?
General	<p>Section 71X of the Act sets out the rules that apply when a security holder transfers/sells a water access licence, or holding in a water access licence, where the holder has defaulted on the payment of a debt or performance of an obligation under a contract or other legally enforceable arrangement relating to a security interest held over the licence. Notice must be served on the holder of the licence who is on default, any other person having a registered security interest, or who has registered a caveat.</p> <p>The requirement for the above-mentioned notice to be served in a manner consistent with section 170 of the <i>Conveyancing Act 1919</i> has been removed. Instead, the new regulation will rely on existing standard requirements for service of water management-related documents under section 394 of the Act.</p>	<p>The requirements in Section 394 are more straightforward, drafted specifically for purposes under the Act and ensure greater consistency in the serving of documents. This means they are simpler for water users and regulators to understand. They are also not contrary to the requirements of the <i>Conveyancing Act 1919</i>.</p>

Which Draft Regulation?	What has changed?	Why?
General	Removal of the requirement for a signature or authentication when someone objects to the inclusion or exclusion of land within an irrigation corporation's area of operations.	The requirement for a signature is unnecessary for this kind of notification and might stifle modern (electronic) forms of communication.
General	<p>Currently, the 2018 Regulation exempts supplementary water (Lowbidgee) access licences from the definition of a specific purpose access licence (SPAL). This ensures these licences have an ongoing tenure (like all other supplementary access licences), rather than having to be cancelled when they are not being used (like other types of SPALs).</p> <p>In November 2024, an amendment was made to the Act (via the <i>Water Legislation Amendment Act 2024</i>) that has the same legal effect. As a result, the exemption has been removed from the new regulation.</p>	It doesn't change anything for supplementary (Lowbidgee) access licences and how they are managed. Amending the Act to have the same legal effect is simply a more legally robust way of ensuring that these licences can be managed the way they were intended. The way in which the Act deals with this issue is easier to understand than the complex and difficult to understand exemption that exists in the 2018 Regulation.

Which Draft Regulation?	What has changed?	Why?
Water Supply Authorities	New requirement for a water supply authority to give reasons to the landholder for its decision in relation to a landholder's written objection to the determination or adjustment of, or a refusal to adjust, a service charge.	To clarify and reinforce expectations of water supply authorities.
Water Supply Authorities	New requirement for water supply authorities to publish restrictions on the use of water during periods of water shortage in the NSW Gazette.	A water supply authority is already required and will continue to be required to publish a notice of these restrictions in a newspaper circulating in its area of operations. This change to add publication in the NSW Gazette increases transparency and consistency. It ensures an accessible record of the time the restrictions are in force.
Water Supply Authorities	The offence of providing false or misleading information in a statement of compliance for completed plumbing work has been removed.	Removes duplication. It is already covered by a standard offence that applies under the <i>Crimes Act 1900</i> for providing false and misleading information.

Which Draft Regulation?	What has changed?	Why?
Water Supply Authorities	The new regulation now allows a water supply authority to keep records relating to each service charge levied in written or electronic form as opposed to 'in a manner approved by the Minister'.	Clarifies requirements. The change simplifies and clearly outlines the requirements in the regulation rather than having them specified outside the regulation.
Water Supply Authorities	<p>Currently, Essential Energy may grant exemptions from the requirement to hold a plumbing permit, complete a statement of compliance for plumbing work and requirement to use only authorised plumbing fittings for plumbing work.</p> <p>The new regulation makes it explicit that the exemption may be granted unconditionally or subject to conditions.</p>	Clarifies that conditions may be placed on these types of exemptions.
Water Supply Authorities	<p>Currently, Essential Energy may suspend or cancel an authorisation (i.e. a plumbing permit or discharge approval).</p> <p>The new regulation makes it explicit that any cancellation or suspension may be granted unconditionally or subject to conditions.</p>	Clarifies that conditions may be placed on suspensions and cancellations of plumbing permits and discharge approvals.

Which Draft Regulation?	What has changed?	Why?
Water Supply Authorities	A provision has been added which states that Essential Energy must not vary a condition of an authorisation (i.e. plumbing permits and discharge approvals) that is imposed by the regulations, or in a way that is inconsistent with a condition imposed by the regulations.	Ensures any authorisations granted by Essential Energy are consistent with the intent of the regulation.
Water Supply Authorities	The 2018 Regulation includes a requirement for each water supply authority to provide a report to the Minister each financial year relating to the performance of its functions. This requirement has been removed from the regulation as part of the remake.	<p>Water supply authorities are expected to be transparent in their reporting of performance and can be guided by the Departments expectations as set out in the Regulatory and Assurance Framework (the Framework) for local water utilities.</p> <p>More information on the Framework can be found on the department's website at https://www.dpie.nsw.gov.au/water/our-work/local-water-utilities/regulatory-and-assurance-framework</p>

How can I provide feedback?

The department is seeking your feedback on the proposed Water Management (General) Regulation 2025 and Water Management (Water Supply Authorities) Regulation 2025.

To have your say, you can make an online submission: water.nsw.gov.au/water-management-regulation-remake

If you need assistance making a submission, please contact us at water.enquiries@dpie.nsw.gov.au.

Consultation will close at 11.59pm on Sunday, 6 April 2025.

Your submission may be published. If you do not want your personal details or responses published, please let us know.

A What We Heard report will be published after the public consultation period.

To find out more, visit the department's website: water.dpie.nsw.gov.au.