Information paper

Water Regulatory Reform 2026

Purpose

This information paper explains the purpose and effect of proposed amendments to the *Water Act 1992*.

The amendments improve clarity, transparency and efficiency in water allocation planning, strengthen administrative processes, improve community participation, support Aboriginal water interests and introduce modern compliance tools.

Proposed amendments

1. Water allocation plan requirements

What is changing?

The changes make water allocation plans simpler and clearer. They set out what every plan must cover and give more flexibility to manage different water resources.

A water allocation plan can cover one or more water resources and must:

- identify the water resource being managed
- describe the size and nature of the resource
- set one or more estimated sustainable yields (ESYs), which are the amounts of water that can be allocated and used sustainably
- explain how water is shared between different beneficial uses
- describe how the water resource will be managed and used.

Plans can set different ESYs for different parts of a water resource, different water sources, seasons, or changing water conditions. This allows water management to reflect local conditions and the amount of water available at different times.

Why is this change proposed?

The amendments provide greater clarity and consistency about the content of water allocation plans while maintaining flexibility to reflect the characteristics of individual water resources.

The changes will help communities better understand both the size of a water resource and the amount of water available for allocation.

2. Estimated sustainable yield (ESY)

What is changing?

The Act will define ESY as the amount of water from a water resource that, having regard to the environment, may be allocated to beneficial uses and taken by people.

Environmental, social, cultural and economic considerations inform determination of ESY.

ESY represents the amount of water available for allocation and is distinct from the total size of the water resource.

Why is this change proposed?

The amendments clarify the purpose of ESY and promote a clearer understanding of its role in water allocation planning.

The changes distinguish between:

- the total size of a water resource
- the amount of water available for allocation and use.

This improves transparency and supports more informed water planning and decision-making.

3. Water for aquatic ecosystems

What is changing?

The beneficial use currently known as "environment" will be renamed "aquatic ecosystems".

Renaming the beneficial use to "aquatic ecosystems" more accurately describes the purpose of that allocation category and distinguishes it from the broader environmental considerations that inform ESY determination.

Why is this change proposed?

The amendments better reflect how environmental values are considered in modern water planning.

Rather than existing requirements that see a notional volume allocated to the environment from within the ESY, environmental considerations are incorporated into the determination of the amount of water available for allocation in the first place.

Renaming the beneficial use removes inconsistencies in the use of the term “environment” with the Act.

4. Plan duration, reviews and amendments

What is changing?

Water allocation plans will continue in force until revoked rather than expiring after a fixed term.

Plans must continue to be reviewed at least every five years.

Following a review, the Minister may amend a plan using the same consultation process that applies to a new plan.

The Act will also allow administrative amendments to correct errors, remove inconsistencies or improve clarity.

Why is this change proposed?

Removing expiry dates means water allocation plans can stay in place until they need to be changed or replaced. Plans can then be updated when there are significant changes to water availability, community needs or future development opportunities.

This change also reduces the risk of a plan expiring while it is being reviewed or updated, helping to provide greater certainty for communities, water users and industry.

Plans will still be reviewed at least every five years to ensure they remain current and continue to support effective water management.

Administrative amendment powers allow minor errors, omissions or other small issues to be corrected without requiring a full review of the plan..

5. Public consultation

What is changing?

Draft water allocation plans and plan amendments must be publicly exhibited for at least 20 business days.

Submissions received during consultation must be considered before a decision to declare a plan is made.

Whilst this is current practice, it has not before been required under the Water Act.

Why is this change proposed?

The amendments strengthen transparency and community participation in water planning by establishing lasting and consistent consultation requirements.

6. Water Advisory Committees

What is changing?

The amendments create a more flexible framework for Water Advisory Committees, replacing duplicated requirements and making it easier to establish committees for different purposes.

Committees may be established for:

- the Territory as a whole
- part of the Territory
- a particular issue or purpose.

Why is this change proposed?

The amendments provide greater flexibility in how advisory committees are established and used, allowing advice to be tailored to regions, water resources or policy issues.

7. Aboriginal water reserves

What is changing?

Water allocated from an Aboriginal water reserve will not be able to be permanently transferred.

Only short-term transfers will be permitted.

Transfers will require eligibility requirements to be met or agreement from the relevant Aboriginal people.

Water will automatically return to the original holder at the end of the transfer period.

Why is this change proposed?

The amendments strengthen protections for Aboriginal water reserves and help ensure these reserves remain available for current and future Aboriginal economic development opportunities.

The changes also provide greater assurance that reserve water remains connected to its intended beneficiaries.

8. Water extraction licence applications

What is changing?

The Controller of Water Resources will be able to:

- request additional information required to assess an application
- suspend assessment timeframes while information is being provided
- terminate inactive, withdrawn or incomplete applications following an appropriate process.

Why is this change proposed?

The amendments improve administrative efficiency and support timely assessment of licence applications.

They also provide clear processes for dealing with applications that cannot be properly assessed because essential information has not been provided.

9. Enforceable undertakings

What is changing?

The Act will introduce enforceable undertakings as a new compliance tool for water resource management.

An enforceable undertaking is a legally binding commitment that may be accepted in response to an alleged contravention of the Act and may require remediation, corrective action or other compliance measures.

Why is this change proposed?

Enforceable undertakings provide a flexible and proportionate compliance option that encourages timely remediation and improved compliance outcomes while maintaining accountability. Enforceable undertakings provide a practical compliance tool between minor fines and court action. They are already used under other Territory laws, and their introduction will make the Water Act more consistent with those laws.

10. Transitional arrangements

What is changing?

Existing water allocation plans, advisory committees, approvals and other instruments will continue under the amended framework.

Why is this change proposed?

The amendments are intended to ensure a smooth transition to the new framework and avoid unnecessary disruption to existing arrangements.

For stakeholders

The proposed amendments are intended to modernise the *Water Act 1992* by improving the clarity, transparency and effectiveness of water resource management in the Northern Territory. The reforms support informed and adaptive water planning, strengthen protections for Aboriginal water interests and opportunities for community and stakeholder participation in water management.

Water licence holders and water users

Expected impacts

The reforms will provide greater certainty about how water available for allocation is determined and managed.

Water allocation plans will continue to be reviewed regularly and will no longer expire at the end of a fixed term, reducing the risk of regulatory uncertainty during plan renewal processes.

Licence applicants may experience more efficient assessment processes through clearer information requirements and streamlined administrative arrangements.

What this means for you

Water users will benefit from:

- greater transparency about water availability
- improved continuity of water allocation plans
- clearer licensing processes
- more flexible and responsive water planning arrangements.

Primary industries

Expected impacts

Agricultural, pastoral, horticultural, aquaculture and other commercial water users will continue to have opportunities to participate in water planning through consultation processes and advisory arrangements.

Improved clarity around estimated sustainable yield and water allocation planning is intended to support informed investment decisions and long-term business planning.

What this means for you

Primary industries will benefit from:

- clearer information about available water resources
- ongoing access to consultation opportunities
- improved planning certainty
- proportionate compliance mechanisms
- greater transparency regarding allocation decisions.

Aboriginal Territorians

Expected impacts

The amendments strengthen protections for water allocated from Aboriginal water reserves by limiting transfers to temporary arrangements and ensuring appropriate Aboriginal oversight of transfer arrangements.

Existing opportunities for Aboriginal participation in water planning and advisory processes will continue.

What this means for you

Aboriginal communities will benefit from:

- stronger protection of Aboriginal water reserve entitlements
- greater assurance that reserve water remains available for future economic development opportunities
- ongoing participation in water planning processes
- continued recognition of Aboriginal interests in water management.

Environmental and community interest groups and the public

Expected impacts

Environmental considerations will continue to play an important role in water allocation planning through the determination of estimated sustainable yield.

The renaming of the beneficial use from "environment" to "aquatic ecosystems" provides clarity by more accurately describing the purpose of the allocation category and distinguishing it from the broader environmental considerations which include all aspects of our physical and biological surroundings, economic, cultural and social aspects used to inform determination of the estimated sustainable yield.

Mandatory consultation requirements and regular plan reviews will continue to support community participation and transparency.

What this means for you

Environmental groups and community members will benefit from:

- continued consideration of environmental values in water planning

- improved transparency in decision-making
- proportionate compliance mechanisms
- clear opportunities to provide input on plans and significant amendments
- continued review of water allocation arrangements.