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Submission

NSWIC Submission: Impacts of the Water Amendment (Restoring our Rivers) Act 2023 on NSW regional communities

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Executive Summary

NSWIC represents 20 member organisations across NSW, many of which will provide separate submissions to this inquiry. This submission covers issues common across NSW. It was developed in discussion with our members and draws on previous NSWIC submissions to federal and State inquiries.

The following section provides a brief overview of NSWIC's responses to the terms of reference (TOR); these are explored in more detail in the submission.

a) the social, economic and environmental impact of repealing limits to the cap on Commonwealth water purchases

- Economic modelling consistently shows that water buybacks harm regional communities reliant on irrigation.
- Buybacks drive up entitlement and allocation prices, reduce agricultural output and value compared to what it would otherwise have been, and cause significant job losses.
- Areas that are highly dependent on irrigated agriculture are especially impacted, with few opportunities for economic transition or diversification.
- The latest buyback tenders have been conducted without transparency, leaving water market participants in the dark about the real-time market value of their entitlements.
- Much of the additional 450GL of water is unlikely to deliver a material additional improvement in environmental outcomes due to river management constraints and unrealistic modelling assumptions.

b) the risks to the effective implementation of the Federal Water Amendment (Restoring Our Rivers) Act 2023 including unlicensed take of water and options to address these risks such as rules for floodplain harvesting

- Unlicensed water take and floodplain harvesting do not pose a risk to the implementation of the Restoring our Rivers Act 2023 (RoR Act).
- Unlawful water use is very rare due to high compliance levels and rigorous metering.
- Floodplain harvesting is now regulated, licensed, measured, and accounted for in Murray-Darling Basin Plan Sustainable Diversion Limits (SDLs).
- Any delays in floodplain harvesting measurement implementation are due to compliance barriers beyond farmers' control, including workforce shortages and technical failures such as mobile blackspots.

c) the impact of Planned Environmental Water rules on the reliability of water allocations in NSW and the Commonwealth's environmental water holdings

- NSWIC is aware of different views on how Planned Environmental Water (PEW) should be accounted for, but NSWIC members have not raised this as a major issue for the Parliamentary Inquiry.
- NSWIC has touched on issues associated with how PEW is defined differently between NSW and Commonwealth law.
- NSWIC has asked for clarification on this issue in NSW Water Resource Plans required under the Murray-Darling Basin Plan.



d) the impact of rules-based changes on the reliability of water allocations in NSW, including their impact on different water licence categories

- NSWIC highlights a growing risk of ‘water recovery by stealth’ through rule changes to reduce water access instead of open market purchases. This amounts to compulsory acquisition in breach of the 2013 Intergovernmental Agreement (IGA) that “no water entitlements will be eroded or compulsorily acquired as a result of the Basin Plan”.
- The Commonwealth Government is explicitly promoting rules changes to acquire water towards its 450GL target under the RoR Act, claiming rules changes ‘manage socio-economic impacts, through predictable reductions in water use’.
- NSWIC views this statement as disingenuous and this approach as inequitable. Rules-based changes reduce allocation reliability for all water entitlement holders without compensation, undermining irrigators’ property rights.
- NSWIC is doubly concerned that NSW is already using rules changes to reduce farmers’ access and free up more water for the environment without paying compensation.
- This water does not count towards Basin Plan targets, thus compounding the RoR Act’s socio-economic impacts and making a bad situation worse.
- We believe that many recent and proposed NSW reforms are ‘new environmental objectives’ outside the Basin Plan’s baseline 2680 GL recovery target and the additional 450 GL target. As such, any reductions in water access and reliability from past rules changes should be fully compensated under Clause 50 of the NWI.
- NSWIC does not support rules changes that reduce the reliability of entitlements as a mechanism for water recovery towards the environment. While we believe further water recovery is unnecessary, governments should use the market, not rules changes, if they want more water for the environment.
- While NSWIC opposes NSW rules changes which ultimately reduce the reliability of water entitlements and reduce farmers’ access to water, there are cases where MDBA rules changes have freed up more water for the environment without third-party impacts on farmers. We refer you to the submission from our member organisation the Ricegrowers Association (RGA) for more information; this outcome should count towards the Basin Plan recovery targets.

e) the effectiveness and impacts of past water reforms, including community-based water reduction adjustment programs such as the Strengthening Basin Communities program and Murray-Darling Basin Economic Development Program

- Community-based programs like Strengthening Basin Communities and MDB Economic Development Program have had limited to no lasting benefit.
- Funding levels have been inadequate, poorly targeted and failed to generate long-term economic benefits.
- NSWIC believes more strategic and substantial support is needed for communities.

f) options to improve future community-based reduction adjustment programs including next rounds of the Sustainable Communities Program

- NSWIC believes future programs like Sustainable Communities need more funding and better geographic targeting.



- The one-off \$300 million Sustainable Communities Program is insufficient compared to ABARES warning past and present water recovery will wipe away more than \$600 million a year in forgone farmgate value of irrigated agriculture.
- Rollout has been slow and focused on small-scale projects, with limited lasting impact.

g) any other related matter.

- NSWIC believes the scale and pace of current federal and State reforms are overwhelming and poorly coordinated.
- Multiple overlapping federal and state programs and poor consultation are compounding and exacerbating the socio-economic impacts of the Restoring our Rivers Act 2023, without delivering measurable additional environmental gains.
- NSWIC recommends NSW halting current and future State-level reforms until the socio-economic and environmental impacts of the Basin Plan and past State programs are completed, reviewed and their impacts evaluated.
- The NRC's narrow focus on water sharing plans alone as the mechanism to address complex degradation drivers is also a concern. Its recommendations often lack economic considerations and risk undermining established water-sharing principles.
- Water sharing plans are not the appropriate instrument to deliver most of what needs to be done to improve environmental outcomes; rather, a coordinated program is required across the water, environment and agricultural portfolios.

Recommendations

1. Pause all NSW rules-based water reforms until the socio-economic and environmental impacts of the Basin Plan and past State rules changes are completed, reviewed and their impacts evaluated, and Basin Plan 2.0 is developed.
2. Any impacts on water allocation reliability through rules changes are modelled, publicised and tallied. These impacts should be collated on a public register for full transparency of cumulative impacts.
3. Remove the Risk Assignment Framework's 3% threshold in clause 49 of the National Water Initiative (NWI) under which governments do not have to pay compensation for reducing water reliability or access.
4. Fully compensate any reduction in the reliability of water access in line with Clause 50 of the NWI.
5. Look beyond water recovery for environmental gains.
6. NSWIC regards further water recovery to be unnecessary, but if governments decide to pursue it, voluntary purchase on the water market is the only equitable method.
7. Any water recovered for Aboriginal people for economic, social and cultural purposes should not have a negative impact on any other licence holders.
8. Re-evaluate the scale and timing of Commonwealth and NSW reforms.
9. Improve NSW-DCCEEW's approach to consultation to enable genuine engagement in timely processes.
10. Amend NSW water sharing plan and other statutory timelines so that reviews are staggered more evenly.
11. Begin each water sharing plans review at least two years in advance of the WSP expiry date.



12. Convene valley stakeholder advisory panels to work through iterations of WSPs with the Department before they are publicly exhibited for general feedback.
13. Consultation takes place in open and interactive forums.
14. At least two iterations of WSPs to be publicly exhibited for comment.
15. Stakeholder advisory panel to see final WSPs submitted for concurrence, with no further changes made internally without consultation.
16. Clarify the role of the Natural Resources Commission (NRC) in assessing water sharing.
17. NRC to clearly define what it considers the ultimate goal for a sustainable volumetric level of take that is informing its recommendations.
18. Government to provide policy clarity that water diversions will not be further reduced below agreed Basin Plan sustainable diversion limits through water sharing plans.
19. Require the NRC to explicitly consider third-party and socioeconomic impacts of its recommendations.
20. Require the Department to publish NRC reviews immediately they are submitted, rather than waiting months to slip them up on the website.



Submission

a) the social, economic and environmental impact of repealing limits to the cap on Commonwealth water purchases

1. Economic impacts

The economic impacts of the RoR Act repealing the 1500 GL cap on Commonwealth water purchases have been well documented by multiple bodies, including the Australian Bureau of Agricultural and Resource Economics (ABARES), the Murray-Darling Basin Authority (MDBA) and Frontier Economics. These reports all show the same trend – that water recovery through buybacks has a negative impact on regional towns that rely on irrigated agriculture.

In 2017, the MDBA analysed socioeconomic trends and impacts in 40 communities in the southern Basin. The analysis showed that between 2001 and 2016, 30% of jobs lost could be attributed to water recovery for the environment since 2000 (representing 3261 out of 10,801 job losses).¹ These losses were felt just not on-farm, but throughout the community in agricultural and other service industries, health and education and small businesses.

In 2020 and 2024, ABARES released analysis showing the impact of buybacks on water prices and agricultural production. The 2020 study showed that water recovery to date had increased water prices by an annual average of \$72/ML.² A 2024 study by ABARES showed that an additional 225GL of water recovery would increase annual average prices by a further \$45/ML (10%).³ Given the linear relationship between the results, we expect that a full 450GL of recovery would lead to a roughly \$90/ML annual average price rise (on top of the \$72/ML already mentioned).

ABARES' modelled 225GL water recovery scenario would cause \$111 million in forgone output in the southern Basin every year, on top of the \$542-\$764 million in forgone production that the MDBA had estimated to meet the Basin Plan's baseline 2750GL recovery target⁴. These modelled scenarios would hit the rice and dairy industries particularly hard and leave local-government areas (LGA) that rely on irrigated agriculture especially vulnerable. This was outlined in a 2024 ABARES report, that shows Carathool and Murrumbidgee LGAs as the two areas most vulnerable to the negative socioeconomic impacts of buybacks.⁵

Frontier Economics' modelling of an additional 450GL of water buybacks in the southern Basin showed that \$513 million dollars in agricultural output would be forgone per annum.⁶ This corresponds to 95,000 ha of irrigated land being dried off and 457 full-time jobs lost across the southern Basin. Finally, farming regions that have more water recovered through

¹ [Job impacts from water recovery for the environment in the southern Murray-Darling Basin | NSW Irrigators' Council](#)

² [Economic effects of water recovery in the Murray-Darling Basin | Australian Government Department of Agriculture, Water and the Environment](#)

³ [The impacts of further water recovery in the southern Murray-Darling Basin | Australian Government Department of Agriculture, Fisheries and Forestry](#)

⁴ [Regulation Impact Statement: Basin Plan | Murray-Darling Basin Authority](#)

Lower scenario includes estimate of infrastructure investment higher scenario is direct purchase only for 2750GL scenario.

⁵ [Baseline relative community vulnerability and adaptive capacity – Murray-Darling Basin: A focus on irrigation in agriculture | Australian Government Department of Agriculture, Forestry and Fisheries](#)

⁶ [Water purchasing programs: Vulnerability, potential impacts, and program design options | AITHER](#)



‘on farm irrigation infrastructure upgrades have gained a competitive advantage compared with farms, farming regions and towns that have sold more of their water to the Australian Government through open tender buybacks’.⁷

These studies taken together paint a very clear picture – buybacks negatively impact communities that depend on irrigated agriculture and government support packages are insufficient to make up for this loss in production.

For those most vulnerable communities, there is simply no alternative to irrigated agriculture and generally speaking, no meaningful economic transition takes place. While those who sell water licences are compensated through water purchase programs, the surrounding community and those providing services to irrigators often struggle to adapt. These impacts of Basin Plan water recovery were outlined in detail in the 2020 ‘Sefton Report’.⁸

Case study: Collarenebri

Between 2001 and 2011, Collarenebri lost 66% of its irrigation water and its population fell by 36%. During this period, the Twynam Agricultural Group sold its water licences back to the Australian government and this event, alongside the mechanisation of the cotton industry, are responsible for the dramatic fall in agricultural jobs in the area. Between 2001 and 2011, there was 37% decrease in full-time employment.

‘At its peak it was a thriving place. You couldn’t get any accommodation in town and people camped everywhere. Now there is hardly anyone in town.’ Ian Ether, 2015.

Case study: Menindee

Between 2004 and 2017, 85% of Lower Darling General Security and High Security water entitlements, and 100% of supplementary water entitlements were sold to the New South Wales and Commonwealth environmental water holders. Companies selling the water cited various factors, including Menindee losing its market advantage for horticultural production (Weekly Times, 21 January 2016, <https://bit.ly/3XMqGrP>) and reduced water security for annual crops such as cotton (ABC, 21 June 2017, <https://bit.ly/421mDKH>). Companies selling the water cited various factors, including Menindee losing its market advantage for horticultural production (Weekly Times, 21 January 2016, <https://bit.ly/3XMqGrP>) and reduced General Security reliability for annual crops such as cotton (ABC, 21 June 2017, <https://bit.ly/421mDKH>).

No socioeconomic impact analysis of water recovery for the environment on Menindee has been undertaken, despite the town sitting in plain sight declining from the loss of its economic base. Tourism has failed to make up for the critical mass of hundreds of lost jobs, income and population linked to the town’s once vibrant irrigated agricultural industries.

“[Menindee is] basically dying. It’s certainly not going ahead like it was before.” Peter Hempel, Texas Downs farm manager, 2016.

"It does put a question mark around whether this valley is going to be a productive valley at all in the future. It's changed from fruit, nuts, trees and fibre to frogs." Maurice Felizzi, Webster Ltd Company Secretary, 2017.

⁷ [Final Report: Independent assessment of social and economic conditions in the Murray-Darling Basin](#)

⁸ Ibid



2. Government transparency

NSWIC has been a vocal critic of the opaque process through which Commonwealth buybacks have been conducted. Typically, all water purchases must be processed and registered within five to 10 days so that brokers, sellers and buyers have access to up-to-date information about the market value of their entitlements.

The ongoing 450GL tender has not followed the same standards expected of other water sales. The Commonwealth Government is still yet to release complete and meaningful market information on water purchases, including the entitlement types, their locations, and the price paid per megalitre on each entitlement type.

So far it has only released generic nominal volumes and Long-Term Diversion Limit Equivalence (LTDLE, a measure of long term annual average yield) (Table 1). It has also released average dollars paid per megalitre, bundling all entitlement types together. We view this as large-scale, anti-competitive market disruption that is driving water prices up and causing uncertainty for irrigators and water markets.

Catchment	Nominal (GL)	LTDLE (GL/y)
NSW Murray	12.7	9.2
NSW Murrumbidgee	20.6	11.4
SA Murray	0.4	0.3
VIC Murray	3.6	2.3
Total	37.3	23.2

Table 1. Water volumes purchased towards 450GL

3. Effect on water prices

NSWIC is particularly concerned about the viability of smaller farming operations in the face of increasing water market prices. As the volume of water available to grow food and fibre decreases, entitlement and allocation prices increase. The increased costs squeeze farmers' margins, forcing more farming operations out of business.

This would be compounded by the higher rural water bills NSW has proposed to the Independent Pricing and Regulatory Tribunal (IPART) for the 2025-2030 pricing determination period now under review. Proposed water bill increases of up to 341% over the next five years are beyond the capacity of many small, medium and even larger farming enterprises to pay; even doubling water bills over that period is unaffordable.

The combination of the above represents a serious risk not just to the viability of regional communities, but to food security and food prices more broadly.

As water prices increase, the profitability of rice and dairy production in the NSW Riverina in particular decreases. This means a smaller variety of crops is grown which can leave



communities more vulnerable to fluctuations in commodity prices. Finally, less local food is grown, meaning that Australia becomes more dependent on food imports, which surged by \$7 billion to almost \$40 billion in 2024.⁹ Ultimately, higher water prices leave Australia with a less diverse and resilient food system.

As was also noted by the Productivity Commission, recovering 424GL of water by 2027 means each year buying more than double the historical annual volume of water entitlements commercially traded in the southern Basin. It warns that the Government seeking this much entitlement in such a short period would increase ‘water prices in ways that cause excessive disruption to water markets and Basin communities. The expectation of a significant government entry into southern Basin water markets will also affect the decisions of other market participants.’¹⁰

4. Effects on infrastructure

Widespread buybacks also increase the cost of water delivery for those irrigators that choose not to sell water licences. As more irrigators leave the industry, fewer farmers are left to bear the cost of maintaining and managing the remaining infrastructure. This is particularly a problem for NSW irrigators working in districts run by independent infrastructure operators (IIO) and is known as the ‘Swiss-cheese effect’.

5. Environmental impacts

Many of the purported environmental benefits of the additional 450GL of water recovery cannot be properly realised due to river management constraints and the impractical assumptions upon which the environmental water recovery models are based. Additional environmental gains cannot be delivered by simply adding more water; rather, they require action to address degradation drivers including lack of fishways, invasive species like European carp, and cold-water pollution.

The Productivity Commission acknowledged in its 2023 Basin Plan review there were risks associated with rapidly recovering large volumes of water without adequately addressing constraints relaxation.¹¹ For the 450GL of environmental water to be properly delivered, constraints relaxation is necessary – an area in which governments have made little progress.

The additional 450GL was also primarily a political promise made to South Australia in the late stages of Basin Plan negotiations in 2012 and its ecological justification was principally linked to modelled environmental water delivery in the Chowilla floodplain.¹² In order for this water to achieve its aims in Chowilla, an 80,000ML flow rate at the South Australian border would need to be met. Upstream communities have long seen this as unrealistic and in late-2024, the MDBA said it is ‘no longer pursuing’ this 80,000ML target.¹³ While South Australia does not support this shift in policy, and the Australian Government continues to say the 450

⁹ [Food imports hit \\$40 billion: local manufacturers struggle to compete | The Weekly Times](#)

¹⁰ [Murray-Darling Basin Plan: Implementation review 2023 | Productivity Commission](#)

¹¹ [Murray-Darling Basin Plan: Implementation review 2023 | Productivity Commission](#)

¹² [Hydrologic modelling to inform the proposed Basin Plan: Methods and Results | Murray-Darling Basin Authority](#)

¹³ [Constraints Relaxation Implementation Roadmap | Murray-Darling Basin Authority](#)



GL is needed to shore up South Australia’s water security, it is clear its original environmental rationale no longer exists.

NSWIC sees that the program of federal water buybacks has increasingly become detached from a comprehensive strategy of how best to use the recovered water. As NSWIC has long said, increasing water volumes does not address the major environmental degradation drivers, like invasive species, cold water pollution, constraints management, lack of fish passage and riparian degradation. It is not enough to simply recover water, but governments must also invest in ways to better manage and deliver water. Water recovery is not an end in itself but should only be a part of a comprehensive and holistic water quality strategy. More details can be found in NSWIC’s publication ‘[Beyond Buybacks](#)’.



b) the risks to the effective implementation of the Federal Water Amendment (Restoring Our Rivers) Act 2023 including unlicensed take of water and options to address these risks such as rules for floodplain harvesting

Unlicensed water take and floodplain harvesting do not pose a risk to the effective implementation of the Restoring our Rivers Act 2023. Rigorous enforcement, high compliance levels and comprehensive metering reforms have addressed unlawful water use, while floodplain harvesting is now regulated, licensed, measured, and accounted for in SDLs.

Unlawful take of water is extremely rare, as is evidenced by statistics published regularly by the Natural Resources Access Regulator (NRAR). NRAR takes enforcement actions, including fines and court, against only an average 375 water licence holders a year – 0.9% of NSW’s 40,000 water licence holders.¹⁴ The vast majority of these enforcements are not related to illegal water take, but more commonly to do with works approvals (ensuring infrastructure complies with legal standards).

Floodplain harvesting has also been licensed in nearly every northern valley, and irrigators in the northern Basin have gone to great efforts to become compliant. Finally, nearly all water take across NSW is now metered according to the stringent standards set in the NSW non-urban metering policy. These issues have been comprehensively addressed and do not pose any risk to the implementation of the RoR Act.

1. Unlicensed take

The irrigation sector in NSW has undergone a period of taxing reform since the 2017 ‘Matthews Report’, after which NRAR was created and the non-urban metering policy began. NSWIC takes a zero-tolerance approach to unlawful extraction and supports metering of take and independent oversight on compliance. We are unsurprised that NRAR’s statistics show a high degree of compliance by licence holders.

According to NRAR’s 2022-23 Progress Report, 99% of properties inspected for overdrawn accounts were compliant and 99% of bores were within extraction limits.¹⁵ In the latest ‘Irrigated agriculture campaign’ in the Murray, Murrumbidgee and Far North Coast, NRAR remotely viewed 22,300 properties with a total of 654,000ML of water entitlements, which resulted in 75 property inspections and just 2 warning letters being issued. These warning letters do not necessarily mean that illegal water take has occurred but often relate with unregistered structures or on-farm works. From an initial inspection of 22,300 properties, 2 warning letters is a tiny fraction of the total.¹⁶

Independent monitoring of water users by NRAR has been in place for several years and the results of compliance actions demonstrate that unlicensed take is exceedingly rare. Irrigators respect the rules of their licence conditions and make significant efforts to comply. With over 40,000 water licenses in NSW and more than 200 NRAR staff monitoring take, we see the low

¹⁴ [Water Administration Ministerial Corporation 2025-30 pricing proposal](#)

¹⁵ [Natural Resources Access Regulator | NSW Government](#)

¹⁶ [Irrigated agriculture report | Natural Resources Access Regulator](#)



numbers of enforcement actions as clear evidence of high compliance levels. This shows that enforcement is working, irrigators are following licence conditions and the public can be confident in the management on NSW's water resources.

2. Floodplain harvesting

Floodplain harvesting presents no risk to the effective implementation of the RoR Act, given that it has already been licensed and all take is legally enforceable. While there have been some delays in the Namoi, all other northern valleys have had licences issued. NSWIC supported the licensing of floodplain harvesting, despite this policy leading to significant cutbacks in water take for many of our northern members (roughly 30% reduction in the Gwydir).

NSWIC members and licence holders have gone to great lengths to become compliant and some of our representatives have been working with NSW-DCCEEW and WaterNSW to facilitate the floodplain harvesting measurement roll-out. There have been some delays to compliance on the government side, with hardware problems and shortages, a lack of duly qualified persons (DQP) and issues with the practical details of measuring this form of take.

The works approval process has been slow, with administrative delays in WaterNSW processes. Paperwork for DQPs is often complicated and numerous steps are required for validation. Finally, the Distributed Antenna System (DAS) was built as a minimal viable product, but has had numerous issues in performing its functions.¹⁷ Any delays in getting floodplain harvesting fully licensed are therefore being driven by delays on the Government side, not from the unwillingness of irrigators.

Floodplain harvesting is now legal and fully accounted for in the SDLs and MDBA reports show water take is consistently below the SDLs in northern NSW valleys, as well as southern NSW valleys. SDLs ensure that water diversions stay within a sustainable limit of water take and are a cornerstone of the Murray-Darling Basin Plan. Licensing floodplain harvesting ensures that take stays within these limits and does not grow to an unsustainable level. According to the MDBA, approximately 76% of floodplain take in the northern Basin is currently licensed.¹⁸ The remaining 24% will be once licensing in the Namoi takes place.

NSWIC also notes that the first floodplain harvesting events since 2020 have only recently occurred in early April 2025 in some northern valleys.

Risks to effective implementation

While NSWIC does not see unlicensed take and floodplain harvesting as barriers to the implementation of the RoR Act, other issues need to be addressed at a federal and State level. The RoR Act aims to 'secure a healthy, sustainable river for future generations' and gives the Federal Government 'more time', 'more options', 'more funding' and 'more accountability'.

¹⁷ A minimum viable product is a product that is built with just enough features to be used by early users. It is typically a simple product that is made to gather feedback on its use before being further refined.

¹⁸ [Stocktake and options for improving connectivity in the Northern-Murray Darling Basin | Murray-Darling Basin Authority](#)



3. Focus on hydrology at the expense of other indicators

For one, NSWIC sees the Federal Government's near-exclusive focus on water volume at the expense of other indicators as a major barrier to a healthy and sustainable river. The 2008 Sustainable Rivers Audit outlined the key indicators for river health as fish, macroinvertebrates and hydrology but to date, the Basin Plan has focused most of its programs on water recovery (hydrology) alone. Because of this, important ecological measures have been neglected. It is clear that policies for river health must look beyond water volumes and invest more into 'complementary measures'.¹⁹

These measures include fish ladders and modern fish screens on intakes, invasive species management, addressing cold water pollution, riparian restoration, constraints relaxation and addressing water quality issues (algal blooms, salinity).

These strategies can provide tangible environmental benefits without further reducing the productive capacity of regional communities. For example, improving fish migration corridors through the installation of modern fishways can significantly boost native fish populations without the need to recover additional water. Similarly, strategic riparian vegetation restoration can reduce erosion, improve water quality, and enhance biodiversity in key river reaches.

4. Disregard for community concerns

Many Basin communities feel that they have not been adequately listened to in the reform process and the RoR Act continues this trend. Removing the 1500 GL cap on buybacks has a negative impact on Basin communities and reduces Australia's capacity to grow food and fibre.

These top-down reforms done without proper local consultation have led to distrust on the ground, which in turn can hamper the delivery of other programs. This is most evident with the projects tied to the Sustainable Diversion Limit Adjustment Mechanism (SDLAM).

Little progress has been made on constraints relaxation due in large part to low community trust and stop-start implementation by Commonwealth and NSW governments. NSWIC supports the delivery of SDLAM projects but believes they can be more effectively delivered by first regaining trust that has been lost during the reform process.

This was highlighted in the 2023 Productivity Commission Basin Plan review, with many Basin communities feeling that they were not genuinely heard or understood. This 'one-way conversation' leaves people feeling as if they have no impact on key decisions being made.²⁰ NSWIC and many of its members feel that this has still not been properly addressed, with local knowledge and insights often being ignored. Basin states need to meaningfully engage and communicate how community participation has influenced the decision-making process.

5. Departmental failures and delays

NSWIC feels that another major obstacle to the successful implementation of the Basin Plan comes from the failure to deliver crucial programs in a timely and cost-effective manner. The Commonwealth and State departments frequently point the finger at the other, blaming each

¹⁹ See [Beyond Buybacks: Why we need more than 'just add water' | New South Wales Irrigators' Council](#)

²⁰ [Murray-Darling Basin Plan: Five-year assessment | Productivity Commission](#)



other for delays in getting projects approved and funding out the door. We also believe that in many cases, NSW-DCCEEW is beyond its capacity to deliver on the numerous federal and state programs operating concurrently. These delays and departmental issues will be outlined further in (g).

6. SDLAM constraints relaxation and efficiency measures

MDBA reports have consistently shown that a shortfall of around 300GL can be expected due to delays in SDLAM 605GL supply measures and lack of progress on constraints relaxation, much of which requires voluntary flood easements on private properties.²¹ These programs have been started on numerous occasions, but are continually being delayed, shelved, or re-designed. While NSWIC acknowledges that constraints relaxation is a complicated and novel reform, the lack of progress has been disappointing. There have likewise been avoidable delays in some other SDLAM supply projects (infrastructure upgrades), like the Yanco Creek Modernisation project. These programs will need to be completed before the Basin Plan can be fully delivered.

²¹ [Sustainable Diversion Limit Adjustment Mechanism: 2023 Assurance Report | Murray-Darling Basin Authority](#)



c) the impact of Planned Environmental Water rules on the reliability of water allocations in NSW and the Commonwealth's environmental water holdings

The issue of how planned environmental water (PEW) is calculated has been touched on by NSWIC in previous submissions.²² Under the current regulations, the MDBA has tried to claim that all water above extraction limits (what is called PEW in NSW) is also PEW for the purposes of the Basin Plan (PEW in Commonwealth law).

However, despite having the same name, PEW is understood differently in the two jurisdictions. This confusion risks all water above extraction limits in NSW (PEW in NSW) being identified as PEW (Commonwealth) under the Basin Plan, and as such prevented from being used for anything else. This goes well beyond what the Basin Plan intended and States agreed to in signing the Plan.

For example, in NSW, any water savings made through improvements in delivery efficiency can be made available for consumptive use. However, under Commonwealth definitions of PEW, this is not allowed (as it is seen to violate the 'no net reduction in planned environmental water' rule). As part of NSWIC's 2023 submission we asked that:

1. The MDBA and Commonwealth Government recognise this terminology clash and be cognisant to this clash in assessing NSW WRPs. This may take the form of a position statement, to provide clarity on the matter.
2. NSW to undergo the same due process, and assessment standards, as the MDBA required of other Basin States to identify PEW (Commonwealth).
3. NSW changes the State's terminology to avoid conflict and confusion with Commonwealth terminology (i.e., to above-diversion-limit water, similar to above-Cap in Victoria). That way, 'PEW' would have one meaning, consistent across jurisdictions.

We are also aware that the effect of translucency and transparency flows was looked at after some stakeholders raised concerns. Removing PEW was found to increase general security allocations in the Murrumbidgee by 3%, 5.1% in the Lachlan and 10.6% in the Macquarie.²³ This 2018 review found that while translucent flows can slow the increase of general security allocations, removing or reducing these translucent flows would require some alternative PEW to be released to compensate for removing these flows. Under the Basin Plan, NSW is obliged to deliver 'no net reduction' of environmental water, hence it would risk violating this rule if translucent flows were removed.

²² See NSWIC ['Guide to fixing the Basin Plan 2023'](#)

²³ [Translucency rules in NSW inland rivers: Effectiveness and alternative scenario review | NSW Department of Industry-Water](#)



d) the impact of rules-based changes on the reliability of water allocations in NSW, including their impact on different water licence categories

The emergence of rules-based changes as a way to free up more water for the environment is among the most concerning areas for NSWIC and its members. NSWIC sees rules changes that ultimately reduce the reliability of water entitlements and access increasingly being used by NSW to avoid compensating licence holders. We view this as a form of compulsory acquisition without compensation in breach of the 2013 Intergovernmental Agreement on the Basin Plan²⁴, and are unequivocally opposed to it.

The Commonwealth Government is now explicitly promoting rules changes to acquire water towards its 450GL target under the RoR Act. This is stated in the 2024 *Restoring our Rivers: Framework for delivering the 450GL of additional environmental water* whereby rules changes are said to ‘manage socio-economic impacts, through predictable reductions in water use’.²⁵ NSWIC views this statement as disingenuous and this approach as inequitable.

Rules changes do not ‘manage’ socio-economic impacts, but rather create negative impacts. For one, rules-based changes slowly erode the reliability of allocations, meaning that irrigators become more risk averse when making planting decisions. Water allocations become less secure or predictable, causing many irrigators to scale back on production. This ultimately means less revenue which could in turn, impact the viability of farming operations and the serviceability of loans. It also creates flow-on impacts into communities with fewer jobs and less income flowing through local economies.

While NSWIC does not support further water recovery from farmers, at least when it is purchased, licence holders are compensated and the sale is voluntary. It is fundamentally inequitable that under buybacks, sellers are compensated, but under rules changes, all licence holders take a cut in water access involuntarily and without compensation. Reducing the reliability of entitlements can also reduce their value as a property right against which finance institutions make lending decisions.

NSWIC also disagrees with the notion that rules changes are ‘predictable’. Rules changes are usually implemented behind closed doors, through complex operational and legal changes. Most irrigators do not have the time or resources to follow these developments closely. Rules-based changes are instead subtle, gradual and cumulative – not in any way predictable.

While NSWIC opposes NSW rules changes which ultimately reduce the reliability of water entitlements and reduce farmers’ access to water, there are cases where MDBA rules changes have freed up more water for the environment without third-party impacts on farmers. We refer you to the submission from our member organisation the Ricegrowers Association (RGA) for more information; this outcome should count towards the Basin Plan recovery targets.²⁶

²⁴ The Commonwealth committed “to ‘Bridge the Gap’ with the intent that “no water entitlements will be eroded or compulsorily acquired as a result of the Basin Plan.” Intergovernmental Agreement on Implementing Water Reform in the Murray Darling Basin, 2013 – amended in 2017 and 2019. <https://federation.gov.au/sites/default/files/about/agreements/iga-on-implementing-water-reform-mbd-9-august-2019.pdf>

²⁵ [Restoring our Rivers: Framework for delivering the 450GL of additional environmental water | Australian Government Department of Climate Change, Energy, the Environment and Water](#)

²⁶ This was also covered in [NSWIC Delivering the Basin Plan, Submission to Australian Government public consultation on innovative ideas to deliver the Murray-Darling Basin Plan](#)



1. Past, present and potential rules changes affecting reliability in NSW

While the Commonwealth has flagged rules changes as a means to free up more environmental water to meet its 450 GL target under the Basin Plan, the NSW Government is already using rules changes in water sharing plans to reduce farmers' water access beyond what's required to meet the Basin Plan's environmental targets. This additional effective water recovery from farmers by the State does not count toward Basin Plan targets, and as such compounds the socio-economic impacts of the RoR Act's implementation.

The impact of these State-level past, present and potential rules changes are cumulative and often subtle but taken together they reduce the reliability of annual water allocations.

The NSW-DCCEEW has not undertaken any cumulative impact analysis of past rules changes on water users or the environment. Rather, before one set of reforms is given a chance to work and be evaluated, the Department is rushing ahead proposing new suites of rules changes. We have outlined many of these below.

Rules changes that affect the reliability of water allocations in NSW

- I. 2004 90/10 supplementary sharing rule in the Namoi valley.
- II. 2020 Raising A-class licence access threshold in the Barwon-Darling River.
- III. 2020 Establishing individual daily extraction components (IDECs) on the Barwon-Darling based on licence volume instead of pumping capacity.
- IV. 2020 The Barwon-Darling 'Resumption of Flows' rule.
- V. 2022 Special Purpose Access Licence for Lake Albert in the Murrumbidgee Valley.
- VI. 2024 Floodplain harvesting triggers in Namoi regulated Water Sharing Plan amended in November (without public notification) from 195 GL to 250 GL in Menindee Lakes.
- VII. 2024 Trading rule changes in multiple water sharing plans.
- VIII. 2025 Northern Basin connectivity program.
- IX. 2025 Minimum inflows review
- X. 2025 Improving the Health of the Upper Murrumbidgee project.
- XI. 2025 NSW/ACT Joint Trading Framework (0.5% Murrumbidgee GS reliability impact).
- XII. 2025 Special Purpose Access Licence (SPAL) for Wagga Wagga (1% Murrumbidgee GS reliability impact).
- XIII. Most NRC recommendations from water sharing plan reviews.
- XIV. New Aboriginal SPALs.
- XV. Coastal Sustainable Extraction project.

I. 90/10 supplementary sharing rule in the Namoi valley

This rule reduces the amount of water that can be diverted in the Namoi Valley after the river rises to high flow level triggering a supplementary licence access event. Between July and October, 90% of the water above the high trigger level is left to run downstream, while only 10% can be extracted.



This is a departure from most other valleys, where supplementary water is shared 50/50 between the environment and industry. The rationale for this rule in the Namoi valley is to improve fish breeding during these months, although little evidence supporting this objective has been made publicly available. It is during these restricted months that summer croppers can make best use of water, as it does not need to be stored for long periods (it can be used at the beginning of summer and factored into planting decisions).

II. Raising A-class licence access threshold in the Barwon-Darling River.

Another clear case study for rules-based changes is in the Barwon-Darling.²⁷ As part of the 2020 Clayden Review, numerous rules changes reduced the ability of irrigators to access water and the impacts of these have never been compensated. This is not a critique or commentary of these reforms, but rather a demonstration of how small changes to water sharing rules can have larger cumulative effects.

While the impacts on reduced reliability were previously modelled, these documents do not appear to be in the public domain any longer. The connectivity benefits of these changes, to our knowledge, have also never been comprehensively assessed. This rule change protects low flows, supporting the water needs of basic landholder rights and resulting in more water being left in the river to flow downstream.

III. Establishing individual daily extraction components (IDECs).

These establish a daily extraction limit for water licence holders, to manage the amount of water that can be taken out of the river during peak irrigation periods. While in theory IDECs should not reduce overall diversions, in practice many irrigators have daily allocation limits well below their pumping capacity, such that much of their allocation cannot be accessed.

IV. 'Resumption of Flows' rule:

This protects flows in the Barwon-Darling River after an extended dry period for cultural and local community outcomes. While under previous water sharing arrangements this water could have been diverted, this rule has made that water unavailable.

V. Lake Albert Special Purpose Access Licence in the Murrumbidgee Valley.

In 2022, a specific purpose access licence (SPAL) was issued to Wagga Wagga City Council allowing access to 1.8 GL of water for the purpose of filling the recreational Lake Albert. SPALs are a high security licence to which water must be made allocated before allocating to lower priority licences such as General Security. Every time a SPAL is issued, it reduces pool left over for General Security licence holders and thereby reduces the reliability of their access. While each SPAL may have a small impact alone, they add up (see Wagga and ACT licences below). NSWIC is not aware of any modelling that was done on its impact on GS allocations.

²⁷ [Independent Assessment of the Initial Implementation of the Resumption of flows rule, IDECs, and Active Management in the Barwon-Darling: 01 December 2020 to 31 March 2021 | Greg Claydon](#)



VI. Floodplain harvesting triggers in Namoi regulated Water Sharing Plan amended in November 2024 (without public notification) from 195 GL to 250 GL in Menindee Lakes.

In the Namoi regulated water sharing plans, the trigger permitting floodplain harvesting in the valleys was amended in November 2024 without public notice, from 195GL in Menindee Lakes to 250GL. This is primarily due to the damaged Pamamaroo Inlet Regulator, which is currently leaking water.²⁸ The knock-on effect of this wastage is that upstream communities are having water access cut, in order to make up for these losses.

It is unjust that licence holders are footing the bill for a failure in government responsibility to manage infrastructure and fix the regulator. Irrigators should not pay for delays through rules changes. This issue has been known for some time and NSWIC considers it a matter of priority to fix this regulator to avoid further water losses. We also have been told that other parts of Menindee Lakes are leaking and fixing the infrastructure must be a priority.

VII. Trading rule changes in multiple water sharing plans.

In 2024, hundreds of wetlands on private property were gazetted in several water sharing plans, including the Murray and Lower Darling unregulated plan. Many of these newly deemed significant sites have long been legally used by irrigators through custom trading rules allowing them to divert 20 per cent of the water when the wetland was full. The diversions were metered and measured to ensure compliance.

However, the trading rules were changed in 2024 so that landholders could no longer access this water. Landholders were not notified of the changes; at least one found out only when he went to trade water in for his newly planted crop, and WaterNSW refused the trade. He is facing a failed crop, and no compensation for the loss of his water access.

This is despite Departmental assurances that gazetting of wetlands in water sharing plans does not change existing land and water use.

VIII. Northern Basin Connectivity Program.

The Northern Basin Connectivity Program is another clear example of the NSW Government potentially using rules changes to reduce water access. Although the NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW) is yet to release its final modelling, the changes proposed by the Independent Connectivity Panel would see reductions for irrigators in the northern Basin of up to 8% (supplementary water in the Border Rivers).²⁹ These reductions are being contemplated despite the evidence the panel's proposed new downstream flow targets are already being met in practice under current supplementary licence access rules in the tributaries (see Appendix 4).

NSWIC sees this as inequitable and a violation of property rights. While we do not support further water recovery, our message is clear: if you want water, it must be paid for. It is unfair that the Government is increasingly conducting water recovery by stealth via rules changes,

²⁸ [Connectivity Expert Panel Final Report](#)

²⁹ [Connectivity Expert Panel Final Report](#)



rather than through voluntary and transparent purchases. While some licence holders are compensated for water loss (through buybacks), others simply have reliability slowly eroded.

IX. Minimum inflows review.

The Office of Chief Scientist and Engineer review into minimum inflows is another potential rule change that could impact water licence holders. Under this review, the benchmark for how minimum projected inflows into dams are calculated may be adjusted to consider the worst drought of record (current WSPs do not benchmark against the extreme Millennium Drought or the extreme 2017-2020 ‘Tinderbox’ drought).

Should water allocations be determined against these reduced minimum inflows calculations, the impact on general security water could be severe. This would potentially require compensation from the Government and necessitate more water recovery (as long-term annual average extraction limits would need to be lowered). NSWIC also queries how practical it is to deliver water downstream during a drought without incurring huge losses. For example, in the 2017-2020 drought, it took 27 GL of water to deliver just 1GL of water from Burrendong Dam to Nyngan and Cobar.³⁰

X. Improving the Health of the Upper Murrumbidgee project.

As part of the RoR Act, funding was allocated to a review of the Snowy Water Implementation Outcomes Implementation Deed (SWIOD). This review will aim to increase flows down the upper Murrumbidgee, through the ACT and into Burrinjuck dam. One of the potential effects of this change will be reduced reliability for water allocations on the Murrumbidgee, due to the eventual decreased inflows into Burrinjuck dam (as transmission losses are higher when water passes the long way round through the Murrumbidgee via the ACT).

With less water in Burrinjuck dam, general security irrigators will ultimately have lower Available Water Determinations. Based on initial discussions with Commonwealth DCCEEW, licence holders will not be compensated for these reductions. NSWIC is yet to receive any indication of how big an impact this will have on general security water.

XI & XII. NSW/ACT Joint Trading Framework and SPAL for Wagga Wagga

Recent announcements from NSW-DCCEEW to make changes to water sharing on the Murrumbidgee show that another roughly 1.5% reduction to general security allocations is likely. Under the NSW/ACT Joint Trading Framework, the ACT can purchase up to 7GL of drinking water from NSW to meet its growing population. The Wagga Wagga SPAL was created as a 14GL drinking water reserve that is required in case PFAS contamination in Wagga Wagga enters unsafe levels.

While NSWIC supports the hierarchy of water use in which town water is prioritised, licence holders are ultimately footing the bill for these changes to water sharing. As those last in line, any increase in volume of high priority water decreases the amount of water available for general security, supplementary, or lower-class licence holders. While in a DCCEEW roundup it was stated about the Wagga Wagga SPAL ‘in terms of scale, we are talking about the impact

³⁰ [Regional Water Strategy: Macquarie-Castlereagh | NSW Department of Planning and Environment](#)



of 20.36GL out of a General Security pool of 1,891GL.³¹ Although true for these specific reforms, we feel that NSW is not considering the cumulative impacts of every change made and the impacts over time.

XIII. Natural Resources Commission recommendations.

The NRC is increasingly advocating for measures to reduce water access and is explicitly making recommendations to the NSW government as how to avoid paying compensation to licence holders. An obvious example is the latest NRC reviews of the Murrumbidgee and Murray regulated WSPs. These documents state that ‘many of the recommendations can be advanced without triggering compensation’, listing five in the Murrumbidgee that may result in compensation and one that it considers ‘would likely not require compensation’ and seven potentially compensable recommendations in the Murray regulated WSP review. NSWIC also believes several other measures in this review may be compensable (as the NRC also acknowledges).³²

XIV. Aboriginal water special purpose access licences.

The more prominent position of Aboriginal water entitlements in recent water discussions present another rules-based risk to water allocations for licence holders. While no explicit Aboriginal water ownership target exists, there is a clear intention from the MDBA, NSW and Federal Government to increase Aboriginal water ownership. NSWIC will not make any comment on these targets but rather is concerned that some proposed changes would represent major backflips on water management rules and reduce reliability for irrigators.

For one, we note the NRC recommendation in Murrumbidgee WSPs is ‘to support cultural economies, the Water Group should work with Aboriginal communities to revise trade dealing rules to remove restrictions on allocation trades (dealings) for all categories of Aboriginal access licences.’ As it stands, cultural water licences cannot be traded, but the NRC notes that ‘given it is a high security licence it would hold significant value on the water market’.³³ If implemented, this would be a significant move that would in effect, violate the Cap and SDLs.

This is consistent with the National Cultural Flows Research Project, that states ‘for more direct control over water on Country, an ‘any purpose’ designation should apply to First Nations’ water rights. The ‘any purpose’ model would allow First Nations greater control in decision-making over water on Country.’³⁴ This document is not government policy, but \$20 million of Federal funding has been allocated to the Cultural Flows Planning for Cultural Economies grants. NSWIC does not support the creation of new licence classes that would reduce reliability of other licences and breach the Cap (undermining decades of water reform).

NSWIC sees that in the push for greater Aboriginal water ownership, the Government is at risk of undermining central water sharing rules. We acknowledge that so far, there have been no major changes to the characteristics of Aboriginal water licences but we reiterate that if pursued, the only way that Aboriginal water ownership should be increased is through

³¹ Questions from online meeting, 10 March 2025 | NSW Department of Climate Change, Energy, the Environment and Water

³² [Final report: Review of the Water Sharing Plan for the Murrumbidgee Regulated River Water Source 2016 | Natural Resources Commission](#)

³³ Ibid

³⁴ [Cultural Flows: A Multi-layer plan for Cultural Flows in Australia – Legal and Policy Design](#)



voluntary market purchases of existing entitlements. Creating new consumptive licence categories or amending existing cultural licences violates central water reform rules and poses a risk to the reliability of other licence holders.

XV. Coastal Sustainable Extraction project.

The trend towards rules changes to cut water access in inland NSW is spreading to coastal valleys. NSW coastal water users have experienced a reduction in the reliability of their water allocations primarily due to the reversal of the coastal harvestable right and a broader shift toward a more precautionary and restrictive regulatory framework.

In October 2021, landholders were granted the right to collect up to 30% of the average annual rainfall run-off across their properties. Within 12 months, this was reverted back to 10%, significantly reducing the amount of water users could legally harvest and store. This sudden policy reversal reduced the certainty and reliability of water access for users who may have made investment or operational decisions based on the 30% allowance.

Water users are already only allowed to pump from rivers when flows are above cease-to-pump levels and in accordance with Available Water Determination rules. These strict conditions, particularly on unregulated rivers (the majority on the coast), mean access to water is limited and unpredictable, especially during dry spells or short-lived flows.

The Water Sharing Plan for the Bega River Area 2024 refers to harvestable rights. Clause 68(1)(h) stipulates that *“if, within 3 years of the commencement of this Plan, an analysis of the update of harvestable rights determines the take of harvestable rights has increased above the take permitted in accordance with the 2006 Harvestable Rights Order – to modify Parts 6-8 to protect critical environmental needs and basic landholder rights.”*³⁵

This rule change permits NSW-DCCEEW to amend the operation of water allocation accounts, management of access licences for regulated and unregulated surface water and groundwater sources, and access licence dealing rules without water user compensation.

The Government's stated intent to take a precautionary approach, reduce unquantified impacts, and use of climate modelling to guide future policy decisions, suggests further tightening of access may occur, which would again affect allocation reliability. This is despite the evidence that total coastal water take is far less in practice than the volumes allocated to farmers each year, and that total take in average and wet years is a fraction of total river flows.

³⁵ [Water Sharing Plan for the Bega River Area Regulated, Unregulated and Alluvial Water Sources 2024](#)



NSWIC recommendations

Listed were just a handful of the past, present and potential rules changes that have impacted or may impact water access in NSW quite separately from the Commonwealth's water recovery program under the RoR Act. NSWIC sees rules changes as unjust and a breach of property rights. We recommend the following:

Recommendations

1. Pause all NSW rules-based water reforms until the socio-economic and environmental impacts of the Basin Plan and past State rules changes are completed, reviewed and their impacts evaluated.
2. Remove the Risk Assignment Framework's 3% threshold in clause 49 of the National Water Initiative (NWI) under which governments do not have to pay compensation for reducing water reliability or access.
3. Fully compensate any reduction in the reliability of water access in line with Clause 50 of the NWI.
4. If water recovery for the environment is pursued, voluntary purchase on the water market is the only equitable method.
5. Any water recovered for Aboriginal people for economic, social and cultural purposes should not have a negative impact on any other licence holders.
6. Any impacts on water allocation reliability through rules changes are modelled, publicised and tallied. These impacts should be collated on a public register for full transparency of cumulative impacts.

1. Pause all NSW rules-based water reforms until the socio-economic and environmental impacts of the Basin Plan and past State rules changes are completed, reviewed and their impacts evaluated.

Our view is that the Basin Plan's baseline water recovery target of 2680 GL was developed through scientific modelling, political debate and by balancing socio-economic trade-offs against modelled environmental benefits. The imposition of an additional 450 GL of water recovery under the RoR Act compounds the Basin Plan's negative socio-economic impacts without evidence that it will materially improve environmental outcomes in the absence of complementary measures like invasive species control.

NSW should not be making a bad situation worse by attempting to recover even more water for the environment above and beyond the Basin Plan targets. It should also not be attempting to do so by stealth without compensation through rules changes in water sharing plans.

NSW must pause any further work on rules-based changes until it has undertaken a cumulative impact assessment of past rules changes on water users and allowed enough time to evaluate their environmental effectiveness under different climate conditions.

NSW should also pause any further work on rules-based changes until the Basin Plan evaluation and review is complete and Basin Plan 2.0 has been developed. The next iteration of the Basin Plan may well move away from the simplistic "just add more water" approach to a more sophisticated mix of complementary measures to deliver enduring environmental improvement at a system-scale. NSW should be aligning its state-level activities to Basin Plan objectives rather than going it alone on water recovery above and beyond the Basin Plan.



2. Update the risk assignment framework in the National Water Initiative

Under the National Water Initiative (NWI), clauses 46-51 map out the risk assignment framework (RAF). The RAF outlines how risks to water availability are shared between water users and government.

Clause 49 states ‘the risks of any reduction or less reliable water allocation under a water access entitlement, arising as a result of bona fide improvements in the knowledge of water systems’ capacity to sustain particular extraction levels’ are to be shared in such a way that the water user bears the first 3% reduction without compensation.³⁶ The RAF applies the 3% as a cumulative total across the 10-year statutory period of water sharing plans.

The 3% compensation free rule was developed in 2004 before the Basin Plan, when water markets were considerably less sophisticated and the value of water entitlements was much lower. Water licences are now typically the most important asset for an irrigator; however, their reliability can be slowly eroded through rules changes. For context, the 3% threshold equates to wiping \$1.2 billion off the now \$40 billion value of tradeable water licences owned by farmers in the Murray-Darling Basin.

NSWIC views rules changes as an erosion of a property right and a form of compulsory acquisition without compensation. NSWIC believes that this clause is increasingly being abused by NSW as a way to reduce water access and avoid compensation.

Conversations with banks have also indicated that they are increasingly concerned about the ability of licence holders to pay back loans, as gross agricultural production could be negatively impacted due to rules changes reducing water availability and therefore production.

Decreased output alters the loan-to-value ratio, which in turn could impact the serviceability of loans. This places a risk on banks, which are becoming more worried about the serviceability of these loans. NSWIC sees that the 3% compensation-free threshold under Clause 49 of the NWI is no longer fit-for-purpose and should be lowered to 0%.³⁷

3. Any reduction in the reliability of water access to be fully compensated, in line with NWI clause 50

Our view is that the Basin Plan’s baseline water recovery target of 2680 GL was developed through scientific modelling, political debate and by balancing socioeconomic trade-offs against modelled environmental benefits. Many of NSW’s reforms implemented through water sharing plans, such as rules changes, go beyond its obligations under the Basin Plan and the RoR Act, and therefore compound their negative socioeconomic impacts.

Clause 50 of the NWI states: ‘Governments are to bear the risks of any reduction or less reliable water allocation that is not previously provided for, arising from changes in government policy (for example, new environmental objectives)’.³⁸ NSWIC views any water recovery above the Basin Plan’s baseline 2680 GL should be considered a new environmental goal, noting that recovery of the additional 450 GL under the RoR Act is not mandatory³⁹.

³⁶ [Intergovernmental Agreement on a National Water Initiative | Commonwealth Government of Australia](#)

³⁷ See Letter to Australian Banking Association

³⁸ [Intergovernmental Agreement on a National Water Initiative](#)

³⁹ RoR Act 2023, 85AC ‘The Minister must take all reasonable steps to increase the volume of the Basin water resources that is available for environmental use by 450 gigalitres per year before the end of 31 December 2027.’



None of the previously mentioned NSW past, current and potential rules changes are connected to the delivery of the Murray-Darling Basin's water recovery target or compliance with the SDLs. As such we consider them to be new environmental objectives. If NSW chooses to go above and beyond what is required for the Basin Plan, then it must compensate water licence holders accordingly.

In the case of programs V, X, XI and XII, NSWIC views these as changes in government policy and fully compensable. All of these relate to previously unprovided for programs that will reduce the reliability of water allocations. None of them are related to environmental objectives.

4. If water recovery is pursued, voluntary purchase on the water market is the only equitable method

While NSWIC consider more water recovery is unnecessary, we are unequivocal that if water recovery is pursued, water should be paid for. Water markets can be used to find willing sellers and the purchase of water entitlements does not directly impact the reliability of water allocations for those who remain in the pool. NSWIC views it as inequitable that under buybacks, irrigators are compensated for forgone water yet under rules-changes, they are not.

5. Any water recovered for Aboriginal people for economic, social and cultural purposes should not have a negative impact on any other licence holders

A number of existing or potential future programs may seek to increase Aboriginal water ownership. NSWIC is not commenting on the intention of these programs but again reiterating that if pursued, they should have no negative impacts on other licence holders. This again means no rules changes, no changes to the characteristics of Aboriginal water licences and instead, voluntary and transparent water purchase.⁴⁰

6. Any impacts on water allocation reliability through rules changes are modelled, publicised and tallied. These impacts should be collated on a public register for full transparency of cumulative impacts.

NSW should clearly model, publicise and tally the cumulative impact on water allocation reliability as a result of rules changes. Any impacts to reliability should then be added to a register that records all cumulative impacts.

There is currently no complete record of rules changes and their cumulative impacts and NSWIC sees it as necessary to have these clearly disclosed and tallied. Governments are obliged to compensate for rules-based changes in certain circumstances and these adjustments should be publicly logged.

⁴⁰ See [NSWIC Aboriginal Water Policy](#)



e) the effectiveness and impacts of past water reforms, including community-based water reduction adjustment programs such as the Strengthening Basin Communities program and Murray-Darling Basin Economic Development Program

NSWIC believes that community adjustment programs have largely failed to deliver meaningful, enduring economic or social resilience to communities affected by water recovery for the environment. Programs such as the Strengthening Basin Communities and Murray-Darling Basin Economic Development Program have been inadequate, poorly targeted and insufficiently responsive to the complex economic changes that occur after water buybacks.

This was noted by the Productivity Commission which stated *‘evaluation of adjustment assistance is not generally done well, but the available evidence suggests assistance is typically more effective where it leverages the competitive strengths of the local community and is well-integrated with prevailing regional development strategies and frameworks’*.⁴¹

One-off funding for infrastructure or short-term jobs does not create lasting economic resilience and communities need long-term, structural support to adjust to permanent water losses, not just grants for temporary ‘sugar hit’ projects. NSWIC has consistently highlighted that economic development funding almost never compensates for the permanent loss of wealth linked to entitlements being removed from the consumptive pool and a reduction in water used to grow food and fibre.

We also believe that funding has not always been well targeted, and that it does not always reach the areas most impacted by buybacks. Irrigation-dependent towns that had water purchased by the Government in many cases have never recovered. NSWIC is not aware of any lasting socioeconomic benefits that these grants programs have delivered for towns most affected by previous buybacks.

⁴¹ [Murray-Darling Basin Plan: Implementation review 2023 | Productivity Commission](#)



f) options to improve future community-based reduction adjustment programs including next rounds of the Sustainable Communities Program

The funding provided through the Sustainable Communities program is manifestly inadequate, given the size of predicted economic impacts to Basin communities. Only a one-off \$300 million has been provided, despite the 450GL of water recovery reducing output by up to \$500 million annually according to Frontier Economics, or \$111 million per annum under the 225GL scenario modelled by ABARES.⁴²⁴³ This amount of money will not even come close to softening the impact, no matter how well targeted it is. It also does not make up for the effects of previous water recovery, which was outlined in the 2012 Basin Plan Regulation Impact Statement.⁴⁴

Economic impacts of water recovery, 2019, relative to baseline ^(a)			
	2,400 GL/y	2,800 GL/y	3,200 GL/y
Irrigated agricultural production (\$m/year)			
<i>Impact (if all water recovered through water purchasing)</i>			
Northern Basin ^(b)	-188 (-8.8%)	-188 (-8.8%)	-188 (-8.8%)
Southern Basin	-487 (-12.5%)	-576 (-14.8%)	-666 (-17.1%)
<i>Impact (taking into account infrastructure investment)</i>			
Northern Basin	-118 (-5.5%)	-118 (-5.5%)	-118 (-5.5%)
Southern Basin	-347 (-8.9%)	-424 (-10.9%)	-507 (-13.0%)
Agricultural production (\$m/year)			
<i>Impact (if all water recovered through water purchasing)</i>			
Northern Basin	n/a ^(c)	-176 (-2.2%)	n/a
Southern Basin	n/a	-557 (-6.8%)	n/a
<i>Impact (taking into account infrastructure investment)</i>			
Northern Basin	-114 (-1.5%)	-114 (-1.5%)	-114 (-1.5%)
Southern Basin	-307 (-3.7%)	-379 (-4.6%)	-452 (-5.5%)
Gross regional product (\$m/year)			
<i>Impact (if all water recovered through water purchasing)</i>			
Northern Basin	-177 (-0.7%)	-179 (-0.7%)	-182 (-0.7%)
Southern Basin	-463 (-1.3%)	-542 (-1.5%)	-616 (-1.7%)
<i>Impact (taking into account infrastructure investment)</i>			
Northern Basin	-112 (-0.4%)	-113 (-0.4%)	-117 (-0.4%)
Southern Basin	-331 (-0.9%)	-400 (-1.1%)	-468 (-1.3%)

(a) Figures are derived from ABARES (2011). For comparison purposes, baseline irrigated agriculture production is estimated to be \$6.04 billion per annum, agricultural production \$16.06 billion per annum, and basin economy is \$63.8 billion per annum.

(b) For the northern basin, modelled reductions in water availability for the 2,400 GL/y and 3,200 GL/y scenarios were identical to the 2,800 GL/y scenario. Refer to ABARES (2011:88).

(c) Items in the table marked "n/a" cannot be derived from the model outputs.

⁴² [Social and economic impacts of Basin Plan water recovery in Victoria | Frontier Economics](#)

⁴³ [The impacts of further water recovery in the southern Murray-Darling Basin | Australian Government Department of Agriculture, Fisheries and Forestry](#)

⁴⁴ [Regulation Impact Statement: Basin Plan | Murray-Darling Basin Authority](#)



Table 2. Economic impacts of water recovery, relative to June 2009 baseline

We have also expressed frustration that the rollout has been slow and not particularly geographically targeted. NSWIC does acknowledge that this in part stems from the breakneck speed at which buybacks are being conducted by Commonwealth DCCEEW. Under the 450GL buyback tender, Commonwealth DCCEEW has allowed very little time to publicise even the most basic facts like where buybacks are taking place and what the impacts might be on local communities.

This makes a targeted support program very difficult, as NSW has no clear picture of which communities will be most affected by buybacks and how economic impacts can be mitigated. Because of this, the Sustainable Communities program has had to spread its \$160 million across all of southern NSW, despite the fact that the impacts of buybacks will not be spread evenly across the region. This means that communities most affected by buybacks may not receive a commensurate level of financial support.

Finally, funding levels are too low to create any meaningful economic impacts. Lasting economic investments that help develop or grow new industries require targeted and large-scale investment. While there was awareness from the Sustainable Communities program that investments from previous rounds had no lasting impact, we do not believe that the Commonwealth funding has given NSW the tools it needs to properly adapt to the loss of productive water.



g) any other related matter

What NSW can do to reduce the impacts of the RoR Act 2023

NSWIC sees that while the RoR Act has serious negative implications for regional inland communities, the NSW Government itself is making a bad situation worse due to the scale and nature of state-level water reforms being pursued. We believe that NSW state reforms are compounding the negative socioeconomic impacts of RoR, by in many instances going beyond what is required to comply with the Basin Plan. In this section, we will outline what NSW can do to lessen the impacts of the RoR Act and ease the burden on farmers and their communities.

Issues in water management and risks to delivery of RoR 2023

What NSW can do to lessen impacts of RoR 2023?

1. Pause all rules-based reforms in NSW water sharing plans pending the Murray-Darling Basin Plan evaluation and review, and development of Basin Plan 2.0.
2. Re-evaluate the scale and timing of reforms
3. Change its approach to consultation
4. Prioritise delivery of unfinished programs
5. Clarify the role of the Natural Resources Commission in water sharing
6. Look beyond water recovery for environmental gains

1. *Rules-based reforms.*

These issues have been discussed in detail above under d).

2. *Re-evaluate the scale and timing of reforms*

NSWIC has identified 25 State, Federal and MDBA programs, reviews and reforms that are currently ongoing.⁴⁵ NSWIC sees the scale and pace of reforms are too great, particularly as we do not yet know the outcome of two major MDBA reviews – the Sustainable Rivers Audit and Basin Plan Evaluation - that are due in 2026.

On top of this, an additional 450GL of environmental water will potentially be available by the end of 2026, which further shifts the balance between consumptive and environmental water.

There is consultation and reform fatigue amongst many irrigation stakeholders overwhelmed by the overlapping final stages of the Basin Plan with numerous Commonwealth and state-based reviews and reforms.

a) Orderly review of NSW programs, reviews and reforms

The DCCEEW Water Group struggles to design and deliver efficient and practical major reforms in a reasonable timeframe. Instead, poor and overly complex designs lead to deadlines being missed, and programs dragging on for years with a commensurate ongoing drain on time, budget and staff.

⁴⁵ See Appendix 2



The accumulation of unfinished and ‘new reforms and priorities’ is driving reform and consultation fatigue among stakeholders, while it is increasingly evident the Department hasn’t the time or resources to deliver such an overwhelming, crowded reform agenda with the appropriate process or analytic rigour.⁴⁶

Further, neither DCCEEW-Water nor stakeholders and communities can devote proper energy and resources to meaningful engagement and consultation as the timelines are too tight and resources are stretched.

The accumulation of unfinished and new reforms and priorities is also driving the WAMC expenditure blowout to almost \$180 million in 2024-25, almost triple the IPART-allowed expenditure of ~\$60 million.

NSWIC believes that there needs to be a stocktake of NSW programs, whereby the ‘nice-to-haves’ are shelved in favour of core business. Implementation should be triaged with a shift to focusing on water quality (rather than quantity) and addressing degradation drivers such as invasive species and lack of fishways.

b) Triage programs

DCCEEW-NSW should hold off on major additional state reforms until the Basin Plan has been evaluated, and Basin Plan 2.0 developed. Communities are fatigued after many years of difficult water reform. NSWIC believes the immediate priority should be streamlining NSW departmental processes, improving consultation (particularly on WSPs) and getting NSW SDLAM projects moving forward.

c) Prioritise delivery

Water sharing plan reviews

WSPs are the nuts and bolts of water management in NSW and the way that irrigators are most immediately impacted by water regulations. These determine how water is best shared between the environment and human use and require thorough consideration and consultation. NSWIC believes that the current process could be considerably improved, as will be outlined shortly.

SDLAM constraints and supply measures

The failure to meet the deadline for SDLAM projects has been well publicised. While the constraints component is a complex reform that requires coordination and negotiation amongst thousands of landholders, it remains a fundamental part of the Basin Plan and its delivery should be prioritised.

These programs allow for the optimised environmental water delivery to floodplains and are crucial for maximising environmental outcomes (as noted by the Productivity Commission).⁴⁷

There have also been delays on some of the infrastructure projects tied to SDLAM offsets, and these should be given priority. Successful delivery of these projects also decreases the likelihood of more water recovery in the event of a shortfall to the target 605 GL.

⁴⁶ See Appendix 3 for more information on NSW DCCEEW-Water’s programs of projects and reforms has built up over time in NSW.

⁴⁷ [Murray-Darling Basin Plan: Five-year assessment | Productivity Commission](#)



d) Shelve programs going beyond Basin Plan compliance

NSWIC believes NSW is undertaking far too many reforms concurrently or too soon before previous reforms have been given a chance to work; many of these reforms go beyond what is required in the Basin Plan. We are also concerned that there is no clear understanding of how different programs will interact and affect each other. NSWIC supports temporarily halting the following programs until the Basin Plan has been delivered and a meaningful stocktake of programs and progress has been done.

Shelve temporarily

1. Northern Basin Connectivity review
2. Minimum inflows review
3. National Water Agreement
4. Coastal Sustainable Extraction Project

Northern Basin connectivity review

NSWIC has raised concerns around the independent connectivity panel review to NSW-DCCEEW. There were a range of limitations in its modelling, including: the effects of floodplain harvesting regulations, inflows from Queensland, the impact of Commonwealth Environmental Water, future water recovery under Bridging the Gap and data from unregulated water sources. The review also ignored that gauge data shows the panel's recommended new downstream flow targets are already being met in practice by WaterNSW river operators under the current supplementary licence and floodplain harvesting rules.⁴⁸

The MDBA also recently calculated that there are 51 separate initiatives that focus on improving connectivity in the Basin.⁴⁹ NSWIC is not aware of any document that has comprehensively measured the positive impacts that these 51 initiatives have had on downstream connectivity. Despite this, NSW has spent considerable time and money commissioning the independent panel review into connectivity, now followed by an internal review and more modelling to inform potential rules changes in three water sharing plans.

This internal review and modelling will not be released to stakeholders until mid-2025 at the earliest, leaving stakeholders with very little time to analyse the complex modelling and implications, much less engage in meaningful, in-depth consultation, before the water sharing plans are finalised by 30 June 2026.

NSWIC asks that the connectivity review is sidelined until a proper stocktake of all programs is completed and the impacts of the previous mentioned reforms have been measured. Bridging the Gap purchases will likewise add an extra 21 GL to the environmental bucket and there will possibly be additional water recovery in the northern Basin, including Queensland, as outlined by the November 2024 RoR update.⁵⁰ The NSW Department should measure the impacts of previous connectivity changes, all environmental water recovery and real-time river operations, rather than start from an assumption that more change is necessary.

⁴⁸ See Appendix 4 for NSWIC analysis of supplementary announcements and minimum gauge targets proposed by Connectivity Panel

⁴⁹ [Stocktake and options for improving connectivity in the Northern-Murray Darling Basin | Murray-Darling Basin Authority](#)

⁵⁰ [Restoring our Rivers: Delivering the 450GL Implementation Plan – November 2024 Update | Commonwealth Government Department of Climate Change, Energy, the Environment and Water](#)



Minimum inflows review

The minimum inflows review does not need to be rushed for inclusion in the revised regulated water sharing plans due to come into effect on 1 July 2026. It is also unfair to expect stakeholders to come to grips with two major and interacting proposed reforms in the same limited consultation period, the other being the connectivity review above.

We understand that NSW-DCCEEW is obliged to conduct this review as part of a legal settlement relating to the Border Rivers WSP, but water sharing plans can be amended at any time⁵¹. This review may lead to a range of negative impacts on water users and the Government alike, and time must be allowed for comprehensive engagement with all stakeholders on the modelling and analysis. As mentioned, it would also be unwise to make major policy changes linked to long-term climate change scenarios until Basin Plan 2.0 is finalised.

NSWIC also notes that Victoria's equivalent 'Long-term water resource assessments and strategies' (LTWRAS) has not been reviewed with the same urgency as NSW. Victoria is supposed to conduct its LTWRAS every 15 years but delayed it a further six years (conducting the review in 2025 rather than 2019).⁵² NSW has not shown the same measured approach, instead rushing to complete this review, with the potential that this review will co-inside with the final stages of the Basin Plan and the NSW reviews of two major water sharing plans (Murrumbidgee and Murray regulated).

In our view, the impacts of the minimum inflows review on the formula for annual water determinations under water sharing plans could be significant. This could create impacts on water allocations (and trigger compensation), impact further Basin Plan water recovery (due to changes to LTAAELs) and reduce allocations to environmental entitlements held by CEWH. Given the scale of this review, NSWIC does not believe it should be rushed through, while other major projects are still ongoing. A reform of this import needs to have a proper process of consultation and serious consideration of impacts.

National Water Agreement

While NSWIC understands that the NSW Water Minister has committed to updating the 2004 National Water Initiative (NWI), NSWIC prefers that time is taken to get the document right and ensure that all stakeholders are heard, rather than rushing through a new National Water Agreement. As was outlined in NSWIC's submissions, we see that hurrying into signing this could place a significant regulatory and financial burden on NSW. These need to be properly considered and as such, we would recommend delaying this Agreement until after the end of the Basin Plan evaluation and review.⁵³

Coastal Sustainable Extraction project

While the RoR Act directly affects water users in the Murray-Darling Basin, the Act and the Basin Plan in general also strongly influence water policy in NSW's coastal valleys. The NSW Government's proposed Coastal Sustainable Extraction Project is a case in point, potentially seeking to use rules changes in water sharing plans to limit farmers' water access.

⁵¹ DCCEEW-NSW regularly amends WSPs during their 10-year statutory timeframes. In November 2024, the Namoi regulated WSP was quietly amended to change the floodplain harvesting trigger from 195 GL to 250 GL in Menindee lakes, without public notification and without waiting for the WSP's formal statutory review starting mid-2025. No presentations on WSPs since have acknowledged this new trigger.

⁵² [Long-term water assessments and strategies | Victorian Government Department of Energy, Environment and Climate Action](#)

⁵³ See NSWIC's September 2024 submission to the [Draft National Water Agreement](#)



NSWIC regards this project as unnecessary and unjustified based on the available evidence. Chronic underutilisation of water entitlements across NSW coastal catchments highlights the minimal impact current water users have on the environment, rendering further restrictions and regulatory reforms redundant and potentially damaging to communities.

WaterNSW's own data underscores that water in coastal valleys is significantly underutilised. According to the 2016 scoping study, the North Coast used only 5% of its available water entitlement, the South Coast utilised just 23% and the Hunter Valley ranged from 57% to 75% utilisation.⁵⁴ These figures illustrate that the vast majority of licensed water entitlements and allocations are not being used, reflecting a longstanding pattern of low-impact water use. Unlike inland catchments, where over-extraction has in the past been a concern, coastal areas are operating well within ecological limits.

The claim that the project is necessary to protect downstream users and the environment overlooks the robust existing rules that already prevent over-extraction. For one, water can only be taken when flows are above cease-to-pump thresholds, as defined by WSPs. Secondly, extraction is bound by long-term average annual limits and must comply with licensing rules.

This review is creating unnecessary uncertainty for coastal irrigators and using Departmental resources that would be better deployed to completing other projects.

e) Other ongoing programs

Listed below are just a few more of the current water programs that are also being rolled out at a state and federal level. NSWIC understands that some of these are being driven by the Commonwealth government, but there often appears little coordination or understanding of how these reforms are all intersecting. These programs are generally being pursued independently of each other, despite there being clear overlap and interplay between them.

For example, large-scale buyback tenders are currently taking place in the southern Basin to contribute to up to 450GL of water for the environment. Assuming that this target is met, this will have a noticeable impact on the overall balance between consumptive and environmental water. Despite this, NSW is also undertaking work that will potentially recover even more water for the environment. These include the Connectivity and Minimum Inflows reviews, and many other proposed changes to WSP rules as detailed above in section d). It is unwise and counterproductive for NSW to pursue these reforms when the Sustainable Diversion Limits will have yet again shifted (assuming the 450GL is delivered).

NSWIC also believes that NSW-DCCEEW should focus on completing its current programs before pursuing further reforms. Of the list below, programs 1-5 remain unfinished (WSP reviews being ongoing). This continual expansion of programs means that resources are being stretched thin within the Department and time cannot be properly dedicated to delivering reforms. For a detailed list of how the workload is ballooning, see Appendix 2.

⁵⁴ [IPART: WaterNSW Review of prices for rural bulk water services from 1 July 2017 to 30 June 2021 | Independent Pricing and Regulatory Tribunal](#)



This ballooning work program is also a major driver of the proposed 88 per cent increase in revenue the Department is seeking from water users via water bills in the latest WAMC pricing proposal to IPART for the 2025-2030 pricing determination period.

Other ongoing programs

1. Non-urban water metering reform (NSW)
2. Floodplain management plans (NSW)
3. Floodplain harvesting licencing (NSW)
4. SDLAM Constraints Relaxation and Infrastructure (NSW)
5. Water sharing plan reviews (NSW)
6. IPART pricing determination (NSW)
7. Aboriginal Water Entitlements Program (Commonwealth)
8. Commonwealth water buybacks (Commonwealth)
9. Improving the Health of the Upper Murrumbidgee (Commonwealth)

3. *Change its approach to consultation*

In the past few years, there has been a noticeable shift in the way that consultation is conducted. NSWIC and its members feel that outcomes would be noticeably improved if changes are made to how the Department engages with stakeholders. Previous approaches could even be used as starting point, as many members have noted that consultation used to start earlier and be far more transparent and comprehensive.

a) Previous approaches

Initially, WSPs were designed by river management committees that had representatives from industry, the environment, local government, the Department and WaterNSW. These operated on consensus and developed the original WSPs. After these plans were complete, customer service committees, which likewise contained a range of local stakeholders and interests, continued to meet regularly to fine-tune the plans.

These were then replaced by stakeholder advisory panels (SAP) where local interests put forward proposals for how to best manage river operations. These panels met quarterly and discussed how to optimise rules and assess the effectiveness of water sharing plans. All stakeholders were represented in these meetings, including irrigators, environmental interests, fisheries representatives, local councils and industry. All discussions were had publicly and openly, and decisions were made in a step-by-step manner in meetings that happened several times per year. All decisions were therefore clearly understood by all stakeholders long before being translated into water sharing plans.

b) Current consultation method

The ongoing reviews into six unregulated and one regulated WSPs are a clear demonstration of the flaws with the current approach to reviews.⁵⁵ By way of a timeline, the NRC reviews of the seven WSPs were first released between January and June 2023. But the NSW-DCCEEW only put the WSPs on public exhibition for feedback in November 2024, just nine months before they are due to come into effect on 1 July 2025.

The WSPs included maps with thousands of wetland sites on private properties, most of which were ultimately identified as incorrect. However, the Department said it did not have the time

⁵⁵ These are the Barwon-Darling, Macquarie/Bogan, Lachlan, Namoi, Gwydir, Murrumbidgee Unregulated and Belubula Regulated that are due to be finalised on 1 July 2025



or resources to notify each affected landholder and properly ground-truth each site; instead the onus was put on landholders to advise the Department.

In the midst of public outcry, the maps were revised and most sites removed in March 2025. But, again, the onus was put on stakeholders and landholders to provide feedback in only two weeks, with the Department saying it did not have the time or resources to contact all affected landholders to be sure they knew a site was on their property.

All up, the consultation period on this substantial change was only nine weeks, and many regulatory issues remain outstanding. However, the Department seems determined to still rush this through by the 1 July 2025 deadline, when the issue could be carved out of the WSP review process to enable a timely and orderly resolution.

NSWIC sees this as symptomatic of the Department's consultation approach and would like to highlight the poor outcomes that it has led to. For one, the timelines were too short – WSPs were open to comment for only nine weeks (including the height of harvest and the Christmas break). This crunched time frame is difficult to understand, given that reviews happen every ten years and the Department is aware of when reviews need to take place well in advance.

Secondly, at no point did representatives from industry and the government ever all meaningfully meet to discuss the proposed changes together. This meant that those affected do not feel that they had contributed or even been made aware of much of the thinking behind proposed changes. This contrasts with previous approaches where decisions were made openly with all stakeholders present.

We believe these consultation processes show that the Department is stretched with resources and does not have the time to properly deliver reforms. Recent changes to wetland rules are a useful case study. Despite there being obvious errors with wetland mapping, this was not picked up at any stage of the internal review process and maps were publicly released, with strong blowback from landholders.

Upon review, most wetlands were removed, as the maps were acknowledged to be erroneous. This process took up more valuable time and resources from the Department and stakeholders alike. If the WSP review process was conducted over a longer period, with more open reviews and proper input from landholders, this debacle could have been avoided entirely.

Consultation on coastal harvestable rights (CHR) also demonstrates the breakdown of NSW-DCCEEWs consultation methodology. In 2022, NSW-DPIE began a "CHR Catchment Based Assessment" stakeholder group. Meetings were held at regular intervals, and selected stakeholders worked collaboratively with DPIE staff to co-design the CHR assessment tool. Stakeholder expertise was sought simultaneously to project progress, consequently stakeholder feedback was incorporated immediately into the project. Stakeholders felt valued and were confident their knowledge helped shape aspects of the tool.

When the CHR limit was reverted to 10% in September 2023, the CHR catchment-based assessment project ceased. Instated in its place was Coastal Sustainable Extractions project. In the last 19 months, NSW-DCCEEW has provided only one 30 minutes presentation to NSW Irrigators Council membership, with all other information coming through the Department website. Stakeholders have not seen the CSE framework or eco-hydrological methodology and have not had opportunity to contribute their knowledge or provide feedback on the framework. The negative consultation for the CSE project stands in stark opposition to the positive consultation opportunities given during the CHR catchment-based assessment.



NSWIC notes that consultation for the non-urban water metering review demonstrates that the NSW-DCCEEW has capacity to engage in effective consultation when given longer timeframes and appropriate resourcing. Between May 2023 and May 2024, DCCEEW-NSW organised at least eight separate consultation opportunities for water users, comprising of public webinars and targeted consultation meetings. During targeted consultation meetings, the Department sought feedback on specific aspects of the project. In subsequent meetings, they presented on how they had incorporated stakeholder feedback in the decisions made, providing stakeholders the opportunity to raise concerns or as questions. Stakeholders felt their concerns were heard in real time, and saw their feedback incorporated into the metering solutions and recommendations.

c) More meaningful consultation

NSWIC feels that the nature of consultation is often tokenistic and does little to meaningfully engage stakeholders. It is commonplace for NSW-DCCEEW to facilitate online webinars that focus on information sharing but limit real engagement with project decision making or project staff. This contrasts markedly with previous approaches like the Stakeholder Advisory Panels, that saw stakeholders of all stripes (irrigation, environment, government, etc.) meet regularly to discuss changes and suggest improvements to management plans. Water users would prefer the return to advisory panel style consultation sessions that allow for project information and feedback to be properly discussed and considered.

Regarding water sharing plan reviews, NSWIC views the current consultation methodology to be inadequate. For one, consultation is too short, with the most recent unregulated WSPs having been open for comment for only a total of nine weeks. This is a marked difference from previous approaches, which often had years of consultation and fine tuning.

When engaging in consultation, stakeholders dedicate significant time and effort into submissions, but their ideas and recommendations are rarely, if ever, incorporated into the final reform. ‘What we heard’ reports amount to just a summary of what the Department thinks stakeholders said in submissions, meetings and webinar; they often reveal that the Department didn’t really listen, or missed the point. Nowhere do these reports record what the Department has taken on board from the public engagement, and if not, why not.

NSWIC believes that NSW-DCCEEW needs to prioritise and reduce the number of reforms it is pursuing, so that it has the time and resources to put into meaningful consultation on the priority reforms. This would address both reform fatigue among stakeholders after 20 years of too many state and federal reforms being piled on too quickly, and consultation fatigue by reducing the number of reforms requiring consultation and doing them well.

Water trading rules in Coastal Water Sharing Plans

Water trading and water markets are currently stifled as coastal valleys have been broken down into small trading areas based on types of flows. Consequently, limited trading takes place, and markets have not developed properly. Ineffective operations of water trading and the water market have resulted in negative economic outcomes for water users.

The National Water Initiative (NWI) seeks to remove barriers to water trade. Objective (23)(v) of the NWI calls for: *“progressive removal of barriers to trade in water and meeting other requirements to facilitate the broadening and deepening of the water market, with an open trading market to be in place.”*



Specifically, Section 58 (i) of the NWI outlines: “*The States and Territories agree that their water market and trading arrangements will: i) facilitate the operation of efficient water markets and the opportunities for trading, within and between States and Territories, where water systems are physically shared or hydrologic connections and water supply considerations will permit water trading.*”

The NSWIC Coastal Valley Forum has raised this issue on a number of occasions during consultation with NRC and NSW-DCCEEW. We explain that the breakdown of water trading zones in coastal valleys is not aligned with NWI principles. Where water systems are either physically shared, or there is a hydrologic connection, and water supply permits water trading, then trading should be made possible

Yet, to date this recommendation has not been put into effect by DCCEEW. No information has been provided about the reasoning to not change current water trading areas. This is frustrating to water users who can see the benefits of water markets in their community but effectively have their recommendations ignored.

d) Review timelines need to be re-assessed

The current review periods are such that WSPs are reviewed in large clusters, rather than being evenly spaced out. We understand that many WSPs were originally legislated at the same time, and due to mandatory review clauses, several reviews tend to fall within the same period. However, it is clear that this is causing issues for the NRC, the Department and stakeholders alike. Legal changes should be made to better space out reviews, so that the workload is more manageable.

Water sharing plan review recommendations

1. Amend review timelines so that 10-year reviews are staggered more evenly.
2. Begin each review at least two years in advance of the WSP expiry date.
3. Convene valley stakeholder advisory panels to work through iterations of WSPs with the Department before they are publicly exhibited for general feedback.
4. At least two iterations to be public exhibited for comment.
5. Stakeholder Advisory Panel to see final WSPs submitted for concurrence, with no further changes made internally without consultation.
6. Consultation takes place in open and interactive forum, with at least one face-to-face meeting

4. Prioritise delivery of unfinished programs

NSWIC feels that NSW could ease the general anxiety and frustration around water reforms exacerbated by the RoR Act, if it prioritises completion of unfinished reforms and projects.

As it stands, several programs remain unfinished and this is causing distrust in Departmental processes. For example, there have been longstanding issues with IDECs and meter calibration on the Barwon-Darling, yet they remain unresolved. The Yanco creek SDLAM project has been ongoing since 2018 and we have seen almost no progress in the seven intervening years. The need for a fish ladder in Menindee has been on the to-do list for many years but no permanent solution has yet been delivered.



Menindee fish ladder

A fishway was mooted as part of the 2017 Menindee SDLAM project, and then again in October 2021 as part of Better Baaka Program. In between, two mass fish deaths occurred at Menindee Lakes between December 2018 and January 2019. A lack of fish passage was identified by the NSW Office of Chief Scientist and Engineer as one of the major causes of a third mass fish death event in March 2023.

Despite this history, NSW is still no closer to construction of a fish ladder, opting instead in 2024 for a temporary fish tube for passage while spending \$8.3 million of state and federal funding and three years to write a business case (as if millions of fish dying didn't make the case already).

NSWIC believes that the time for business cases has passed and real action is needed on fish passage. Commissioning another study is simply a waste of resources.

SDLAM Acceleration: Yanco Creek Modernisation

This SDLAM Acceleration project has been in development since 2018, along with another SDLAM project called the Yanco Offtake, with a combined budget of \$84m in 2018 but the Yanco Offtake was officially shelved in 2023.

The Modernisation project originally consisted of four large regulators and numerous other sites for modernisation, with a completion date of June 2024. The current commitment is to build two regulators and a few of other small structures by December 2026, yet no works have commenced. The new budget for the project is now \$142m.

This project has seen constant staffing changes, and backflips on initial proposals that had community support. There is immense frustration at the delivery of this project, with millions of dollars, time and staffing wasted on its implementation.

Non-urban water metering review

At the end of 2024, NSW-DCCEEW finished its review of the Non-Urban Water Metering review. It is now in the process of implementing review recommendations by mid-2025. Recommendations include the amendment of metering and floodplain harvesting requirements in the Water Management (General) Regulation 2018 and redrafting them for the Water Management (General) Regulation 2025 to come into effect on 1 September 2025.

Amendments made to the Water Management (General) Regulation 2018 came into effect on 7 March 2025. Some metering outcomes have been improved through the broadening of exemptions. However, compliance barriers beyond the control of water users remain, primarily due to:



1. Inconsistency of metering requirements and compliance dates between regulatory instruments (i.e., statutory water sharing plans, metering conditions on approvals and licences, and State Government policy) for coastal water users
2. Foundational shortfalls of the telemetry systems which should result in telemetry requirements being decoupled from metering requirements
3. Limited practical alternative measurement options for floodplain harvesting

NSWIC remains concerned that proposed redraft of metering requirements in the Water Management (General) Regulation 2025 will allow these issues to persist⁵⁶.

NSWIC also remains concerned that appropriate resourcing will not be given to the recommended Coastal educational roadshow. Of NSWs 40,000 water licence holders, over half are located in coastal NSW. For the roll out of the revised metering reform to be effective, the coastal roadshow must have defined strategy and rollout plans, resource development, staff training and communication with water users.

We believe that in many cases, NSW-DCCEEW is beyond its capacity to implement the numerous programs that are operating concurrently and this is contributing to its budget blowing out, and programs being poorly designed, rushed and unfinished.

A large portion of these delays are ultimately being paid for by irrigators, through licencing and delivery charges, The WaterNSW and WAMC pricing proposals to IPART for the 2025-2030 pricing determination propose combined rural water price increases up to 341 per cent by 2030.⁵⁷

NSWIC does not see it as fair that irrigators should be made to pay the lion's share of departmental costs only for programs to not be delivered on time or within budget. On top of this, there is a strong feeling that customer service for water users has been declining year-on-year. This issue can only be addressed with a serious evaluation of program priorities and timelines, to ensure that licence holders are getting value for money.

5. Clarify the role of the Natural Resources Commission in water sharing

NSWIC is concerned about NRC's narrow focus when reviewing WSPs. Its recommendations increasingly advocate for changes that go well beyond the sustainable diversion limits and environmental objectives that NSW agreed to under the 2013 Intergovernmental Agreement on implementing the Basin Plan. While the Basin Plan satisfied neither environmental advocates nor industry, it was nonetheless a negotiated outcome intended to provide certainty for all stakeholders.

NRC recommendations, however, consistently seek to move the goal posts to reduce NSW water diversions beyond Basin Plan. This has serious implications for water governance, creates uncertainty for water users and compounds the negative socioeconomic impacts of the Basin Plan and the RoR Act.

For example, the latest NRC review on the Murrumbidgee and Murray WSPs states 'legislated sustainable diversion limits were not based on scientific determinations of environmental

⁵⁶ NSWIC Submission: Remake of Water Management (General) Regulation 2025

⁵⁷ See [IPART Issues Paper: WAMC and WaterNSW pricing proposals | NSW Irrigators' Council](#)



needs and do not achieve the majority of the hydrological targets required to represent a 'sustainable level of take.'⁵⁸

Further, the NRC states 'water sharing is not about balancing uses and values – it is about first providing for the environment and second recognising basic landholder rights above other uses.'⁵⁹ Despite this, we are not aware of any document where the NRC explicitly discloses what it believes is the volumetric sustainable level of take⁶⁰.

NSWIC believes that contrary to what the NRC recommends, water sharing *is* about balancing uses and values. This is how all public policy is implemented – it acknowledges trade-offs between certain outcomes and attempts to strike a balance that achieves key goals without majorly disadvantaging one group over another.

The Basin Plan attempted to reconcile the needs of the environment with the economic impact of water recovery and arrived at a water recovery figure that was seen to get the balance right. This is what NSW signed up to in the Basin Plan's 2013 Intergovernmental Agreement.

Further, the NRC consistently neglects to consider how the WSP has contributed to economic outcomes, and how its recommendations might influence those outcomes. For example, the Murrumbidgee and Murray WSP reviews include at least five and seven recommendations respectively that would reduce water access for productive use.

The NRC does not outline the economic impacts of these reforms, nor does it take account of the fact that water use is consistently below the Basin Plan's Sustainable Diversions Limits. Instead, the NRC outlines how the Government could advance its recommendations without paying compensation to licence holders. This amounts to compulsory acquisition by stealth and without compensation to recover more water for the environment, at the same time as the Commonwealth Government is aggressively pursuing more water buybacks in the southern Basin under the RoR Act.

The NSW Government agreed under the 2013 Basin Plan intergovernmental agreement that no water entitlements will be eroded or compulsorily acquired as a result of the Basin Plan.

Implementing NRC recommendations that explicitly seek to get around this principle and further reduce farmers' water reliability and access amounts to a conscious NSW Government decision to compound the negative impacts of the RoR Act.

a) Departmental responses

NSWIC notes that the Department is not obliged to adopt NRC recommendations, but it often claims it had no choice when introducing NRC-inspired changes to water sharing plans. In doing so, the Department is failing in its responsibility to implement policy in the wider public interest, and properly consider socioeconomic wellbeing and impacts.

It bears repeating: the NSW Government agreed under the 2013 Basin Plan intergovernmental agreement that no water entitlements will be eroded or compulsorily acquired as a result of the Basin Plan.

⁵⁸ [Final report: Review of the Water Sharing Plan for the Murrumbidgee Regulated River Water Source 2016 | Natural Resources Commission](#)

⁵⁹ Ibid

⁶⁰ The NRC references the 2019 South Australian Royal Commission into the Murray-Darling Basin Plan for evidence of this claim.



Implementing NRC recommendations that explicitly seek to get around this principle and further reduce farmers' water reliability and access amounts to a conscious NSW Government decision to compound the negative impacts of the RoR Act. The Department and the Government need to take responsibility if they make this decision, rather than pretending the NRC made them do it.

Recommendations

1. NRC to clearly define what it considers a sustainable volumetric level of take.
2. Government to provide policy clarity that water diversions will not be further reduced below agreed Basin Plan limits through water sharing plans.
3. Require the NRC to explicitly consider third-party and socioeconomic impacts of its recommendations.
4. Require the Department to publish NRC reviews immediately they are submitted, rather than waiting months to slip them up on the website.

6. Look beyond water recovery for environmental gains

Whether it is through Departmental reviews, NRC recommendations or changes to WSPs, eroding farmers' water access is the prevailing NSW policy approach to improving river health. This reflects and compounds the Basin Plan's flawed 'just add more water' fix to complex environmental problems.

To date, more than 2700 billion litres of water has been recovered from NSW Murray-Darling Basin farmers over the last 20 years under state reforms and the Basin Plan. Diversions for agriculture, towns and industry are now only about 28% of total inflows, well within global sustainability standards presented at the 2023 MDBA River Reflections conference. Diversions are also consistently below the Murray-Darling Basin Plan's Sustainable Diversions Limits.

The additional water for the environmental is delivering localised environmental gains, but at a Basin-wide scale, native fish are still declining, waterbirds are not showing enduring recovery, and water quality remains problematic. The answer is not adding even more water under the RoR Act and NSW rules changes in water sharing plans but addressing the major degradation drivers suppressing environmental recovery. These drivers include lack of fishways and modern fish screens, invasive feral species such as European Carp, and cold-water pollution.

We believe that the NSW Government needs to shift its focus towards so-called complementary measures to address the degradation drivers, and meaningful partnerships with water users to help deliver those measures. The continual undermining of water reliability through state-based reforms, on top of the previous and current water recovery through the Basin Plan, has left many irrigators weary and distrustful of government programs. We believe that there needs to be a shift in approach, whereby changes to water sharing arrangements are set aside in favour of other environmental programs. NSWIC has outlined a number of possible programs in our 'Working Together' document.⁶¹

These programs are truly win-win and are widely supported by irrigators. For example, fish screen programs are generally oversubscribed by irrigators and are a proven way of protecting

⁶¹ [Working-together: A call to action. How irrigation industries, communities, and the environment are working together | NSW Irrigators' Council](#)



native fish populations. Riparian management, pest control, fish passageways and cold-water pollution are likewise known to benefit water systems and yet not enough has been invested in these areas. Given the large-scale realignment in the balance between productive vs. environmental water in recent years, NSW needs to maximise outcomes with this water and invest seriously in complementary measures.

Conclusion

As has been highlighted, many regional and rural communities are already facing immense uncertainty over the Commonwealth decision to pursue more water recovery from irrigators. This means less water for productive use and higher water prices, which damages smaller irrigation businesses and the communities that they underpin. The Commonwealth has not conducted the latest buybacks in a staged and targeted manner, taking no time to measure impacts and provide necessary community assistance.

The NSW Government is compounding the Commonwealth impacts by separately pursuing rules changes through water sharing plans that ultimately further reduce farmers' access to water and go beyond the targets NSW agreed to in the Basin Plan. NSWIC sees rules changes based on reducing the reliability of water entitlements and farmers' access as a form of compulsory acquisition by stealth without compensation. We view that any reduction in reliability should be compensated, as outlined in the NWI. The constant undermining of entitlement reliability provides no certainty to irrigation businesses in investment and planting decisions and slowly erodes licence values.

NSWIC also believes that NSW-DCCEEW is struggling to successfully deliver on numerous ongoing reforms and is failing on many of its core responsibilities. Poor consultation, a chaotic work program, a lack of harmony in program delivery and a singular focus on water volumes are hindering progress on water reform.

This has led to ballooning delivery costs and numerous unfinished programs. Delivery should be streamlined and triaged, in order to improve water sharing plan reviews, deliver on SDLAM offsets, invest in complementary measures and ensure meaningful consultation. This approach would ease the impacts of RoR 2023 on Basin communities and ensure certainty for irrigators.

Kind regards,

NSW Irrigators' Council.



NSW Irrigators' Council

The NSW Irrigators' Council (NSWIC) is the peak body representing irrigation farmers and the irrigation farming industry in NSW. NSWIC has member organisations in every inland valley of NSW, and several coastal valleys. Through our members, NSWIC represents over 12,000 water access licence holders in NSW who access regulated, unregulated and groundwater systems.

NSWIC members include valley water user associations, food and fibre groups, irrigation corporations and commodity groups from the rice, cotton and horticultural industries. NSWIC engages in advocacy and policy development on behalf of the irrigation farming sector. As an apolitical entity, the Council provides advice to all stakeholders and decision makers.

Irrigation Farming

Irrigation provides more than 90% of Australia's fruit, nuts and grapes; more than 76% of vegetables; 100% of rice and more than 50% of dairy and sugar (2018-19).

Irrigation farmers in Australia are recognised as world leaders in water efficiency. For example, according to the Australian Government Department of Agriculture, Water and the Environment:

“Australian cotton growers are now recognised as the most water-use efficient in the world and three times more efficient than the global average”⁶²

“The Australian rice industry leads the world in water use efficiency. From paddock to plate, Australian grown rice uses 50% less water than the global average.”⁶³

Our water management legislation prioritises all other users before agriculture (critical human needs, stock and domestic, and the environment with water to keep rivers flowing), meaning our industry only has water access when all other needs are satisfied. Our industry supports this order of prioritisation. Many common crops we produce are annual/seasonal crops that can be grown in wet years, and not grown in dry periods, in tune with Australia's variable climate.

Irrigation farming in Australia is also subject to strict regulations to ensure sustainable and responsible water use. This includes all extractions being capped at a sustainable level, a hierarchy of water access priorities, and strict measurement requirements.

⁶² <https://www.agriculture.gov.au/ag-farm-food/crops/cotton>

⁶³ <https://www.agriculture.gov.au/ag-farm-food/crops/rice>



Appendix I – Regional Hearings

As part of the Parliamentary Inquiry, regional hearings will be held across. The following are suggestions for locations that have been impacted by NSW water reforms.

Northern Basin

- Dubbo, Macquarie Valley - Warren or Trangie are locations where impacts of water reform are being felt. A committee field trip to Warren or Trangie could take place before or after a hearing in Dubbo.
- Moree, Namoi Valley – committee field trip to Wee Waa before or after a hearing in Moree (Gwydir Valley), to see first-hand how a community is being affected by cumulative reductions in water access over time through rules changes.
- Bourke, Barwon-Darling – rules changes affecting reliability are usually justified in the name of improving Barwon-Darling connectivity, so a field trip or hearing in a directly affected community like Bourke may be useful.
- Lismore, North Coast - the water reliability and metering issues affecting inland valleys are also affecting coastal water users.

Southern Basin

- Coleambally or Leeton, Murrumbidgee Valley - both these communities are highly dependent on irrigated agriculture and would be particularly hurt by buybacks and rules changes. Leeton is the home of the rice industry in Australia and are particularly sensitive to water price increases.
- Deniliquin or Finley, NSW Murray - these are the most central towns for people to get to in the NSW Murray. Both have suffered from previous Basin Plan reforms and are included in the latest buybacks tender.



Appendix 2 – Water reform and program overload in 2025

	Program	Body
1	SDLAM Acceleration Projects	NSW-DCCEEW
2	Reconnecting River Country	NSW-DCCEEW
3	Ongoing non-urban water metering reform	NSW-DCCEEW
4	Floodplain harvesting measurement	NSW-DCCEEW
5	Northern Basin Connectivity Review	NSW-DCCEEW
6	Minimum Inflows review	NSW-DCCEEW
7	30 water sharing plan reviews	NSW-DCCEEW
8	3 floodplain management plans	NSW-DCCEEW
9	Improving Health of the Upper Murrumbidgee	Commonwealth-DCCEEW
10	Coastal Sustainable Extraction	NSW-DCCEEW
11	Restoring our Rivers 450GL buybacks	Commonwealth-DCCEEW
12	Bridging the Gap purchases	Commonwealth-DCCEEW
13	Northern Basin Toolkit	NSW-DCCEEW/MDBA
14	Basin Plan Review 2026	MDBA
15	Sustainable Rivers Audit	MDBA
16	IPART Pricing Determination	IPART
17	Aboriginal Water Entitlements Program	Commonwealth-DCCEEW
18	National Water Agreement	Commonwealth-DCCEEW
19	6 NRC water sharing plans reviews	Natural Resources Commission
20	Belubula water security project	DCCEEW-NSW
21	4 outstanding Water Resources Plans	DCCEEW-NSW
22	Wilcannia and Louth Weir replacements	DCCEEW-NSW
23	Yanco Creek modernisation project	DCCEEW-NSW
24	Barwon-Daring IDECS policy	DCCEEW-NSW
25	Menindee fishway business case	DCCEEW-NSW



Appendix 3 – Cumulative unfinished & current programs

Reform and consultation fatigue

The DCCEE Water Group struggles to design and deliver efficient and practical major reforms in a reasonable timeframe. Instead, poor and overly complex designs lead to deadlines being missed, and programs dragging on for years with a commensurate ongoing drain on time, budget and staff.

The accumulation of unfinished and ‘new reforms and priorities’ is driving reform and consultation fatigue among stakeholders, while it is increasingly evident the Department hasn’t the time or resources to deliver such an overwhelming, crowded reform agenda.

The accumulation of unfinished and new reforms and priorities is also driving the WAMC expenditure blowout to almost \$180 million in 2024-25, almost triple the IPART-allowed expenditure of ~\$60 million.

The graphic and detailed table below is our attempt to illustrate how the accumulation has built up over time in NSW. It is not comprehensive – we have no doubt missed some reforms, projects or programs. It does not include Commonwealth reforms, projects and programs underway concurrently.



Regional Water Strategies	First RWS Hunter Valley with consultation in earnest in 2016, completed 2018	Subsequent consultation on 5 RWSs in 2020, completed 2022; another 3 RWS consultation in 2021, completed 2023; RWS (Lachlan) consultation in 2020, 2022 and 2023, completed 2024; 3 RWS still underway in 2025	No funding for actions identified in the RWSs, including infrastructure solutions. Only actions DCCEEW can implement are rules changes to reduce farmers' access to water, as these fall within DCCEEW's policy remit.
Northern Basin Toolkit	2017	Infrastructure projects delayed	31-Dec-26
Yanco Creek modernisation project	Agreed in 2017 as one of 21 NSW SDLAM 605 projects	After years of duplication in community consultation with multiple project iterations and options, DCCEEW-NSW says construction may start on some sub-projects in early 2025.	Still no end-date in sight. Original 2017 \$106 million budget to build four regulators and up to 50 smaller projects but no works delivered as of early 2025. Now, with deadline extension due to 2023 RoR Act, DQ got another \$30 million. Now will build only two regulators but completed by Dec 2026 deadline, so more funding to finish it?
Menindee fishway business cases in lieu of building fishway after 2018-19 fish deaths	Potentially part of 2017 Menindee SDLAM project; October 2021 as part of Better Baaka Program; \$6 million NSW and \$2.3 million fed for business case over three years in 2024		Temporary fish ladder installed in a trial.
Reconnecting River Country (constraints)	30 April 2019 - first incarnation as constraints management plan with \$97m CW funding. At least 2 false starts for consultation in 2020 and 2022.	March 2025: still waiting for regulation for landholder negotiation scheme after consultation Sep-Nov 2024	31/12/2026 completion deadline under federal RoR Act.
Non-urban metering	Aug-18	Telemetry review consultation Feb	Original deadlines: 1/12/2022 - 1/12/24, now Dec 2026
Non-urban metering	Aug-18	Water management regulation - exhibited 11/3, submissions 6/4	Original deadlines: 1/12/2022 - 1/12/24, now Dec 2027
Non-urban metering - general	Aug-18	Ongoing implementation issues originating in Department's lack of technical and market expertise in design of original policy reform.	Original deadlines: 1/12/2022 - 1/12/24, now Dec 2027
SDLAM Acceleration Program	SDLAM consultations through 2020; SDLAM acceleration program CW funding Sept 2021 to complete projects by June 2024; program deadline extended to 31 December 2026 but funding status unclear; six months lost May-November 2024 on contract manager EoI. Direct RFT process gets underway Feb-May 2025.	Direct contracts being sought; RFT procurement processes underway for series of project packages in February, March and May 2025.	31/12/2026 completion deadline under federal RoR Act.
Northern Basin Connectivity Review	Aug-23	Options report due June 2025	Original deadlines: 1/12/2022 - 1/12/24, now mid-June 2025
Water Sharing Plan wetlands review - Border River unreg and other unreg WSPs	Sep-23	1-Jul-24	Reopened to review wetland mapping after errors found in mapping for other unreg WSPs exhibited in November 2024.
Coastal Sustainable Extraction project	Initiated September 2023	Unclear - DCCEEW internal modelling	January-December 2026 for implementation phase
Floodplain management plans	May - June 2024	Stage 1 Murray - ongoing engagement after 2024 exhibition	Unclear
Improving the Health of the Upper Murrumbidgee	Initiated June 2024 as part of RoR Act 2023	Ongoing	



Floodplain management plans	October - November 2024	Stage 1 Billabong Creek - ongoing engagement after 2024 exhibition	What We Heard report released first week of March 2025, had dates for four consultation sessions starting 30 April, but a scan of the report shows they have adopted next to nothing and still no interactive act. As of 17 March, consultations appear to be cancelled and Department is proceeding to Stage 2.
Minimum inflows review	1/07/2024 but stakeholders first advised in February 2025	Hydrology, environment, socio-economic impacts reports June 2025	1 July 2026 for five regulated water sharing plans
Floodplain management plans	August - September 2024	Stage 2 Murrumbidgee - ongoing engagement after 2024 exhibition	Unclear
Water sharing Plan review - Gwydir unreg	Exhibited for comment 11 November 2024		30-Jun-25
Water sharing Plan review - Barwon Darling unreg	Exhibited for comment 11 November 2024		30-Jun-25
Water sharing Plan review - Namoi unreg	Exhibited for comment 11 November 2024		30-Jun-25
Water sharing Plan review - Macquarie unreg	Exhibited for comment 11 November 2024		30-Jun-25
Water sharing Plan review - Murrumbidgee unreg	Exhibited for comment 11 November 2024		30-Jun-25
Water sharing Plan review - Lachlan unreg	Exhibited for comment 11 November 2024		30-Jun-25
Water sharing Plan review - Belubula unreg	Exhibited for comment 11 November 2024		30-Jun-25
Water sharing plan review - Murrumbidgee reg	Jul-25	Public exhibition, submissions, stakeholder engagement	1-Jul-26
Water sharing plan review - Gwydir reg	Jul-25	Public exhibition, submissions, stakeholder engagement	1-Jul-26
Water sharing plan review - NSW Murray/Lower Darling reg	Jul-25	Public exhibition, submissions, stakeholder engagement	1-Jul-26
Water sharing plan review - Namoi reg	Jul-25	Public exhibition, submissions, stakeholder engagement	1-Jul-26
Water sharing plan review - Macquarie reg	Jul-25	Public exhibition, submissions, stakeholder engagement	1-Jul-26
Water sharing plan review - Lachlan reg	Jul-25	Public exhibition, submissions, stakeholder engagement	1-Jul-26
Water sharing plan review - Hunter reg	Jul-25	Public exhibition, submissions, stakeholder engagement	1-Jul-26

Appendix 4 – Northern Basin Connectivity

Supplementary water access announcements and proposed downstream connectivity targets

The Connectivity Export Panel released its final report in July 2024, recommending among other things, rules changes to limit water access under supplementary and floodplain harvesting entitlements to meet new flow targets at key gauges in the Barwon-Darling River. It also recommended new environmental reserves in public storages that would reduce the reliability of farmers' General Security entitlements.

The panel made its recommendations despite acknowledging limitations in the evidence and tools available to assess connectivity issues across the NSW northern Murray-Darling Basin, including limitations of modelling, data regarding floodplain harvesting and unregulated system water use.

Nonetheless, the Panel asserted there is evidence that opportunistic take in the tributaries (supplementary and floodplain harvesting) sometimes impacts on achievement of baseflows downstream. It also asserted that this was not appropriate or consistent with the priorities specified in the water sharing principles of the Water Management Act, despite also acknowledging the Act does not explicitly provide for connectivity.

In summary, the Panel recommended rules changes without providing evidence they would make a material difference to meeting the panel's proposed new downstream flow targets.

NSWIC analysed the real-time evidence available, rather than relying on the models the panel used that exempted key data, including Commonwealth Environmental Water Holder's flows.

The graphics below show daily flow rates past the relevant gauges from 1 June 2021 to 9 May 2024, downloaded from the WaterNSW Water Insights page, with the dates of supplementary access announcements since 1 July 2021 (the earliest available on the website). We have the dates for access events dating further back than available on the website if a longer-time series is required.

The graphics demonstrate WaterNSW river operators are already managing the Border rivers, Gwydir and Namoi tributaries such that supplementary announcements align with actual or forecast downstream flows meeting the Connectivity Panel's recommended baseflow targets. NSWIC is confident a similar picture would emerge with floodplain harvesting, given these events are rarer and coincide with rivers flowing at higher rates than for supplementary licensed access.

The supplementary announcement columns are only dates, NOT the volumes of water diverted. Diversions are metered, so WaterNSW should have that information. The location and volume of diverted supplementary allocations in each event are critical to understanding whether restricting supplementary access will or will not make a material difference to meeting the panel's recommended baseflow targets.

NSWIC acknowledges that the NSW Water Minister and DCCEEW-Water have stated clearly that the Connectivity Panel's recommendations are not Government policy. We acknowledge the Department is undertaking further modelling and analysis to inform consultation on any potential rules changes in the Border, Gwydir and Namoi regulated water sharing plans to come into effect on 1 July 2026.

However, the Connectivity Panel report has created a political expectation among some stakeholders that farmers' water access will be cut back substantially. This is despite the evidence it will make no difference to connectivity as the Panel's flow targets are already being met by current WaterNSW river operations decisions. Any cutbacks will amount to compulsory acquisition by stealth and without compensation.

Tribs supp access announcements vs gauged flows at Mungindi
Demonstrates supp access is announced when actuals or flow forecasts meet proposed LTWP-Panel baseflow







