

**IMPACTS OF THE WATER AMENDMENT (RESTORING OUR RIVERS) ACT  
2023 ON NSW REGIONAL COMMUNITIES**

**Organisation:** Murray River Council

**Date Received:** 7 April 2025

**Inquiry into the impacts of the Water Amendment (Restoring Our Rivers) Act 2023 on NSW regional communities.**

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# SUBMISSION

04 April 2025

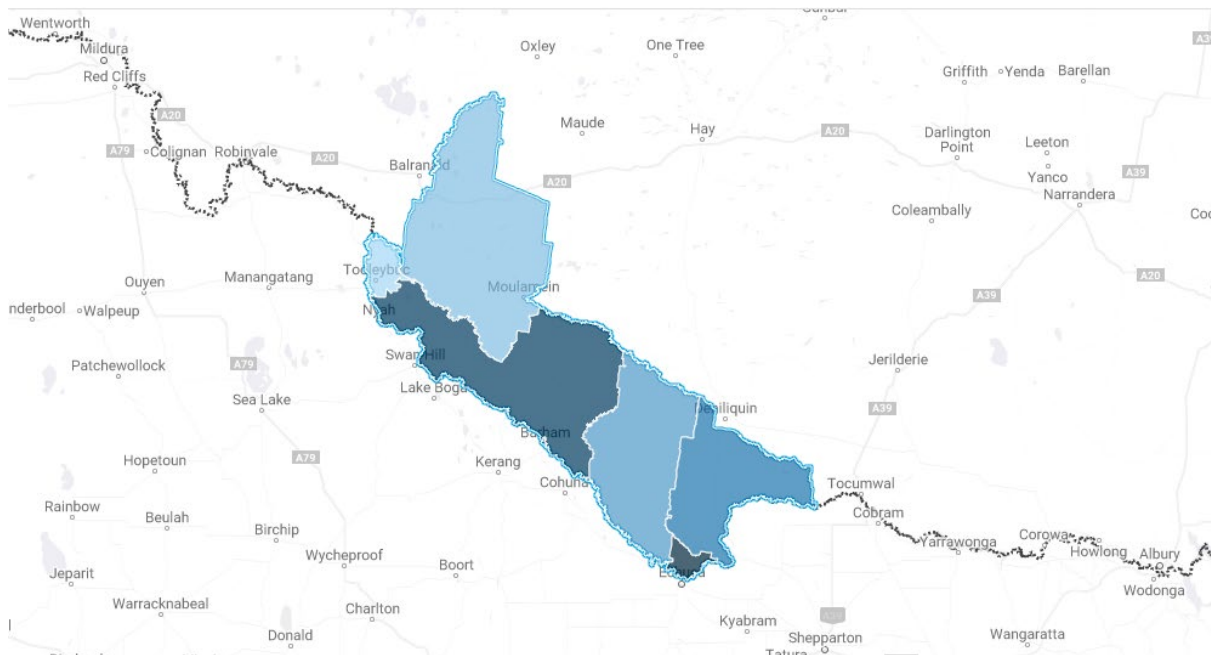
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Murray River Council (MRC) appreciates this opportunity to provide input to the committee inquiry into the impacts of the Water Amendment (Restoring Our Rivers) Act 2023 on NSW regional communities.

Murray River Council spans an area of 11,865 square kilometres, is home to 13,326 residents located in the southern Riverina - 800km south of Sydney and 205km north of Melbourne (Vic).

The main population centres include Barham, Mathoura, Moama, Moulamein, Murray Downs, Tooleybuc and Wakool. Other communities include Bunnaloo, Goodnight, Koraleigh, and Womboota.

The area has a wealth of physical features including sweeping plains, stands of Red Gum forests, and is almost totally surrounded by the Murray River and its tributaries. The areas' economy relies heavily on its main economic drivers, irrigated agriculture and horticulture and the visitor economy.



The Riverina and Murray Joint Organisation (RAMJO), of which MRC is the third largest member LGA behind Albury and Griffith, has a Gross Regional Product estimated at \$11.23 billion, which represents 1.53% of the state's GSP (Gross State Product).

**Commonwealth water recovery programs will see the Riverina/Murray regions reduced from one of our nation's most productive food bowls to a dust bowl.**

RAMJO councils all rely on water from the Murray and Murrumbidgee irrigation areas.

This region once produced 1.2 million tonnes of rice annually, valued at \$700 million, most of which was exported, contributing to the economic wellbeing of New South Wales and Australia.

Since the implementation of the Murray Darling Basin Plan, annual rice crop values fluctuate between zero and \$200 million, totally dependent on water allocations.

The Murray Region has carried the burden of water buybacks in NSW and cannot sustain any further removal of productive water from the region.

Of the water recovered under the Basin Plan, approximately 83% has come from the Southern Basin – with southern NSW contributing a significant proportion of this.

*(See Appendix 2)*

**The committee should be aware that:**

**The Murray River and its tributaries are not dying, they are not even sick!**

They are alive and well with only two key issues affecting the Murray River and its tributaries.

- The water in them is not clear anymore because of an ongoing and, as yet, untreated infestation of European carp and
- Poor policy directing river operations, causing bank erosion affecting water quality and fish habitat, denying tourist destinations water for recreational pursuits when it is most needed and increasing water treatment costs to basin communities.

**Therefore, it is scurrilous to suggest that water buybacks are necessary for the health of the Murray River.**

The statement, often used by the Murray Darling Basin Authority and the commonwealth, that ‘water recovery is necessary for the health of our river systems’ is simply untrue in relation to the Murray River.

The Basin Plan and earlier reforms have already reduced diversions for communities, industry, and irrigation to a mere 28% per cent of Total Basin inflows.

**Water is the lifeblood of our communities – take it away and our communities will die.**

The Water Amendment (Restoring Our Rivers) Act 2023 and the Water Act 2007 (Cth) are supposed to ensure management of water within NSW and the Murray Darling Basin optimises economic, social and environmental outcomes.

It is obvious to MRC and communities in the Murray and Murrumbidgee Valleys, as it should be to the committee, that current federal government policy is 100% focussed on environmental outcomes and zero focus on economic and social outcomes.

The NSW government should be opposing all water recovery programs that have a negative impact on the states' economy and have not given equal consideration to, economic, social, and environmental outcomes as required by the plan.<sup>1</sup>

## Response to the Terms of Reference

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

Data compiled by the Murray Darling Basin Authority (MDBA), on the impacts of water recovery from 2001 – 2016 in the southern basin shown in the table below, clearly demonstrates the negative impacts of repealing limits to the cap on Commonwealth water purchases.<sup>2,3</sup>

District	Water Recovery % of pre-recovery entitlements	Total FTE decrease due to water recovery and as a % of total FTE	Population decreases and as a %
<b>Berrigan / Finley</b>	64.3GL (10.4%)	40 (3.8%)	1,047 (20.4%)
<b>Denimein</b>	16.1 GL (22.2%)	9 (10%)	207 (31.5%)
<b>Deniboota</b>	49.5 GL (28.3%)	49 (25%)	332 (25.8%)
<b>Wakool</b>	97.9 (38%)	102 (35%)	715 (53.7%)
<b>West Berriquin</b>	31.9 GL (24.4%)	20 (12%)	344 (28.7%)

*Credit: Murray Regional Strategy Group (MRSG)*

By repealing limits to the cap on Commonwealth water purchases, the federal government is saying “we can change the rules whenever we want to” and “there will be additional water recovered over and above the 450GL”.

The effect of this policy change will devastate agriculture, industry, and communities in NSW, particularly those located in the southern Basin, who rely on a fair share of the meagre 28% of Total Basin inflows.

A 2017 report conducted by RMCG (Rendell McGuckian Consulting Group) concluded that across the Edward River, Murray River, and Berrigan Shire Council footprints.

- Water recovery to date has resulted in 30% less or around 300GL less water in average climatic season.
- A reduction of \$120 million annual value of irrigated production as highlighted in Table 4-2
- A further direct 'Industrial effect' reduction of \$60.6M a year in economic activity as a flow on
- With another \$12.6 million loss in regional economic activity because of less wages from purchases
- RMCG estimates that water recovery to 2017 has cost the NSW Murray Valley a total of \$193.2 million in lost production and economic activity a year.

**Table 4-2: Reduction in annual value of irrigated production (\$M/year)**

SECTOR	REDUCTION (GL)	YIELD (\$/ML)	VALUE (\$M)
Mixed grazing	30	100	\$3
Rice	180	350	\$63
Crops	40	300	\$12
Dairy	50	850	\$42
<b>Total</b>	<b>300</b>		<b>\$120</b>

*Credit: Murray Regional Strategy Group (MRSG)*

Surely, enough is enough! Does the NSW government value farmers and the contribution they make to the states' economy?

MRC, respectfully, requests that the committee develop an appropriate recommendation to the NSW Government to protect industry, agriculture, and communities, in the southern basin, from the devastation that will flow if the limits to the cap on water purchases are repealed.

***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.***

Council recognises the need to address compliance in relation to floodplain harvesting and unlicensed water take particularly in the northern basin which has contributed to devastation of the Darling River effectively disconnecting it from the Murray River.

In an article published in The Weekly Times on January 8, 2025, Peter Hunt highlights that NSW and Victorian irrigators have halved their water use, while QLD has increased its extraction by almost 60% in the last 30 years<sup>4</sup>.

Repealing limits to the cap on water purchases will see an unprecedented increase in unlicensed take of water.

The Natural Resources Access Regulator (NRAR) is currently surveying farmers in the lower Murray, as part of a pilot project to reduce the risk of water law breaches. Are they acting in the northern basin where the increase in water take has devastated the Darling River?

NRAR clearly understands that the decision to repeal limits to the cap on water purchases may result in increased unlicensed take.

Instead of admitting that is the likely outcome of repealing limits, NRAR is instead placing the blame for unlicensed take on permanent plantings below the Barmah choke. (See *appendix 1*)

Irrigators, in the Murray region have endured the most of water recovery in NSW and are at a point where cropping is almost financially unsustainable.

Those same farmers are currently having to fight a recommendation by the NSW Water Minister to increase water prices by 184% in the Murray region, 150% in the Murrumbidgee region whilst the proposed price increase for Sydney and Newcastle is only 50%.

The NSW and federal governments must surely realise current water policy and proposed legislative changes are driving farmers out of business.

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

Planned Environmental Water rules only provide guaranteed reliability of environmental water allocations to the Commonwealth's environmental water holdings in NSW,

These rules will only serve to guarantee that, when inflows from the catchments are significantly reduced due to drought or a long dry spell, only the 'environment' will have access to water.

Industry, and productive agriculture will have their allocations of productive water cut at a massive cost to the NSW and Australian economies.

It is shameful that, 13 years since commencement of implementation of the basin plan, communities, industry, and irrigators are still having to demand that water policy delivers fair outcomes on a social, economic and environmental basis as is enshrined in the basin plan.



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

The impact of the rules-based changes in the Murray region will significantly reduce the reliability of water allocations, particularly when inflows from the catchments and storage levels are low.

Water allocation announcements in the Murray region have never been timely and have been announced later than the commencement of sowing of rice crops. Regional farmers have had no alternative but to gaze into the 'Crystal Ball' and take a gamble on what allocation may be announced, at some future date.

The losers will be rural and regional communities, industries, productive agriculture and the NSW and Australian economies.

**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***

Reduction adjustment packages are totally insufficient to replace the lost value of annual economic activity, and the flow-on value added to our local economies resulting from productive agriculture.

This can be seen through the number of sporting clubs that have folded, closed shopfronts in main streets, the declining number of students in schools, and the loss of professional healthcare services, particularly in our smaller communities.

Funding applications must conform to strict criteria and are often so complicated that potential projects may never be submitted.

On numerous occasions, funding has been awarded to projects from communities with far less water recovery than those who are facing the greatest impact.

Murray River Council only received \$450,000 from the Murray Darling Basin Economic Development Program Round 2 in 2021.

The strengthening Basin Communities Program provided council with \$260,500 towards development of a *Stormwater Harvesting Strategy* and \$40,000 towards *Water Saving Initiatives*.



\$650,500 in total funding from both programs, is an insult to our communities and indicates that the government does not understand the full extent of the damage, to our region, caused by water recovery programs under the Basin Plan.

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

Even though it is proposed that nine NSW councils, Carrathool, Murrumbidgee, Balranald, Hay, Griffith, Leeton, Berrigan, Murray River, and Edward River will share in \$15 million through the Sustainable Communities Program, the funding is insignificant to compensate our communities for the reduction in productive water, through buybacks, in the Murray Valley.

To maximise benefits and to reinvent communities and reinvigorate economies,

- a. Funding needs to be significantly increased and
- b. Funding should be in the form of untied grants to affected councils.

Competitive funding will see smaller communities, who are severely impacted, unlikely to receive sufficient compensation for the loss they have and continue to suffer.

The government must significantly boost program funding for this round to at least \$1.5 billion and allocated to councils proportional to the impacts of water recovery on the local government areas.

\$300 million is just not enough to compensate for the loss of productive agriculture and associated industries as well as the disruption to small businesses and social cohesion in our communities!

***g) Any other related matter.***

Better policy with improved social, economic and environmental outcomes could be easily achieved through dialogue with basin farmers.

Farmers are true environmentalists who understand the needs of the environment and how to manage water for the combined benefit of local economies, community and the environment.

They do not respond well to political ‘bulldust’ and government ‘spin’.

**Conclusion**

The Water Amendment (Restoring Our Rivers) Act 2023 prioritises water recovery of physical entitlements predominately from food producers in southern NSW.

The Act does not account for the damage already incurred by regional communities in NSW and will further exacerbate these impacts to the detriment of NSW.

NSW should oppose any further water buybacks at the expense of productive agriculture.

It is also way past time that the Federal and State Water Ministers and the CEO and Chair of the Murray Darling Basin Authority, local Councils and Basin Irrigator / farming bodies agree to end their currently hostile relationship.

We need a new relationship based on mutual respect, fair and common-sense dialogue, to realise lasting solutions and produce policy that will truly deliver beneficial outcomes for all.

## **References**

1. [triple bottom line framework](#)
2. Job impacts from water recovery for the environment in the southern Murray-Darling Basin
3. <https://www.mdba.gov.au/publications-and-data/publications/southern-basin-community-profiles>
4. [Weekly Times Jan 8 2025](#)

# APPENDIX 1

## NRAR to survey Murray River farmers

**Scores of lower Murray River farmers will be surveyed by the Natural Resources Access Regulator (NRAR) in coming weeks as part of a pilot project to reduce the risk of water law breaches below the Barmah Choke.**

The project was prompted by continuing growth in the amount of irrigation-reliant permanent plantings downstream of the Murray's narrowest point - the Barmah-Millewa Reach.

NRAR manager priority programs David Thomas said increased permanent plantings in this region meant higher demand for irrigation water and this could exceed the volume of water able to pass through the choke point, especially during dry periods.

"When you combine that water delivery issue with the likely high cost of traded water during dry periods, compliance problems could arise," Mr Thomas said.

"The risk is that with all those pressures, people may not comply with the rules and that is exactly what NRAR hopes to prevent," he said.

"When water is plentiful it is a good time for irrigators to take stock and make sure they've purchased water for future drier times.

"Being prepared, even under dry conditions, is the best way to avoid issues with the regulator."

In recent months, members

of NRAR's priority programs team have been meeting face to face with landholders to better understand their water needs and to determine how prepared they are to manage future water delivery shortfalls and price increases.

The survey is the next key step in the pilot project, and asks questions about:

- type of crops grown and their water needs
- potential expansion plans
- water trading and future

- planning
- water management practices
- water demand risk mitigation

"This project focuses on the prevention of harm at times of critical water shortage and peak water costs in the lower Murray River," Mr Thomas said.

"The information we get from the survey helps us better understand the water-using community and support

and assist licence holders to comply with the rules.

"We encourage water licence holders to complete the survey because, ultimately, we want to prevent unlawful activity that could cause harm to other water users or the environment."

Many licence holders will receive the survey by email but water users can also complete the survey on the website [www.nrar.nsw.gov.au/news](http://www.nrar.nsw.gov.au/news)

## APPENDIX 2

DENILIQVIN PASTORAL TIMES

# Food Security Strategy undermined

**An Albanese Government's Food Security Strategy is being undermined by one of its own ministers, according to a leading community advocacy group.**

The Murray Regional Strategy Group - a coalition of industry, community and irrigation organisations across the NSW Murray Valley - is concerned about the food security crisis that Australia will face unless action is taken.

It welcomed a recent announcement from Prime Minister Anthony Albanese and Agriculture Minister Julie Collins to develop a Food Security Strategy, but says within his cabinet there appears little understanding of what is required to grow food for domestic and international consumption.

"On the one hand we have the Prime Minister highlighting the importance of food security, yet on the other it is being compromised by Water Minister Tanya Plibersek," MRSRG chair Geoff Moar said.

"It appears these city-based politicians do not understand the link between water and food production.

"How can we have a genuine strategy that grows the world's best, clean green food in regional Australia for our city supermarkets, when at

the same time we are unnecessarily removing massive quantities of water that is the essential ingredient to growing that food?"

Earlier this month, Ms Collins claimed a re-elected Albanese Government would "help secure Australia's food future with the development of a new national food security strategy", which will be titled 'Feeding Australia'.

"We will identify opportunities to improve supply chain resilience, with the goal of minimising price volatility and costs at the checkout," Ms Collins said.

Mr Moar responded that the ideology was welcomed, but it cannot be achieved under current policy settings.

"Almost coinciding with Ms Collins' announcement was a surprise decision by Plibersek to buy an additional 100 gigalitres of water, thereby reducing the amount of food our farmers can grow. And if we grow less, it costs more at the supermarket," Mr Moar explained.

He said MRSRG and its members have grave concerns about the ability of any government to develop an effective food security strategy when its own departments are not in synch.

"You cannot seriously have an agriculture minister promoting the need for more

food production at the same time as your water minister is undermining food production," Mr Moar said.

He added it was also disappointing that the proven, massive detrimental social and economic impacts of water buybacks were continually being ignored by a federal government that originally committed to 'governing for everyone'.

"It appears the 'everyone' does not include communities that suffer from these buybacks, or the millions of Australians who will be forced to pay more for food because of them. It is extremely difficult to understand why the Albanese Government wants to destroy the nation's food bowl.

"More than four Sydney Harbours of productive water have been recovered from food production since the Millennium drought, and as a result we have seen imports of staple foods skyrocket by nearly \$15 billion to just under \$40 billion a year in the last decade. This includes a \$7 billion increase since Minister Plibersek's aggressive approach to water buybacks.

"It was interesting that the Water Minister announced another 100 gigalitres of buybacks, equivalent to 20 per cent of Sydney Harbour, less than a week

after the Prime Minister and Agriculture Minister announced their Food Security Strategy.

"Is this due to a lack of understanding or a deliberate attempt to undermine the Prime Minister and a Cabinet colleague?"

Mr Moar said MRSRG has invited Minister Plibersek to the NSW Murray region to gain a better understanding of the link between water and food production, and provide achievable environmental solutions that do not include ongoing buybacks.

He said it is disappointing that Ms Plibersek continues to ignore the invitations.

Now, MRSRG has invited Prime Minister Albanese and Opposition leader Peter Dutton to the region before the upcoming election.

"We urge our political leaders to meet with us to discuss the myriad of opportunities which exist to deliver environmental outcomes without taking more water from food production.

"If the Prime Minister is serious about his Food Security Strategy he will look at these options.

"If we continue along the current path, we can expect less Australian grown food, more imports and higher prices, regardless of what any strategy tries to tell us," Mr Moar said.