

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

**Organisation:** Southern Riverina Irrigators

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# SRI

## SOUTHERN RIVERINA IRRIGATORS

**Southern Riverina Irrigators represent 1800 generational farming families in the Riverina. Supporting a \$6 billion agricultural industry, our food producers underpin our region economically and socially, through the use of dual-purpose water to grow staple food and support biodiversity.**

### **Inquiry into the impacts of the Water Amendment (Restoring our Rivers) Act 2023 on NSW Regional Communities.**

The push by Federal Water Minister Tanya Plibersek and the Albanese led Labor Government to secure an additional 450GL through this legislation will go down as one of the most destructive pieces of policy in the history of this nation.

- It rips the heart out of the food bowl of the nation and will cripple the country socially and economically.
- It puts the security of staple food production at risk and leaves a once thriving and self-sufficient agricultural industry in tatters.
- Additionally, this amendment creates a biosecurity risk and an unnecessary reliance on imported everyday food products like dairy, wheat and rice, ultimately to the financial detriment of all Australian consumers.

There have been many, many reports produced over the years outlining the destruction the basin plan has inflicted on communities since its inception, but unfortunately these gather dust in a locked room.

The government already holds over 4600GL in both state and federal water accounts and cannot deliver the volumes they already own, so why do they need more?

The basin plan has never been about environmental outcomes but rather a political deal to feather the nests of our political parties.

## What is really at stake here?

The Riverina and northern Victoria are the food bowl of our nation- no one can produce what we do. Recovery of a further 450GL puts at risk:



- 19% of Australia's total milk production or around 1.8 billion litres of milk – 22% of Australia's dairy exports by value.
- more than 90% of peach, nectarine and apricot production
- nearly half of Australia's eggs, lamb, apples, tomatoes canola oil, wheat and cereals
- a third of beef and chicken, carrots and onions
- a fifth of all vegetable production
- 60% of Australia's pigs, pork and bacon production and more than 80% of grapes for eating and drinking
- \$400 million rice industry

***On October 1, 2024 SunRice chairman Laurie Arthur told the Deni PT in a front page news article:***

"We have worked hard to increase efficiency in our mills and we intend to invest more in the Denilquin mill, but that becomes hard when government is intent on pulling 450GL of water out of this region.... water out of the system is likely to push us offshore.

He also stated "There are a number of industries that make our area great, and taking water away from our region is pulling the chair out from under all of them.

"There is a certain irony we were awarded the best rural exporter of the year by government the same day minister Plibersek made the announcement she would go ahead with buybacks."

***On September 10 2024 Australian Consolidated Milk (ACM) CEO Jason Limbrick stated in a Country News article 'since the introduction of the basin plan in 2012 dairy farm numbers have fallen by 47% and raw milk production had dropped 35 per cent'.***

He also stated Australian dairy processors create more than 70,000 jobs with about 20,000 of these directly employed with 60 per cent of these jobs in regional Australia.

"Over the past 18 months, 11 processors have announced a closure due to various reasons and we cannot have further reductions."

**NSWIC CEO Claire Miller stated in a media release dated 18.12.24 ‘increases in the cost of water will drive farmers out of business and drive up prices of Australian food at the checkout’.**

“Our farmers operate to costly high environmental and health standards, and are under financial pressure with rising input costs in interest rates, fuel, insurance, machinery, wages and energy, and higher allocation prices due to State and Commonwealth water recovery,” she said.

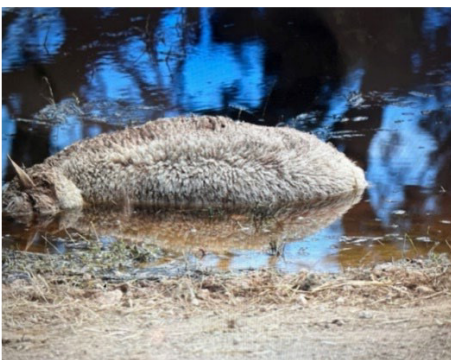
**A Weekly Times article dated December 10 2024 reported food imports have surged by \$7 billion in the last two years with fruit, vegetables, dairy, meat and cereal based products adding to the increase.**

## **The Basin Plan**

In February 2011 well respected professor John Briscoe, a former senior water adviser to the World Bank and professor of environmental engineering at Harvard University stated regarding the basin plan;

- a) this is a very expensive way to save water and that many of the investments will be made in areas that will sooner or later go out of production*
- b) I also believe Australia cannot find its way in water management if this Act is the guide. I would urge the government to start again, redefine principles, to engage all who have a stake in this vital issue and to produce as rapidly as possible, a new act which can serve Australia for generations to come. And which can put Australia back in a world leadership position in modern water management.*

**The basin plan was never meant to STRIP AWAY PRODUCTIVE WATER AND SEND OUR COUNTRY INTO ECONOMIC RUIN BUT HERE WE ARE.**



We can all argue on the many differing points of the basin plan but at its most basic level, the 450GL simply cannot be delivered to South Australia via the Murray because:

- this volume does not physically fit down the river due to natural constraints in the system – at the lowest point 7000ML at the Barmah Choke. (the Barmah Choke has lost 25% of its delivery capacity in the last 10 years).
- it cannot be delivered without extensive and repeated flooding causing billions of dollars of infrastructure, livestock and crop losses, if the MDBA get it wrong.

Pic above-In 2022 water flooded Moulamein in places never seen before, taking many locals by surprise. Stock losses were significant along with health impacts that were felt for many months down the track – the financial losses were in the hundreds of millions of dollars.

## The modellers got it very wrong

The basin plan was based on incorrect assumptions and unachievable modelling data.

The MDBA have admitted key basin plan objectives including 80,000ML a day at the SA border, keeping the Murray mouth open and environmental watering opportunities are all unachievable under the basin plan and yet the federal minister is pushing to take even more water away from productive agriculture. It just does not make sense.

1. Modelling of Relaxation of Operational Constraints in the Southern Connected System Hydrologic Modelling (HMROSCS) states - *“Modelling indicated that relaxing constraints would provide relatively subtle changes to outcomes for the Coorong, Lower Lakes and Murray Mouth (CLLMM).”*

The document states there were only “minor scale changes to the CLLMM indicators in modelling in the relaxed constraints scenario.” *The 3,200GL option showed “marginal improvements in some outcomes; but no significant improvement for mid- and high-level floodplain environments in the southern Basin. This was because river operating constraints were found to limit the ability to deliver sufficiently high flows to inundate mid- to high elevation floodplains; thus, outcomes such as watering vegetation communities like river red gum and black box woodland on these floodplains was unachievable, regardless of the SDL volume. Within the boundaries of these constraints and the consideration of social and economic impacts, MDBA therefore proposed an SDL reflecting a 2,750 GL/y reduction in diversions.”*

## Staple food production is at risk

According to Frontier Economics Basin Plan implementation report, removing a further 450GL away from irrigation through buybacks will reduce the irrigation footprint by 95,000ha across the southern basin.

With a conservative economic value of around \$4500/ha we are looking at a direct loss at the very least of \$427,500,000 or over \$3 billion when you consider the flow on of between \$4-7 into local business and community.



[https://www.water.vic.gov.au/\\_data/assets/pdf\\_file/0021/600717/Social-andEconomic-impacts-of-Basin-Plan-water-recovery-in-Victoria.pdf](https://www.water.vic.gov.au/_data/assets/pdf_file/0021/600717/Social-andEconomic-impacts-of-Basin-Plan-water-recovery-in-Victoria.pdf)



## Some basin facts

- A 450GL buyback was never part of the original basin plan.
- 82 per cent of water sourced under the basin plan has come from the southern basin, there is no more water left to give.
- Over two thirds of the available water in the system is now allocated to the environment.
- Federal government is targeting buybacks in the southern basin because of the cheap price per megalitre and reliability provided by dam storage.
- Water bought back from Murray River licenses will never be able to fix environmental issues in the Darling River because it can't flow upstream.
- NSW Murray general security allocation reliability has reduced from 84 per cent to 52 per cent over the last two decades (excluding the last few years of uncharacteristically high allocations).



Water delivery costs have increased significantly since inception of the basin plan.

Murray Irrigation Ltd (MIL) is the largest privately owned irrigation company in the southern hemisphere servicing 740,000ha. Previous buybacks have already stripped the company of 30 per cent of its productive water, leaving delivery costs to be shared amongst fewer irrigators and increasing costs for those who choose to stay.

Our irrigators are facing an increase of 184% in government water delivery charges over the next five years along with increasing LIO charges which in five years' time will be well over \$110ML and that is before any input costs ie fertiliser, seed, diesel, labor = no more production of lower value commodities like rice, dairy and cereals.

Despite being lower \$\$ value, these are also the staple foods we eat single every day. Where are these going to come from in the future?

# Buybacks do negatively impact our communities

[BUYBACKS – a case study Wakool community-profiles-wakool-june2018.pdf](#)  
([mdba.gov.au](#))

If ever you needed proof of the negative impact of buybacks look no further than an MDBA case study on Wakool published in October 2017 where 34.5 per cent of the available water in Wakool was purchased (103.9GL) through buybacks resulting in:

- a reduction in the maximum area irrigated of around 37% to 39%.
- milk production dropped from around 7 million litres to approximately 5.5 million litres
- total employment fell by around 54% between 2001–16.

Buybacks were just the beginning of the demise of Wakool. The Barriboi school closed while Wakool Primary School enrolments dropped from nearly fifty to around eight. The local tennis, basketball and football club have all closed.

**The table below is sourced from information from the MDBA basin plan evaluation.**

AREA	Water recovered (buybacks)	Population decrease	Workforce decrease FTE	Non ag workforce decrease FTE
<b>Wakool</b>	97.9 GL or 38% of ava water	45.6% 1569 to 854	53.7% 537 to 249 288 jobs lost	57.3% 96 FTE lost
<b>Denimein</b>	16.1 GL or 22% of ava water	31.4% 636 to 429	32% 227 to 137 90 jobs lost	40.1% 37 FTE lost
<b>Deniboota</b>	49.5 GL or 28.3% of ava water	15.8% 2106-1774	25.8% 754-559 195 jobs lost	29.1% 99 FTE lost
<b>Berrigan &amp; Finley</b>	64.3 GL or 10.4% of ava water	20.4% 7116- 5665	39.9% 2626-1579	57.7% 626 FTE lost

			1047 jobs lost	
West Berriquin	31.9 GL or 24.4% of ava water	28.7% 1198-854	38% 437-271 166 jobs lost	40.5% 72 FTE lost
	259.7 GL or 259,700 ML lost from production	3049 people moved away	4581-2795 1786 jobs or 39%	930 FTE lost

**Buybacks focus on purchasing high reliability entitlements only which ultimately reduces reliability for the remaining consumptive pool, increases costs and changes the risk profile for irrigators.**

**Buybacks also create a Swiss cheese affect and make the cost of water delivery more expensive for those who remain because there are less people using the system.**

## What is really needed here instead of buybacks?

**Acknowledgement of the value of irrigation:** to staple food production, our communities, our economy and the environment through dual purpose water.

**Acknowledgement of underuse:** NSW has operated so far under the sustainable diversion limit we are underusing the amount of water we are entitled to by at least 20% every year which drives down productivity and economic output.

**Protection of a right to farm:** Legislation change resulting from basin plan implementation is eroding a food producers right to operate the farm they own, they way they need too, while undermining entitlement reliability.

**NO MORE BUYBACKS:** Restoring our Rivers will not achieve any desired objectives while European carp remain 90% of biomass in our river systems, cold water pollution continues and the mentality that more water will fix these issues.



## Conclusion

If we do not reign in the basin plan train wreck our country will face food shortages and economic. You cannot continue to strip water away from productive agriculture without consequences and those consequences will be to the detriment of the people, the environment and the economy in what was once a great country.

We have already done the heavy lifting for the basin plan here in the southern basin (82% of the water recovered has come from us) **and there is no more water left to give.**

Every single megalitre that now leaves the productive pool impacts on rural Australia. Job losses as evidenced in Wakool, food losses as evidenced by the Frontier report and many, many othe have all drawn the same conclusion.

**Make no mistake buybacks will:**

**COMPROMISE AUSTRALIAN FOOD SECURITY**

**DRIVE UP THE COST OF LIVING**

**ERODE STAPLE FOOD AND FIBRE PRODUCTION**

**NEGATIVELY IMPACT ON COMMUNITY AND THE ECONOMY**

**DESTROY THE UPSTREAM ENVIRONMENT TO DELIVER WATER DOWNSTREAM**



