

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

**Organisation:** Coleambally Irrigation Co-operative Limited

**Date Received:** 11 April 2025

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The Hon Roy Butler IND

Member for Barwon

Chair

Legislative Assembly Committee on Investment Industry and Regional Development

[Lodge a Submission](#)

## CICL submission Inquiry into the impacts of the *Water Amendment (Restoring our Rivers) Act 2023* on NSW regional communities

### Recommendations

- Coleambally Irrigation Co-operative Limited (CICL) does not support governments introducing rules changes where those changes reduce the reliability of any water entitlements.
- Any changes in the reliability of water entitlements arising from government policy changes must be 100 percent compensated, consistent with the National Water Initiative and the *Water Management Act 2000 (NSW)*.
- The NSW Department of Climate Change, Energy the Environment and Water should focus on minimising negative impacts of the Murray Darling Basin plan on Basin communities and water entitlement holders, and stop commencing initiatives and programs in addition to the multitude of requirements under the Murray Darling Basin Plan.
- The 2026 renewal of the inland Water Sharing Plans for regulated river water sources should be consistent with the requirements of the Basin Plan and should not include changes outside of the Murray Darling Basin Plan requirements.
- Delivery of at least 605GL of "offsets" in the southern Basin is essential to avoid further water recovery from the consumptive pool.
- NSW support for implementation of the Murray Darling Basin Authority's Constraints Relaxation Road Map should be linked to a commitment to no further water recovery or changes to the sustainable diversion limit.
- NSW's further work should prioritise investment in complementary measures to improve environmental outcomes. These investments will be more effective than further water recovery or reducing the reliability of general water entitlements.

### Introduction

CICL welcomes the opportunity to respond to the Legislative Assembly Committee on Investment, Industry and Regional Development inquiry into the Impacts of the *Water Amendment (Restoring our Rivers) Act 2023* (the ROR Act) on NSW regional communities.

CICL and its irrigation dependent communities face a plethora of government driven water reforms which are causing uncertainty, adding complexity and imposing an administrative burden on the water sector.

These reforms include the ROR Act and initiatives driven by the NSW Government - reforms with potential to impact on the reliability of water entitlements.

CICL is primarily located the Murrumbidgee Local Government Area (LGA). The Murrumbidgee LGA has been identified as one of the most vulnerable LGAs, to changes in

access to water with limited ability to respond or adapt to these changes.<sup>1</sup> This inquiry is an important opportunity to recommend changes to the NSW Government's approach including strengthening its response to the Commonwealth imposed reforms.

CICL is a member of NSW Irrigators' Council and has also contributed to its submission to the Inquiry.

## About CICL

CICL is a gravity, off river, irrigation supply scheme in the Murrumbidgee Valley. CICL is a "group scheme" which means it has shared infrastructure providing irrigation and drainage services to its members. We supply irrigation and drainage services to just under 500 farms owned by nearly 300 farm businesses who are mainly "mum and dad" farmers. Our irrigation service is automated, and it is world's best practice for an open, earthen channel system. Cotton, corn, and rice dominate our summer irrigation and in winter our farmers grow a wide range of irrigated annual crops. We deliver environmental water to sites within our system in partnership with the NSW Government and the Commonwealth Environmental Water Holder. We also deliver operational and environmental water to the Yanco Creek when ordered by WaterNSW.

CICL was purpose built by government from the 1950-1970s. The average farm size is 220ha and our area has an intense network of constructed, earthen supply channels and drains. The construction of the irrigation supply and drainage network resulted in dryland sheep grazing properties (low productivity and low carrying capacity) being converted to intensively irrigated farms. The township and its businesses have no other purpose but to support the services irrigation businesses and their employees and families demand.

Most of the water held by CICL is general security and the volume of general security entitlements in our footprint has reduced by circa 29 percent because of member decisions, including water sales to environmental water holders during buybacks, and on farm investment and commercial water market activity. In addition, our business is exposed to annual water allocation prices, with significant volumes leaving our area when water allocation prices are high, for example \$200 per ML or more. Direct water buybacks and on-farm infrastructure programs put upward pressure on water prices to varying degrees, and price effects have grown larger as the total volume of water recovery has increased.<sup>2</sup>

**This means all water recovery in the southern Basin impacts on CICL, our members and Coleambally.**

## Murrumbidgee Valley Water Recovery

Important context to this Inquiry is pre-Basin Plan<sup>3</sup> changes to access to water in the Murrumbidgee and the additional water recovery under the Basin Plan. These changes have significantly reduced the volume of water in the consumptive pool.

The current Water Sharing Plan (WSP) for the Murrumbidgee Regulated River water source reduced water use by a long-term average of 90GL. This reduction was without

<sup>1</sup> Stenekes, N, Kancans, R, Randall, L, with Aither consulting group 2024, *Baseline relative community vulnerability and adaptive capacity—Murray-Darling Basin, a focus on irrigation in agriculture*, ABARES technical report 24.08, Canberra, May, DOI: <https://doi.org/10.25814/jf4c-ws04>. CC BY 4.0

<sup>2</sup> [Economic effects of water recovery in the Murray-Darling Basin - DAFF \(agriculture.gov.au\)](https://www.agriculture.gov.au)

<sup>3</sup> [Pre 2009 water recovery table](#)

compensation to water entitlement holders and was a consequence of new planned environmental water rules in the first WSP.

In addition, the Living Murray Program, Water for Rivers and the Murray Darling Basin Plan environmental water holders now own 30 percent of the water entitlements previously in the consumptive pool.<sup>4</sup>

The Murray Darling Basin Plan alone has recovered the equivalent of 442.4GL of water from the Murrumbidgee Valley and a further 1,275.7GL from the connected southern Basin.<sup>5</sup>

*Note - One Murrumbidgee general security water entitlement equals 0.591ML.<sup>6</sup>*

This is a step change in the volume of water available to the productive sector, with the RoR Act likely to further reduce water availability as the Commonwealth seeks to achieve the full 450GL for enhanced environmental outcomes.<sup>7</sup>

This will have a profound impact on irrigated agriculture in our region and the region's social and economic wellbeing.

CICL believes, given the volumes now available to the environment, there is sound evidence of better ways to improve environmental outcomes than more water recovery from farmers. For evidence of a better approach refer NSWIC Beyond Buybacks.<sup>8</sup>

## Terms of Reference

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

The repeal of the limit on Commonwealth water purchases combined with changes made in the RoR Act, to allow funding in the Water for the Environment Special Account to be used for buybacks will materially reduce the economic productivity of the CICL region and have negative impacts on our social environment and wellbeing. Further information is available in CICL's submission to the Commonwealth in March 2024.<sup>9</sup>

The RoR Act fundamentally altered the purpose and intent of the original 450GL commitment, which was for this volume to be recovered through "...efficiency or water savings measures with at least neutral social and economic impacts." Its delivery was linked to the relaxation of constraints. The RoR Act disregards this critical link and removes the social and economic neutrality test for buybacks.

The irrigation sector, particularly in the southern Basin now faces successive government direct water purchase programs to recover water for enhanced environmental outcomes, where there is no disclosure of the funds available to government for buyback.

<sup>4</sup> Data accesses from the NSW Water Register [NSW Water Register - WaterNSW](#)

<sup>5</sup> [Surface-water-recovery-under-the-Basin-Plan](#)

<sup>6</sup> [LTDLE \(CAP\) factors | NSW Government Water](#)

<sup>7</sup> [Framework for delivering the 450 GL - DCCEEW](#)

<sup>8</sup> [2023\\_01\\_31\\_Beyond\\_buybacks\\_Campaign.pdf](#)

<sup>9</sup> [Take the survey - Draft Restoring our Rivers Framework - Department of Climate Change, Energy, Environment and Water](#)

The March 2025 budget contains a commitment to provide funding over three years from 2025–26 to continue implementation of the Murray-Darling Basin Plan through additional voluntary water purchases to contribute towards better environmental outcomes under the Basin Plan. It does not disclose the costs; on the basis it will impair its negotiation of contracts.

Not only is government not disclosing the total funding available, but there is virtually no information about the prices being paid by government until months after contracts have been exchanged. This situation creates a massive power imbalance between potential sellers and the Commonwealth.

The recent purchase by the Commonwealth from Duxton Water, a publicly listed company with disclosure obligations is a stark contrast, with Duxton publicly announcing its agreement to enter into a sales contract.<sup>10</sup>

Also relevant is the 450GL target volume not being attributed to any valley.<sup>11</sup> This means businesses and industry have no visibility of the potential volume to be recovered in their region or from the southern connected Basin.

The other important piece of information is relaxation of constraints will not be completed in time, if ever, further exposing southern Basin communities to more buybacks in 2027 after reconciliation.<sup>12</sup>

The MDBA states: *Relaxing constraints in the Murray–Darling Basin’s rivers is necessary to maximising environmental outcomes using water recovered under the Basin Plan 2012.*<sup>13</sup> It has finally been acknowledged that more time and a different approach is required to build community support for constraints relaxation, with the MDBA now seeking a further 10-year funding commitment to implement their Constraints Relaxation Roadmap.<sup>14</sup>

In effect this means the Government is pursuing additional water recovery, with the full knowledge that environmental outcomes from the additional water will not be maximised.

**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**

The RoR Act provided more time for governments and new opportunities to introduce “supply” projects.<sup>15</sup> The current sustainable diversion limit assumes 605GL of offsets. With this benefit shared across the southern regulated valleys, the Murrumbidgee’s share is 162GL.<sup>16</sup>

The collective Commonwealth and State Governments have not used the additional time available to ensure governments achieve projects equating to at least 605GL by the new

<sup>10</sup> [D2O Announcement 2A1582887.pdf](#)

<sup>11</sup> [Surface-water-recovery-including-the-SDLAM](#)

<sup>12</sup> [Sustainable diversion limit adjustment mechanism reconciliation | Murray–Darling Basin Authority](#)

<sup>13</sup> MDBA, 2024 [Constraints Relaxation Implementation Roadmap](#)

<sup>14</sup> Ibid.

<sup>15</sup> [Sustainable diversion limit adjustment mechanism | Murray–Darling Basin Authority](#)

<sup>16</sup> [Surface-water-recovery-including-the-SDLAM](#)

deadline. The southern Basin is therefore facing a significant shortfall in the volume of offsets if reconciliation occurs in December 2026.<sup>17</sup>

The RoR Act failed to provide opportunities for exploration of projects which delivered environmental outcomes, without the need for additional held environmental water.

The irrigation sector has brought forward ideas and approaches to achieve better outcomes for the environment and regional communities<sup>18, 19</sup>. The evident unwillingness of the Commonwealth government to consider alternative approaches increases risks to communities and the effective implementation of the RoR Act.

The NSW Government's implementation of its Floodplain Management Reforms including licencing and measurement of floodplain harvesting<sup>20</sup> is critical to ensuring implementation of the sustainable diversion limits in the Murray Darling Basin Plan and equity for irrigators.

The progress with these reforms is positive.

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

Part 2, Division 1 Clause 58 of the *Water Management Act 2000 (NSW)* sets out the priorities for different classes of water entitlements, with general security water entitlements the second lowest priority, ahead of supplementary water.

This means the reliability of general security water entitlements, including the Commonwealth's general security water entitlements is impacted by planned environmental water rules.

As noted above the WSP for the Murrumbidgee Regulated River Water Source reduced diversions by 90GL on average. This impact was primarily driven by the introduction of a range of new planned environmental water rules.

CICL contends the *Water Act 2007 (Cth)*, Part 1, clause 6 definition of Planned Environmental Water, together with the Basin Plan 2012 (*Cth*) has the potential to reduce the reliability of general security entitlements. This is because of the rigid definition of planned environmental water, which is not linked to any specific environmental outcomes. CICL's primary concern is improvements in river operational efficiencies, leading to within-season increases in available water determinations in the future may be prohibited by Federal legislation, directly impacting the reliability of general security water entitlements.

The Water Act and Basin Plan provide for limited exploration of better ways to deliver both environmental water and consumptive water. This is illogical and unnecessarily restrictive.

The recent review of the WSP for the Murrumbidgee Regulated River Water Source by Natural Resources Commission (NRC)<sup>21</sup> is particularly concerning, where the NRC recommendations to the Water Group have the potential to significantly erode the reliability of water entitlements.

<sup>17</sup> [Annual assurance reports – sustainable diversion limit adjustment mechanism | Murray-Darling Basin Authority](#)

<sup>18</sup> [2023\\_01\\_31\\_Beyond\\_buybacks\\_Campaign.pdf](#)

<sup>19</sup> [Working-together.pdf](#)

<sup>20</sup> [Floodplain management | NSW Government Water](#)

<sup>21</sup> [WSP reviews - Recently published](#)

The object of NRC Act is:

*The object is to establish an independent body with broad investigating and reporting functions for the purposes of establishing a sound evidence basis for the properly informed management of natural resources in the social, economic and environmental interests of the State.*<sup>22</sup>

The NRC review of the WSP for the Murrumbidgee failed to consider equally the social and economic interests, instead making recommendations which will reduce access to water for water entitlement holders, ignoring the step change in the volumes available to the environment 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 license categories**

Rules based changes past and future which increase the volume of water available for the environment will impact on the reliability of general security water entitlements and supplementary water entitlements because these classes are a lower priority for the allocation of available water.<sup>23</sup>

The Commonwealth's framework for delivering the 450GL of environmental water includes rules changes and other non-purchase options to recover water.<sup>24</sup>

**CICL does not support governments introducing any rules changes where the impact of the rules change is a reduction in the reliability of any water entitlements.**

**Any changes in the reliability of water entitlements arising from government policy changes must be 100 percent compensated and consistent with the National Water Initiative and the *Water Management Act 2000 (NSW)*.**

CICL acknowledges that in the southern Basin there may be opportunities to change existing rules to deliver improved environmental outcomes with less water. We support the exploration of these options.

The analysis of any potential rules changes needs to be robust and verify that viable options do not have third party impacts on the reliability of water access licences.

**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**

The irrigation sector has faced successive State and Commonwealth reforms over the last three decades. One in three megalitres of water previously available for production are now available for the environment.

NSW river condition index for the Murrumbidgee describes the Murrumbidgee as very poor; however, the Water Quality Index is good, and hydrological stress condition is very good.<sup>25</sup>

<sup>22</sup> [Natural Resources Commission Act 2003 No 102 - NSW Legislation](#)

<sup>23</sup> [Water Management Act 2000 No 92 - NSW Legislation](#) (Part 2 Division 1 Clause 58).

<sup>24</sup> [Delivering the Basin Plan in full](#)

<sup>25</sup> [River Condition Index](#)



The priority now should be the effective use of existing environmental water and addressing the other risks to environment.

CICL had no direct involvement in the Economic Development Program, however, CICL since separation from government in 2000 has driven improvements in service, delivery efficiency and financial management which has supported its irrigators' capacity to adjust to manage the impact of reduced water availability. This is a success story, which the RoR Act threatens.

In short, the types of positive adjustments seen historically in the Coleambally Irrigation Area will not be seen in future if there is doubt over the real beneficiaries due to government policy.

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

CICL wrote the following in its submission to the draft 450GL Framework.

The Sefton report<sup>26</sup> identified that different communities will have different capacities to transition, and highlighted the disproportionate impact on smaller communities.

The principle should be to support resilience. This allows opportunities where diversification may not be part of the solution.

Supporting resilience to allow persistence of the community in the face of change opens other avenues for minimising socio-economic impacts.

There should also be a specific focus on job retention not just job creation.

There is a difference between public sector jobs and private sector jobs. Public sector jobs such as employment in health and education are important but they are not necessarily sustained when governments change their service delivery models. In contrast, IIOs provide important ongoing employment opportunities.

Coleambally is an example of an innovative community which has proved to be resilient in the face of ongoing water reform and variable water availability. However, it is also a community with a narrow economic base and is highly exposed to the risk of loss of key services.

The Sefton Report<sup>27</sup> clearly described the key concerns of the impact of buybacks and water recovery on irrigation districts. The Literature Review completed by Marsden Jacob<sup>28</sup> concluded *"the form and shape of local off farm communities dependent on irrigated agriculture will be a mirror of the form and shape of the farm businesses that remain and thrive."*

NSW has opened the early round investment to provide community assistance for the \$160M for all of NSW<sup>29</sup>. This assistance is insignificant compared to the impact of further water recovery on regional communities and excludes on farm investment. The effectiveness of future programs is reliant on ensuring investments which will make a material difference to vulnerable communities.

<sup>26</sup> Sefton, R, Peterson, D, Woods, R, Kassebaum, A, McKenzie, D, Simpson, B & Ramsay, M 2020, Final Report: Independent assessment of social and economic conditions in the Murray-Darling Basin, Panel for Independent Assessment of Social and Economic Conditions in the Murray-Darling Basin, Melbourne.

<sup>27</sup> Ibid.

<sup>28</sup> A Marsden Jacob Discussion Paper (2019) Literature review Supporting the Independent Assessment of Economic and Social Conditions in the Murray-Darling Basin.

<sup>29</sup> [NSW Sustainable Communities Program | NSW Government](https://www.nsw.gov.au/irrigation/sustainable-communities-program)



### g) any other related matter

This inquiry is an opportunity to make clear recommendations to the NSW Government about its approach to water reform.

The NSW Government's work program includes the following activities specific to the regulated Murrumbidgee River:

- Changes to the WSP for the Murrumbidgee Regulated River Water Source to allow trade between NSW and the Act with an impact on water availability.<sup>30</sup>
- Providing a special purpose surface water access licence to Riverina County Council because of PFAS contamination of the groundwater.<sup>31</sup>
- Reviewing the minimum inflow methods for available water determinations.<sup>32</sup>
- Participating in the Commonwealth Review of the Snowy Water Inquiry Outcomes Implementation Deed.<sup>33</sup>
- Replacing the WSP for Murrumbidgee Regulated Water Source 2016, including consideration of the recently released Natural Resources Commission Review of the WSP.<sup>34</sup>
- Implementation of its Sustainable Diversion Adjustment Mechanism Projects<sup>35</sup>
- Making the Floodplain Management Plan <sup>36</sup>
- Releasing the Murrumbidgee Regional Water Strategy<sup>37</sup>
- Progressing the Reconnecting River Program<sup>38</sup>
- Finalising the long overdue 10-year Snowy Licence Review<sup>39</sup>

In parallel, the Murray Darling Basin Authority has a significant work program preparing for the review of the Murray Darling Basin Plan due in late 2026.<sup>40</sup> According to the MDBA's own Basin Plan Review Roadmap, this program includes the following key steps.<sup>41</sup>



Source MDBA, [Roadmap to the 2026 Basin Plan Review | Murray-Darling Basin Authority](#)

<sup>30</sup> [Microsoft Word - Summary of proposed changes factsheet for targeted consultation - 2025 proposed amendment Murrumbidgee Regulated water sharing plan.docx](#)

<sup>31</sup> Ibid

<sup>32</sup> [Minimum Inflows Method Review | Chief Scientist](#)

<sup>33</sup> [Improving the health of the Upper Murrumbidgee - DCCEEW](#)

<sup>34</sup> [WSP reviews - Recently published](#)

<sup>35</sup> [Sustainable Diversion Limit Adjustment Mechanism | NSW Government Water](#)

<sup>36</sup> [Murrumbidgee Valley floodplain | NSW Government Water](#)

<sup>37</sup> [Murrumbidgee Regional Water Strategy | NSW Government Water](#)

<sup>38</sup> [Reconnecting River Country Program | NSW Government Water](#)

<sup>39</sup> [Snowy Water Licence | NSW Government Water](#)

<sup>40</sup> [2026 Basin Plan Review | Murray-Darling Basin Authority](#)

<sup>41</sup> [Roadmap to the 2026 Basin Plan Review | Murray-Darling Basin Authority](#)

**CICL recommends the NSW Department of Climate Change, Energy the Environment and Water focus on minimising negative impacts of the Murray Darling Basin Plan on Basin communities and water entitlement holders and stop commencing initiatives and programs in addition to the multitude of requirements under the Murray Darling Basin Plan.**

**The 2026 renewal of the Water Sharing Plans should be consistent with the requirements of the Basin Plan and should not include changes outside of the Murray Darling Basin Plan requirements.**

**Delivery of at least 605GL of "offsets" in the southern Basin is essential and NSW should ensure its work delivers on this expectation, to avoid further water recovery from the consumptive pool or increasing risk of non-compliance with the Sustainable Diversion Limit.**

**NSW support for implementation of the MDBA constraints relaxation road map should be linked to no further water recovery or changes to the sustainable diversion limit.**

**NSW's further work should prioritise investment in "complementary measures" to improve environmental outcomes. These investments will be more effective than further water recovery or reducing the reliability of general water entitlements.**

## Concluding comments

This inquiry is an important opportunity to identify a new path forward in NSW to address the threats to inland communities posed by the RoR Act and NSW Government initiatives.

CICL, its members and communities reliant on economic activity from irrigation farming have faced three decades of water reform; some of this reform delivering significant improvements. However, the RoR Act threatens to remove a further 450GL from the consumptive pool. This would have a profound impact on CICL, its members and the Coleambally community.

The volume of water available to the environment now equals one in every three water entitlements previously allocated to the consumptive pool.

It is time for the NSW government to focus its energy and resources on minimising the impact of the RoR Act on NSW communities and exploring ways to improve environmental outcomes from the significant volume now available to the environment.

If you require further information please contact [REDACTED], CICL Policy and Communications Manager, E. [REDACTED] or on M. [REDACTED].

Yours sincerely

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