

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

Organisation: Barwon-Darling Water

Date Received: 12 April 2025



BARWON-DARLING WATER

SUBMISSION to:

Inquiry into:

**The impacts of the Water Amendment
(Restoring our Rivers) Act 2023 on NSW
regional communities**

14 April 2025

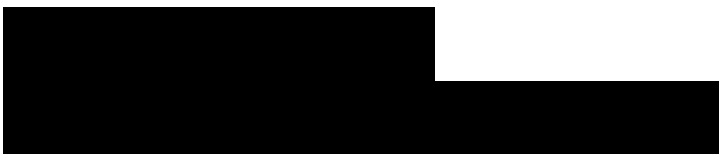
Submission from:



BARWON-DARLING WATER

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Dear Mr Butler and other inquiry members

Barwon-Darling Water Inc (BDW) is the peak body representing water users on the unregulated Barwon-Darling River – including local government, irrigators, and basic right users.

We represent all licence holders and water users on the Barwon-Darling – from Mungindi on the Queensland border to the Menindee Lakes.

Following are our thoughts on the Terms of Reference provided by this inquiry:

Introduction

In relation to the general principles around buybacks of water from the productive pool, we offer the following thoughts:

1. The various levels of government have already taken enough water back over the last 20 years via the cap, sustainable diversion limits, water sharing plans, various rule changes and cuts to access and volumes.
2. That water is now flowing down the rivers unhindered, and we need to pause and assess where we are at and consider what complementary measures can now add to the health of the river system.
3. If the government is determined to take more water from the productive pool for the environment – government should pay licensees for that water and then adequately compensate communities for the loss of jobs, commercial activity and regional prosperity.
4. Do not assume that irrigators oppose buyback in favour of rule changes – they do not. Rule changes are theft by stealth. Our members prefer buybacks, but believe further buybacks are harmful to regional communities and they are now unnecessary

We are alarmed by the rule changes that NSW government is currently working on in relation to connectivity and wetlands because they do not compensate the farmers of the community from which water is taken via rule changes.

In the light of that general position, we have the following to say about your terms of reference:

a) 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 regional agricultural output and gross value, and cause significant job losses.
- Areas that are highly dependent on irrigated agriculture (eg: communities along the Barwon-Darling) 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 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) 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, monitoring and enforcement.
- 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) impact of Planned Environmental Water rules on the reliability of water allocations in NSW and the Commonwealth's environmental water holdings

- BDW is aware of different views on how Planned Environmental Water (PEW) should be accounted for, has not raised this as a major issue for the Parliamentary Inquiry.
- We understand that PEW is defined differently in NSW and Commonwealth law.
- Through our peak state body the NSWIC, we have asked for clarification on this issue in NSW water resource plans.

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

- For some time now, BDW has been warning about the 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’.
- This statement is disingenuous and this approach is inequitable. Rules-based changes reduce allocation reliability for all water entitlement holders without compensation, undermining irrigators’ property rights.
- We are concerned that NSW is already using rules changes to reduce farmers’ access and free up more water for the environment. This water does not count towards Basin Plan targets, thus compounding the RoR Act’s socio-economic impacts.
- The NSW Government must pause all rules-based reforms to reduce access in water sharing plans pending the Murray-Darling Basin Plan evaluation and review, and development of Basin Plan 2.0. NSW should not be using rules changes to free up more water for the environment that does not count towards Basin Plan targets.
- 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.
- We oppose NSW 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.

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.

- We believe 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.
- We recommend NSW halt 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.

Our recommendations

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. No further rules changes to free up more water for the environment that do not count towards Basin Plan targets.
3. 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 National Water Initiative.
4. Remove the Risk Assignment Framework's 3% threshold in clause 49 of the National Water Initiative (NWI).
5. Review all water reform programs being implemented in NSW with triaging of priority and staggered staging of implementation.
6. If water recovery for the environment is pursued, voluntary purchase on the water market is the only equitable method.
7. Any water recovered for any other purpose should not have a negative impact on any other licence holders.

8. 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.
9. Implement a coordinated program across the water, environment and agricultural portfolios to address the major environmental degradations drivers in rivers.
10. Remove barriers to compliance outside farmers' control on floodplain harvesting measurement implementation.

Barwon Darling Water

Barwon-Darling Water Inc (BDW) is the peak body representing water users on the unregulated Barwon-Darling River. It is an independent, apolitical body, funded by its members.

BDW was set up to provide advice on the Barwon-Darling River to members and decision-makers, to assist with policy development, and to advocate on behalf of its members.

BDW membership is made up of local water user groups – including local government, irrigators, and basic right users. We represent all licence holders and water users on the Barwon-Darling – from Mungindi on the Queensland border to the Menindee Lakes.

BDW members have been involved in the water reform process, especially in relation to the unregulated Barwon-Darling River, for many years. This work has included:

- Co-operating with other stakeholders to create a set of environmental flow rules for the Barwon-Darling via the first Barwon-Darling River Management Committee.
- Assisting in development of the Barwon-Darling Cap Management Strategy 2007.
- Assisting with the development of the Barwon-Darling Water Sharing Plan 2012.
- Representation on the Barwon-Darling Customer Advisory Group of WaterNSW.
- Working with DPIE Water on development of the Floodplain Harvesting Strategy;
- Working as part of the Stakeholder Advisory Panel on development of the Barwon-Darling Water Sharing Plan and Water Resource Plan 2020.
- Responding to Basin Plan issues over the years.

We have also been involved in discussions regarding water reform in the northern basin and specifically on the Barwon-Darling River since the mid 1990's.

Barwon-Darling Water is a member of NSW Irrigators Council and the National Irrigators Council and has strong connections with other valley and industry groups including the Northern Irrigators Group and Cotton Australia.

Representatives from Barwon Darling Water are available to further discuss any of the matters raised in this submission.

