

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

Organisation: Speak Up Campaign Inc

Date Received: 12 April 2025

Partially
Confidential

Speak Up Campaign

Submission

Impacts of the Water Amendment (Restoring Our Rivers) Act 2023 on NSW Regional Communities

Key Message

Speak Up is concerned that the Terms of Reference for the Inquiry have missed the mark in providing regional communities with the opportunity to fully communicate the alarming impacts that the Water Amendment (Restoring Our Rivers) Act 2023 will have on the state.

We strongly urge the committee members of this inquiry to visit and speak first-hand to those with generational knowledge of the NSW Murray Valley, the ramifications of the Water Amendment are not easily comprehended through a paper submission.

In this submission Speak Up will briefly address the following, as per the Terms of Reference for the inquiry -

- a) the social, economic and environmental impact of repealing limits to the cap on Commonwealth water purchases
- 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
- c) the impact of Planned Environmental Water rules on the reliability of water allocations in NSW and the Commonwealth's environmental water holdings
- d) the impact of rules-based changes on the reliability of water allocations in NSW, including their impact on different water license categories
- 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
- f) options to improve future community-based reduction adjustment programs including next rounds of the Sustainable Communities Program
- g) any other related matter.

Background

Speak Up was formed in 2015 as a result of ongoing frustration among local farmers, business owners, and community members at the lack of listening by state and federal governments to the real issues faced by rural communities in relation to implementation of the Murray-Darling Basin Plan.

The ongoing cumulative impacts of previous water reform, combined with this implementation, was having unsustainable impacts on family farmers, small business owners and community organisations, while at the same time contributing to adverse environmental outcomes across the Southern Basin.

Speak Up membership extends across the Goulburn Valley in northern Victoria, the NSW Murray Valley and the Murrumbidgee Valley.

Submission

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

Finding current data on the social and economic impacts of repealing limits to the cap on water buybacks is limited, as most data predates buybacks prior to 2017.

However, the social and economic data collected by the Murray Darling Basin Authority on the impacts of water recovery from 2001 to 2016 from NSW communities is extremely alarming and includes –

- Of 15 communities in NSW included in the study 648 Full Time Equivalent (FTE) jobs were lost through water recovery²
- The table below highlights impacts to irrigation communities from the NSW Murray Valley that were included in the study, extracted from MDBA Southern Basin Communities Profiles (2001 – 2016)^{2,3}

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

- 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 as a result 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 year⁴

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
Total	300		\$120

- A report released by Frontier Economic in August 2022 projects the following outcomes as a result of water recovery through Buybacks, whether that be under 'bridging the gap' and/or the 450GL¹
 - A reduction in water use in NSW by 197GL per year
 - An estimated loss of 95,000 ha of irrigated production in the Southern Basin
 - It estimates an annual gross value irrigated production loss of in excess of \$500 million from the Southern Basin

Furthermore, the report from Frontier Economics states that "If all SDLAM projects are completed, at least 62 GL must be recovered through efficiency projects in order to keep the total SDL adjustment within 5% of the SDL. If the remaining 388 GL of the 450 GL were to be recovered through either buyback or on-farm efficiency projects, the impacts would broadly be the same as recovering 372.3 GL to make up the estimated shortfall in the 2,750 GL requirement at 30 June 2024, which would result in lost irrigated production of greater than \$400 million per year in the southern MDB."¹

Studies carried out to date have yet to estimate or investigate the social and economic impacts of production loss and recovery costs resulting from elevated risks of flooding, including those associated with increased water held in storage or clean-up costs.

Removing the Social and Economic Neutrality Test, along with the 1500GL cap on buybacks, exposes NSW regional communities to unsustainable and detrimental risks that not only jeopardise the viability of rural communities but will have flow-on impacts to the entire state.

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

MRSRG recognises the need to address compliance and unlicensed water take from floodplain harvesting practices. Any steps that are taken to restore connectivity of the Darling to the Murray is a positive step to address river health of the Darling and secure water supplies for those who live along the river.

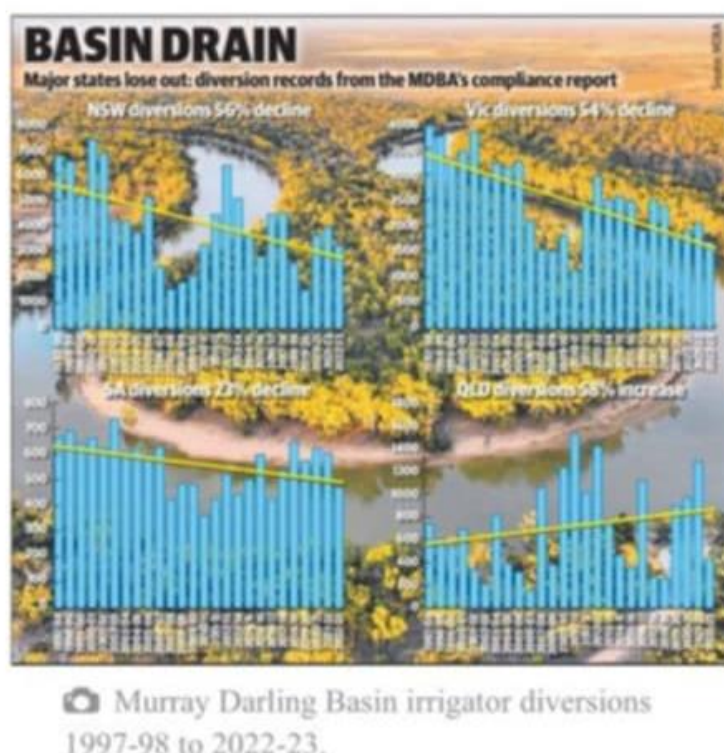
Addressing these issues will require amendments to Water Resource and Water Sharing Plans to ensure flow targets are set to deliver water to Menindee. Currently, these flow targets are inadequate to secure connectivity. In an article published in The Weekly Times on January 8, 2025, Peter Hunt highlights that NSW and Victorian irrigators have halved their water use, while QLD has increased its extraction by nearly 60% in the last 30 years⁵.

Yet the Federal Water Minister and the Department of Climate Change, Energy, Environment and Water (DCCEEW) have targeted the Southern Basin for water recovery under the Restoring Our Rivers Bill 2023.

NSW and Victorian irrigators' diversions from the Murray Darling Basin's rivers have almost halved since 1997-98, as dairy and rice production declined amid federal government water buyouts.

Applying trend lines to [diversion records from the MDBA's cap compliance reports](#) shows that while Victorian and NSW water usage declined by about 50 per cent, South Australian irrigators diversions fell by just 22 per cent, while Queensland rose by roughly 58 per cent.

Extracted from The Weekly Times, above and left.



A quote from the DCCEE media release on July 4, 2024, states, “Under the Voluntary Water Purchase Program opening the week of 15 July, the Commonwealth will launch its first tender to buy up to 70 gigalitres of water entitlements from willing sellers in parts of the southern Basin.”⁶

Further to this, over 30 GL of water was recovered from the Southern Basin by the Commonwealth a week after a tender to purchase another 100GL through the Restoring Our Rivers Bill 2023. This is highlighted in an ASX announcement made by Duxton on March 6, 2025⁷.

So far, the Restoring Our Rivers Bill 2023 has done very little to address the unlicensed floodplain harvesting. From the perspective of communities in the NSW Murray, the Bill has little to do with environmental outcomes and more to do with South Australian votes, as highlighted in the joint media release from the Federal and South Australian Water Ministers on the same day the Duxton Water sale was announced – “This is tremendous news for South Australia and couldn’t come at a better time with drought starting to bite across the state.”⁸

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

Both NSW and Commonwealth Planned Environmental Water rules have had an impact on General Security allocations in the NSW Murray Valley. Over the last two decades, owners of General Security Entitlements have seen their reliability reduced from 83% to 48%.

The Restoring Our Rivers Bill (2023) will further exacerbate the mechanisms influencing the decline in reliability. These mechanisms are the culmination of various factors, however to simplify –

- 83% of the water recovered under the Murray Darling Basin Plan has come from the Southern Basin
- These water entitlements are stored in upstream water storages
- Environmental water use means water that was traditionally used at a certain time in the season is no longer used at that time
- NSW’s conservative approach to water allocations has resulted in allocations coming later in the season
- Irrigators are now more reliant on carryover, and combined with environmental water in the dams less water is available for allocation early in the season
- Increasing flows down the Murray to meet SA flow targets to the border increases conveyance losses, which come out of the productive bucket of water

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

As previously highlighted, the Restoring Our Rivers Bill (2023) prioritises water recovery through buybacks, and the Southern Basin is being targeted for this water recovery. Water entitlements recovered are then stored at the start of river systems (in our case, the Murray system, ie Dartmouth and Hume Dams).

Although we have been assured that water entitlements cannot change characteristics, this is clearly not the case. To meet flow targets to the SA border under the Basin Plan intervalley trades would need to be exceeded – as stated by DCCEEW - “However, environmental water is used in a fundamentally different way to irrigation water. Unlike irrigation, which is extracted from the river, environmental water is often left in the river to add to flows in the river. This water is then protected from extraction and continues flowing downstream. This water can therefore provide benefits both locally and to downstream locations, including in South Australia.”

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

Over the decades, our community members have been involved in numerous water reform programs, and those that incorporated full community involvement and co-design have been the most successful.

For example, through meaningful engagement with landholders and communities in the Murray Valley, agreements were made to prioritise rules-based watering events for local environmental sites over productive allocations. As a result, environmental outcomes were achieved with acceptable and limited third-party impacts that communities were comfortable with.

The Land and Water Management Plans are a great example of co-design where communities and local, state and commonwealth governments came together to solve a problem and the results were positive,

In the video below NSW Murray Valley community members discuss positive outcomes water to deliver co-design programs.



Positive Partnerships - Community Comment

Based on our experience, reduction adjustment packages are insufficient to replace the lost value of annual economic activity and the flow-on value added to our communities as a result of irrigated 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.

Funding applications must meet strict criteria and are often so complicated that many 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.

We acknowledge that diversity in industries and income streams is important for all regional communities. However, reduction adjustment packages are in no way able to replace the value that productive water has for regional NSW communities.

Furthermore, the mental health, loss of employment opportunities and other issues created by reducing once vibrant communities to low income ones have far reaching consequences that result in the need for further underfunded government services.

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

We understand the need for Local Governments to access the reduction adjustment programs, as they have been left with the fallout trying to manage communities facing unprecedented change and in greater need of services than ever.


Regions impacted would benefit more greatly from the relocation of government departments to rural areas that have been most impacted by the loss of productive water. Relocating staff and families to rural areas would increase revenue for those communities, increase population and, as a result improve business opportunities in the region. A by-product of such a bold move by governments would be more leaders within the community to help bolster regional vitality. This would be a reversal of

previous rationalisation, particularly in the 1990s and 2000s, which saw many government departments and services withdrawn from rural communities.

g) any other related matter.

Using buybacks to secure water supplies to South Australia is not a long term solution to –

- The problems of the Coorong, Lower Lakes and Murray Mouth (CLLMM)
- Fish kills on the Darling
- The future of SA's drinking supply
- Food security issues with a growing population forecast to reach 40 million by 2045

In essence, the Water Amendment prioritises SA's wants and past mistakes at the expense of NSW. Evidence of the SA's mismanagement of its water resources can be found in the YouTube link below and this document 



History of the End of System

As of 2021 **4623GL** of water has been recovered for the environment by state and commonwealth governments. Under the Basin Plan 2750GL, a recovery target of 2289GL was set to source entitlements from the Southern Basin to meet a three-year rolling average target of 2000GL to be delivered to the CLLMM.

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.

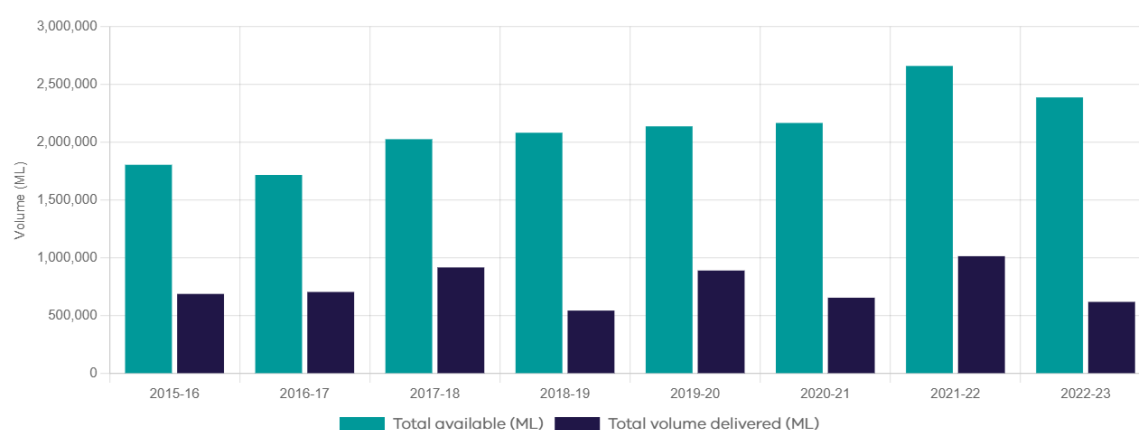
Before further water is recovered for the environment, it is essential to determine whether the water recovered to date can be delivered. Past sales of excess environmental water entitlements would highlight that further water recovery is not needed.

- Table 1 - is a summary of Commonwealth environmental trades from 2014 – 2023⁹
- Figure 1 - compares Victorian Environmental Water availability compared to delivered volumes from 2015 – 2023¹⁰
- Figure 2 – NSW Environmental Water trades over the last 365 days (03/04/2025)

Table 1: Summary of past trades by the Commonwealth Environmental Water Holder

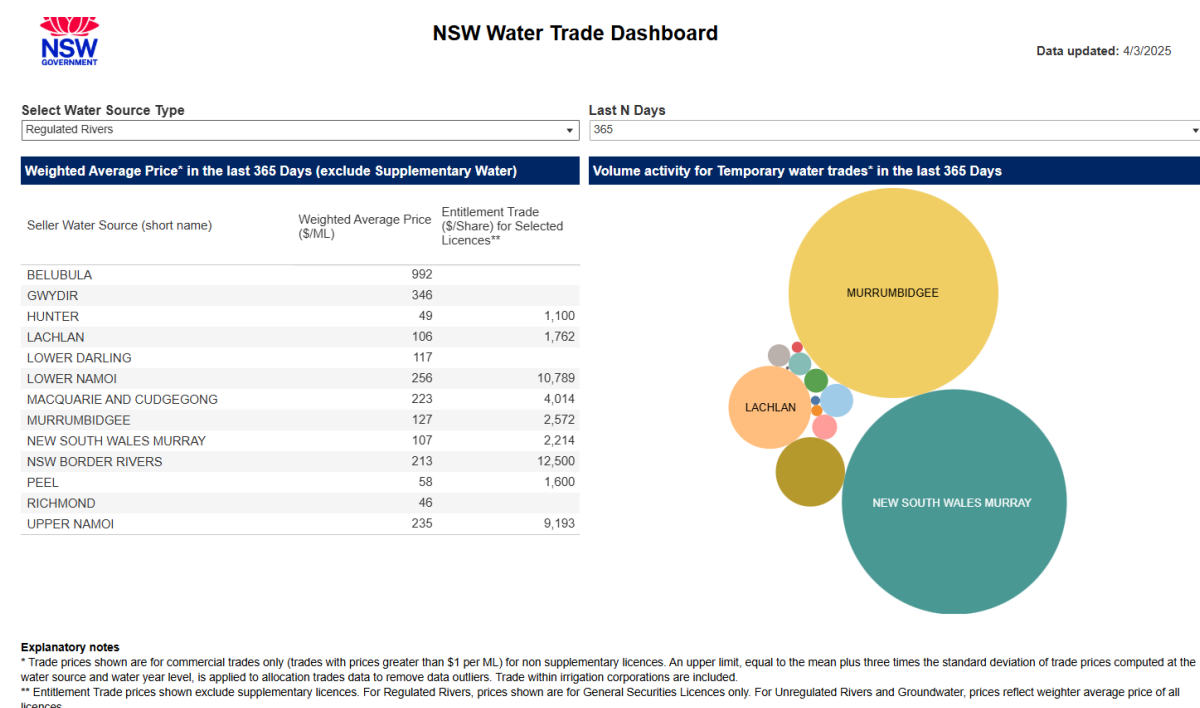
Region	Date of sale	Volume sold (ML)	Average price per ML	Revenue for the environment
Goulburn	January to February 2023	0	Not applicable	Not applicable
Goulburn	September 2018	20,837	\$290.04	\$6,043,618
Gwydir	January 2018	6,700	\$429.61	\$2,878,400
Goulburn	November 2015	22,864	\$282	\$6,457,669
Peel	March to April 2014	340	\$95.82	\$32,580
Gwydir	January to February 2014	10,000	\$321.74	\$3,217,000

Figure 1: Environmental water available and delivered



Show notes +

Figure 2 – NSW Trade of Entitlements from Regulated Rivers



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 as a whole. Furthermore, it does not make accommodations for the impacts not already realised or the flaws in the original modelling of the Basin Plan.

NSW needs to oppose further buybacks from the productive bucket of water.

References

1. [REDACTED]
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. [REDACTED]
5. [Weekly Times Jan 8 2025](#)
6. <https://minister.dcceew.gov.au/plibersek/media-releases/voluntary-water-purchase-basin-kicks-soon>
7. [REDACTED]
8. [Joint media release - Plibersek and Close March 6 2025](#)

9. [DCCEEW water trades summary](#)
10. <https://www.vewh.vic.gov.au/our-watering-program/how-we-trade-water>