

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

Organisation: Murray Regional Strategy Group

Date Received: 13 April 2025

Partially
Confidential

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

Introductory Statement:

The Murray Regional Strategy Group (MRSNG) is comprised of organisations from industry and community with the NSW Murray Valley (Southern Basin).

MRSNG is a collaborative joint voice for water related issues underpinning the primary economic issues affecting the base economy in the Murray Valley.

MRSNG is concerned that the Terms of Reference for this inquiry will not provide an opportunity to appropriately assess the true impacts of the Federal Government's Restoring our Rivers Bill (450GL) 2023.

In order to assess the social, economic and environmental issues in the Terms of Reference points which include point a), b), c), d) e), the political nature of the Basin Plan and its focus on the Southern Basin to meet political objectives for South Australia needs to be understood. The highest risk is to borne by the NSW Murray Valley.

It is not possible to assess social and economic impacts of lifting the CAP on Commonwealth Purchases unless information is included on water purchases that have occurred within the 2750GL Basin Plan (2012) as well as the additional 450GL under the Restoring Our Rivers Target (2023).

It is important also for the committee to recognise rules in the River Murray Agreement in the Southern Basin established pre-basin plan, that already places the highest priorities and security on flows to South Australia.

The River Murray Agreement also ensures there are strong rules in the NSW Southern Basin for protecting the environment, managing climatic risks and secures human requirements above any rights to extract water for growing food, livestock or fibre.

Committee members of this inquiry are encouraged to visit the Murray Valley to investigate issues of concern or alternatively, progress further detailed discussions with MRSNG representatives to understand the disproportional nature of political and Murray Darling Basin Authority's (MDBA) decisions and the full suite of ramifications.

Murray Darling Basin Geography

The Murray Darling Basin was historically recognised as two main geographic regions, the Northern Basin and the Southern Basin.

The Darling River merges with the Murray downstream of Mildura. The merging of these two major rivers (the Murray and the Darling) have historically influenced flows to South Australia prior to and as part of river regulation.

Growth of irrigation extractions in the Northern Basin has however progressively reduced flows down the Darling since the 1980s, which then means the Murray River is being required to deliver the majority of South Australia's entitlement flow of 1850GL under the River Murray Agreement.

Since the Federal Water Act 2007 and the subsequent finalisation of the Basin Plan in 2012, it is now evident there were conceptual and modelling assumption errors in original planning processes. This includes the failure of the MDBA to;

- Recognise and include the South- East of South Australia's natural catchment for the Coorong in the Plan
- Recognise the environmental impacts from the loss of natural flows to the Coorong which occurred when South Australia's two main drainage schemes, diverted natural flows to the Coorong out to sea. (*only partial restoration of minor flows has occurred in the Upper South East of SA drainage scheme*)
- Acknowledge the localised impacts of decisions within SA on the Murray Mouth following the construction of the 7.6km barrages built in 1939, which converted a tidal estuary into a permanent freshwater lake (Alexandrina)
- That the Murray River from Albury to South Australia would have the physical capacity to deliver new Basin Plan political flow targets to the Coorong, Lower Lakes & Murray Mouth (CLLMM).

Murray Darling Basin Plan

The Federal Water Act 2007 is the legislative framework for the Murray Darling Basin Authority and the Murray Darling Basin Plan. The Water Act was developed in the lead up to the Federal 2007 election. This coincided with most severe years (2006/07) of the Millennium Drought when South Australia began to experience severe impacts to water levels in the Lower Lakes (SA), Millennium drought conditions across the rest of the Basin were already well established in other Basin states.

Prior to 2006/07 period, South Australia was still on full water allocation and full delivery of its minimum entitlement flows from upstream Victoria and southern NSW. The Northern Basin had been in drought since late 1990s and Southern Basin (NSW/Vic) were experiencing severe drought conditions for sustained periods prior and post 2006/07. The Millennium Drought officially broke in February 2010.

However, the Murray Darling Basin Authority MDBA developed the Murray Darling Basin Plan on the basis of scientific assessments that were largely conducted during the peak of the Millennium Drought (eg Sustainable Rivers Audit 2006). The Authority set new sustainable diversion limits for each valley (*volumes that could extracted*) within the Basin based on this and other reports at the time. SDL limits have major social/economic impacts on the Murray Valley.

The Basin Plan was underpinned by inadequate data, incorrect modelling assumptions and political influence. The Basin Plan places the highest priority on achieving an extra 2000GL (3 yr rolling avg) for South Australia's Coorong, Lower Lakes and Murray Mouth (CLLMM). This additional flow target to SA, continues to guide Government water recovery decisions.

New Basin Plan SDL limits for each Basin catchment, guides Federal Water recovery target of 2750GL;

- 2289GL from the Southern Basin,
 - environmental 'equivalence' projects can be included (eg 650GL)
- 390GL from the Northern Basin.
 - In 2018 the Northern Basin Review reduced water recovery requirements in the Northern Basin from 143G down to 41GL)

MDBA set a new flow target for Murray River flows at the SA border, of 80GL for specific periods. The MDBA relied primarily on one Murray River to deliver this target which the Murray could not physically deliver without causing major flooding upstream in the NSW Murray Valley.

The Southern Basin and in particular the NSW Murray Valley, has incurred disproportional social, economic and environmental impacts, not just to irrigators, but to a broader suite of people. This includes river- bank damage and elevated flooding risks that are already evident in delivering these new Basin Plan flow targets to SA.

The Federal Government's Restoring our Rivers Bill (2023) (450GL) removed the previous Federal and State Governments requirements to consider social and economic impacts via a neutrality test. While this was not perfect (limited impact assessment on irrigators, with no assessment at all on private land impacts of new unrealistic flow targets for the Murray River), it was the only protection mechanism available for regional communities.

These same risks were also not included in the original Murray Darling Basin Plan Regulatory Impact Statement (2012).

A focus on Government continuing purchases of water is detrimental to the interests of Australia's national interest, taxpayers, regional people and the environment.

The MDBA did not develop a 'whole of basin plan'. It remains a political based plan that sets priority flows to South Australia developed during the Millenium Drought. "Environmental" success is being measured by ticking the box on flows targets that were not realistic nor effectual for the environment.

Direct investments in the regions of SA's Coorong, Lower Lakes & Murray Mouth (CLLMM) are essential, as even major floods in 2016 and 2022 have demonstrated that even with major flood flows, Basin Plan flow targets for SA are ineffective solutions for SA's CLLMM.

MRSRG has also developed regionally based solutions for the Murray Valley to enhance environmental outcomes, these have been presented to the MDBA and NSW Government. The NSW Murray Valley Adaptive Road Map has support from all major representative organisations involved in water in Murray Valley, from Albury to Swan Hill.

This, together with localised investments for the CLLMM within SA are what is essential, as well as a 'whole of basin plan approach' to managing water.



Basin Plan 2750GL

Northern Basin= 390GL reduced by 70 GL to 320GL (Northern Basin Review)

(total inflows 13,547GL/Y)

- Establishing SDL limits, limited knowledge & excluded Flood Plain Harvesting volumes
- Northern Basin 2018 Review, reduced environmental flows to Menindee from 143GL down to 41GL
- Basin Plan does not require baseline or connectivity flows from Northern Basin to Menindee or Murray River
- Northern Basin water recovery = **15% of SDL**

Southern Basin = 2289GL less 650GL environmental projects

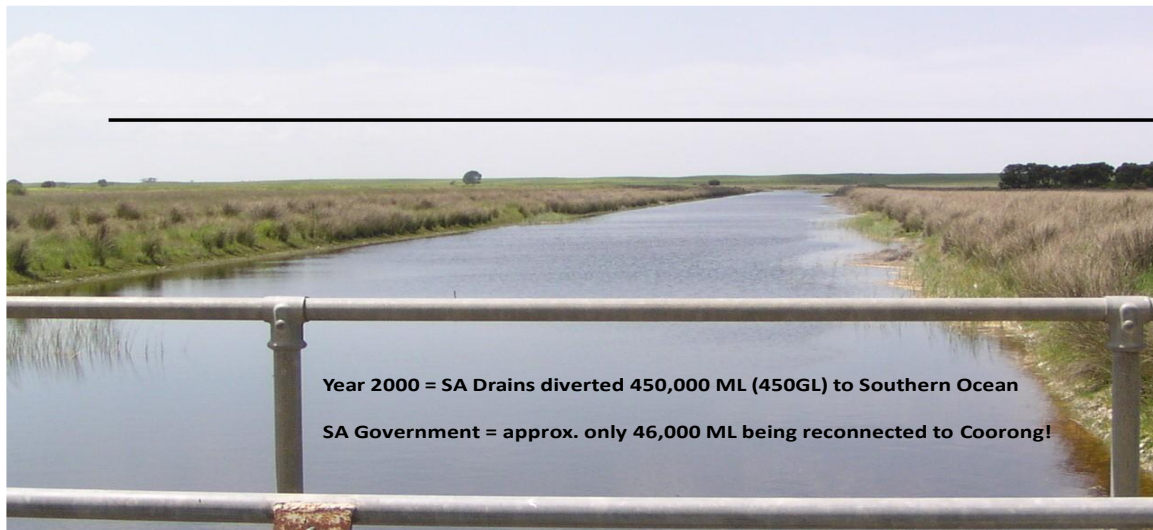
(total inflows: 15,959GL/Y)

- Southern Basin water recovery=**82% of SDL**
- Regulated & Government controlled system
- Politics & MDBA: NSW Murray & Northern Vic Rivers to compensate for lack of Darling flows
- Murray River can't replace other Rivers!
- High flows & floods = Can't fix the Coorong, or M/Mouth



- Concentrates water recovery in Southern Basin
- Target 80GL to SA border = flows Goulburn & lower Darling, BUT primarily Murray River

- But natural Coorong Catchment EXCLUDED
- Murray River to replace SE of SA Coorong natural inflows
- SA Drainage Schemes; diverts natural flows of the Coorong out to Southern Ocean



Submission

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

As explained in the introductory statement, it is not possible to separate and identify data on the social and economic impacts of repealing limits to the cap on water buybacks.

Social and economic impacts in the Murray Valley of Government decisions within the 2750GL Murray Darling Basin Plan, are already evident but total impacts are still developing.

- Significant reduction in water availability for food production (cereal crops, rice, dairy, livestock) and impacts to tourism and fibre related enterprises
- Reduction in employment and business opportunities for agricultural related industries
- Elevated flooding risks as more Government owned water is retained in Hume and Dartmouth Dam and its concentrated release in Spring. Prior to government purchase water was delivered consistently from Spring to Autumn each year
- Substantial retail shop closures that cannot be attributed to broader National retail issues

Social and Economic impact data on Basin Plan water recovery has been primarily up to 2017, but there has been limited reports post 2017. This is a critical issue as the cumulative impacts of water policy rule changes and Government buybacks can be readily seen in farming businesses, their related expenditure in regional towns and the reduction in food produced.

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 ⁴
- In 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 in lost 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 investigate the social and economic impacts of production loss and recovery costs resulting from elevated risks of flooding, clean-up costs, loss of livestock, costs to councils and taxpayers.

Removing the Social and Economic Neutrality Test associated with Restoring Our Rivers Bill (450GL), along with the removal of 1500GL cap on buybacks, exposes NSW regional communities to further unsustainable and detrimental risks that not only jeopardise the viability of rural communities, but will have flow-on impacts to the entire state.

Despite the Basin Plan being marketed as a critical step forward for the environment, the reality is it is largely a commercially/politically orientated plan, to move water to downstream benefitting new irrigation developments towards or in South Australia or nearby regions, many of which are owned by international interests.

There has been no social, economic or environmental impacts study or cost benefit analysis on regions from Albury through the Mid Murray to assess negative impacts on tourism, agriculture or local government assets, from Basin Plan proposals to raise the Murray River operating levels to deliver water to meet political flow targets for South Australia's CLLMM.

- Approximately 5000 landholders will be affected in NSW

Federal and State Governments, the MDBA and the Commonwealth Environmental Water Hold (CEWH) continue to deny elevated flooding risks will be part of concentrating water buybacks in the Murray Valley and focussing higher flows targets for the Murray in Spring.

In Autumn the Murray River will be run lower with a corresponding drop in baseline flows in many of the smaller river and creeks systems in late summer/autumn. This leads to impacts in irrigation orders, a reduction in baseline flows, reduces environmental and farmer resilience should the season turn dry. Deaths of Native Fish species, particularly large- scale impacts to Murray Cod populations, are already evident when adequate baseline flows are reduced or cease.



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

MRSNG recognises the need to address compliance and unlicensed water take from floodplain harvesting practices in the Northern Basin. Floodplain harvesting is not permitted in the Murray Water Sharing Plan. 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.

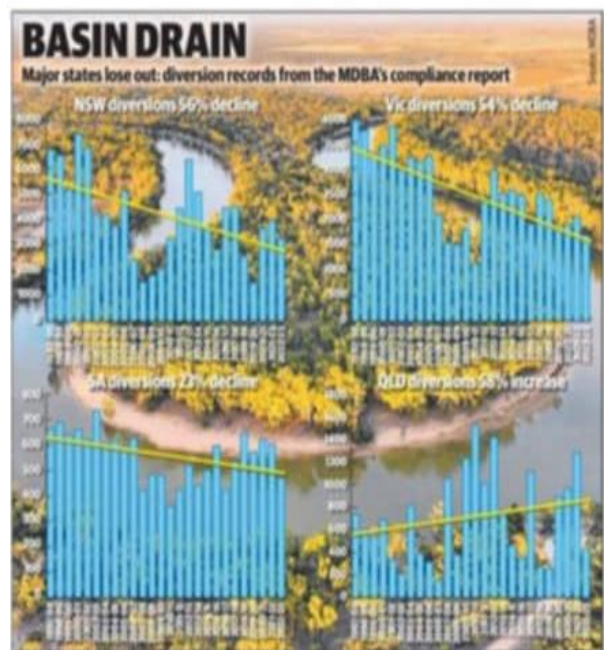
In 2018 the MDBA reduced flow environmental flow targets for the Darling to Menindee lakes under the Northern Basin Review, from 143GL to 41GL. This together with no meaningful connectivity flow requirements from the Darling to Menindee Lakes within Northern Basin Water Sharing Plans, remains another reason for disproportional social and economic impacts to the Murray Valley.

Under the Murray Darling Agreement, without adequate flows down the Darling River, decisions are triggered (including the NSW Government) that require the Murray Valley to increase its share of water to meet South Australian water requirements.

Addressing these issues will require amendments to Water Resource and Water Sharing Plans in the Northern Basin to ensure flow targets are set to deliver water to Menindee. Currently, these flow targets are inadequate to secure connectivity.

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.



Murray Darling Basin irrigator diversions
1997-98 to 2022-23.

*Extracted from The Weekly Times,
above and left.*

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 again targeted the Southern Basin for water recovery under the Restoring Our Rivers Bill 2023.

A quote from the DCCEEW 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 another 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 River 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 or overextraction of 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

- When assessing the concept of Planned environmental water within NSW Water Sharing Plans (WSPs), it is essential to separate the Northern Basin from the Southern Basin.
- In the Southern Basin, WSPs place high and strict protections on what’s referred to as ‘planned water’. Planned water is the volume within a WSP that is retained for the environment prior to implementation of any rules which allow distribution of water for commercial use (eg irrigation).
- Increases to volumes set aside as planned water can impact irrigation reliability, but the focus of the impact is falling on General Security irrigation entitlements. Government decisions reflected in NSW WSP’s in the Southern Basin are giving further increase protection to High Security entitlements, but moving the risk onto General Security.
- High Security entitlements were never a guaranteed supply each year, but they did have a higher security than general security.
- Internal department decisions are changing the characteristics with climate modelling to ensure high Security has higher protection.

- The Murray Darling Basin Authority (MDBA) also wants to convert NSW Planned Environmental Water to the Commonwealth water portfolio. Planned water in NSW is NSW Water (in the Southern Basin, its part of the bulk water supply). This is not supported and if it were to occur means NSW would lose flexibility over how it uses its own planned E-Water.

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

NSW and/or MDBA rule changes are having major impacts on the reliability of NSW Murray Valley General Security entitlements.

For the purposes of this inquiry, this submission will not address the rule changes in their entirety or in detail, but MRSG would welcome the opportunity discuss rule changes impacts in more detail.

Below heading contain some rule change examples within NSW or MDBA policy or planning documents.

NSW Regional Water Strategy (Murray and Murrumbidgee Valleys) has placed increased protection:

- For the environment, over and above the \$13 billion of expenditure outlined in the Murray Darling Basin Plan – a plan that concentrates water recovery for the environment in the Southern Basin, in particular on the Murray Valley.
- Increased protection for Climate Change under modelled predictions (on the basis that the future is always to be drier).
- Increased protections for town water (human requirements).
- Proposed new emphasis to implementing Closing the GAP indigenous policies within water management and/or creation of new entitlements, impacting General Security not High Security.

NSW Natural Resources Commission (NRC) has recently released a report on the Murray and Lower Darling Water Sharing Plan (WSP) and is making further rule change recommendations that will erode General Security reliability further. Including;

- More water to be retained in major southern storage dams under Climate Modelling.
- Increasing security for High Security entitlements with corresponding risks being re-apportioned to General Security.
- More water to be held in storages for Towns (Human needs).
- Higher protection for environmental flows over and above what protections are already included in the Murray Valley Water Sharing Plan and/or Basin Plan.
- Proposed changes to the existing Barmah Millewa forest entitlement (Vic/NSW) removing existing rules which contribute to GS allocations and changes to other rules within this portfolio of environmental water (note: this water previously given up by General Security irrigators in the 1990s).

- Increased volumes to held in storage for the environment.
- Proposed increased to implementing Closing the GAP indigenous policies (water entitlements and/or water management).
- and a range of other proposed rule changes.

The Murray & Lower Darling Water Sharing Plan (WSP)

Water management is determined not just by rules set out in the Basin Plan, but also by the Murray and Lower Darling Water Sharing Plan (WSP).

During construction of a series of locks and weirs on the Murray River (1922 to 1939) as part of river regulation, the Mildura Weir and Lock 11 were constructed below Mildura and the merging of the Darling River to the Murray.

The weir raised the Murray River level above its pre regulation height forcing water backwards into the lower section of the Darling River near Mildura/Wentworth.

Prior to expansion of irrigation in the northern basin, Darling River flows would reach the Lower Darling via releases out of Menindee or directly from the Darling River.

Darling flows would travel down to the point of intersect of the backed-up Murray River water (caused by Mildura Weir/Lock 11) contributing to water availability in the Lower Darling.

Before the onset of irrigation in the Northern Basin reaching the scale its has today, flow connectivity from the Darling River through Menindee to the Lower Darling and Murray was on average a more regular occurrence. Such flows on average could contribute up to 39% of South Australia's entitlement flow of 1850GL.

Expansion of Irrigation, including floodplain harvesting no longer allows sufficient connectivity flows between the Murray and Darling except for very wet or flood years.

If there is insufficient flows down the Darling, the Murray River not only has to:

- supply South Australia its entitlement flow of 1850GL
- supply the Lower Darling irrigators with Murray Water that is pushed back up the Darling because of the Mildura Weir

Other rules changes include;

- reliance on modelling to assess future inflows (eg climate modelling – which places higher emphasis on dry scenarios not wetter or average)
- increased emphasis on environmental requirements
- increasing reserves of water in storage to account for climate change modelling
- proposals for increased Indigenous management and outcomes

- Changes to carryover rules
 - Including allowance by NSW Government to permit parking of High Security entitlements just prior to 30th June each year onto General Security accounts on a temporary basis (note: HS water entitlements are not permitted to carryover but parking is a way to bend the rules)

This submission will not go into all aspects of rule changes that are affecting General Security Water reliability, but can provide more detailed specifics.

Murray Darling Basin Plan;

The MDBA's Basin Plan set very specific flow targets to meet South Australian objectives, an extra 2000GL over a 3 -year rolling average for the CLLMM. This dominates flow targets in the Basin Plan and also places limits on SDL Adjustment Mechanism environmental projects in other states (eg NSW).

The Basin Plan included a shared Southern Basin downstream contribution of 971GL for NSW, Vic, & SA (which is part of the extra 2000GL). The Darling River did not have to contribute.

However, the NSW Government internal political deals meant;

- NSW share of the new shared Southern Basin 'end of system' flow target of 971GL (measured at the CLLMM in SA) is 458GL
- Internal NSW political decisions requires the focus to achieve (458GL) is on the NSW Murray Valley & in part achieved by changes to Menindee lakes rules.

Cumulative rule changes have resulted in the Murray Valley being consistently under its permitted extraction limit set by the MDBA in the 2012 Murray Darling Basin Plan
(Under-usage)
&
Murray Valley General Security reliability (determining the volume available annually)
has reduced from 83% reliability down to 48%

Other rules having major impacts are;

- New requirements of the Basin Plan to be implemented into the Murray Valley WSP
- Political, MDBA and NSW decisions which require NSW Murray to contribute the lions share of meeting SA minimum entitlement flow of 1850GL annually
- MDBA making changes in Murray River operations (eg pulsing the River highs then lows) impacting water order supplies (irrigations orders can't be delivered in smaller systems)

- Basin Plan constraints management strategy; changing historical river heights for the Murray to deliver higher flows downstream to SA. (overbank flows)
 - Note: *Overbank flows are meant to be for environmental purposes only, but there is no transparent evidence that higher flows will not help deliver higher water availability to major new horticultural developments downstream of Mildura Weir and into SA – (most overseas interests)*
 - Basin Plan will raise the regulated flow height of the Murray River from 15,000 ML/d below Yarrawonga up to 35,000 ML (overbank flows) but water authorities have immunity up to 50,000 ml/day (originally Basin Plan modelling aimed for 77,000 ML/d)
 - Basin Plan ‘overbank water losses’ for environmental water are not factually calculated – a 20% loss factor is being used.
 - Only the Barmah Millewa forest entitlements (NSW/Vic) has a designated initial 50GL loss factor for ‘in forest’ watering events, thereafter it becomes 20%
 - Therefore a 20% loss assumption is made on all environmental water usage below the Barmah Millewa Forest to the Murray Mouth.
 - Alternative statements from the MDBA and CEWH suggest that 20% loss factor calculation is only to apply from Hume Dam to SA border.
 - Once environmental flows are within the SA border, then such flows become within SA control, with little transparency including reporting of any delivery losses
 - This estimate of 20% loss factor impacts decisions by the MDBA and NSW Government on what water is available annually to NSW Murray General Security entitlements
 - Dry Sequence Inflow Modelling; Water availability is calculated by the MDBA based on models that assess lowest sequence inflows eg worst case scenario for each year over the 114 yrs plus model period .
 - Wet, medium or dry years, the model will assume the worst-case scenario/ or lowest inflow for each year
 - The model then forms the basis for the MDBA/or NSW assessing water availability to General Security entitlements which are progressively announced throughout the water year season (July to May)
 - Reliance on worst case scenario modelling reduces General Security reliability
- Cumulative rule changes are occurring at such a rapid rate prior to and as part of the Basin Plan and/or NSW Murray Valley Water Sharing Planning, now mean farming businesses find it difficult to rely on their existing entitlement and are being forced down two roads;
- 1) Reduce production of food supplies &/or reduce livestock numbers
 - 2) Enter a water trading market with substantially higher costs which have been forced up because of water scarcity developed, a risk foreseen and occurring because of the volumes of Government water purchases .

Decisions made by the MDBA or NSW Government also mean impacts to the environment and native fish, when decisions are adhoc, not made in consultation with local stakeholders/communities and/or without assessing impacts.



2024 (NOT drought) Impacts to flow corridor between Murray & Edwards River ,*MDBA /NSW Murray River management decisions dried out important flow corridor between Murray & Edwards Rivers



2006/2007 (Peak of Millennium drought). Edward/Wakool River systems (Murray Valley) Knowledge and concerns of local people – ignored, requests for environmental flows too late, thousands of Murray Cod died.

Basin Plan: Mid Murray Environmental & Irrigation Risks

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

Since the Murray Darling Basin CAP on extractions (1997), water policy in Australia has been under constant upheaval, but the policies themselves have not been uniformly applied across States or within NSW.

In the Southern Basin water licensing, strict Water Sharing Plan rules and requirements for water use reporting have been subject to tight Government control. Rule for sharing water between States in the Southern Basin have been controlled under the Murray River Agreement, which also has undergone major changes, including periodic additional water flow benefits to South Australia.

The Term Water Reform in the Southern Basin implies that water management in the Southern Basin has/or is not subject to strong rules or levels of monitoring, and that the interests of the environment are not being appropriately addressed.

This has not been the case since 1997 since the CAP on extractions was applied and cumulative rules for protecting or enhancing the environment were progressively implemented.

Over the decades, Murray Valley farmers, Government and community members have been involved in a wide variety of voluntary and collaborative partnership programs on environmental enhancement and/or sustainable farming programs.

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 environmental programs.



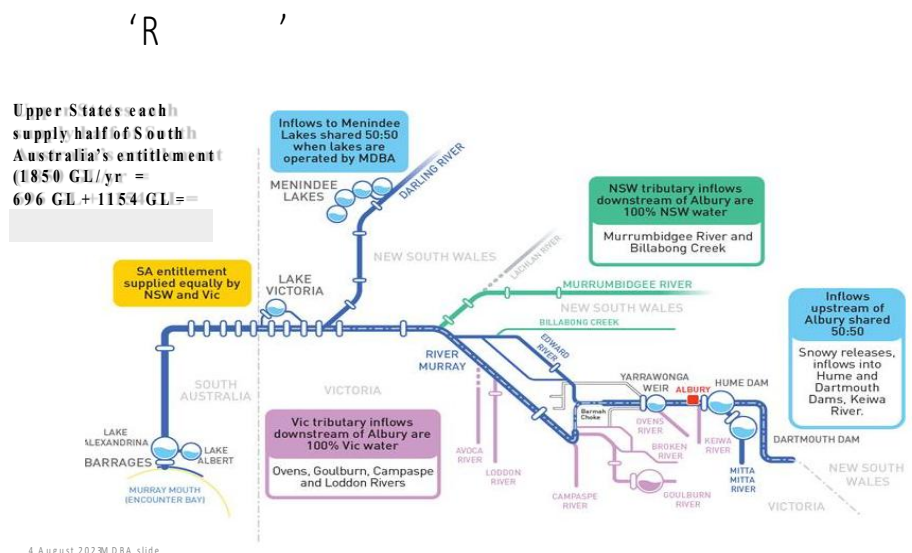
Community Comment <https://youtu.be/zsilIX8ec7c?si=tyqbuRMBz-FJc5Y6>

However, the term Water Reform should not be a term that applies as a necessary Government step in the Southern Basin.

Prior to the Basin Plan, protections for the environment and equitable sharing of Murray River flows were tightly administered and delivered including to ensure South Australia's flow entitlement were protected and delivered.

No irrigation water can be extracted in NSW Murray or Northern Victoria until South Australia's water is secured.

Murray Darling Basin Agreement River operati



Over and above all the protections for the environment and South Australia, achieved /ensured prior to the Federal Water Act 2007 and the Murray Darling Basin Plan, politics at Federal, State and internally within NSW, targeted the Murray Valley to deliver more.

Governments announced Structural Adjustment Packages are an attempt to ‘brush over’ social and economic consequences of their decisions, but invariably, the programs do not work. Nor do they replace the underpinning values of industry and/or production that has been lost.

Based on our experience, structural adjustment packages are ineffectual, funding is insufficient, timeframes and eligibility for programs are poorly designed. This viewpoint is not unique to the Murray Valley, but is also reflective of other region’s experiences where Structural Adjustment Packages are also claimed to offset any negative impacts of government policy.

Past programs and the current \$160 million structural adjustment funding package will not replace the lost value of irrigated agriculture and its annual economic activity and flow-on value added to our Murray Valley communities.

In previous programs, funding has been awarded to projects from communities with limited or no direct impacts from the Murray Darling Basin Plan.

The damage to the base economic conditions in the Murray Valley can already be seen through employment impacts, 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.

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.

The combined assumptions that Local Governments ability to access funding, and limitations within Structural Adjustment programs and funding, mean that there is high risk that any Structural Adjustment Program will not deliver realistically new industries or major infrastructure. Program’s designed and funding limits therefore mean that any social and economic adverse impacts that Government policy has created, will not be addressed.

There is a history in NSW and Federally that Structural Adjustment Programs are political solutions not a community ones.

- The \$160 million proposed in the Basin Plan is deemed highly ineffectual in terms of money value.

- Expected sharing across the Basin does not address the disproportional impacts of water recovery and importantly loss of reliability for General Security in the Murray Valley.
- Key beneficiaries of the Basin Plan eg South Australia still receives a significant share of funding.
- Governments enable structural adjustment programs to be used as mechanisms to fund core services. Funding of such services or infrastructure is normally applied from other government funding mechanisms.
- Structural Adjustment Packages are used to meet other needs of a community that are not directly related to the impact of a policy eg, creation of playgrounds, or replacement funding for services that Government would be required to address anyway.
- Funding criteria excludes any individual businesses from applying for funding. This includes Murray Valley businesses impacted by a reduction in reliability of General Security entitlements, or riparian landholders whose businesses are being damaged by proposed higher flows for the Murray, including elevated flooding risks on a more regular basis.
 - It is incorrect to assume that damages to riparian landholders will be addressed under NSW Government Constraints Management Strategy (Re-Connecting River Country).
 - Compensation exclusions have been included in this program, despite being inconsistent with concept of *Just Terms*.
- Structural Adjustment do not have the capacity to replace industry or create sustainable alternative employment.

Structural Adjustment Recommendations:

Governments review the Murray Darling Basin Plan in 2025, prior to the formal legislative review timeframe in 2026. This can incorporate new information and reduce the need on structural adjustment funding, which already is considered insufficient and inadequate

- *Governments recognise failures in policy and its implementation and stop any further buyback in NSW Murray and Northern Victoria.*
- *Refocus Government funding directly to areas of primary impacts arising from the Murray Darling Basin Plan and related policy changes.*
- *Review and address any rule change that undermine existing water property rights established under the National Water Initiative, and are the backbone of agricultural loans from financial institutions.*
- *Enable sufficient time for planning of applications.*
- *Amend current guidelines that automatically exclude a range of applicants.*

g) any other related matter.

- The Water Act 2007 and Murray Darling Basin Plan, remains an inflexible, non-adaptive plan that fails to incorporate new information outside of the Millennium Drought.
- Basin Plan assumptions made in the Guide to the Proposed Basin Plan (2010) and largely implemented in the Final Basin Plan (2012) remain at odds with current understandings and evidence.
- A review of South Australian claims for more water for the Coorong, Lower Lakes & Murray Mouth (CLLMM) requires major review in light of continued documentation provided to the MDBA and evidence that high flows down the Murray are not a solution to any adverse environmental issues in the CLLMM areas.
- There is a need to re-evaluate how MDBA and Governments consider how to achieve environmental outcomes.
 - Basin Plan was created during the peak of the Millenium Drought
 - A review of the 2750GL Basin Plan in light of current knowledge
- The MDBA's proposed Basin Plan review in 2026 will not address the issues of concern outlined in the 2012 Basin Plan.
 - The review is about planning for Murray Darling Basin Plan mark 2
- The Murray Darling Basin Authority and the NSW Government is implementing changes to Murray River operations (including piggybacking of Hume Dam release timed with Victorian unregulated tributary inflows to the Murray, which are known to be a high risk strategy in Spring for elevated flooding risks.
- NSW Government solution was to pass a NSW Water Act Amendment Bill (2000) with the amendment passed in 2018, which simply removes the liability of the NSW Government and any other water management decisions.
- There is no planning by NSW Government or the MDBA with affected communities on management of flood risks.
- The Basin Plan Constraints Management Strategy seeks to raise Murray River levels but sets very strict exclusions for compensation.

The South Australian Government objectives heavily influenced the development of the Federal Water Act 2007 and subsequent Murray Darling Basin Plan. Prior to any further water recovery, there needs to be a full reassessment of marketing campaigns claims by South Australia that have underpinned most of the Basin Plan decisions and have guided taxpayer expenditure of \$13 billion plus.

The Basin Plan is not a whole of Basin Plan, nor is it in Australia's national interest.

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

- The problems of the Coorong, Lower Lakes and Murray Mouth (CLLMM), cannot be resolved by additional flows down the Murray River & a new focus of localised investment in the CLLMM region is required
- The Basin Plan in its current form will not resolve Fish kills on the Darling, improved in river infrastructure and flow solutions are required
- To address Food security issues with a growing population forecast to reach 40 million by 2045

Under current plans, 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 [Here](#) or other documents MRSG can forward



History of the End of System

<https://youtu.be/-JUKuwUyNv0?si=0d3Q1lj0crYSz40d>

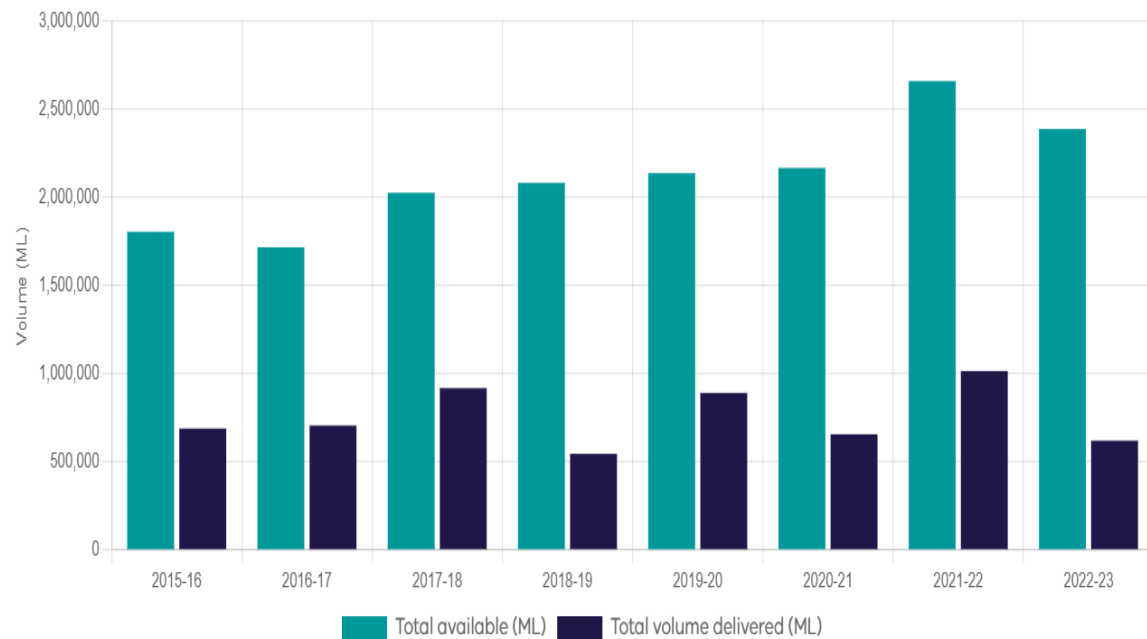
Before further water is recovered for the environment, it is essential to determine whether the water recovered to date can be delivered. Past sales of excess environmental water entitlements would highlight that further water recovery is not needed.

- 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

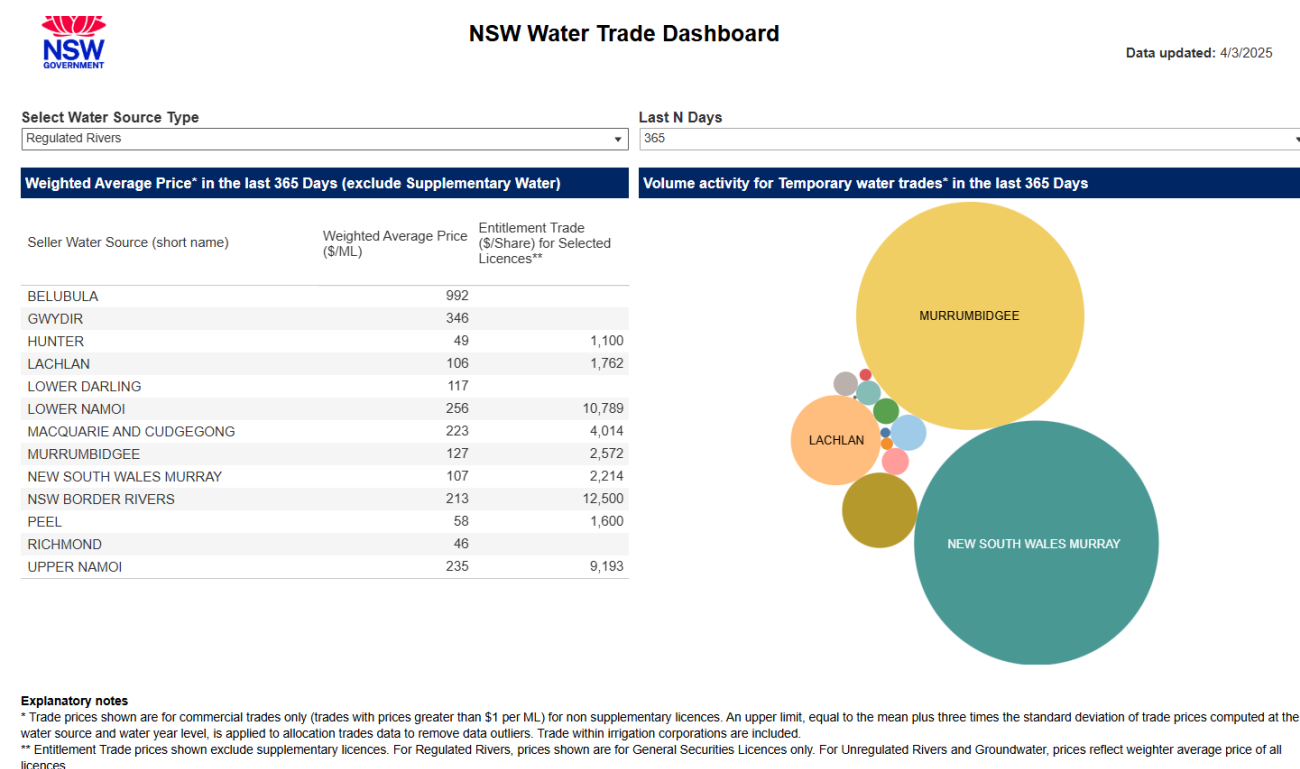
Region	Date of sale	Volume sold (ML)	Average price per ML	Revenue for the environment
Goulburn	January to February 2023	0	Not applicable	Not applicable
Goulburn	September 2018	20,837	\$290.04	\$6,043,618
Gwydir	January 2018	6,700	\$429.61	\$2,878,400
Goulburn	November 2015	22,864	\$282	\$6,457,669
Peel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

1. **By 2021, a Federal Government report confirms that 4623GL of water entitlements have been acquired** for the environment
2. **The 2750GL Basin Plan is still guiding further water recovery** (focus on southern basin)
3. **The Water Amendment (Restoring Our Rivers) Act 2023** (focus on Southern Basin)
4. **83% of water recovered for the environment is sourced from the Southern Basin (NSW and Victoria)**
5. **Federal and State Government water rule changes** are damaging NSW Murray General Security entitlement's reliability, further impacting on the region's capacity to grow food.
6. **The Basin Plan remains inflexible**, continues to rely on outdated 2010 modelling and assumptions.
7. The **risks of elevated flooding** from the scale and storage of Government owned water is real and managing the risks is being ignored by all, Federal /State Governments and the Murray Darling Basin Authority

Water Act 2007 – Peak of Millennium drought

QUOTE 1: Parliament of Australia: Senate Standing Committee on Rural and Regional Affairs and Transport: Hansard – Management of the Murray Darling Basin Inquiry: Ms Jody Swirepik, Executive Director, Environmental Management, Murray-Darling Basin Authority stated:

- *We set the environmental outcomes and desirable flow regimes from a purely environmental point of view — what we would like to actually achieve. We knew right at the very beginning that some of the flow regimes we were identifying, which we know are good for the environment, are actually quite large floods. Within our full suite of indicators, for instance, 125,000 on the Riverland-Chowilla floodplain is a big flood in that part of the world. The floods in 2010-11, I think, got up to 93,000 and they flooded some towns on the way down.*

QUOTE 2: Former Premier of South Australia – Jay Weatherill

- *"I'm prepared to use whatever tools there are in the political tool kit to get the results for South Australians,"*
- *"\$2 million of taxpayers' money had been set aside for the campaign. "Everyone knows how politics works — if you crank up the pressure, you get the outcome,"*
- *"farmers who are worried about flooding from the basin plan do not deserve compensation because they historically extracted too much water from the system"*

References

1. GMID Report; Frontier Economics 2024)-
[REDACTED]
2. JOB IMPACTS FROM WATER RECOVERY FOR THE ENVIRONMENT IN THE SOUTHERN MURRAY-DARLING BASIN – <https://www.nswic.org.au/socio-economics>
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>

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.