

**Submission
No 71**

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

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SUBMISSION RE WATER AMENDMENT ACT (Restoring our Rivers) 2023 on NSW regional communities. DENILQUIN BRANCH, NSW FARMERS' ASSOCIATION, Amanda Barlow

- Poor dam management in the past has led to catastrophic downstream flooding in the Murray Darling Basin. For instance, there was a panicked release of water from the Hume Dam in 2016. Releases from the Hume dam were in the 20 and 30,000s mls range from 23/09 rising sharply to 76820 by 4/10 with the Hume Dam only 77% full. This consequently caused extensive downstream flooding. In 2022, the dam was 94% full in June and releases were 7818 mgs per day. A La Nina event was forecast for eastern Australia, yet releases were kept low for months. Consequently, after a wet October saw 9 inches of rain fall locally, the dam had to be opened up in a hurry and releases peaked at 90,770 ml on 12/11, causing major flooding. Should not this water have been released earlier? These scenarios give us no confidence going forward, particularly with another 450 GL in the system.
- Concentration of water recovery is in the southern basin. Without Victoria's involvement, (Restoring our Rivers 450 GL) more pressure will be placed on NSW's southern basin to deliver this water. Moreover, the southern basin river systems of the Edward, Goulburn and Murray simply do not have the physical capability to deliver this extra water. It is also impossible to remedy ecological and lack of connectivity flows in the Darling by taking water from the Murray.
- The wide ranging costs of these buybacks also need to be considered. This is especially so considering that there is a completely inadequate compensation plan for those detrimentally affected by the implementation of the Constraints program through the 'Reconnecting River Country' project. It has been estimated that the buybacks of the 450GL could cost the taxpayer roughly \$15bn. Moreover, in terms of absolute reliability of water, the government will need to buy more than 450GL which will obviously cost more. This is because of the MDBA's formula (Yield factor) that it requires for any water entitlement purchased as part of the Basin plan. This was recognised by the assessment completed by the Productivity Commission in 2018: 'There is a material risk that recovering a further 450 GL could be significantly more expensive than anticipated. The benefits and costs of the program as a whole have not been assessed (and there is no requirement to do so)'. This appears ludicrous.
- The Government has not proved that this extra 450 GL is necessary. It was not part of the original Basin plan and should remain conditional on improved or neutral social and economic outcomes, irrespective of recovery measures. It was announced in 2012 to ensure South Australia's commitment to the Basin Plan. The proposed 450GL is an additional benefit over and above the benefits SA receives in the 2750GL Basin Plan. The Basin States and the Federal Government agreed that 2,750 gigalitres (GL) of water from across the Basin would be recovered and returned to the environment, through direct buybacks, on and off-farm efficiency programs, the Sustainable Diversion Limit Adjustment Mechanism (SDLAM). An additional 450 GL of Upwater taking the total recovery to 3,200 GL could only proceed if any further water purchases were subject to social and economic neutrality. This neutrality test has been removed under the Restoring Our Rivers Bill. These are modelled amounts of water, they have never been peer-reviewed or published in a scientific journal. Recently scientists, independent from the MDBA have questioned the modelling which was used.

- Moreover, positive benefits to South Australia for the extra 450 GL above the 2750 will be at the expense of other communities. While South Australia's high flow goals benefits the Coorong, Lower Lakes and Murray Mouth, the Murray Valley faces elevated flooding risks. Water Sharing in Tier 1 also ensures SA entitlement flow has higher priority than extractions in the Southern Basin (NSW & Vic). This further threatens our irrigated agriculture. South Australia needs its own localised solutions.
- Unfortunately, the Murray Darling Basin plan is not a whole of basin plan. It doesn't provide flow connectivity from the Northern Basin Darling River to Menindee Lakes, let alone the Murray. This places much greater pressure on the southern basin to deliver flow targets. As it stands, the plan is a plan for South Australia primarily relying on one Murray river to deliver new flow objectives to South Australia that are not physically deliverable if solely relying on the Murray.
- There needs to be constructive engagement with local communities to achieve environmental outcomes that do not rely on Governments purchasing water entitlements. Flow rates need to be realistic, not set at levels that cause unacceptable flooding risks and river bank damage.
- Problems caused by buybacks have been an ongoing problem for irrigation communities. The 5 year assessment of the Murray Darling Basin Plan by the Productivity Commission (2018) found that 'The size and speed of water purchases has had negative socioeconomic impacts on some regional communities'. The assessment also urged the then Department of Agriculture and water Resources to consider all available options for recovering water in the development and assessment of projects, including community-designed initiatives.
- The recovery of a further 450 GL will further erode General Security entitlements as there is a danger that environmental water will be prioritised over GS entitlements. General Security entitlements are the backbone of irrigated agriculture in the Murray Darling Basin and this extra 450 GL must mean less GS water. Presently the environment takes 72% of average river flows, leaving only 28% for water users.
- Compensation promised by the Federal Government of \$160m for affected communities will be patently inadequate. Hand outs will not compensate for the loss of jobs in the regions that will flow on from the diminished water availability, nor will they provide on going economic stimulus for the affected regions. In early 2025, the Australian Government released an update to the Regulatory Impact Statements for the Murray Darling Basin Plan, estimating a negative impact of between \$602m and \$914m annually from the Plan's implementation.
- The SDL Adjustment Mechanism projects have not been able to achieve their true potential. The original Basin plan included a 605 GL offset from the 2750GL of environmental water which would be offset by the SDL projects. Due to a variety of reasons, including poor community consultation and poor organization at MDBA and State Government levels, these projects were not totally successful. They also lacked flexibility and adaptability in design. They did, however, allow for more flexible ways to achieve environmental objectives and minimise the need for buybacks. They also potentially led to improved water efficiency. There is still potential for these projects, if they are properly designed and implemented, to achieve offset targets and minimise the need for buybacks.
- Our branch is very concerned about the progression of this Bill and the effect that the 450 GL additional buybacks will have on the local area.