

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

Organisation: Richmond and Wilsons Combined Water Users Association
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Submission by Richmond and Wilsons Combined Water Users Association to the NSW Parliamentary Inquiry into the impacts of the Water Amendment (Restoring Our Rivers) Act 2023 on NSW regional communities.

14th April 2025

It is the understanding of the Richmond and Wilsons Combined Water Users Association that this inquiry is looking into the effect that Federal legislation has had on NSW legislation, and therefore NSW regional communities.

Our organisation represents water users, both Licenced extractors and Riparian Rights extractors in the catchments of the Richmond and Wilsons Rivers on the NSW Far North Coast. This includes those who use water from the Regulated System of Toonumbar Dam and surface water and groundwater in the Unregulated system.

It is our belief that changes made to NSW rules and regulations as a result of Federal legislation, regarding the Murray Darling Basin water system, have had a detrimental effect on water users in our coastal valleys. Rules that have been put in place to bring inland water users into line with Federal requirements have been extrapolated into Coastal Water Sharing Plans when the conditions in Coastal areas are extremely different to Inland systems.

Metering rules are an example of this. Coastal water use is relatively small in proportion to the amount of inflow into the stream systems, unlike the Murray Darling system. On the coast there are a very large number of licence holders with very small allocations whereas there are a relatively small number of licence holders with very large water allocation in the Murray Darling system. Metering rules put in place for the Murray Darling Basin have been transposed onto coastal catchments. It needs to be noted that there is no justification for this, as the coastal streams were not studied in the Mathews enquiry and not mentioned in either of his reports.

In Coastal catchments the use of log books for water licence holders in the Unregulated systems has traditionally worked well. Water users with licences in coastal unregulated systems have now been caught up in legislation designed to manage the very large users in the inland systems and many will require meters. This financial impost on licence holders will not deliver improvements in stream health or downstream flows, unlike metering on inland waterways. Cease to pump rules in the Water Sharing Plans for our coastal valleys control usage and protect the environment. This will not be improved by meters.

There is an obligation on the part of State Government to educate water users about their new metering obligations and unfortunately there appears to have been little if any effort on the part of Water NSW, NRAR and DPIRD to hold public forums to educate coastal licence holders. Rather there seems to have been an attitude of policing rather than education. Licence holders have received mixed messages which have changed over time as rules have been changed and implementation dates adjusted. Confusion reigns.

The value of water trading has increased in inland areas due to Federal Government Buy Backs setting a benchmark. There is no such effect in Coastal Catchments. Small trading areas set out in Water Sharing Plans restrict ability to trade water entitlements, which we believe is contrary to the

National Water Initiative which states that there should be free trade between interconnecting streams.

Water NSW and NRAR work on a cost recovery model. Much of their work is in managing water use in the inland systems, due to requirements of Federal Government. Our Coastal licence holders are concerned that the proposed 103% increase in charges, which Water NSW have put to IPART for North Coast Unregulated licence holders, will see the funds being used to cross subsidise other parts of their businesses. These charges are not in line with services and infrastructure provided to our coastal licence holders.

Flood Plain Harvesting rules are designed to protect the Inland/Murray Darling Basin ecology while providing licenced access to large volumes of water. However there is no Flood Plain Harvesting allowable under current rules for Coastal catchments. The only access that coastal water users have to unregulated stored water is through farm dams.

Harvestable rights dams are limited under current legislation to 10% of run off. This was increased to 30% in 2021 by the previous NSW Government and then promptly reverted to 10% when the current Government came to power with the stated aim of determining “sustainable yields” before any possible reinstatement.

Sustainable yield assessments of coastal rivers are being driven by Federal Government policy. Under these assessments it is proposed that caps be put on total water allocations. Water taken under Harvestable Rights would be included in this cap of sustainable yield from a catchment area. Therefore NSW regulations would assume that all eligible land holders will take up any Harvestable Right available, and this would be factored into the sustainable yield. This will lead to possible reduction of current licenced water allocations, without compensation to the existing licence holders. This is despite the fact that in coastal areas, under the present regime of 10% Harvestable Rights, only about 5% of eligible landholders take up the right to harvest water that runs off their property. This is due to the cost of creating storage and the relative value of productive land which would be taken up in creating storage dams. The fact that water actually used under current licences held is very much less than actual allocation should also be taken into consideration in these Sustainable Yield Assessments for coastal catchments, but it appears that there is no room in the current models for this to occur. These models apparently factor in extreme climate change and the worst case drought scenario without any consideration that these may not eventuate. We consider that the cease to pump rules in place in current Water Sharing Plans make Sustainable Yield Assessments unnecessary.

In conclusion we wish to state that Federal Government policy and legislation has directly influenced State policy and legislation to the detriment of regional, and particularly coastal, water users. It has increased our costs and decreased our security. The uncertainty of future direction of water policy has made water users and potential water users reluctant to invest in infrastructure and is hampering growth and development of agriculture in the Richmond and Wilsons River catchments