

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

Organisation: Riverina and Murray Joint Organisation

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Legislative Assembly Committee on Investment, Industry and Regional Development
Impacts of the Water Amendment (*Restoring Our Rivers*) Act 2023 on NSW regional communities
Submission sent via email to: investmentindustry@parliament.nsw.gov.au

To whom it may concern

Submission from the Riverina and Murray Joint Organisation on the impacts of the Water Amendment (*Restoring Our Rivers*) Act 2023 on NSW regional communities

The Riverina and Murray Joint Organisation appreciates the opportunity to share its knowledge and commentary to this important inquiry. Our submission draws upon vast experience from our member councils and seeks to address the myriad of challenges and potential for opportunities, in considering the impacts of the water buybacks on NSW regional communities.

Joint Organisations (JOs) were proclaimed in May 2018 under the NSW Local Government Act 1993. The Riverina and Murray Joint Organisation (**RAMJO**) represents over 152,000 people covering an area of more than 80,000sq kms, comprising the eleven Local Government Areas (LGAs) of *Albury, Berrigan, Carrathool, Edward River, Federation, Griffith, Hay, Leeton, Murray River, Murrumbidgee and Narrandera*.

Tasked with intergovernmental cooperation, leadership and regional prioritisation, JOs have consulted with their stakeholders to identify key strategic regional priorities. The RAMJO Statement of Strategic Regional Priorities can be found here: [2022-RAMJO-STATEMENT-OF-STRATEGIC-REGIONAL-PRIORITIES-WEB.pdf \(nsw.gov.au\)](#). Notably, RAMJO has two position papers concerning water security in region as follows:

- **2020 Water Position Paper:** [Riverina-And-Murray-Joint-Organisation-Water-Position-Paper-1.pdf](#)
- **2024 Updated Water Position Paper:** [FINAL-Water-Position-Paper-16052024-compressed.pdf](#)

It is understood that the Terms of Reference for this important enquiry are as follows:

- 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; and
- g. Any other related matter.

For ease of reference, RAMJO will provide a response to each of the points individually.

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

RAMJO has expressed deep concern about the repeal of the 1,500 GL cap on Commonwealth water buybacks, warning of serious social and economic consequences for regional communities. Many townships in the RAMJO region are heavily reliant on irrigated agriculture and further water recovery through buybacks risks job losses, business closures and long-term population decline. Previous buybacks have already impacted towns like Deniliquin and Leeton, particularly in sectors such as dairy and rice.

While RAMJO acknowledges the importance of environmental flows and a healthy, thriving environment, it stresses that water recovery must not come at the expense of regional livelihoods. The organisation advocates for alternatives to buybacks, including improved delivery of environmental water, investment in water-saving infrastructure and the development of new water sources. RAMJO also calls for a comprehensive review of the water market to ensure it supports sustainable, long-term outcomes for both the environment and regional communities.

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:

RAMJO considers the effective implementation of the Federal *Water Amendment (Restoring Our Rivers) Act 2023* to be contingent on addressing a number of unresolved risks, chief among them being the continued unlicensed take of water, particularly through floodplain harvesting. RAMJO is concerned that without strong, enforceable rules, any gains from increased Commonwealth water recovery may be undermined by inconsistent regulation and compliance across jurisdictions. Floodplain harvesting when unregulated, has significant implications for downstream communities and environmental flows. RAMJO advocates for clear and transparent rules for floodplain harvesting that prioritise equitable and sustainable outcomes across the Basin. This includes mandatory metering and telemetry, strict enforcement mechanisms, and alignment of State and Federal frameworks to prevent illegal or excessive take.

RAMJO further emphasises the importance of resourcing compliance agencies to strengthen accountability. Without addressing these systemic risks, the goals of the *Restoring Our Rivers* initiative could be compromised, leading to poor outcomes for both the environment and regional communities who depend on secure and reliable access to water.

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

It is understood that Planned Environmental Water (PEW) rules in NSW are designed to allocate water for environmental purposes, ensuring the health of river systems and ecosystems. These rules are embedded within water sharing plans and can influence the reliability of water allocations for both consumptive users and the Commonwealth's environmental water holdings.

PEW rules can affect the availability of water for consumptive users such as irrigators, by setting aside a portion of water for environmental needs. This allocation can lead to reduced water availability for other users, especially during periods of low inflow or drought. The Commonwealth Environmental Water Holder (CEWH), which manages water entitlements for environmental purposes, must navigate these rules to effectively deliver water to targeted ecosystems. The CEWH's ability to carry over unused water and trade water rights is also subject to state-specific regulations, which can impact the flexibility and efficiency of environmental water management [ACCC](#)¹.

To address these challenges, RAMJO advocates for a balanced approach that considers the needs of both the environment and regional communities. This includes transparent and equitable water sharing arrangements, investment in water-saving infrastructure, and policies that support the resilience of both ecosystems and agricultural industries.

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

Rules-based changes to water allocation in NSW have significant implications for the reliability of water entitlements across different licence categories. In NSW, water allocations are determined by Available Water Determinations (AWDs), which consider factors such as dam storage levels, forecast inflows and environmental requirements. Water is allocated based on a hierarchy of priorities:² [NSW Government](#)

1. Town water supply, domestic, and stock
2. High security licences
3. Conveyance
4. General security licences

Rules-based changes, such as adjustments to water sharing plans or environmental flow requirements, can affect the volume of water available for allocation, particularly impacting lower-priority licences. For instance, increased environmental flow requirements may reduce the water available for general security licence holders, who already experience variability in allocations. These changes can lead to reduced reliability for certain licence categories, affecting agricultural productivity and economic outcomes for water users. Stakeholders have expressed concerns about the need for transparent and equitable water sharing arrangements to balance environmental objectives with the needs of regional communities, including economic livelihood and viability. RAMJO supports the ongoing reviews and inquiries, such as the NSW Legislative Assembly's inquiry into the impacts of the Water Amendment (*Restoring Our Rivers*) Act 2023, aim to assess these implications and explore options to improve water allocation frameworks.

¹ [Water inquiry - Submission - CEWH - 11 December 2019 \(1\).pdf](#)

² [Principles for allocating regulated river water in NSW | NSW Government Water](#)

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:

The Australian Government has implemented several community-based water adjustment programs to mitigate the socio-economic impacts of water recovery under the Murray–Darling Basin Plan. Two notable programs are the Strengthening Basin Communities Program (SBCP) and the Murray–Darling Basin Economic Development Program (MDBEDP).

Strengthening Basin Communities Program (SBCP)

Launched in 2009 with a \$200 million investment, the SBCP aimed to assist Basin communities in planning for a future with reduced water availability. It comprised two components:

- **Planning Component:** Provided grants to local governments for community-wide planning initiatives addressing water scarcity; and
- **Water Saving Initiatives:** Funded projects that improved water security by reducing demand on potable water supplies.

An audit by the Australian National Audit Office (ANAO) in 2014 acknowledged positive outcomes from completed projects but identified administrative shortcomings, including unclear eligibility criteria and inconsistent performance reporting³.

Murray–Darling Basin Economic Development Program (MDBEDP)

Initiated in 2018, the MDBEDP allocated \$72.7 million across three rounds to support 132 projects in communities affected by water recovery efforts. The program's objectives included:

- Increasing employment opportunities;
- Enhancing the capacity of communities to diversify and strengthen local economies; and
- Improving community resilience to economic challenges.

Projects funded under the MDBEDP spanned sectors such as tourism, construction, Indigenous health and culture, and leadership training. A Monitoring, Evaluation, Reporting, and Improvement (MERI) framework was established to assess the program's effectiveness and inform future initiatives.

While both programs have contributed to community adaptation and economic diversification, evaluations suggest that administrative improvements are necessary to enhance transparency, performance measurement, and long-term impact assessment. Ongoing monitoring and community engagement remain crucial to ensure these programs effectively support Basin communities amid water reforms.

Of note is the Australian Governments currently open Sustainable Communities Program (SCP) which aims to help mitigate the negative impacts of current rounds of water buyback backs within Southern Basin Communities. RAMJO has observed and highlighted⁴ potentially divisive competition amongst LGA's as a result of a 'first in, best dressed' approach adopted by the NSW Department of Primary Industries and Regional development, the state agency tasked with administering the SCP,

³ [Administration of the Strengthening Basin Communities Program | Australian National Audit Office \(ANAO\)](#)

⁴ [Fierce grant battle alarms regional councils | Southern Riverina News](#)

including community consultation, grant application processes and assessment on behalf of the Federal Government for the full \$160 million allocation for NSW.

Options to improve future community-based reduction adjustment programs including next rounds of the Sustainable Communities Program:

RAMJO believes that to improve future community-based water reduction adjustment programs, including future rounds of SCP, RAMJO recommends a more strategic, accountable and locally responsive approach. Drawing on lessons from earlier initiatives like the *Strengthening Basin Communities Program* and *Murray–Darling Basin Economic Development Program*, several key improvements can be made:

- ***Co-design with Regional Communities and Joint Organisations in a proactive, rather than reactive way***

Programs must be co-designed with Joint Organisations (JOs) and local councils to ensure alignment with local economic, environmental and cultural priorities. This strengthens community ownership, ensures projects meet real needs and helps avoid top-down initiatives that may miss the mark proving to be costly and exhaustive to already over-consulted communities.
- **Long-Term Funding Certainty and Flexibility**

Short funding windows limit impact. Multi-year funding agreements would allow communities to plan, implement and monitor transformative projects, particularly those focused on economic diversification and workforce transition.
- **Stronger Monitoring, Evaluation and Reporting**

Previous rounds lacked robust outcome tracking. Future programs should include clear metrics, longitudinal impact assessment and transparent public reporting to ensure accountability and support continuous improvement.
- **Broader Eligibility and Inclusive Focus**

Eligibility should extend beyond irrigators to include small businesses, Traditional Owners, young people, upstarts and other vulnerable or transition-affected groups. Prioritising projects that strengthen economic outputs, social cohesion, mental health and community wellbeing is essential.
- **Alignment with Regional Priorities, Planning and State Significant Projects**

Initiatives should complement existing regional strategic plans (e.g., RAMJO's Strategic Priorities) and support local infrastructure, tourism, green industries and training pathways that build climate and economic resilience. Further, projects of State Significance can be positively leveraged off of such as the NSW South West Renewable Energy Zone, with non-competitive investment directed to communities who may be interested in upskilling in new green economy industries.

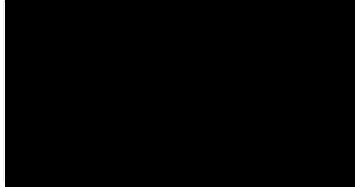
By embedding these principles, the next iteration of the SCP can deliver meaningful, place-based support that builds resilience and not just compensation for communities adjusting to reduced water availability.

In summary

Water recovery and reform in the Murray–Darling Basin must strike a careful balance between environmental needs and the social and economic wellbeing of Basin communities. RAMJO’s position is clear: while it supports the sustainable management of water resources, this must not come at the cost of the viability of regional towns, industries and livelihoods. Future policy and programs—including buyback strategies and community adjustment initiatives—must be co-designed with local voices, grounded in transparency and supported by long-term investment in resilience. Only through such a collaborative and balanced approach can we ensure that both river systems and the communities who depend on them can thrive.

Thank you for allowing RAMJO the opportunity to provide this submission. Should you wish to discuss any of the points raised further, please do not hesitate to contact me on [REDACTED] or via email at [REDACTED]

Sincerely



Yvonne Lingua
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