

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

**Organisation:** Macquarie River Food and Fibre

**Date Received:** 14 April 2025

14<sup>th</sup> April 2025

Hon. Roy Butler  
Member for Barwon  
Parliament House  
Macquarie Street  
Sydney NSW 2000



Via Email

Dear Roy,

**Re: Impacts of the Water Amendment (Restoring Our Rivers) Act 2023 on NSW regional communities  
Parliamentary Inquiry**

Dear Roy

Thank you for providing us with the opportunity to provide this submission to the above mentioned Parliamentary Inquiry.

Those items of policy which we propose to be investigated are outlined below;

1. Establishment of Water Property Rights and Compensation required as a result of Policy changes.

As you are aware, the Commonwealth Gov't has been in the process of reviewing the National Water Initiative 2004, and have just completed a public consultation process of their proposed National Water Agreement. We are aware they will be seeking Intergovernmental Agreement by the end of calendar year.

Id like to draw your attention to some of the key components of the current **"Intergovernmental Agreement on a National Water Initiative 2004"**. These are sections extracted from the document:

- a) 31. Water access entitlements will:
  - i) specify the essential characteristics of the water product;
  - ii) be exclusive;
  - iii) be able to be traded, given, bequeathed or leased;
  - iv) be able to be subdivided or amalgamated;
  - v) be mortgageable (and in this respect have similar status as freehold land when used as collateral for accessing finance);
  - vi) be enforceable and enforced; and

vii) be recorded in publicly-accessible reliable water registers that foster public confidence and state unambiguously who owns the entitlement, and the nature of any encumbrances on it (paragraph 59 refers).

b) 32. Water access entitlements will also:

- i) clearly indicate the responsibilities and obligations of the entitlement holder consistent with the water plan relevant to the source of the water;
- ii) only be able to be cancelled at Ministerial and agency discretion where the responsibilities and obligations of the entitlement holder have clearly been breached;
- iii) be able to be varied, for example to change extraction conditions, where mutually agreed between the government and the entitlement holder; and
- iv) be subject to any provisions relating to access of water during emergencies, as specified by legislation in each jurisdiction.

c) 50. Governments are to bear the risks of any reduction or less reliable water allocation that is not previously provided for, arising from changes in government policy (for example, new environmental objectives). In such cases, governments may recover this water in accordance with the principles for assessing the most efficient and cost effective measures for water recovery (paragraph 79 (ii) (a) refers).


d) 51. Alternatively, the Parties agree that where affected parties, including water access entitlement holders, environmental stakeholders and the relevant government agree, on a voluntary basis, to a different risk sharing formula to that proposed in paragraphs 48 - 50 above, that this will be an acceptable approach.

We have highlighted these clauses from the original IGA National Water Initial to demonstrate the clear intent of establishing a secure property right in relation to water. Further, we highlight sections 50 to show that Gov't is to bear the risks of changes in water policy that arise over time.

Similarly, we have highlighted section 51 where it is possible for Gov't over time to come to agreements for the recovery of water outside of section 48 which establishes the Risak Assignment Process, inevitably recovering water without due compensation undermining the defined property right above.

We would seek the Inquiry investigate the establishment of the Property Rights in the 2004 NWA and the way the NSW government has implemented policy settings since its inception. Our concern is that policies implemented or proposed to be implemented are not being done so considering the appropriate compensation settings established in the 2004 NWA.

- 2. Retention of Over Recovered Water under the Murray Darling Basin Plan in the Macquarie Valley by the Commonwealth for Environment purposes (450GL target).
- 3. Proposed "Prescribed Wetlands" under the Macquarie – Bogan Unregulated Water Sharing Plan and any future proposals for their inclusion in the Regulated Water Sharing Plan in the Macquarie Valley.

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4. NSW and Federal Government proposals to use “Rules Based Changes” as a mechanism for procuring water for the environment without compensation.
  5. Assess the cumulative impact of past and proposed water policy reforms against the Compensation thresholds provided for under the 2004 NWA. This should include the Government’s interpretation of compensation provisions (i.e. compensation awarded if impact above 3% on an individual policy change basis or on a cumulative basis) and whether the policy changes are as a result of “government proposals, new knowledge or climate change”.
  6. Assess the relationship between NSW and Commonwealth government water reform proposals under the Water Amendment (Restoring our Rivers) Act 2023 for the avoidance of unnecessary duplication in policies resulting in unnecessary socio-economic damage to communities or Entitlement Holders property rights.

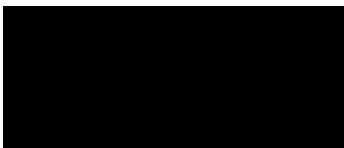
We have been brief in our description of those issues we wish the Inquiry to investigate for the purpose of this submission. We can elaborate further on these or other topics upon request for the purpose of background information to the committee. We look forward to being invited to provide the required information and testimony in the forthcoming hearings.

Please contact me if you wish to discuss this matter further.

Regards

Michael

Sincerely,



Michael Drum  
Executive Officer  
Macquarie River Food and Fibre

***Macquarie River Food and Fibre (MRFF) is an industry body representing water licence holders who are ground and surface water users in the Macquarie Valley Catchment. We represent and support over 500 water entitlement licence holders and their communities.***



***MRFF members are food and fibre producers contributing to the economic, social and environmental health of the Macquarie Valley.***