

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

Organisation: Inverell Shire Council

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8 April 2025

The Chair
Investment, Industry and Regional Development Committee
Parliament House
6 Macquarie Street
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Dear Mr Butler

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

Thank you for inviting Council to make a submission to the subject inquiry.

With reference to the Terms of Reference, I wish to submit the following information for the Inquiry to consider:

i) Social and Economic Impacts of repealing limits to the cap on Commonwealth water purchases

The impacts of repealing limits to the cap on Commonwealth water purchases are placing our communities under significant pressure. Concerningly, when property owners sell their water to the government, leaving the farm with no water, on-farm productivity in the area is slashed by approximately 75%. The flow on effects from this include less people employed, lower values so lower rates, less children for local schools, less volunteers and lower population in small rural communities, which has the further consequence of making them less attractive places to live or draw services to.

The price of water is getting far too expensive for the remaining irrigators to purchase. The Commonwealth prices have caused a massive inflation of price beyond what mainstream agriculture can pay to make a commercial return. This now means water values are completely unrelated to how much a farmer can earn from using irrigation water to grow crops. Farmers have already shifted production systems to the highest value use for our climate ie cotton. Farmers cannot move to higher value permanent plantings as they don't have access to high security water allocations in the Border Rivers system.

It is our understanding that two of the recent sales of water to the Commonwealth Environmental Water Holder have come from the local northern community of Inverell Shire Council. Based on our external & approximate estimations, the farms concerned grew about 200 ha of irrigated produce annually – including cotton, gritting corn, peanuts, beans & sweet corn; \$1.2 - \$1.5 million worth of produce annually that will no longer be produced. There may be 25% of this annual return able to be generated from the land if utilised in a dryland grazing enterprise. It would be reasonable to expect that at least two full time staff & their families will not have jobs as a direct result of the conversion of this area of irrigation to dryland farming.

Purchase by the Government of water for the environment is not a temporary thing – this is a forever change in the shape of our local communities and the agricultural industry.

As communities in our Shire decline as a result of these governmental changes, surrounding rural towns like Ashford, and Inverell as the larger supply centre will all suffer as these towns are underpinned by agriculture and the demand for parts, machinery and professional services which are drastically reduced in a dryland verses irrigation business.

ii) Environmental Impacts of repealing limits to the cap on Commonwealth water purchases

The Basin Plan currently has end of system flow targets in the Darling. This means water that is purchased at Bonshaw for example, is part of a big picture end of system flow target. We are not aware of any specific environmental condition targets for the Dumaresq or for the Northern Basin. Environmental flow targets are used as a proxy for ecosystem health and to our knowledge there has been no review or update of the ecological objectives in the plan since it was made in 2012.

There are political rather than scientific arguments influencing water policy, the current buy backs, the targeted contribution from the Northern Basin to the Southern Basin - all of this means that it is very difficult for the community to have confidence, that the cost to the taxpayer and to the communities bearing the brunt of water buybacks is delivering the benefits intended.

The Basin Plan is the best tool we have for managing the Murray Darling Basin, but the amendments to enable water recovery via buybacks were against advice of independent expert panels, against the evidence of social and economic harm done to communities from previous buybacks and certainly without evidence of positive environmental impacts or a review of ecological objectives and considering our changing climate moving forward. The importance of ensuring that an extensive literature review of the plethora of work already done on the terms of this inquiry, to ensure previous research and reports are not lost cannot be stressed enough.

For a local perspective – the Dumaresq River has scored as very healthy in terms of its condition, apart from some invasive weeds in the riverine corridor such as cats claw creeper and the damage caused by carp. So while there might be further opportunities for fish for instance, with a different flow regime and more environmental water in our part of the river, these ideas are not driving the 'Plan must be completed on time and in full' mantra that the Federal Environment Minister has taken.

Water is water, so again as far as our communities are aware, there is no evidence of any local improvement in environmental impacts as a result of water buybacks, or localised targets for the recent purchase or flow-related benefits for water that flows down the river.

iii) Impact of Planned Environmental Water Rules and Impacts of Rules based changes

Anecdotal evidence from the northern part of the shire suggests that allocations have been consistently reduced with the enforcement of water policy due to environmental water rules, along with droughts and changing climates. Farming licenced water holders have noticed that their water security has declined significantly from 10 years ago.

iv) Impacts of previous reforms

While not specifically referring to water reduction programs such as the Strengthening Basin Communities and the Murray Darling Basin Economic Development Program, the Amendments have ignored advice from previous Independent Assessments & Recommendations to State and Federal Governments regarding future Water reforms (Sefton Report 2020). The recommendations from these reports remain unanswered. The Amendments further entrenches achievement of a set of rigid volumetric conditions for what is intended to be an adaptive management plan for the Murray Darling Basin. This removes the Plan's flexibility to respond to scientific, social and economic information as part of the 2025 review and adapt to our changing climate.

Additionally, I respectfully refer the Inquiry to the Independent Assessment of Social and Economic Conditions in the Murray-Darling Basin Report prepared for the Hon Keith Pitt MP, Minister for Resource, Water and Northern Australia dated April 2020. This report documents the impacts of previous reforms in great detail.

Thank you for providing Council with the opportunity to make a submission in relation to the Inquiry. This issue is extremely important and affects all the communities, sustainability of our water resources as well as agricultural industry in our Shire. Should you require further details in respect of any aspect of this submission, please do not hesitate to contact the undersigned

 Yours faithfully


BRETT MCINNES

GENERAL MANAGER