

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

Organisation: Murrumbidgee Groundwater Inc and Murrumbidgee Private Irrigators
Inc

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Legislative Assembly

Committee on Investment, Industry and Regional Development

Inquiry into the impacts of the *Water Amendment (Restoring our Rivers) Act 2023* on NSW regional communities.

Background

Murrumbidgee Private Irrigators Inc (MPII) and Murrumbidgee Groundwater Inc (MGI) appreciate this opportunity to make a submission for this inquiry.

MPII represents approximately 400 regulated and unregulated water users in the Murrumbidgee Valley outside of the Irrigation Corporations, Murrumbidgee Irrigation and Coleambally Irrigation Cooperative. Our membership takes in a broad area, communities and commodities, from Gundagai to Balranald to Moulamein. MPII accounts for approximately one third of the diversions on the Murrumbidgee system with approximately 400,000 megalitres being made up of High Security and General Security entitlements dispersed amongst the members.

MGI represents approximately 270,000 megalitres of groundwater entitlements shared by approximately 250 groundwater users in the Murrumbidgee Valley which comprises a large agricultural area in the vicinity of 84,000 square kilometers in the southwest of NSW. The MGI members' generation of food and fibre production support the townships of Leeton, Griffith, Darlington Point, Coleambally, Hay, Carathool and Jerilderie. Many of the farming enterprises provide extensive employment opportunities both directly and indirectly due to the high labour component required during the development, planting and harvesting cycles of their commodities.

The Riverina located within the Murrumbidgee, known as the "food bowl of NSW" produces an extensive array of crops such as corn, sorghum, sunflowers, rice, cotton, prime lambs, beef cattle, wine grapes, citrus, almonds, walnut, vegetables, stone fruits, seed production and wool. Reliable production from this area underpins domestic and export markets earning valuable trade income for our nation.

Submission

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

The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) has identified significant risks associated with further water recovery in the southern Murray-Darling Basin. According to the ABARES 2024 report on community vulnerability and adaptive capacity¹, five of the twelve most vulnerable Local Government Areas (LGAs) in the Basin are within the Murrumbidgee region. These LGAs not only face the highest risks from buybacks but also have the lowest capacity to adapt to such changes. Furthermore, the ABARES 2024 report² on the impacts of further water recovery highlights three major concerns for the agricultural sector: rising water allocation prices, a reduction in water use, and a subsequent decline in production value. These

¹ [Baseline relative community vulnerability and adaptive capacity - Murray-Darling Basin](#)

² [ABARES - The impacts of further water recovery in the southern Murray-Darling Basin](#)

³ [NRAR Progress Report 2021-2022](#)

⁴ [NRC Murrumbidgee River Regulated Water Sharing Plan recommendation](#)



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findings reinforce the need for policy approaches that prioritise economic sustainability and support the long-term viability of irrigation communities rather than exacerbating the challenges they face and attempting to accelerate their demise.

Despite the clear warnings in the ABARES reports about the devastating impacts of buybacks on regional communities, the government has knowingly chosen to target the Southern Basin for further water recovery. This decision disregards the significant economic and social consequences for some of the most vulnerable irrigation-dependent communities and regions. Instead of pursuing alternative measures that could achieve environmental outcomes with fewer negative effects, the government has opted for the lazy and populist option of buybacks without transparency about what other strategies were explored. There has been no clear assessment of more innovative solutions such as infrastructure upgrades, improved water efficiency projects, or environmental works and measures that could deliver water savings without stripping productive capacity from regional economies. This lack of transparency raises serious concerns about the government's commitment to balancing environmental goals with the long-term sustainability of these communities.

The directive is unequivocal, the NSW Government must assume a leadership role in implementing complementary measures to achieve genuine environmental outcomes in our rivers. This approach transcends the simplistic strategy of merely increasing environmental flows down the river. Research underscores the efficacy of integrating various strategies to enhance river health. For instance, a study published in River Research and Applications outlines ten complementary measures that can work alongside water recovery efforts to improve environmental outcomes.

Furthermore, the NSW Water Strategy emphasises the importance of systems thinking and data-enabled planning to optimise environmental outcomes. By leveraging the expertise of academic institutions and international environmental leaders, the NSW Government can implement innovative, evidence-based strategies that address the complexities of river ecosystems. This collaborative approach ensures that environmental objectives are met through multifaceted solutions rather than relying solely on increasing water volumes.

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

The Natural Resources Access Regulator (NRAR) has reported a high level of compliance in water accounts among water users in New South Wales, including the Murrumbidgee region. According to NRAR's 2021–22 Progress Report³, quarterly reviews of over 26,000 access licences across the state revealed an overall compliance rate of 99%.

MPPI & MGI do not consider unlicensed take to be a barrier to the implementation of the Restoring Our Rivers (RoR) Act, Rules and regulations already in place are keeping the impact level low. The Act promises to offer the government additional time, greater flexibility, increased funding and accountability; however, effective implementation requires a balanced approach that does not disproportionately impact irrigators who are already compliant with strict water regulations. The



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focus must shift from blunt buyback policies towards innovative, complementary measures that enhance river health without undermining agricultural productivity and regional economies.

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

The issue of Planned Environmental Water (PEW) is a key concern in the context of water management under the Basin Plan, with significant implications for irrigators, particularly in the Riverina region. While NSW and the Commonwealth use different definitions of PEW, this discrepancy has led to conflicts, with the MDBA pushing to claim all water above extraction limits as PEW, thereby restricting water availability for consumptive use. This has raised concerns that water previously allocated for irrigation purposes, claimed by the MDBA, will ultimately undermine the reliability of General Security (GS) licenses and several other water classes.

The Natural Resources Commission (NRC) is pushing forward with recommendations that could further erode GS license reliability, particularly in the Murray and Murrumbidgee regions. Its recent reviews of Water Sharing Plans (WSPs)⁴ have ignored critical social and economic outcomes, focusing instead on reallocating water from GS licenses to the environment. The lack of transparency and failure to properly balance environmental, social, and economic considerations in these reviews highlights the urgent need for better input and clarity, especially to protect the entitlements of irrigators who rely on reliable access to water.

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

The increasing reliance on rules-based changes in water reform is a major concern for MPII & MGI and its members. These regulatory adjustments are being used to reallocate more water to the environment without compensating licence holders for their reduced water access, effectively amounting to compulsory acquisition without remuneration. MPII & MGI are firmly opposed to this approach, as it undermines the rights of water users, destabilising the security of entitlements. The Commonwealth government is actively promoting rules-based changes as a mechanism to facilitate the recovery of 450GL of additional environmental water. The ROR Framework for Delivering the 450GL explicitly states that rules changes will be used to "manage socio-economic impacts through predictable reductions in water use." However, this claim is misleading. Rules-based changes do not mitigate socio-economic impacts but instead create them, eroding water reliability and forcing irrigators to adopt more risk-averse farming practices, the effects of which flow on to the dependent communities.

Current rules changes proposed in the Murrumbidgee would chip away at general security allocations with no compensation. Such examples include Minimum inflows, Improving the Health of the Upper Murrumbidgee, ACT/NSW trade framework and Wagga SPAL changes to the water sharing plan (WSP). In addition, Rules changes in the Murrumbidgee unregulated WSP increasing the cease to take level from 80-100% of natural capacity rule will erode the unregulated entitlements with no compensation.



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The rapid pace of these rule changes is a major concern for MPIL, MGI, and their members. The limited consultation periods, complex processes, and sheer volume of information place immense pressure on these organisations' resources, making it increasingly difficult to provide thorough feedback and effective representation. It can only be concluded that this is a deliberate tactic to hinder thorough appraisal and consideration of the likely impacts by the water users concerned who in addition to reviewing numerous proposed legislative changes also must concurrently operate their agricultural businesses.

Given the significant impact of these changes, we strongly urge decision-makers to slow the pace of implementation, triage urgency, allowing for proper consultation, transparency, and a more balanced approach that considers the needs of affected communities.

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

Past water reforms have delivered mixed results for Basin communities. While programs such as the Strengthening Basin Communities initiative and the Murray-Darling Basin Economic Development Program were designed to support regional adjustment, their effectiveness has been uneven, often constrained by short timeframes, limited scope, and a lack of alignment with local priorities.

Communities have borne the brunt of rapid reform, particularly through real estate devaluation, reduced local business confidence, and population decline. These impacts are not just economic, they reflect deep social and emotional disruption. The notion of resilience has been invoked frequently, but resilience is not an endlessly renewable resource. Communities cannot be expected to continually absorb shock without adequate and ongoing investment in their social, economic, and physical infrastructure.

Crucially, many service-based industries and individuals who supported productive water use, mechanics, agronomists, local stores, and community services have seen a reduction in viability without direct support or compensation. These ripple effects have often been overlooked in formal adjustment frameworks.

In addition, while water recovery efforts for the environment have been significant, there is growing concern around the level of scrutiny applied to environmental outcomes. Who is reviewing the efficacy of these investments, and are they subject to the same level of public transparency and accountability as consumptive water use? If reform is to be fair and enduring, the environmental, economic, and social arms of Basin policy must all be held to the same standards of evaluation, review, and public reporting.

f) options to improve future community-based reduction adjustment programs including next rounds of the Sustainable Communities Program

The so-called "sustainability package" fails to provide meaningful economic support for regional communities, particularly in the Murrumbidgee, one of the most productive regions in the Riverina



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‘food bowl’. Cotton alone is projected to generate approximately \$464 million in farm gate revenue in 2025, yet this is just one of many high-value crops grown in the region. The cumulative and permanent economic impact of water buybacks across multiple industries will be far greater than the \$300 million sustainability package allocated for the entire NSW Basin, with only \$160 million directed to the Southern Basin. Stripping water from productive agriculture while offering inadequate financial compensation is not a sustainable solution, it undermines regional economies, jeopardises jobs, and threatens the long-term viability of Australia’s food and fiber production.

g) any other related matter

NRC Recommendations –

The role of the NRC in shaping Water Sharing Plans (WSPs)⁴ has become a growing concern, as its recommendations increasingly prioritise environmental outcomes over balanced water governance. The NRC’s stance that water sharing is primarily about providing for the environment, rather than balancing environmental, social, cultural, and economic needs, risks undermining the Basin Plan’s original intent. MPII & MGI are particularly concerned that the NRC has failed to define what it considers a sustainable level of take, while also advocating for measures that would further reduce water access for productive use without adequate transparency or consideration of social and economic consequences. Moreover, departmental adoption of NRC recommendations without rigorous assessment of their impacts threatens the broader public interest.

Beyond the NRC’s role, MPII & MGI argue that the prevailing approach to water reform in NSW remains overly focused on recovering more water rather than investing in alternative environmental solutions. Water recovery under the Basin Plan is largely complete, and Sustainable Diversion Limits (SDLs) are being met, yet irrigators continue to face uncertainty regarding licence reliability. A shift in focus is needed, one that prioritises water quality improvements, strategic partnerships with irrigators, and investment in complementary environmental measures including but not limited to fish screens, riparian management, pest control, and addressing cold-water pollution. These initiatives offer clear ecological benefits without further diminishing water access for irrigation-dependent communities and should precede and displace the need for further water recovery.

NSW Department Resources –

The current consultation process requires a thorough review to ensure it is genuinely effective. Consultation must take place before plans and policy changes reach the draft stage, allowing stakeholders to contribute meaningfully during the planning phase rather than merely responding at the implementation stage. True consultation means engaging all participants early and on an iterative basis where their input can drive real and effective outcomes for all stakeholders.

Repeated concerns have been raised about the lack of ground-truthing, such as with the prescribed wetlands in the Unregulated Murrumbidgee WSP and the boundary mapping in the Murrumbidgee Floodplain Management Plan. Alarming, departmental representatives have made statements during phone calls and consultation sessions such as, “We don’t have the resources for that,” and “The Murrumbidgee is a test case for all other valleys, so we might get it right for the rest.” In any



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other corporate project, proper resourcing would be a fundamental requirement to ensure accuracy and accountability, government policies and programs should be held to the same standard. This example illustrates the absence and failure of both informed decision making and a truly effective consultative process.

MPPI and MGI fully support the NSWIC submission to this Parliamentary Inquiry on matters impacting the Murrumbidgee & Southern Basin.

MPPI & MGI thank you for the opportunity to provide a submission into this inquiry.