



*Submission to the NSW Parliament's Legislative
Assembly Committee on Investment, Industry and
Regional Development
To the inquiry into:*

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

By:

Gwydir Valley Irrigators Association Inc

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I Terms of Reference

The Inquiry webpage says, "This inquiry is established to examine and report on the impacts of the Water Amendment (Restoring Our Rivers) Act 2023 on NSW regional communities¹."

According to the following Terms of Reference:

¹ [Inquiry webpage](#)

- 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.

2 Summary and Purpose

The Gwydir Valley Irrigators Association (GVIA) is the representative body for water entitlement holders in the Gwydir Valley and welcome the opportunity to provide our feedback to the NSW Parliament's Legislative Assembly Committee on Investment, Industry and Regional Development (the Committee) into their inquiry into the Impacts of the Water Amendment (Restoring Our Rivers) Act 2023 on NSW regional communities (the Inquiry) from the perspective of our region.

The terms of reference have been addressed in order of priority for our region.

This document aims to represent the concerns, views and experiences of our members and the community. Each member reserves the right to express their own opinion and is entitled to make their own submission.

The GVIA and our members, are members of the NSW Irrigators Council and National Irrigators Council and we generally support the submissions made by those organisations.

We would like to ask for the opportunity to participate in the inquiry in person so that we can share our perspectives on these very important issues.

Thank you for this opportunity to provide our input and perspective.

3 Overall Recommendations

3.1 Government Performance

Throughout this submission we refer to numerous instances of poor Government performance. There are several examples where the Government has failed to adhere to its own Better Regulation Principles. The floodplain harvesting (FPH) regulation is not fit for

purpose, it is overly complicated and lacks consideration of the practicality of implementation. The Department's systems managing both floodplain harvesting and non-urban metering are failing to deliver as needed. This has resulted in procedural difficulties for Duly Qualified Persons (DQP), users and staff. All these challenges have made implementation and the management of an actual FPH event almost impossible and are resulting in lower than necessary compliance rates for non-urban metering. These challenges, coupled with a failure by NSW to have our Water Resource Plan accredited, the lack of action on over-recovered water enabling the Federal Government to re-apportion it and the ongoing threat of rule changes to acquire more environmental water, is undermining the confidence of the industry, and eroding access to water entitlements. The cumulative impacts of the endless reforms, particularly in the last two years are being ignored by government yet are significantly impacting industry viability.

The inclusion of wetlands in unregulated Water Sharing Plans across NSW is another example of where the department have failed to adhere to at least five of the seven Better Regulation Principles² as detailed in the submissions that the GVIA made to the consultation on the draft WSPs.

The GVIA recommend that there is a comprehensive review of the performance of the department to ensure it is operating in a balanced and efficient manner, adhering to the Better Regulation Principles and completing legislated requirements in an open and transparent manner. This review should include an analysis of the cumulative impacts of water reform from a socio-economic and environmental basis.

Given the issues identified in this submission, the GVIA make the following additional recommendations.

1. **GVIA oppose rule changes to recover more water for the environment. If the federal or state governments want additional water for the environment, they must purchase it from the open market.**
2. **The GVIA support the need for the National Water Initiative (NWI) to include a Risk Assignment Framework and recommend that any reduction or less reliable water allocation under a water access entitlement be fully compensated in line with Clause 50 in the existing NWI and that the 3% trigger for compensation under Clause 49 be removed.**
3. **Request an immediate review of what we have learnt from the first broad scale FPH event in NSW. The review should include the failures and successes of policy implementation and address supplementary access in flooding situations where river pumps cannot be accessed.**
4. **Request the department fix drafting mistakes in the Gwydir WSP to ensure floodplain harvesting access would be restricted only when there is less than 195GL being stored in Menindee Lakes, until local in-valley targets are forecast to be met.**
5. **Request that the Menindee lakes trigger in the Namoi WSP is corrected to the 195GL agreed level.**

² [TPP19-01 - Guide to Better Regulation.pdf](#)

6. We recommend that the NSW Government make 3,200ML of the over-recovered water in the Gwydir (once confirmed by an accredited Water Resource Plan) available to meet the requirements as specified in the Aboriginal Water Entitlements Program | Strategic Purchasing Framework to address social challenges, provide water ownership to aboriginal people and make productive progress towards 'Closing the Gap.'
7. That the NSW government work in the best interests of NSW residents and prevent the federal government from using over-recovered water (once confirmed by an accredited Water Resource Plan) purchased by NSW to contribute to the 450GL enhanced environmental outcomes for the southern connected system. We make specific reference to the fact that the 450GL was initially tightly linked to constraints relaxation, salinity in Coorong and Lower Lakes, and the Murray mouth³.
8. We request that any wetland identification not be included as a component of any Water Sharing Plan (WSP) regulated or unregulated now or at any time into the future as it adds no benefit to the public given that any changes to water access in WSP is already accounted for.
9. We request clarity on the financial, legal and production implications of gazetting wetland sites as members have major concerns as to how rules may be interpreted or adjusted in the future.
10. Although we do not support the creation of wetlands on private land without consent of the landowners, we request that the Department consult with all landholders directly and that ground truthing of wetlands include all sites gazetted in all earlier versions of the Gwydir Unregulated Water Sharing Plan.
11. Although we do not support the creation of wetlands on private land without the consent of landowners, if the Department wishes to identify any new wetlands as a standalone process, unrelated to any Water Sharing Plan, the process must include individual consultation with all landholders likely to be impacted by the identification of a wetland, this includes all neighbouring landholders.
12. The costs of compliance in NSW are extreme against any comparable benchmark. The efforts and investment in response to past compliance failures have resulted in governance structures and effort that is not optimal. Efforts should be made to move to a business as usual level of effort.
13. A fundamental review of NRAR governance and strategy should be undertaken as soon as possible.
14. Request that reviews of Water Sharing Plans consider, and provide detail on all three aspects, environmental, social and economic on an equal basis.

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

4.1 Impacts of rules-based changes in NSW

Rule changes are a form of compulsory acquisition without compensation, it is neither equitable nor appropriate in our contemporary water management system. The GVIA oppose

³ Schedule 5—Enhanced environmental outcomes referred to in paragraph 7.09(e)

rule changes to recover any more water for the environment whether under the guise of improving connectivity, accounting for climate change or to deliver water towards the commonwealth 450GL objective.

The Framework for Delivering the 450GL⁴ (the Framework) promotes rules changes as a means to achieve their goals for additional held environmental water. The framework claims that rules changes are said to 'manage socio-economic impacts, through predictable reductions in water use'. This statement is disingenuous and demonstrates a lack of understanding of the role of irrigated agriculture in the economic sustainability of regional communities.

Rules-changes do not 'manage' socio-economic impacts, they in fact exacerbate socio-economic impacts in community. The cumulative impacts from ongoing rules changes are significantly reducing the reliability (and therefore desirability) of licences (General Security licences in the Gwydir are already only 36% reliable) and entitlement holders are becoming more risk averse, water allocations are becoming less secure, impacting the security of employment for staff and reducing the ability of regional communities to survive.

The Framework also claims that adopting rules changes under the 450GL program has significant potential to "enhance environmental outcomes, by leaving water in rivers at key times in the drought". This is yet another demonstration of the complete lack of understanding of our Rivers. Northern Murray Darling Basin (MDB) rivers are ephemeral. This is absolutely the case for the Gwydir, this means that in a drought, i.e. when it doesn't rain, our river doesn't flow.

The Draft Framework For Delivering the 450GL⁵ indicates that water markets in the northern basin are "comparatively thin" (entitlements are a commodity, essential to the viability of irrigated agriculture in the northern basin) and that the "volume of entitlement issues is lower than in the southern basin", (on average the northern inflows into the MDB are only a third of the total inflows) so instead of purchasing entitlements, the government suggests rules based changes. Rule changes will further reduce the yield from an already issued entitlement and as a result, impact the viability of irrigated agriculture in the region without changing the licence composition. The GVIA argue this is against the principles within the National Water Initiative which established water property rights that in clause 31 and 32 being:

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;*

⁴ [Restoring our Rivers: Framework for delivering the 450GL of additional environmental water | Australian Government Department of Climate Change, Energy, the Environment and Water](#)

⁵ [Restoring Our Rivers: Delivering the Basin Plan 2012 Draft framework for delivering the 450 GL of additional environmental water](#)

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).

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.

In addition, we are concerned about the reference to

“Significant work on potential rule changes is already underway. The NSW Government Northern Basin Connectivity Program is progressing connectivity improvements...”

The report from the connectivity panel has repeatedly been referenced as “not government policy” yet the federal government sees fit to reference the program in their planning. This is alarming and is of significant concern to all entitlement holders in the northern basin in NSW. The proposals, principally rule changes, from the panel will have significant impacts on all river access licences in the northern basin if implemented even in part by the NSW Government. Yet there is no clearly articulated understanding of the objectives, nor an understanding of why NSW is pursuing such an ambitious program that will impact NSW’s economic capacity for questionable gain. The cost of such a program to NSW will be immense. The implementation of any rules changes as a result of this ambitious program would be seen as compulsory acquisition, which is inequitable as under buybacks, sellers are compensated but under rules changes, licence holders are not.

If the federal government wants additional environmental water, then they must purchase it from the open market. Taking water for the environment from entitlement holders without full compensation is not acceptable for connectivity nor for the 450GL program.

Recommendation

1. **GVIA oppose rule changes to recover more water for the environment. If the federal or state governments want additional water for the environment, they must purchase it from the open market.**

4.2 Risk Assignment Framework

The Risk Assignment Framework as included in the National Water Initiative (NWI)⁶ is critical to the reliability of water allocation under a water access entitlement.

The GVIA are however concerned about how the Risk Assessment Framework, is understood and being applied and feel there needs to be clarity as to how it should be applied in NSW.

The Risk Assessment Framework is detailed in clauses 46-51 in the NWI. It outlines how risks to water availability are shared between water users and the government. Under the NWI, clause 49 states 'the risks of any reduction or less reliable water allocation under a water access entitlement, arising as a result of bona fide improvements in the knowledge of water systems' capacity to sustain particular extraction levels' are to be shared in such a way that the water user bears the 3% reduction without compensation.

The 3% compensation free rule was developed in 2004 before the Basin Plan and when the value and sophistication of water markets was considerably lower. Water licences are now typically the most important asset for irrigators and currently their reliability is being slowly eroded through poor Government performance and potentially rules changes. This cumulative erosion of a property right is concerning, as we believe that too often this clause is being used to reduce water access without compensation.

The nationally consistent water management framework established through the NWI, already includes climate mitigation strategies embedded in water management that account for Australia's climate variability.

The water allocation system then adjusts the volume of water available to an entitlement based on factors such as rainfall, river flows, and storage levels, allowing for responsive and dynamic management in response to changing climatic conditions. Any changes to how available water determinations are applied would be seen as a change in government policy and as such covered by Clause 50 in the NWI.

The GVIA believe that the Risk assignment Framework is essential but believe any reduction or less reliable water allocation under a water access entitlement should be fully compensated in line with clause 50 in the NWI and that the 3% trigger under Clause 49 for compensation be removed.

Recommendation

- 2. The GVIA support the need for the National Water Initiative (NWI) to include a Risk Assignment Framework and recommend that any reduction or less reliable water allocation under a water access entitlement be fully compensated in line with Clause 50 in the existing NWI and that the 3% trigger for compensation under Clause 49 be removed.**

⁶ [Intergovernmental Agreement on a National Water Initiative | Commonwealth Government of Australia](#)

5 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

Unlicensed water take and floodplain harvesting do not pose a risk to the effective implementation of the Restoring our Rivers Act 2023. Rigorous enforcement, high compliance levels and comprehensive metering reforms have addressed any unlawful water use, despite the significant issues with the practicality of the regulation, floodplain harvesting is licensed, measured, and accounted for in SDLs.

Unlawful take of water is extremely rare, as is evidenced by statistics published by the Natural Resources Access Regulator (NRAR). NRAR enforcement actions, including fines and court, against only an average 375 water licence holders a year – 0.9% of NSW's 40,000 water licence holders. The vast majority of these enforcements are not related to illegal water take, but more commonly to do with works approvals (ensuring infrastructure complies with legal standards). Many entitlement holders have been trying to address these works approvals with the department for years, suggesting that the problem lies not with the user, but with the processes.

5.1 Floodplain Harvesting regulations

As a region we supported the implementation of Floodplain Harvesting (FPH) licences, and in August 2022 were one of the first regions to have those licences issued, which have significantly reduced the water available to be accessed by members.

We highlighted well before licences were received that the regulation is not fit for purpose, this is still the case. The regulation was written for compliance, is impractical to implement and riddled with mistakes. There are innumerable steps, convoluted procedures and issues being identified on an ongoing basis.

The DQP's who are the installers and certifiers of meters are struggling to understand what they are required to do to complete a full validation of FPH storage meter in a works approval. This has made it difficult for entitlement holders to become compliant and has stretched the resources in WaterNSW.

In addition, the Data Acquisition Service was built as a minimal viable product and has struggled to perform as required despite significant investment to fix the problems. For years we have worked in consultation with WaterNSW and the Department to try to address many of the failures of the regulation and the system, all of this at a time when users are expected to be compliant even though the system and regulation are not fit for purpose.

Trade was an integral component of NWI, and the department has deemed that temporary trade on FPH entitlement is not permitted. This is a deliberate attempt to prevent entitlement holders from accessing what they are legally entitled to. This will have significant impacts for the community. This needs to be addressed to deliver fair and reasonable management of FPH entitlement.

We would like to request an immediate review of what we have learnt from the first broad scale FPH event in NSW. The review should include the failures and successes of policy implementation.

This review must address supplementary access in flooding situations where river pumps cannot be accessed. We have been asking since 2022 for clarity around how to take supplementary or general security water during a flood. Where the channel transporting the entitled water to the storage is impacted by flood water there is no solution which enables users to take their regulated river entitlements. Under current rules, regulated water (general security, high security or supplementary) must be taken from the river and metered through the certified river meter, there is no consideration of measuring this entitlement in the flood situation via a certified storage meter. NB: we are asking for a solution to enable users to correctly measure their water take, and to avoid potentially dangerous activities in flood water, this is a workplace health and safety issues as much as it is a measurement issue. Supporting users to become compliant should be a priority for the department and the Government.

Recommendation

- 3. Request an immediate review of what we have learnt from the first broad scale FPH event in NSW. The review should include the failures and successes of policy implementation and address supplementary access in flooding situations where river pumps cannot be accessed.**

In the 2022 NSW Government response to the Select Committee on Floodplain Harvesting's inquiry report⁷, tabled in the Legislative Council, the NSW Government as part of their response to recommendation 1 stated;

"To improve confidence in the NSW Government's programme to licence and meter floodplain harvesting, the government is proposing to include a new rule in water sharing plans that would restrict floodplain harvesting access when there is less than 195GL being stored in Menindee Lakes, until local in-valley targets are forecast to be met."

The Government has indeed included a new rule in Water Sharing Plans. This is Clause 51 in the Gwydir regulated WSP, we have however raised with the Department that Clause 51(4) fails to clearly articulate the intention of the Government with regard "local in-valley targets are forecast to be met". We have requested that this mistake be corrected, to date this has not occurred.

In addition, we are aware that the Namoi WSP has a different Menindee trigger of 250GL rather than the Governments agreed 195GL trigger. The only assumed justification is that the Pamamaroo inlet regulator located between Pamamaroo and Wetherell lakes has not been upgraded. This despite WaterNSW has funding to undertake this work.

If the department has failed to fix the regulator, their responsibility, then it is not appropriate that the department adjust the access to FPH. Changing rules on the Menindee trigger cannot be accepted by FPH entitlement holders without consultation and compensation as it will

⁷ [Government Response - Select Committee on Floodplain Harvesting.pdf](#)

impact access conditions. This is another example of a failure of the department where they are attempting to shift the responsibility to users. This is completely unacceptable.

Recommendations

4. **Request the department fix the mistakes in the wording of the Gwydir WSP to ensure floodplain harvesting access would be restricted only when there is less than 195GL being stored in Menindee Lakes, until local in-valley targets are forecast to be met.**
5. **Request that the Menindee lakes trigger in the Namoi WSP is corrected to the 195GL agree level.**

6 Other Water Related matters

6.1 Over-recovered water

The Gwydir has had more environmental water recovered than required by the Murray Darling Basin Authority modelling and legislation. The Gwydir Valley has met the legislative requirements of the Murray Darling Basin Plan of 42,000 megalitres of Long-Term Diversion Limit Equivalence (LTDLE) entitlement for local/instream environmental outcomes and a further 7,600 megalitres for shared contribution to the northern basin. The NSW and Australian Government's hold 54,600 megalitres LTDLE entitlements. Based on IQQM long-term modelling and the volume of water purchased for the environment. This means there is an additional 5,000 megalitres of water owned by Government's (NSW and Commonwealth Government both own environmental water in the Gwydir) above the legislated amount for our region. Of the water purchased the NSW Government owns 6,700 megalitres of LTDLE entitlements.

This water was recovered prior to the Murray Darling Basin Plan in 2012, our community is still waiting for recognition of the over-recovery and believe it should be returned to our communities.

The Productivity Commission five-year Basin Plan review of 2019⁸ noted as one of its short term priorities (within 12 months) that Basin Governments should; *"Agree on a policy and timeframe for addressing over-recovery (3.1)."* This led to their recommendation 3.1 as stated following,

"As soon as practicable, the Commonwealth Environmental Water Holder, in co-operation with Basin governments, should develop a process and an appropriate timeframe to return any identified over recovery to consumptive uses in accordance with Sustainable Diversion Limits"

The basin officials committee update to the Murray Darling Basin Ministerial Council MinCo 30⁹, in the Progress Update on implementation of Joint Basin Government response to the Productivity Commission inquiry report: Murray–Darling Basin Plan: Five-year assessment

⁸ [Inquiry report - Murray-Darling Basin Plan: Five-year assessment](#)

⁹ [Basin Officials Committee update to the Murray-Darling Basin Ministerial Council \(MinCo 30\)](#)

published on 2nd July 2023 we note the Original Joint Basin Government Response included the following,

“The Australian Government has commenced work on policy arrangements and timeframes to address any over-recovery. It is the intention that consultation will be undertaken with communities and stakeholders on the approach, management and handling of any over-recoveries to achieve a balanced outcome. The handling of any over-recoveries will be subject to the finalisation of remaining gap-bridging water requirements and water resource plans.”

There has been no consultation with us on this matter.

The Water Amendment Bill 2023, proposed to take over recovered water and allocate this to the 450GL. This change in policy is not in NSW’s best interests and is not supported by the GVIA.

We note that in the Framework for Delivering the 450GL¹⁰ the government stated.

“The Australian Government will use multiple lines of evidence to inform the location, volumes and types of water entitlements recovered. This includes expert advice from the CEWH and the MDBA.”

We believe that simply allocating all over-recovered water is at odds to this claim.

The GVIA has advocated on many occasions for this over-recovered water to be made available by the NSW government to meet the requirements as specified in the Aboriginal Water Entitlements Program | Strategic Purchasing Framework¹¹. The NSW Government’s allocation of over-recovered water to this program would provide opportunity for Aboriginal people in our region and balance the implementation of the Basin Plan 2012.

The NSW government has the proposed 3,200 megalitres of water in their portfolio in the Gwydir and could sell it to the program, which would be,

- Consistent with Commonwealth Regional Investment Framework and the National Agreement on Closing the Gap.
- Strategically aligned with regional priorities, including by supporting existing regional development plans and aligning with aboriginal priorities

Making this over-recovered water available to the Aboriginal Water Entitlement Program would support the proposals currently being implemented to address the youth crime in our community^{12, 13}. In addition, it would be a positive step to assist the NSW Government to ‘Close the gap’ for aboriginal people.

¹⁰ [Delivering the Basin Plan in full](#)

¹¹ <https://www.dcceew.gov.au/sites/default/files/documents/aboriginal-water-entitlements-program-strategic-purchasing-framework.pdf>

¹² [New bail and performance crime laws passed to prevent youth crime | NSW Government](#)

¹³ [Extension of strict bail laws for young people will strengthen community safety | Communities and Justice](#)

More importantly however, it provides opportunity for local aboriginal people. The local aboriginal community could determine how they wish to manage their entitlements, within the rules of our Water Sharing Plan, as all other entitlement holders do.

Recommendation

- 6. We recommend that the NSW Government make 3,200ML of the over-recovered water in the Gwydir (once confirmed by an accredited Water Resource Plan) available to meet the requirements as specified in the Aboriginal Water Entitlements Program | Strategic Purchasing Framework to address social challenges, provide water ownership to aboriginal people and make productive progress towards ‘Closing the Gap.’**

6.2 Water Resource Plans

The Gwydir is still to have a Water Resource Plan (WRP) accredited. This is now more than five years behind schedule because of the NSW Government.

The GVIA engaged in the develop of WRPs, provided input on the timelines demanded by the NSW Government and was the initial pilot WRP area. Yet our plan remains non-accredited through no fault of our own but due to poor implementation by the NSW Government to meet the legislated requirements.

We have requested as a community that the over-recovered water in the Gwydir be made available to the Aboriginal Water Purchase Strategy (as detailed above), we have been informed that; “the definitive calculations of the final over-recovery amount will not be finalised until after the Gwydir Water Resource Plan is accredited.¹⁴” and “When the Gwydir WRP is resubmitted and accredited, the Murray–Darling Basin Authority will review NSW models to confirm final water recovery volumes¹⁵.”

In addition, Senator the Hon Jenny McAllister stated in the Environment and Communications Legislation Committee, estimates on Friday, 26 May 2023¹⁶ “in the case of New South Wales, until the water resource plans are accredited, it's not actually possible to undertake a reconciliation of the recovery efforts against the overall planned targets.”

In February 2025, it is believed that Minister Plibersek provided administrative authority to transition the over-recovered water in the Gwydir Valley to the additional environmental water. This is despite the Water Resource Plan not yet being accredited to confirm the volume of water that was over purchased. This occurred despite communication from the Department, that it could not occur without an accredited Water Resource Plan. The Federal Minister Plibersek has used the Gwydir over-recovered volume in her media claiming progress towards the 450GL¹⁷.

¹⁴ MF24/2780 – Correspondence The Hon Minister Jackson

¹⁵ MC24-023069 – Correspondence Federal DCCEEW by Sheryl Hedges on behalf of Minister Plibersek

¹⁶ [Environment and Communications Legislation Committee](#)

¹⁷ [Joint media release: Huge milestone proves Murray-Darling Basin Plan is back on track](#)

How is it that there are different interpretations of the rules for some than for others.

Recommendation

- 7. That the NSW government work in the best interests of NSW residents and prevent the federal government from using over-recovered water (once confirmed by an accredited Water Resource Plan) purchased by NSW to contribute to the 450GL enhanced environmental outcomes for the southern connected system. We make specific reference to the fact that the 450GL was initially tightly linked to constraints relaxation, salinity in Coorong and Lower Lakes, and the Murray mouth¹⁸.**

6.3 Wetlands

The inclusion of wetlands in Water Sharing Plans (WSP) is a concern for our members, and for landholders across our region. Many of the wetlands proposed to be included in the Gwydir Unregulated WSP are on land holdings where there are no unregulated entitlements.

The inclusion of these wetlands is an example of where the department have failed to adhere to at least five of the seven Better Regulation Principles¹⁹ as detailed in the submissions that the GVIA made to the consultation on the draft WSPs.

The concerns are as follows;

- The identification of the proposed sites utilising a desk top process without independent ground truthing and lacked direct landholder consultation
- The adoption of Natural Resources Commission (NRC) recommendations without considering if it is required, reasonable or responsive, or demonstrating that it is in the public interest or if the benefits out way the costs, raises concerns for us
- Although the Department claim that there will be no implications for land use, landholders either adjacent to or with existing wetlands on their properties are already facing impacts in the management of their country. The practical implications of Department decisions are more far reaching than the department is acknowledging. Our members are concerned as to how these rules may be interpreted or adjusted in the future.

Recommendation

- 8. We request that any wetland identification not be included as a component of any Water Sharing Plan (WSP) regulated or unregulated now or at any time into the future as it adds no benefit to the public given that any changes to water access in WSP is already accounted for.**
- 9. We request clarity on the financial, legal and production implications of gazetting wetland sites as members have major concerns as to how rules may be interpreted or adjusted in the future.**
- 10. Although we do not support the creation of wetlands on private land, we request that the Department consult with all landholders directly and that ground**

¹⁸ Schedule 5—Enhanced environmental outcomes referred to in paragraph 7.09(e)

¹⁹ [TPP19-01 - Guide to Better Regulation.pdf](#)

truthing of wetlands include all sites gazetted in all earlier versions of the Gwydir Unregulated Water Sharing Plan.

- 11. Although we do not support the creation of wetlands on private land, if the Department wishes to identify any new wetlands as a standalone process, unrelated to any Water Sharing Plan, the process must include individual consultation with all landholders likely to be impacted by the identification of a wetland, this includes all neighbouring landholders.**

6.4 NRAR

We feel that there are many corporate governance issues associated with NRAR, and do not support any strengthening of their enforcement or penalty powers. NRAR was established to be a supposedly independent regulatory authority, because of the failure of WaterNSW to perform the task that they were paid to do (i.e. read meters) free from political or water user influence and the Department, to ensure compliance with licence conditions.

We would like to highlight that the key beneficiaries of compliance activities are water users as such under a capped system the key impactors and beneficiaries driving the vast majority of NRAR activities and effort are other water users, particularly general security entitlement holders.

Further, the value of the asset is not the appropriate rationale for optimal investment in compliance. NRAR should provide estimated level of theft for various levels of investment to enable a consideration of the appropriate strategy and associated investment. We would also suggest that paying for valuation studies to argue for the importance of NRARs compliance activities, and to justify further expenditure, is not good value for money unless it is directing compliance effort in some manner.

Recommendations

- 12. The costs of compliance in NSW are extreme against any comparable benchmark. The efforts and investment in response to past compliance failures have resulted in governance structures and effort that is not optimal. Efforts should be made to move to a business as usual level of effort.**
- 13. A fundamental review of NRAR governance and strategy should be undertaken as soon as possible.**

6.5 NRC

In the Water Management Act 2000, Part 3, Management Plans, Division 8, Section 43A (3) it states

(3) Before deciding whether to extend a management plan that deals with water sharing or to make a new management plan, the Minister is to consider a report of the Natural Resources Commission that reviews (within the previous 5 years) the following—

- (a) the extent to which the water sharing provisions have materially contributed to the achievement of, or the failure to achieve, environmental, social and economic outcomes,*
- (b) whether changes to those provisions are warranted.*

We find that their reviews focus almost exclusively on environmental aspects, with very little attention given to the social and economic aspects of the plans. We believe all three should be analysed on an equal basis.

Recommendation

- 14. Request that reviews of Water Sharing Plans consider, and provide detail on all three aspects, environmental, social and economic on an equal basis.**

7 *Social, economic and environmental impact of repealing limits to the cap on Commonwealth water purchases*

The \$300 million funding made available for community adjustment is insulting to regional communities who rely on irrigated agriculture. The Gwydir over-recovered water alone could conservatively produce \$5mil at the farm gate and \$14 million for the community annually. This on top of the achievement of SDL has reduced irrigation in the Gwydir by 20,000ha, worth \$150million at the farm gate and \$450million to the community.

The socio-economic impact of environmental water recovery in the Gwydir was significant. The loss of productive water has resulted in 25% less irrigated hectares, less people, fewer teachers and doctors in our community.

The Northern Review²⁰ identified that not only were there substantial reductions in population and employment but that there were notable declines in the Socio-Economic Indexes for Areas (SEIFA). Moree alone saw the following declines.

SEIFA	2006	2011
education and occupation	5	↓ to 3
advantage and disadvantage	5	↓ to 3
Economic resources	4	↓ to 2

Irrigators have learnt to adapt, but many in the community have not been able to adapt. The current social issues experienced in our community are in part related to water recovery.

As a region who has suffered from large scale water purchases from single business, we know that the social and economic impacts will be significant and will take decades for communities to adjust even partly.

Many other regions will have similar impacts from water recovery. No community should experience the declines in socio-economic indexes that communities in our region have experienced.

²⁰ Northern Basin Review - Technical overview of the socioeconomic analysis

8 About the GVIA

8.1 Our region

The Gwydir Valley Irrigators Association (GVIA) represents more than 450 water entitlement holders in the Gwydir Valley, centred around the town of Moree in North-West New South Wales. Our mission is to build a secure future for members, the environment and the Gwydir Valley community through irrigated agriculture.

The Moree Plains Shire region alone is highly dependent on agriculture and irrigated agriculture for economic activity contributing over 72% of the value of gross domestic product (cotton is around 60%), employing 20-30% of the population and accounting for almost 90% of exports from the Shire²¹.

The 2011 agricultural census estimates that the total value of agricultural commodities for the Moree Plains Shire region was \$911,951,079 up from \$527,744,851 in the 2005-06 census. This is an estimated 7.83% of NSW's total agricultural production from a 1,040,021Ha principally used for agricultural crops²².

The Gwydir is characterised as having low water reliability with most water held as general security water with a reliability of 36% (that means entitlement holders could expect in the long-term just over a third of their entitlement can be accessed). Supplementary water entitlement is somewhat more reliable with 55% but accounts for less than a quarter of the total volume. Groundwater reliability is considered 100% but there is less than 30,000ML available. Floodplain harvesting licences were issued in 2022, significantly reducing access for the region, and contribute almost a quarter of the water use in the region over the long term. However, access is episodic, in line with moderate to major floods.

Environmental water management is not new in the Gwydir Valley, we have had environmental water in one form or another since the construction of Copeton Dam in the late 1970's. Our region experienced rapid growth in the environmental portfolio from 2008 onwards with the purchase of licences by the NSW and Commonwealth Governments.

The Gwydir has had more environmental water recovered than required by the Murray Darling Basin Authority modelling and legislation. There is an additional 5,000 megalitres of water owned by Government's above the legislated amount for our region²³. The total volume of water available to be accessed by water entitlement holders has been reduced significantly over time due to reforms as outlined in Table 1: Summary of Water Reform.

²¹ Cotton Catchment Communities CRC Communities and People Series 2009

²² 2010 2011 Agricultural Census Report – agdata cubes, 71210D0005-201011 Agricultural Commodities, Australia

²³ The Gwydir Valley has met the legislative requirements of the Murray Darling Basin Plan of 42,000 megalitres of LTDLE entitlement for local/instream environmental outcomes and a further 7,600 megalitres for shared contribution to the northern basin. The NSW and Australian Government's hold 54,600 megalitres LTDLE entitlements. Based on IQQM long-term modelling and the volume of water purchased for the environment

Table 1: Summary of Water Reform

Year	Program	Volume of entitlement
1970	Creation of replenishment flow	5,000ML
1995	Murray-Darling Basin 1993/94 Interim Cap established to limit future growth in access	
1996	Voluntarily reduced their general security reliability by 5%, by establishing the original Gwydir Valley Environmental Contingency Allowance (ECA) of general security equivalent water.	25,000ML General Security
2004	Gwydir Regulated River Water Sharing Plan further reduced reliability by 4%, primarily through increasing the ECA and enhancing its use and storage provision. Rules created for the WSP also reduced access, particularly to supplementary flow previously known as high flow.	20,000ML General Security
2006	Lower Gwydir Groundwater Source Water Sharing Plan reduced groundwater entitlements from 68,000 megalitres to 28,700 megalitres.	39,300ML Groundwater
2008 +	NSW State Government has purchased general security entitlement as well as supplementary for wetlands recovery programme.	17,092ML General Security 3,141ML Supplementary
	NSW Government infrastructure works	1,249ML High Security
	Commonwealth buy-back program.	88,133ML General Security 20,451ML Supplementary
2016	Commonwealth infrastructure programs.	4,508ML High Security 1,392ML General Security
2022	Licencing of Floodplain Harvesting in the regulated and unregulated water sources	24.8% reduction equating 10.4 GL long-term take
TOTALS		5,757 High Security 156,617ML General Security (including ECA) 23,592 ML Supplementary

Entitlements owned for environmental purposes total more than 186,000ML, which includes an Environmental Contingency Allowance of 45,000ML. The NSW and Commonwealth environmental water managers are now responsible for 28.5% of high security entitlement, 29% of general security entitlement and 13% of supplementary entitlement for environmental use. Environmental water is primarily used to contribute waterbird and fish breeding events, to maintain the condition and extent of the Gwydir Wetlands. This significant environmental portfolio altered behavioural assumptions and influenced how the system operates, it has impacted what environmental and economic outcomes can be achieved and how the

community is affected by the sharing of water resources. As the environmental water portfolio has grown, so has the application and use of environmental water.

As a result of water reform, only approximately 19% of the total river flows are available for diversion for productive use²⁴. This equates irrigators holding 575,000ML from regulated entitlement (high security, general security and supplementary water) and 28,000ML available from groundwater aquifers.

The reform was difficult as regional communities such as those of Collarenebri and Moree were forced to adjust to a region with less water, and less capacity to recover from droughts. The impacts of the reforms are still evident in these communities.

Changes in water availability either through climate or government policy has a direct impact on the productivity of the region and the local economy. Analysis by the Murray Darling Basin Authority highlighted this relationship during the northern review and revealed that for both Moree and Collarenebri social and economic indicators declined through 2001 to 2011 including education, economic resources and disadvantage, resulting in an estimated 200 jobs lost due to the implementation of the Basin Plan in the region²⁵. We are currently seeing this impact play out with ongoing social issues in our region.

8.2 Our region's hydrology and geomorphology

The Gwydir River is an inland terminal river network classified as “tributary” network by the Murray Darling Basin Commission during water sharing plan development. The rivers become a series of branching channels that distribute flows across large areas especially during floods (MDBC, 2007a). This distribution of water represents the watercourse areas of Gwydir Wetlands. There are four parcels of land within the Gwydir Wetlands listed under the Ramsar Convention on Wetlands (MDBA, 2010c).

This natural geomorphology means the Gwydir River under natural conditions would have a very low ability to contribute to surrounding catchment inflows. The State of The Darling Interim Hydrology report puts the average percentage flow of the Darling River from the Gwydir River to be 12%, although updated estimates have this percentage between 8- 7% as reported in the Independent Assessment of the 2018-19 Fish Deaths in the Lower Darling. The low contribution, which is consistent with other terminal wetland systems, is a result of most of the water within the system flowing naturally towards the terminal wetlands and watercourse.

²⁴ Based on IQQM long-term modelling and the volume of water purchased for the environment

²⁵ Refer to the Murray Darling Basin Authorities Socio Economic condition reports, Social and Economic Analysis of the Moree Community, 2009. Cotton Catchment Communities CRC

[630-nbr-community-profile-moree-hr.pdf \(mdba.gov.au\)](https://www.mdba.gov.au/sites/default/files/publications/630-nbr-community-profile-moree-hr.pdf)

<https://www.mdba.gov.au/sites/default/files/publications/630-nbr-community-profile-collarenebri.pdf>

The natural hydrology has been altered via modification of the river and operations with an increase in end-of-system connectivity. This channelisation and re-regulation occurred throughout the last century to initially deliver regular stock and domestic water supplies to users and then to deliver irrigation water more efficiently. Flows are now regulated down the Mehi, Moomin and Carole, which can now join the Barwon River. However, even with these modifications there remains limited capacity to move water through these systems with channel constraints limiting the daily flows.

8.3 What we do

The GVIA's mission is to build a secure future for our members, the environment and the broader Gwydir Valley community through irrigated agriculture, we do this together by making every drop count in the river or the aquifer, on-farm, for the environment, or for our community²⁶.

GVIA members hold entitlements within the Gwydir regulated and unregulated surface water areas, in addition to groundwater resources. All of which are managed through water sharing plans, which have been progressively developed since early 2000.

The GVIA organisation is voluntary, funded by a nominal levy, cents/megalitre on regulated, unregulated and groundwater water entitlement. The levy is paid and supported on average by 85% of the eligible entitlement (excludes NSW and Commonwealth entitlement).

The Association's primary activities revolve around negotiating with government at a Federal, State and Local level to ensure equality and the rights of entitlement holders are maintained and respected. The core activities of the Association are funded entirely through the voluntary levy, the Association does however undertake programs and projects to maintain and improve the sustainability of members on-farm activities, which can be funded by government or research corporations.

The Association is managed by a committee of a minimum 11 entitlement holders and employs a full-time executive officer and a part-time administrative assistant, as well as hosting a Project Officer funded through the Cotton Research and Development Corporation, the Gwydir Valley Cotton Growers Association and the GVIA.

8.4 Contacts

Gwydir Valley Irrigations Association

ABN: 49 075 380 648

100 Balo St (PO Box 1451)

Moree, 2400

Ph: 02 6752 1399

Mobile: 0427 521 498

Email: gvia@gvia.org.au

Chair: Jim Cush

Executive Officer: Louise Gall

²⁶ For more information, see our corporate video on <https://vimeo.com/177148006>