



*Submission to the Department of Climate Change,  
Energy, Environment and Water on:*

*Discussion Paper – Seeking views on a future  
national water agreement.*

*By:*

*Gwydir Valley Irrigators Association Inc*

*May 2024*



*making every drop count*

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## I Summary and Purpose

The Gwydir Valley Irrigators Association has provided this submission to the Department of Climate Change, Energy, Environment and Water (DCCEEW) for consideration in reply to their Discussion Paper (The Paper) on a future National Water Agreement (NWA).

This document aims to represent the concerns, views and experiences of our members. 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 support the submissions made by both those organisations.

We support the original aims of a nationally compatible market, regulatory and planning based system of managing surface and groundwater resources for rural and urban use that optimises economic, social and environmental outcomes. We however are frustrated that the federal department have released the discussion paper now. That there has been minimal open

transparent engagement across all Australians now and during the development stages of The Paper. Additionally, we are concerned that 20 years of challenging water reform across Australia has been disregarded.

The organisation agrees that it is important to future proof the foundations of Australian water management and planning and address gaps through modernising.

We do not agree that a re-write as signalled in the current discussion paper is necessary.

The GVIA question why the department has engaged in a separate process during the Productivity Commissions (PC) consultation on the National Water Reform 2024 Interim Report, which is a component of their statutory third review of the implementation of the National Water Initiative. This means that stakeholders, are managing two concurrent Government processes with different names, different consultation timeframes and two very different approaches to presumably the same objective - the renewal of the National Water Initiative (NWI) (2004). This misalignment of government processes has resulted in conflicting positions and objectives, which has undermined the independence and objective, long-term processes of the Productivity Commission.

How is the department proposing to incorporate the final advice from the PC review or the existing NWI objectives? The fact that the next opportunity for broad stakeholder engagement and feedback will be after the proposed new agreement has been decided raises a significant engagement gap in the department's design and decision-making process for non-government stakeholders.

## 2 Recommendations

1. That the DCCEEW modernise the existing National Water Initiative in line with recommendations from the Productivity Commissions 2024 National Water Reform Interim report.
2. An updated, draft National Water Initiative must include:
  - Mapping of existing NWI objectives and elements to the newly drafted, renewal agreement objectives and elements. The GVIA would prefer to see the current structure maintained.
  - Mapping of the Productivity Commission's final renewal advice to the newly drafted, renewal agreement objectives and elements.
  - Detail on the future governance arrangements for the design, implementation and monitoring of the modernised agreement.
  - Provision of details on the planned objectives, outcomes and suggested actions are accessible for clarity of intent.
  - Broad stakeholder consultation on the principles to be included.
3. An updated draft National Water Initiative is then made available for further comment by non-government stakeholders, prior to final agreement by jurisdictions and before the development of jurisdictional action plans.
4. That the Australian Government confirm that any modernisation objectives will not undermine the certainty of existing water rights.

5. Any renewed National Water Initiative must have clear governance arrangements to implement, monitor and report.

### 3 Introduction

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 discussion paper from the perspective of our region.

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<sup>1</sup>, long before the 1994 Council of Australian Governments (COAG) water reform framework and the 2004 Intergovernmental Agreement on a National Water Initiative<sup>2</sup> (the Agreement). Our region experienced rapid growth in the environmental portfolio from 2008 onwards with the purchase of licences by the NSW and Commonwealth Governments. This significantly 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. 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, following the Government's entry into the water market with a no regrets policy, and no plan in place.

The Murray Darling Basin Plan<sup>3</sup> was finally agreed in 2012. 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 region<sup>4</sup>. As such objective 4 of the Agreement, "*complete the return of all currently overallocated or overused systems to environmentally sustainable levels of extraction*" has been more than achieved. Yet we face ongoing policy and rule changes to further erode objective 1 of the Agreement "*clear and nationally compatible characteristics for secure water access entitlements*".

Australian irrigation farmers operate under strict regulations and compliance mechanisms. Irrigated agriculture in Australia employs world leading practices in water management. Industry has extensively adopted and embraced new technologies and knowledge to ensure

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<sup>1</sup> Refer to the section About the GVIA or visit our website for more information [www.gvia.org.au/thegwydirvalley/thegwydirvalley](http://www.gvia.org.au/thegwydirvalley/thegwydirvalley).

<sup>2</sup> <https://www.agriculture.gov.au/sites/default/files/sitecollectiondocuments/water/Intergovernmental-Agreement-on-a-national-water-initiative.pdf>

<sup>3</sup> The Murray Darling Basin Plan.

<sup>4</sup> 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. Error! Bookmark not defined. Based on IQQM long-term modelling and the volume of water purchased for the environment

we are consistently growing more with less water. The average water productivity of Australian cotton for 2001 to 2021 is 1.08 bale/ML. This is 2.25 times the global average<sup>5</sup>.

Part of the success of the Australian irrigated agriculture sector can be attributed to national water policy leadership in the National Water Initiative (NWI). Whilst not without its challenges, and some inconsistency in policy approaches by Governments, inconsistencies that create gross inequities between communities trying to achieve the objectives of the Agreement and the outcomes of the 2012 Murray Darling Basin Plan, the NWI has played a critical role in securing access to water resources and promoting efficient water usage.

The NWI has encouraged the implementation of water efficiency practices, water trading systems, and addressed the concerns of over allocation through environmental flow requirements, all of which are essential for the long-term sustainability of irrigated agriculture. These factors mean we lead the world in both farming practices and produce quality.

The process moving forward will need leadership from all levels of government and must recognise that compromise by all, not just some, will be needed and that there are limitations to what we can achieve and these need to be acknowledged or addressed.

We welcome the opportunity to provide further input if required.

## 4 About the GVIA

### 4.1 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 Shire<sup>6</sup>.

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 crops<sup>7</sup>.

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

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<sup>5</sup> [Benchmarking water productivity of Australian irrigated cotton – 2021 results \(nsw.gov.au\)](https://www.nsw.gov.au/benchmarking-water-productivity-of-australian-irrigated-cotton-2021-results)

<sup>6</sup> Cotton Catchment Communities CRC Communities and People Series 2009

<sup>7</sup> 2010 2011 Agricultural Census Report – agdata cubes, 71210D0005-201011 Agricultural Commodities, Australia

including education, economic resources and disadvantage, resulting in an estimated 200 jobs lost due to the implementation of the Basin Plan in the region<sup>8</sup>.

The Gwydir is characterised as having low water reliability with most water held as general security water with a reliability of 36% (that means irrigators 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.

**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

<sup>8</sup> 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>

Year	Program	Volume of entitlement
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
<b>TOTALS</b>		5,757 High Security 156,617ML General Security (including ECA) 23,592 ML Supplementary

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. Entitlements owned for environmental purposes totals 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. As a result of water reform, only approximately 19% of the total river flows are available for diversion for productive use<sup>9</sup>. This equates irrigators holding 575,000ML from regulated entitlement (high security, general security and supplementary water) and 28,000ML available from groundwater aquifers.

Environmental water was held in the Gwydir prior to the first Water Sharing Plan. Environmental water is primarily used to contribute waterbird and fish breeding events, to maintain the condition and extent of the internationally recognised Gwydir Wetlands. As the environmental water portfolio has grown, so has the application and use of environmental water.

## 4.2 Our region's hydrology and geomorphology

The Gwydir River is an inland terminal river network classified as “distributary” 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 internationally recognised 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

<sup>9</sup> Based on IQQM long-term modelling and the volume of water purchased for the environment

result of most of the water within the system flowing naturally towards the terminal wetlands and watercourse.

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] join up with the Barwon River”. However, even with these modifications there remains limited capacity to securely move water through these systems with channel constraints limiting the daily flows. River channel limitations are below 1000 megalitres per day on the Mehi and 300 megalitres per day on the Gil Gil creek, these are the two main regulated systems that contribute to the Barwon River. The relative contribution of the Gwydir is low, and highly variable from year to year.

### 4.3 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 community<sup>10</sup>.

GVIA members hold entitlements within the Gwydir regulated and un-regulated 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.

### 4.4 Contacts

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<sup>10</sup> For more information, see our corporate video on <https://vimeo.com/177148006>



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## 5 Proposed National Water Agreement – general comments.

The National Water Initiative<sup>11</sup> (NWI) 2004 has played a crucial role in shaping the future of water management in Australia. In doing so, it has reshaped many regional communities and irrigation industries, particularly when considering the impacts experienced to achieve sustainable levels of take as detailed above in 4.1 Our region above. The GVIA support the modernisation of the NWI, not a new agreement.

The original agreement identified ten objectives.

- i. clear and nationally compatible characteristics for secure water access entitlements.*
- ii. transparent, statutory-based water planning.*
- iii. statutory provision for environmental and other public benefit outcomes and improved environmental management practices.*
- iv. complete the return of all currently overallocated or overused systems to environmentally sustainable levels of extraction.*
- v. progressive removal of barriers to trade in water and meeting other requirements to facilitate the broadening and deepening of the water market, with an open trading market to be in place.*
- vi. clarity around the assignment of risk arising from future changes in the availability of water for the consumptive pool.*
- vii. water accounting which is able to meet the information needs of different water systems in respect to planning, monitoring, trading, environmental management and on-farm management.*
- viii. policy settings which facilitate water use efficiency and innovation in urban and rural areas.*
- ix. addressing future adjustment issues that may impact on water users and communities; and*

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<sup>11</sup> <https://www.agriculture.gov.au/sites/default/files/sitecollectiondocuments/water/Intergovernmental-Agreement-on-a-national-water-initiative.pdf>

- x. *recognition of the connectivity between surface and groundwater resources and connected systems managed as a single resource.*

The GVIA support these ten original objectives and acknowledge that many such as “iv. *complete the return of all currently overallocated or overused systems to environmentally sustainable levels of extraction*, are all but complete. We recognise that there are still actions needed to achieve some other objectives, and that the Productivity Commission has identified gaps which should be incorporated into the modernisation of the NWI. Further to this we support the renewal and modernisation of the NWI in line with the Productivity Commission’s recommendations that include.

- optimise economic, environmental, social, and cultural outcomes through best practice management of Australia’s water resources. This process will provide certainty for investment, water users, the environment, and Aboriginal and Torres Strait Islander people.
- enable entitlement holders, communities, and the environment to contend with climate variability and adapt to a changing climate.
- ensure effective, efficient, and equitable provision of water services that meet the needs of customers and communities in a changing climate.

In addition, noting that climate variability needs to include extreme wetting and drying cycles, and that a principle of understanding uncertainty in terms of predictability of future climate scenarios and risk, should be included in the modernised NWI to provide the context over the potential future risks and opportunities of climate change.

The discussion paper lacks the detail that industry, other stakeholders, and jurisdictions, have come accustomed to in the current NWI. The detailed objectives, outcomes, and principles as well as actions included in the NWI are important to provide clarity of intent and direction for all involved and outline the trade-offs to be managed into the future.

The high-level objectives in The Paper are broad, and aspirational in nature and do not provide a framework, nor practical direction to planners and decision-makers to identify and manage risks and trade-offs between competing needs which is in many cases, the intent of the NWI. To future proof Australia’s water planning framework, we support the frameworks that have ensured Australia’s systems and thinking are world leading. In modernising the NWI we need to ensure the frameworks are considerate of future challenges and opportunities.

We encourage the department and all agreeing parties, to replicate and add to the current NWI rather than rewriting it. The development of rolling actions plans underneath the agreement should still occur.

Given the misalignment of government processes and consultation gaps, the GVIA believe that the following steps are necessary to provide clarity and confidence to stakeholders that the foundations of the existing NWI are recognised, that the Productivity Commission’s advice is being considered and that all non-government stakeholders views and values are equally considered and that no single group is given priority. There is a need for more opportunities for broad stakeholder engagement on the development of the renewed NWI so all stakeholders to be part of the reform journey.

These recommendations will help ensure a modern, future proofed NWI that balances the foundation elements of the old while providing a strong foundation for new elements, as agreed.

#### **Recommendations:**

- 1. That the DCCEEW modernise the existing National Water Initiative in line with recommendations from the Productivity Commissions 2024 National Water Reform Interim report.**
- 2. An updated, draft National Water Initiative must include:**
  - **Mapping of existing NWI objectives and elements to the newly drafted, renewal agreement objectives and elements. The GVIA would prefer to see the current structure maintained.**
  - **Mapping of the Productivity Commission’s final renewal advice to the newly drafted, renewal agreement objectives and elements.**
  - **Detail on the future governance arrangements for the design, implementation and monitoring of the modernised agreement.**
  - **Provision of details on the planned objectives, outcomes and suggested actions are accessible for clarity of intent.**
  - **Broad stakeholder consultation on the principles to be included.**
- 3. An updated draft National Water Initiative is then made available for further comment by non-government stakeholders, prior to final agreement by jurisdictions and before the development of jurisdictional action plans.**

## **6 Support for modernised National Water Initiative framework.**

The GVIA does not accept that there needs to be a fundamental change to the structure, detail and wording of the National Water Agreement as proposed by the discussion paper.

There are existing gaps in the current agreement, identified by the Productivity Commission (PC) in their 2020 Inquiry (reported in 2021) including modern agreements and policies, infrastructure planning, specific discussion on managing and adapting to climate change and incorporation of Aboriginal and Torres Strait Islander people’s values and views, in the existing management frameworks.

- *“NWI Renewal Advice 3.1 Modernised Goal:  
The overarching goal of the National Water Initiative remains sound but should be modernised through reference to adaptation to climate change and recognition of the importance of water in the lives of Aboriginal and Torres Strait Islander people.”*
- *“NWI Renewal Advice 3.2 Modernised Overarching Objectives:  
The National Water Initiative has a strong focus on water resource management. A renewed agreement should give greater emphasis to water service provision, and this should be reflected in the overarching objective. The objective should also include*

*reference to cultural outcomes to recognise the aspirations of Aboriginal and Torres Strait Islander people.”*

The Productivity Commission considered these points as part of their updated renewal advice in their interim report. The PC report details the expected outcomes and principles and outlines the intent of the agreement as well as how it will be governed. There is not enough evidence to suggest that this framework, with additions as proposed, will not work or will not meet future needs. We recommend waiting to see the final renewal advice from the PC, who we anticipate will seek to further address these gaps and issues, as indicated by their interim report. With these amendments and the fact, the overarching objectives and goals remain relevant and sound, we do not see there is evidence to suggest that this framework or the high-level objectives justify any re-writing.

The revision of the NWI must acknowledge the established, nationally consistent water entitlement system and the rights held by entitlement owners, whether individuals, companies, or governments across the nation and that ownership, does not change the character of that entitlement or conditions of use with all owners treated equally. By maintaining the current structure, current water holders accept that water rights are recognised, respected and valued ensuring that the NWI maintains certainty and integrity.

It is essential that all objectives and actions taken are clearly defined, quantifiable, realistic, repeatable (for consistency), and time-bound, in order to track progress, see advancements, and report on outcomes. This is especially so with respect to governance.

We agree with the incorporation of jurisdictional actions plans, as an important process for transparency and accountability of implementation outside the agreement. Just because an outcome or objective is implemented, does not mean it does not need to be monitored or recognised. Key principles, which support maintaining the current framework approach.

Additionally, stakeholders as well as jurisdiction’s need visibility of the intent of the objectives and outcomes and how they may practically be implemented. The current department discussion paper seeks high level objectives, but lacks this critical detail, and fails, to align with the existing agreement. This creates unnecessary uncertainty for water users and communities.

The NWI needs to be a partnership with communities and stakeholders, that incorporates co-design and inclusiveness principles that do not enable priority to any one stakeholder group over another unless that stakeholder is directly, negatively impacted by this new agreement. There is a need for more work to ensure that the NWI engages with a range of stakeholders and enables community lead decision making, despite being a national commitment.

The Productivity Commission’s approach to amend the exiting NWI objectives, to incorporate Aboriginal and Torres Strait Islander people’s, cultural and economic outcomes as well as considerations of the risks and opportunities of climate change, does through simple addition to the objectives, ensure consistency and clarity, demonstrating that there is no requirement to rewrite the NWI. The approach to enhance and modernise the existing NWI, means we can build upon the strengths of the current framework while addressing any shortcomings or areas for improvement.

The GVIA recommend the DCCEEW wait for the final advice from the PC and further modernise this framework (if needed), rather than re-writing it.

## 7 *Certainty for existing Water entitlement.*

In supporting modernised objectives, the GVIA request confirmation from the Australian Government that any modernised objectives will not undermine the certainty of existing water rights. For example, we expect the Australian Government to demonstrate that there are no required changes to water planning decisions as part of the renewed agreement, or that the updated framework, does not require additional layers of decision making from the Australian Government or other bodies.

### **Recommendation:**

- 4. That the Australian Government confirm that any modernisation objectives will not undermine the certainty of existing water rights.**

## 8 *Governance arrangements must be clearly defined.*

As water management is primarily the responsibility for the states and territories, any renewed agreement, must have clear governance arrangements to implement, monitor and report. The discussion paper provides no indication of the future accountability, transparency, and monitoring of any renewed NWI. Some key questions not considered in the discussion paper include:

- Are the current arrangements being extended in terms of statutory reviews by the Productivity Commission or is there a new body or arrangement?
- Are there reporting requirements and to whom?
- What powers will the Australian Government have to encourage implementation?
- What accountability is there for jurisdictions that do not implement the agreement?
- How can stakeholders be confident the agreement is being implemented?
- How will the Australian Government demonstrate it is achieving the agreement goals and objectives?
- What happens if an action plan doesn't align with the objective?
- Who approves or monitors state progress on action plans?
- Who monitors any impacts of a modernised NWI?

The action plans provide for an adaptive mechanism for jurisdiction, however there are no details on the types of actions, possible costs and funding arrangements, engagement expectations or repercussions for failure to implement. This detail on how the agreement is governed is important.

We ask that community lead decision making is enabled within the governance framework, and evidenced in the actions plans to encourage the development of local, place-based solutions. We believe it is necessary for meaningful consultation with affected stakeholders to occur as part of the development of the renewed NWI, and any action plans.

The rapid nature and broad approach to the reform agenda has created significant uncertainty for users, the industry, and regional and remote communities at a time when there is an excess of changes which have resulted in increasing regulatory costs and decreases to water available for irrigation. These changes have had significant effects on the economic viability of regional communities, particularly irrigation-dependent communities such as our own. It is

important that there is a commitment to continue monitoring and evaluating the effects of the NWI and subsequent reforms on regional and remote communities to ensure that these ongoing negative impacts are more effectively addressed and mitigated than in the past.

These elements are important considerations that require communication and discussion prior to any agreement being reached, and prior to the development of actions plans.

**Recommendation:**

- 5. Any renewed National Water Initiative must have clear governance arrangements to implement, monitor and report.**

## 9 *Securing Balanced Water Sharing for all users*

The Agreement recognises that there will be a need to set trade-offs between competing outcomes for water systems and that these trade-offs will involve judgements informed by best available science, socio-economic analysis and community input. It is essential that equality and fairness is applied to decision making. Too often socio-economic analysis and economic impact assessments are an afterthought. They need to be included with the environmental objectives from the start of any proposed adjustment to water sharing plans and water access entitlements.

The 2004 Intergovernmental Agreement on a National Water Initiative<sup>12</sup> (the Agreement) clauses 36 to 40 describe the purpose of water planning as assisting “*governments and the community to determine water management and allocation decisions to meet productive, environmental and social objectives.*”

Clause 37 (ii) in the Agreement notes that water planning by States and Territories will provide for: “*resource security outcomes by determining the shares in the consumptive pool and the rules to allocate water during the life of the plan.*”

The PC in 2020 suggested in its guidance for water entitlement and planning that in “*fully developed systems, a process for rebalancing between environmental and consumptive uses as a result of climate change, with new environmental, consumptive and cultural objectives, should be developed.*”

The GVIA would argue that much greater recognition needs to be given to how the existing water allocation system already manages climate change and variation, environmental, cultural and consumptive requirements. Water sharing plans (WSP) across NSW automatically reduce the share of water to consumptive uses to reflect water availability in real time and critical higher priority needs. This planning process enables balanced sharing and real time assessment of the actual water availability, ensuring that critical human needs remain front and centre.

The NSW Water Sharing Plans were developed to share resources between environmental assets and water access entitlements. Recently, the priorities and outcomes have shifted,

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<sup>12</sup> <https://www.agriculture.gov.au/sites/default/files/sitecollectiondocuments/water/Intergovernmental-Agreement-on-a-national-water-initiative.pdf>

from local wetland focused outcomes to broader environmental outcomes with a downstream priority. This downstream focus must not override the upstream requirements, balance is only possible when all parties share the responsibility. Sharing of resources and balance in access in real time should be the focus. Priority downstream should not shift all the responsibility upstream; the risk should be shared to provide equality between communities. There is opportunity to include balanced cross valley considerations, where the balanced contribution of all regions, upstream and downstream are included. This supports the outcome 25 (iii) *“planning process in which there is adequate opportunity for productive, environmental and other public benefit considerations to be identified and considered in an open and transparent way.”*

The Productivity Commission 2020 report stated that; *“adaptation to a likely drier and more variable water future will require difficult decisions by governments, communities and individual entitlement holders.”* There is a need for the environment and the environmental water holders to also make these difficult decisions. The risks associated with climate variability and change must be shared across all users and the community.

## 9.1 Climate Change

Into the future, water resource management and water service provision will have to respond to changing demands on the limited water resources of Australia, balancing the needs of a growing population and the predicted increased variability of our climate. Recent experiences have reminded us of massive climatic extremes of Australia, not a new phenomenon. As Dorothea Mackellar wrote in the early 1900’s Australia is a land of “drought and flooding rains”. We need to remain cognisant of the variability in our climate and consider how changes are predicted to impact the different regions of our nation, but we need to ensure that policy is not overly conservative and that it does not overcompensate nor under compensate for predicted changes.

Over recent years we have observed both extremes of the water spectrum, with intense droughts and floods. We need to recognise this but remain vigilant to look beyond our most recent experiences, balancing this with the past and changing populations and land use to present a realistic picture of the variability ahead, so planning can be fit for purpose.

We believe the NWI must provide a framework to consider the risk and opportunities presented by the more extreme wet and drying cycles predicted into the future, and how these are shared between all interest groups including water users, the environment and society. High-level objectives increase uncertainty the lack of a clear framework leaves climate variability, risks and opportunities open to interpretation and misrepresentation.

The nationally consistent water management framework established through the NWI, already includes climate adaptation strategies embedded in water management that account for Australia’s climate variability including:

Storages that capture and store water when conditions are favourable to allow for use later are an important component. The existing water entitlement system enables individuals, businesses, or governments to access a proportional share of total reserves by establishing water entitlements with varying levels of security(surety) that account for a share of that stored water. Water entitlements provide users with a secure and tradable right to a share of certain volume of water, allowing them to plan and manage their water use over the long term.

The water allocation system adjusts the volume of water available to the various levels of entitlement security based on climatic factors such as rainfall or river flows, and storage levels. This is a responsive and dynamic management that readily adapts in response to changing climatic conditions.

Account and trade rules such as carryover provisions, water trading, and water banking also exist within the entitlement and allocation systems and frameworks, these assist users, including the Commonwealth Environmental Water Holder, to manage their water resources more effectively during periods of climate variability. These tools enable water users to access additional water when needed or save water for future use, helping to build resilience against the impacts of droughts, floods, and other extreme weather events.

A renewed NWI must seek to enhance the existing water planning frameworks and infrastructure that have already been implemented and have demonstrated our ability to manage water availability risk.

The overarching goal and objectives should reflect a nationally consistent planning framework for entitlements and water allocation which provides the key mechanism to adapt to climate variability and the extreme wetting and drying cycles predicted. Any such framework should also consider triggers for acute events at both the dry and wet extremes, where flexibility may be needed to either secure higher priority critical water for human consumption or enable opportunistic water use for lower priority water products. These considerations should be within the existing frameworks and maintain the integrity of water rights over the long-term, recognising that at extreme times there may not be enough water or too much water for everyone.

Since the original NWI agreement, in the Murray Darling Basin, the planning frameworks were extended to include extreme events management, including triggers. As evidenced by the NSW Government's extreme events policy and incident response guidelines for all surface and groundwaters in the Murray Darling Basin. The guides are included in each of the water resource plans as they are placed on public exhibition.

A principle of understanding uncertainty in terms of predictability of future climate scenarios and risk, should be included in the modernised NWI to provide the context for the potential future risks and opportunities of climate change. Understanding uncertainty and therefore risk, is important for other national policies.

In principle, setting clear and transparent rules that consider these risks and opportunities can help manage uncertainty if risk is shared. It is critical to ensure there is a broader sharing of risks across all groups and establish systems that not only seek to mitigate negative impacts but also capitalise on new possibilities for economic growth and prosperity and environmental sustainability.

## 9.2 UN sustainability goals

The discussion paper refers to global commitments and sustainability requirements. A renewed NWI must be a framework that helps the nation manage the risks and opportunities presented by our national and international commitments, especially when these interests can be competing, and trade-offs must be made.



We note that the discussion paper does not include any mention of how a renewed NWI will also help facilitate Australia's contribution to the UN Sustainable Goal – Goal 1 – Zero Hunger, Goal 9 - Industry, innovation and infrastructure, Goal 12 - Responsible consumption and production. We recommend these are also included as policy for consideration within the framework.

### *9.3 Aboriginal and Torres Strait Islander People*

The GVIA acknowledge that while the first NWI included outcomes for Aboriginal and Torres Strait Islander people, this was not consistently or extensively implemented. However, it must be acknowledged, that whilst slow, progress is being made.

As members of all communities' Indigenous needs should be included in the overarching Intergovernmental agreement objective of optimising economic, social, cultural, and environmental outcomes.

The NWI has implemented a uniform water management system with an open market structure, thus providing a transparent route for involving Aboriginal and Torres Strait Islander people in water governance and ownership. There is opportunity to explore options for indigenous people to be more involved in environmental water management and planning, to determining specific use of environmental water, which can be aligned with targeted cultural and environmental outcomes.

It must be understood that there is no 'new' water, so water entitlements owned by Aboriginal and Torres Strait Islander people must be purchased from the existing entitlements on issue. Current planning and entitlement frameworks must be upheld in the allocation of water, and assurance must be provided that additional entitlement pools are not created. In addition, it is critical that entitlement and usage conditions remain the same regardless of who purchases or owns water and what it is for.

With respect to Objective 2 in the discussion paper, there are several areas requiring clarification on what the new objectives and outcomes practically mean given Australia largely has a consistent and established water management systems across the country.

### *9.4 Community Consultation*

Since 2018 stakeholders have been engaged in the monitoring, reporting and renewal advice on the NWI being undertaken by the Productivity Commission and as such are familiar with their engagement processes. Whilst not perfect, stakeholders have come to expect the opportunity to review and be engaged in discussions on issues, draft (or interim) reports and then final reports, with engagements and feedback made public with approval. The PC also often establish working groups or stakeholder groups to test issues, concerns and theories and refine their work program.

Unfortunately, the department process has not provided this same level of transparency and engagement. The opportunity to participate a formal and transparent consultation process has not been available for all stakeholders. For example, it is unclear if submissions and feedback into the discussion paper will be public or if, stakeholders will only receive a summary report of what we've heard. To date we have limited transparency from the National Water Reform Committee's meetings or the interaction of this committee and Committee on Aboriginal and Torres Strait Islander Water Interests (CAWI).

We believe that further broad community consultation is necessary, including more detail being provided and an open transparent opportunity to provide feedback, prior to the finalisation of the agreement by jurisdictions.

Another engagement gap is the absence of an advisory group for community and industry groups, complementary to CAWI. We therefore recommend establishing a community and industry advisory group which can help to capture further community input to debate key concerns raised by the discussion paper process prior to finalising any modernisation of the NWI. This will help build trust and transparency in the agreement and ensure this process is developed with communities, not for them.

## 10 General Comments

Comments on the discussion paper are high level as the GVIA supports maintaining the existing framework and modernising the National Water Initiative as proposed by the Productivity Commission, National Water Reform 2024 Interim report, rather than the re-write proposed within the discussion paper.

The GVIA support the analysis and comment on the seven objectives as detailed in the National Irrigators Council and The NSW Irrigators Council submissions to the DCCEEW Discussion paper – seeking views on a future National Water Agreement.

The Intergovernmental Agreement and the creation of the National Water Initiative facilitated significant improvement in the management of Australia's water resources. This is especially so in the Murray Darling Basin where there has been recovery more than 2,100 GL of water for the environment. This significant progress has brought a sustainable balance to the Murray-Darling Basin but has had significant impacts on regional communities across the basin. There is now a foundation for efficient and sustainable water resource management. Water planning has established transparent processes for determining how the volume of water available in a system is shared between consumptive users (people and businesses) and the environment, so that there is a sustainable balance between consumptive and environmental uses. There are opportunities to make further improvements as we continue to increase the productivity and efficiency of water utilisation. We must ensure that any ongoing reform provides equality and balance for all and does not create inequalities. Reform must remain committed to the original aims of a nationally compatible, market, regulatory and planning based system of managing surface and groundwater resources for rural and urban use that optimises economic, social and environmental outcomes.

The GVIA has welcomed this opportunity to provide this submission to the DCCEEW discussion paper on the National Water Initiative.