



National Irrigators' Council

Food · Fibre · Future

Submission

NATIONAL WATER AGREEMENT  
DISCUSSION PAPER

To the Department of Climate Change,  
Energy, Environment and Water

10 May 2024

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## CEO Forward

The National Irrigators' Council (NIC) welcomes the opportunity to provide feedback into the Australian Government's National Water Agreement Discussion Paper. The opportunity to submit our voice into this critical agreement for ongoing national water planning and management, has been considered with much consternation on the part of our members.

We are frustrated at the current urgency to undertake this discussion process, right now.

We are frustrated at the opaque and minimalist engagement process now and during the agreement development stages.

We are frustrated that 20-years of difficult reforms for many across Australia, are seemingly being disregarded.



It is imprudent for the department to run a separate process during the the Productivity Commission's (PC) consultation on the National Water Reform Interim Report, which is part of their third statutory review of the implementation of the National Water Initiative. Stakeholders, as a result, have 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 confusion and conflicting positions and objectives, with the undermining of the independent and objective, long-term processes of the Productivity Commission.

We are growing more concerned; it seems instead of modernising or renewing, there is a complete rewrite planned, without broad public engagement.


Our concern is highlighted by the decision to run these processes concurrently without any evidence of how the PC's final advice or the existing NWI objectives are being incorporated. The fact that the next opportunity for stakeholder engagement and feedback will be after the new agreement has been decided raises a significant engagement gap in the department's design and decision-making process for non-government stakeholders.

We agree, we need to future proof the foundations of Australian water management and planning and address recognized gaps through modernising.

We do not agree that we need a re-write as flagged by the current discussion paper.

Either way, all Australian's have the right to be included before any agreement is reached.

We ask the Australian Government to do better. Allow statutory processes to run, retain the fundamentals and bring stakeholders along on the journey, do not just send them a destination on a map afterwards.



Zara Lowien  
CEO, National Irrigators Council

## Background

The National Irrigators' Council (NIC) is the peak industry body for irrigated agriculture in Australia. NIC is the voice of irrigation entitlement holders, water delivery operators and industries involved in food and fibre production across the nation for domestic consumption and significant international trade. Put simply, our industry is helping to feed and clothe Australia and our trading partners.

Irrigated agriculture in Australia employs world leading practices in water management. Industry has extensively adopted and embraced new technologies



and knowledge to ensure we are consistently growing more with less water. Australian farmers also operate under strict regulations and compliance mechanisms. These factors mean we lead the world in both farming practices and produce quality.

NIC's policy and advocacy are dedicated to growing and sustaining a viable and productive irrigated agriculture sector in Australia. We are committed to the triple bottom line outcomes of water use - for local communities, the environment, and for our economy.

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, the NWI has played a critical role in securing access to water resources and promoting efficient water usage. It 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.

We offer this letter as feedback to the Australian Government and state jurisdictions as they seek to renew the current NWI agreed in 2004 and future proof the foundations of Australian water policy and planning for another 20-years.

In the interests of transparency, this submission has also been provided to the Productivity Commission as a supplementary submission into their National Reform Inquiry.

## Contact

Mrs. Zara Lowien, CEO  
8/16 National Circuit, Barton, ACT 2600  
ABN: 92 133 308 336

P: 02 6273 3637

E: [ceo@irrigators.org.au](mailto:ceo@irrigators.org.au)

W: [www.irrigators.org.au](http://www.irrigators.org.au)

X: @Nat\_Irrigators

## Introduction

The National Water Initiative (NWI) 2004 has played a crucial role in shaping the future of water management in Australia and supporting the growth and sustainability of the irrigation industry. In doing so, it has also reshaped many regional communities and irrigation industries, particularly when considering the impacts experienced to achieve sustainable levels of take and establishing the water market.

NIC supports a modernised NWI framework, not a new agreement, with clear lines of accountability and transparency with a community focus that:



- effectively manages all water resources to promote economic development (and encourage consideration of a forward looking objective to maintain economic prosperity),
- establishes and or maintains, a consistent and regulated system for managing water resources across rural, urban, and remote areas (and continue implementation where this has not yet occurred),
- ensures optimal economic, environmental, social, and cultural outcomes,
- enables stakeholders to navigate climate variability and adapt to changing conditions of extreme wet and dry while sharing risks and
- encourages water services that are efficient, effective, and fair to meet the needs of customers and communities in a variable climate and growing society.

Our core values and principles align well with the original agreement and that of the Productivity Commissions interim renewal advice and we look forward to reviewing their Final report when ready. We encourage the department to refocus on this existing model and modernise where required, not re-write. Which can only be assumed is a new plan, given the content of the discussion paper.

The discussion paper lacks the detail that industry, other stakeholders, and jurisdictions, have come accustomed too with the current NWI agreement. 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 are too broad, and the aspirational nature of the discussion paper does not provide a framework, rather ideas. In its current format, it provides no 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. If we are to future proof Australia's planning framework, we need not throw out the frameworks that have ensured Australia's systems and thinking, are world leading, we only need to ensure they are considerate of future challenges and opportunities.

We encourage the department and all agreeing parties, to replicate and add to the current agreement rather than rewriting it. The development of rolling actions plans underneath the agreement should still occur. These will provide a staging process on how to achieve the outcomes, which can be written to develop (where needed) and or maintain (when they have been achieved).

Given the misalignment of government processes and consultation gaps, we believe it is imperative that the following steps occur 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 non-government stakeholders views and values are equally important. These proposed steps provide more opportunities for engagement on the development of the renewed agreement and therefore, provide opportunities for stakeholders to be part of the reform journey.



Our recommendations include:

1. An updated, draft agreement must include:
  - Mapping of existing NWI objectives and elements to the newly drafted, renewal agreement objectives and elements. Noting our preference is to maintain the current structure.
  - 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 are provided.
  - Details on the planned objectives, outcomes and suggested actions are provided for clarity of intent.
  - Consultation on the principles to be included.
2. An updated draft agreement is then be made available for further comment by non-government stakeholders, prior to final agreement by jurisdictions and before the development of jurisdictional action plans.

We provide this advice in the interest of ensuring a modern, future proofed NWI that balances the foundation elements of the old while providing a strong foundation for new elements, as agreed.

Our members established a set of principles as part of the reform process which guides our response. These principles are attached in Attachment A.

## Gaps

### A renewed agreement does not mean a re-write is necessary

Whilst NIC accept that an update and modernisation of the existing NWI requires that all parties need to technically sign a new agreement. We do not accept that there needs to be a fundamental change to the structure, detail and wording as proposed by the discussion paper.

There are clearly identified gaps in the current agreement, flagged by the Productivity Commission back in their 2020 Inquiry (reported in 2021)<sup>1</sup>. These being modern agreements and policies for context including infrastructure planning, specific discussion on managing and adapting to climate change and how Aboriginal and Torres Strait Islander people's values and views, can better be incorporated in 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

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<sup>1</sup> <https://www.pc.gov.au/inquiries/completed/water-reform-2020/report>



and recognition of the importance of water in the lives of Aboriginal and Torres Strait Islander people.”<sup>2</sup>

*“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.”<sup>3</sup>*

These gaps have been considered by the Productivity Commission as part of their updated renewal advice in their interim report<sup>4</sup>. This report also 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 (but yet to be finalised, which we reserve the right to review), will not work or will not meet future needs.

Any revised 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 recognized, respected and valued and thus the NWI maintains certainty and integrity.

It is imperative 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 important when considering our feedback in the following section on governance.

We agree with the incorporation of jurisdictional actions plans, as an important process for transparency and accountability of implementation outside the agreement. These provide a staging or prioritisation of overall outcomes as a business plan or strategic plan, would for any commercial business. The outcomes can then be written to (a) develop (where needed) and or (b) maintain (when they have been achieved). Because an outcome or objective is implemented, does not mean it doesn't need to be monitored or recognised. Which are key principles, why the NIC support maintaining the current framework approach.

Furthermore, 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 proposal, which seeks high level objectives, lacks this critical detail, as well as fails, to align with the existing agreement creates unnecessary uncertainty for water users and communities.

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<sup>2</sup> Page 1, <https://www.pc.gov.au/inquiries/completed/water-reform-2020/report>

<sup>3</sup> Page 2, <https://www.pc.gov.au/inquiries/completed/water-reform-2020/report>

<sup>4</sup> <https://www.pc.gov.au/inquiries/current/water-reform-2024#report>



As our principles state, the NWI needs to be a partnership with communities and stakeholders. As such more work is required to ensure that the NWI is an example of co-design with a range of stakeholders and enables community lead decision making, despite being a national commitment.

The Productivity Commission's approach to amend the existing NWI objectives, to incorporate the same Aboriginal and Torres Strait Islander people's inclusion, cultural and economic outcomes as well as consideration of the risks and opportunities of climate change, does through simple addition to the objectives, ensuring consistency and clarity rather than a rewrite. 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.

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

## Governance arrangements must be clear at the beginning

Australia is a Federation and therefore, water management largely remains a responsibility for the states and territories. This means that any agreement must have clear governance arrangements to implement, monitor and report otherwise the agreement is just words. The discussion paper provides no indication of the future accountability, transparency, and monitoring of any renewed NWI. Answers to key questions such as:

- Are the current arrangements being extended in terms of statutory reviews by the Productivity Commission or is there a new body or arrangement?
- Are 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 action plans?
- Who monitors states progress on action plans?
- Who monitors any impacts of the NWI?

Whilst we recognize that action plans provide an adaptive mechanism for jurisdiction, there are also no details on the types of actions, possible costs and funding arrangements, engagement expectations or repercussions for not implementing. This is where detail on how the agreement is governed is important.

We ask that community lead decision making is enabled within the governance framework, and this is evidenced in the actions plans to encourage the development of local, place-based solutions.





We ask that meaningful consultation with affected stakeholders should be considered as part of the development of the renewed NWI, and any action plans.

It must be noted that the pace and breadth of the reform agenda has created significant uncertainty for users, the industry, and regional and remote communities at a time when subsequent change saw regulatory costs increasing and water available for irrigation decreasing. These changes have had significant effects on the economic viability of regional communities, particularly those reliant on irrigation-dependent communities. 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 any negative impacts are addressed and mitigated effectively.

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

## High-level objectives and principles:

The NIC support the renewal of the NWI in line with the Productivity Commission's recommendations that suggest:

*"...the Parties in implementing this agreement are to:*

- optimise economic, environmental, social, and Aboriginal and Torres Strait Islander people's cultural outcomes through best practice management of Australia's water resources. In the process, this 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."*<sup>2</sup>

As outlined above, we acknowledge there are clearly identified gaps in the current agreement, flagged by the Productivity Commission back in their 2020 Inquiry (reported in 2021)<sup>1</sup> and currently being reviewed for their 2024 advice. 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 need further re-writing.

In supporting any modernised objectives, we seek evidence from the Australian Government that any modernised objectives do not undermine the certainty of existing water rights (within the constraints of the existing risk assignment and risks pertaining to climate variability). 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.

## Drivers of change

### UN sustainability goals

We note that the discussion paper refers to global commitments and sustainability requirements, which a new agreement will help to strengthen Australia's commitment. A renewed NWI must be a framework to help 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.

Australian agriculture sector is a vital contributor to our economy in terms of domestic and export value with a value of \$94.3 billion in 2022–23<sup>5</sup>. Around 72%<sup>6</sup> of production is exported with major exports including rice, sugar, beef and lamb, wheat and dairy as outlined IN Figure 1 below. Our exports are highly sought after internationally and play an important role in feeding and clothing other nations, particularly in the Asia-pacific and should not be overlooked when considering challenges and objectives to improve global food security.

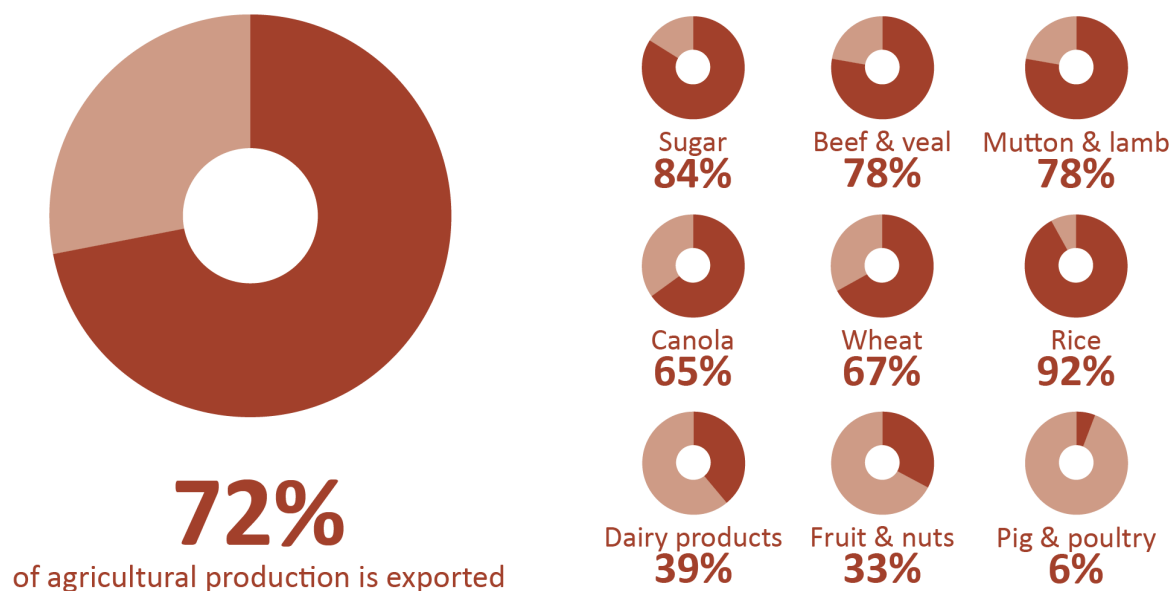


Figure 1: Figure 6 Australian agriculture is export oriented (ABARE, Cameron (2017))

<sup>5</sup> <https://www.agriculture.gov.au/abares/products/insights/snapshot-of-australian-agriculture#agricultural-production-is-growing>

<sup>6</sup> <https://www.agriculture.gov.au/abares/products/insights/snapshot-of-australian-agriculture#around-72-of-agricultural-production-is-exported>



## First Nations rights

The NIC acknowledge that while the first NWI included outcomes for First Nations inclusion, this was not consistently or extensively implemented. Whilst slow, progress is being made.

NIC support the call by Indigenous leaders for greater inclusion of Indigenous values and cultural objectives in National water policy. The NWI has implemented a uniform water management system with an open market structure, thus providing a transparent route for involving our First Nations people in water governance and ownership. This can be achieved through collaborative planning processes, decision-making procedures, or utilizing the available markets to secure water rights for their specific purposes, recognizing that entitlement and usage conditions remain the same regardless of who owns water and what it is for.

However, in feedback for Objective 2 we have a number of areas requiring further clarification on what the new objectives and outcomes practically mean given we largely now have a consistent and established water management systems across Australia.

## Climate Change

The NWI must provide a framework to consider the risk and opportunities presented by climate change and more extreme wet and drying cycles, and how these are shared between all interest groups including water users, the environment and society. It cannot provide only high-level objectives as this is open to interpretation and misrepresentation and creates uncertainty for all stakeholders.

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. These being:

**Public and Private Storages** that capture and store water in dams when conditions allow for use later.

**The 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** 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. This system results in the lowest reliability water product being burdened with the significant bulk of the risk of changes in climate.

**Account and trade rules** such as carryover provisions, water trading, and water banking also exist within the entitlement and allocation systems and frameworks, which help users 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 to manage water availability risk. We suggest amendments to the overarching goal and objectives to reflect that a nationally consistent planning framework for entitlements and water allocation provides the key mechanism to adapt to climate variability with more extreme wetting and drying cycles.

We recommend 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. Understanding uncertainty and therefore risk, is important for other national policies.

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<sup>7</sup> and incident response guidelines for all surface and groundwaters in the Murray Darling Basin<sup>8</sup>. The guides are included in each of the water resource plans as they are placed on public exhibition.

We have recommended to the PC that this should be included in the national framework structure where the risk of extreme events warrant development. This system allows adaptive management for managing extreme event risk for critical needs.

Any such framework should also consider triggers for extreme events at both the dry and wet extremes, where flexibility may be needed to either secure higher priority critical water or enable opportunistic water to use for lower priority water products. Any considerations should be within the existing frameworks and principally aim to maintain the integrity of water rights over the long-term, recognizing that at extreme times there may not be enough water or too much water for everyone.

In principle, setting clear and transparent rules that consider these risks and opportunities can help manage uncertainty if risk is shared. It is therefore 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 capitalize on new possibilities for economic growth and prosperity and environmental sustainability.

## Engagement

Since 2018 stakeholders have been engaged in the monitoring, reporting and renewal advice on the NWI being undertaken by the Productivity Commission and

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<sup>7</sup> [https://water.dpie.nsw.gov.au/\\_\\_data/assets/pdf\\_file/0008/187703/Extreme-Events-policy.pdf](https://water.dpie.nsw.gov.au/__data/assets/pdf_file/0008/187703/Extreme-Events-policy.pdf)

<sup>8</sup> <https://water.dpie.nsw.gov.au/our-work/plans-and-strategies/water-resource-plans>



as such are also familiar with their engagement processes. Whilst not perfect, stakeholders have come to expect the opportunity to review and be engaged in discussions outlined within issue or discussion paper, then a draft (or interim) report and a final report with engagements and feedback made public with approval. Providing often at a minimum, three engagement points for interested stakeholders. The PC also often establish working groups or stakeholder groups to test issues, concerns and theories and refine their work program.

It has become clear that the department process does not provide this same level of transparency and engagement.

Whilst NIC have appreciate the willingness by agency staff to meet and discuss the renewal work program. This should not replace a formal and transparent consultation process. For example, it is unclear if submissions and feedback into the discussion paper will be public or if, stakeholders will only receive summary report of what we've heard. To date we have seen little evidence 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).

As part of our next steps and key recommendations in this submission the NIC recommend that further engagement opportunities are included with more detail provided, prior to the finalization of the agreement by jurisdictions.

Another engagement gap is the absence of an advisory group for community and industry groups, complementary to CAWI, who during the recent webinar, promoted their extended engagement on the renewal program. We therefore recommend establishing community and industry advisory groups which can help to capture further community input and use to tease out key concerns raised by the discussion paper process prior to further engagement and or finalization. This will help build trust and transparency in the agreement and ensure this process is developed with communities, not for them.

## Feedback on objectives and outcomes within the discussion paper

The following sections step through the Objectives outlined within the discussion paper.

The feedback in this section is more general, given the NIC position is to support maintaining the existing framework and modernising objectives as proposed by the Productivity Commission, rather than the re-write proposed within the discussion paper. As such there are elements within the discussion paper that can add value to the PC's interim renewal advice, and we anticipate they will consider this information as part of their Final report.



As such, recommend the department waits for the Productivity Commission's Final Report prior to undertaking further work on modernising the objectives. As recommended, we propose several steps to be taken to provide a clearer picture for all stakeholders as well as additional engagement opportunities, in preparing a draft renewal agreement. We encourage the department to consider this approach.

## Objective 1

*The safe and secure supply of sufficient water quality and quantity to sustain our natural environments, Culture, economic prosperity and communities.*

- The opening description fails to mention the use of water for agriculture and the need for national and global food security.
- The outcomes are aspirational and impractical, they are part of high-level objectives of the overall NWI not a guiding objective.
- We are concerned that as they are written they will build expectations that cannot be achieved and must be more practical for example *"All Australians, including regional and remote communities, have reliable access to clean, safe, accessible and affordable water for drinking and sanitation"*.
- Outcomes need to provide clarity on how to manage trade-offs, not just list them for example *"The challenges and interdependencies of water availability demands across all sectors, including energy, food security, health and regional planning are addressed through policies that reflect those linkages."*
- The outcome should be to explore all innovative opportunities for water sources and water conservation.
- Principles should include water planning.
- Principles should consider uncertainty – what is the real, perceived or plausible risk.

## Objective 2

*A water management framework, underpinned by national and international human rights principles, which recognises and protects Aboriginal and Torres Strait Islander Peoples' Cultural, spiritual, social, environmental and economic water interests and values.*

- This section articulates an objective to "prioritise" the cultural, spiritual, social, environmental, and economic water interests and values of Aboriginal and Torres Strait Islander Peoples, to recognize their significance and importance. It is essential to include and respect these interests and values, while also considering the interests of all Australians, equally.
- Further principles should be included for consultation on how this may practically occur and provide clarity on:
  - How this objective interacts with existing water rights and water planning frameworks and markets.
  - How these objectives interactions with future decision making in new developments or new planning arrangements.



## Objective 3

*Environmentally sustainable water planning and management that is interconnected, adaptive and responsive to climate change and other circumstances.*

- We consider that objective 3 and 7 should be linked so that environmentally sustainable, efficient and effective water planning and management that is interconnective, adaptive and responsive to future challenges, including climate change.
- Merging the objectives also recognises that an efficient and effective water management framework is the best possible process to manage climate risks, while recognising water rights.
- Outcomes should include consideration of food security as well as other policies.
- “The sustainability and resilience of our water resources is supported by water planning and management that...” should be expanded to be transparent and provides clarity on extreme events with clear triggers (as we’ve recommended earlier and as part of the PC interim advice).
- Outcomes should include how holistic management can be included in planning arrangements to ensure investment in non-flow related outcomes, to encourage improved environmental sustainability outcomes.
- Outcomes should include agreed goals and objectives for managing trade-offs for cultural, environmental, economic and social outcomes as outlined by the PC interim advice.
- We recommend that a principle of understanding uncertainty should be introduced to provide the context over the possible future risks and opportunities of climate change, and other policies. This is important in setting a framework that enables responses in-line with potential risks and opportunities.

## Objective 4

*The robust and coordinated use of science, data and Cultural knowledge underpins*

- Evidence based decision making, without trust and transparency, or meaningful engagement will not yield improved community engagement outcomes.
- Outcome should be to have coordinated, investment in benchmarking data for decision-making and monitoring and review.
- Outcomes should include social, cultural and economic monitoring not just environmental.
- Clarity on whether this objective aims to change the current decision-making processes for water planning and management is required.
- Principles must include clarity on how knowledge and lived experience is used, in decision-making alongside science – practically, how will this happen?



## Objective 5

*Investment in major water infrastructure that is effective, strategic and transparent.*

- This objective should focus on infrastructure outcomes more aligned with the interim PC advice and should include new infrastructure and refurbished infrastructure that is customer focused.
- An outcome is to have effective future planning arrangements that identify and monitor, water security risks and strategically mitigate these.
- An outcome will be to have fit for purpose infrastructure analysis, for regional and remote areas whereby the population's disadvantage should be taken into consideration. This would help to support remote and regional investment which is often has low cost-benefit due to the small number of people it may benefit but acknowledges the social and economic opportunity that water security would provide that community.
- An outcome should be to have a national definition and benchmarking and monitoring on water security – what it means and where risks are. This will be important for planning considerations. Whilst, water security is generally agreed to be the capacity to safeguard the sustainable availability of and access to adequate quantities of good quality water for health, livelihoods, ecosystems, and productive economies. Australia does not have an agreed definition, or framework for measuring and benchmarking water security and future monitoring. Establishing these elements in consultation with a range of key stakeholders and all decision makers should be a key outcome of a renewed NW to provide the information needed to guide action plans and investment.
- Further principles around fit for purpose; efficient investments should be included.

## Objective 6

*Sustained community trust and confidence in government, water agencies, water managers and users.*

- The development and inclusion of all Australians in a renewed NWI, should be fundamental to building and maintaining trust and confidence in how water is managed in Australia.
- Detail on ongoing governance arrangements is required and links to this objective, this should include how monitoring of this agreement is independent and transparent and accountable to the nation.
- An outcome should be to enable place-based decision making and investment where possible to provide greater community ownership.
- An outcome also needs to have meaningful engagement with an objective to seek collaboration and partnerships that include localised place-based solutions.
- Principles about governance are required.

## Objective 7

*Water management frameworks that facilitate the efficient use of water.*





Any references on 19.

- Should be merged with Objective 3 to read, that environmentally sustainable, efficient, and effective water planning and management that is interconnected, adaptive and responsive to future challenges, including climate change.
- Outcome should include transparency.
- Outcome should be to have clearly assigned risks and a sharing of these risks, particularly when climate change is considered.
- Government must avoid negative third-party impacts on reliability or availability of established water rights. Any potential negative impacts must be compensated or mitigated through negotiation with affected parties, this includes communities. This is critical to recognizing the value of the current frameworks that exist and the certainty they provide.
- Outcome should be to explore opportunities associated with climate change, not only the risks.
- Principles should include one on transparency of decision making and uncertainty in information.

## Recommended next steps

Given the concerns and gaps raised within this submission, the NIC are recommending that the following next steps occur prior to an agreement being finalised. We believe the following step will 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 non-government stakeholders views and values are equally important in the development and ongoing implementation of a renewed national reform agenda.

These proposed steps provide more opportunities for engagement on the development of the renewed agreement and therefore, provide opportunities for stakeholders to be part of the reform journey.

We recommend:

1. The department establish a Community and Industry Advisory groups akin to CAWI, to provide formal feedback and address engagement gaps, on the NWI renewal program.
2. The department review feedback on the discussion paper and review the Productivity Commission's Final National Water Reform Inquiry Report.
3. Following the Final Advice, the department develop an updated, draft National Water Agreement for further comment. To enable genuine engagement and feedback, this agreement must include:
  - Mapping of existing NWI objectives and elements to the newly drafted, renewal agreement objectives and elements. Noting our preference is to maintain the current structure.
  - 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.
  - Evidence that any risks to decision making and legal powers from the new agreement have been considered.
  - Details on the planned objectives, outcomes and suggested actions are provided for clarity of intent.
  - Consultation details on the principles to be included in the renewed agreement.
4. The updated draft agreement is made available for further comment by non-government stakeholders, prior to final agreement by jurisdictions and before the development of jurisdictional action plans.
  5. Agreeing parties can finalise the agreement and begin work on action plans and consult within their jurisdictions.

## Conclusion

We offer submission into the Department of Climate Change, Energy, Environment and Water discussion paper on the renewal and modernisation, of the National Water Initiative. The opportunity to submit our voice into this critical agreement for ongoing national water planning and management, has been considered with much consternation on the part of our members.

We've provided this submission in good faith to clearly identify gaps and concerns regarding the discussion paper content and the proposed renewal process. We have provided clear suggestions for improvement, including engagement steps and expectations with continued support from members to support a renewed National Water Agreement.

As there are two alternatives currently, there is support for the direction and structure of the Productivity Commission's interim advice, which addresses many of our principles and balances maintaining consistency of the existing NWI with the addition of new objectives and goals to modernise and future proof the framework, compared with the re-write as proposed by the department's discussion paper.

NIC believe it is imperative that more work is required prior to jurisdictions endorsing a new agreement. We have provided clear suggestions on what our members expect to provide the much-needed clarity and confidence to stakeholders that the foundations and lessons learnt from the implementation of the existing NWI are being incorporated and all stakeholders' views and values are considered equal. Our recommendations aim to bring stakeholders on a journey together, to ensure we have broad support for a future proofed NWI that balances the foundation elements of the old while providing a strong foundation for new elements.

Ends.

(Attachment A – NIC NWI Principles)





# National Irrigators' Council

## Food · Fibre · Future

February 2024

### Principles for renewal of the National Water Initiative

The National Irrigators Council supports the enhancement and modernization of the National Water Initiative rather than the establishment of a new NWI. This approach ensures that the fundamental principles that underpin our national water management system remain intact and continues to encourage effective and sustainable practices for ongoing national prosperity, that are the backbone of our industry.

Any renewal of the NWI by governments must be a partnership. Undertaken with industry and communities, including First Nations people and not by governments alone. It must be an inclusive process.

We ask that any renewed NWI:

- Respects the established, nationally consistent water management system that continues to promote and maintain the efficient and effective use of water for national prosperity.
- Enables a quadruple bottom line framework that delivers social, economic, environmental, and First Nations water outcomes.
- Recognizes the nationally consistent water market that enables fair and reasonable use for existing and new owners, and purposes, whilst maintaining existing entitlement characteristics. Allowing a transparent pathway for First Nations ownership and use for Cultural outcomes.
- Recognizes there are aspects of the current agreement that have been fully implemented such as achieving sustainable levels of take and prioritises those elements of the agreement that have not yet been fully implemented.
- Avoids negative third-party impacts on reliability or availability of water established by these frameworks and subsequent policy changes. Any potential negative impacts must be compensated or mitigated through negotiation with affected parties, including communities.
- Shares any risk fairly and equitably, not just burdens entitlement owners.
- Enables flexibility to recognize that climate change brings both risk and opportunity.
- Encourages investment in complementary measures to enhance and improve environmental outcomes from environmental watering.
- Recognizes there are different needs and values between urban, regional, and remote communities.
- Enables community lead decision making, despite being a national commitment.
- Recognizes the role and responsibility of state and territory governments when it comes to water management, planning and regulation.

Finally, to effectively track progress, see advancements, and report on outcomes of the NWI, it is essential that the objectives and actions outlined in the agreement are clearly defined, quantifiable, realistic, repeatable for consistency, and time bound.