

Part 3: Detailed response to proposed options

NIC Response to Specific Options Proposed in MDBA Discussion Paper (with additional NIC suggestions)

KEY
NIC proposed option
MDBA proposed option in Discussion Paper
NIC concern
NIC support

Theme	Options list	NIC Response (or reference to work further)
Overall objective and direction	<p>Shift from a Plan of water recovery, to a Plan of management (specifically integrated catchment management) for the Basin, seeking to achieve the further ecological outcomes (i.e. address the ‘at risk’ drivers) or optimisation of the environmental water already held via non-water-recovery means.</p> <p>Invest in a strategic and coordinated package of actions known as complementary measures for example, a strategic, inclusive MDB Native Fish Strategy to address invasive species, strategic prioritisation of barriers to fish passage, government supported fish screening, practical cold water pollution and integrating land and water</p>	<p>As per the Triple Crown of Water Reform Framework²⁷, the significant changes which have occurred via the Basin Plan (and other reforms to date) mean focus can now shift from Crown 1 (water-sharing), to Crown 2 (water management) and Crown 3 (integrated or complemented management) to achieve broader outcomes that water alone cannot deliver.</p> <p>See NIC Submission - Part 1 for details.</p> <p>The evidence-base provided through the Sustainable Rivers Audit (2025) and initial SDL Assessments suggests these are now the priorities, as:</p> <ul style="list-style-type: none"> * the current drivers of ecological risks cannot be addressed via water-volumes alone; * the further socio-economic impacts on communities if further changes to water-rebalancing water to occur.

²⁷ [Vol. 22, No. 2, 2025 - Breaking the hydro-illogical cycle - Australian Farm Institute](#)

management options for fish, and other objectives such as water quality.

Invest in voluntary land and water partnerships (with private landholders and IIOs), including for the delivery of environmental water to wetlands or riparian zones on private land – via co-beneficial and participatory processes.

Enable opportunities to strategically target environmental outcomes utilising novel market-based solutions such as lease or temporary purchase in partnership with water users.

Examples of complementary measures include: fish passageways, addressing invasive species (such as carp), fish screening, cold water pollution, riparian habitat restoration or native fish restocking.

Build on the exemplars of successes shown by IIOs and private landholders already, such as:

* Murray Irrigation’s Restoring Murray Waterways (RMW) project²⁸

* Renmark Irrigation’s Environmental Watering²⁹

* Coleambally Irrigation (CICL) Environmental Water Delivery³⁰

These sorts of measures enable environmental water to be used more efficiently and effectively, reaching areas of riparian zones higher into the floodplain that would otherwise not be watered via in-channel delivery (given constraints, or significantly larger volumes of water required); enable watering of environmental assets on private land which otherwise are not accessible (taking a landscape-level view of environmental assets, not just piecemeal), and fosters collaborations and involvement of communities in landscape management.

These partnerships are critical, given over 90% of wetlands in the Basin are on private land. Legal and financial constraints have restricted the implementation of event-based market alternatives to water entitlement purchases. Examples exist in the Condamine-Balonne³¹ that could be considered and explored throughout other ephemeral and/or unregulated streams, where infrastructure is limited.

This recommendation also applies as a option to be considered under Chapter 4, Chapter 5 and regulatory improvements would need to be made to enable this to occur and account or contribute to SDL (Chapter 10).

²⁸ [Restoring Murray Waterways - Murray Irrigation Project](#)

²⁹ [Water for the Environment - Renmark Irrigation Trust](#)

³⁰ [Environmental Water Delivery — Coleambally Irrigation](#)

³¹ [Narran Lakes Event Based Mechanism Pilot Project Review - Final Report - DCCEEW](#)

Process

Foster collaboration through Caring for Country programs.

Insert objectives linking to “Feeding Australia: A National Food Security Strategy”, relating to water security for agriculture.

More detailed response options must be identified on a local-reach and valley-scale (with communities) – particularly for those water sources with environmental risks identified in the initial SDL assessments.

The design of any Basin Plan 2.0 (as an Integrated Catchment Management Plan to optimise water recovered for the environment rather than a further water recovery plan) must focus on a process for empowering communities to be part of future solutions to achieve improved environmental outcomes whilst valuing their social, economic and cultural interests through co-design, and participatory processes – within a defined scope set of high-level programs, rather than the current inflexible, legislative outputs like SDLAM. Put simply – the process of shaping these projects may be part of the Plan.

Expand Caring for Country programs, and fund initiatives such as Cultural Billabong Watering, which seeks to achieve Cultural objectives in partnership with other stakeholders.

The Australian Government has committed to developing *Feeding Australia: A National Food Security Strategy*. The strategy ‘seeks to set a vision for a sustainable, resilient and secure food system that serves all Australians from producers to consumers’. NIC seeks that future water management in the Basin supports the objectives of that strategy, by facilitating the water security for farmers.

This is best generated through a bottom-up (not top-down) approach, via a participatory, co-designed approach with local communities to capture local scale opportunities. Put simply, scaling integrated land and water management from a local-level upwards.

It is reasonable to expect that valleys considered to have ‘at risk’ environmental outcomes as part of initial assessments should have further specific targeted consultation. This should focus on the specific options being considered, with the aim of informing the final SDL assessment for that region – e.g. informing a line of enquiry of what environmental outcomes could be achieved via (conceptually) targeted measures / projects. This is not suggesting finalising or locking-in specific detailed projects (see below), rather exploring the sorts of measures that are required and feasible to address those outcomes/risks. Substantial work will be required to work directly with stakeholders and communities, and to finalise any proposed detailed plans for specific projects, which is unlikely to occur prior to the intended legislative amendments in 2027.

Lessons learnt from the Basin Plan (specifically SDLAM) show the value of flexibility in legislative requirements to enable projects to be delivered, as well as the risks of attaching projects to threats of further water recovery (jeopardizing community support, collaboration and cohesion). Caution is required to avoid rushed processes; losing community support; or creating rigid legislative requirements that may block-out important or valuable projects, or create barriers to delivery, such as what has occurred via SDLAM.

An initial assessment of sustainable diversion limits (SDLS) (Chapter 3)

Prioritisation that is aligned with local, valley and basin scale drivers for environmental outcomes as well as social and economic outcomes, and demonstrates support to ensure success.

The initial SDL assessments for surface water have identified 4 priority issues requiring action: river connectivity in the northern Basin, end-of-system outcomes, floodplain and wetland health, and native fish decline.

The initial SDL assessments for groundwater show more work is needed in 3 groundwater SDL units, to determine whether the SDL reflects an environmentally sustainable level of take. These are the Upper Namoi Alluvium, Lower Namoi Alluvium and the Lower Gwydir Alluvium.

Given funding constraints, prioritisation will be important. Rather than asking the question of “what will achieve positive outcomes” the question must be “how to optimise outcomes most effectively and efficiently”.

NIC strongly support the approach of looking beyond just water volumes, and instead actual outcomes, recognising the drivers of ecological risks extend beyond what can be achieved via SDL adjustments.

It is important to recognise the positive outcome that of 29 surface water units, 21 confidently have an SDL=ESLT, with a further 5 likely, and only 3 unable to be determined.

NIC notes there are concerns for the valleys with environmental outcomes identified as 'at risk', which requires further processes to understand drivers, and work with communities to develop options to respond (see above). NIC again reiterates that most of the drivers identified in both the SRA and initial SDL assessments are beyond what can be addressed via further SDL adjustments, and would be much better targeted via complementary measures.

NIC notes specific detailed concerns with response options proposed under some of these priority issues, which are addressed in the relevant sections of this table. See Part 1 and Part 2 of this submission for further details.

NIC again supports the outcomes-based approach, and notes the success that a very large proportion of groundwater water sources were identified to have an SDL=ESLT.

For the remaining water sources, it is important further work is undertaken to ensure appropriate understanding before any decisions are made in particular, recognition of the current state-based interventions underway in these catchments. NIC refers to our member organisations submission in this water source for further details.

Maximising the benefits of water for the environment (Chapter 4)

The evidence-base from the initial SDL assessments must be used to inform the remaining components of the current Basin Plan.

Extend options beyond just water-planning for this chapter, to include project-based options – such as those proposed by NIC above in the ‘Overall objective and direction’ theme.

Reduce duplication and inefficiency in preparing annual environmental watering priorities and long-term watering plans.

Improve the Basin-wide environmental watering strategy to support strategic planning and transparent prioritisation of the environmental water portfolio.

The data shown in the initial assessments show little significant difference between LoE1 (current implementation) and LoE2 (with further water recovery towards the full 450 GL and 300 GL SDLAM shortfall). Where there are differences, these are typically with lower confidence, and already from a baseline of reasonably likely outcomes (see Part 2 of this submission). This makes it difficult to justify further expenditure on water recovery (such as the additional 450 GL of HEW or SDLAM shortfall) when the evidence says these are no longer the environmental priorities (and come at large public expenditure and socio-economic cost).

Given the new direction required for Basin Plan 2.0 on integrated water management – which necessarily requires community partnerships – it will be important to maintain trust and confidence by Basin communities in how these outstanding components are dealt with. Large-scale water recovery to address those gaps would not be conducive to the very important collaboration required for next steps.

NIC notes that the options proposed in the Discussion Paper for this chapter focus on water planning, and there are few (if any) options proposed in this chapter which seek to maximise the benefits of environmental water via projects (such as complementary measures or optimised water delivery or novel based, market solutions).

NIC recommends that a number of the NIC options outlined above in the ‘Overall objective and direction’ theme are considered also for the purposes of this chapter.

Support with community engagement processes for local opportunities.

Support in-principle to improve environmental water strategy – provided the strategy continues to operate with respect to the current frameworks of water management - i.e. respecting the reliability of water property rights, and other NWI characteristics of water entitlements, including the Risk Assignment Framework if impacts to the consumptive pool do occur (noting industry cannot support reliability impacts in any form, and market-based mechanisms as per NWI principles are the preferred approach in the event that

	<p>impacts occur, as a more transparent method and to avoid impacting all users). See NIC Reliability of Water Entitlements Position Statement.</p> <p>NIC also notes the ‘Intergovernmental Agreement on Implementing Water Reform in the Murray Darling Basin’ (2013, updated 2019) clause below which is integral to the contemporary system of a water-property-right based system and must be continued: Clause 5.2 says: <i>"Except as otherwise agreed between the Commonwealth and the relevant State(s) to facilitate improved environmental watering, Basin States agree that the characteristics of licensed entitlements held for environmental use will not be enhanced or diminished relative to like entitlements held and used for other purposes. This includes that they will be subject to no less favourable conditions, including with respect to fees and charges, access to allocations, capacity to use, trade, and carryover, than like entitlements held for other purposes. The Parties note that any agreement to change the characteristics of licensed entitlements held for environmental use should not impact on another state's water availability, rights or entitlements under the Murray Darling Basin Agreement unless agreed to by the affected state."</i></p>
<p>Make adaptation explicit in environmental water planning. Require long-term watering plans to identify vulnerable environmental outcomes and transitioning ecosystems, and improve knowledge sharing through the environmental watering plans. Ensure environmental water is transparently accounted for and protected as it moves through the system. and monitoring of water for the environment to deliver improved environment outcomes, and support Cultural, spiritual and community co-benefits.</p> <p>Invest in coordinated and transparent environmental water delivery and outcomes reporting.</p>	<p>Support in-principle – noting further information would be required to consider in detail. Further work to clarify the future baseline for environmental outcomes will be needed as industry, communities and the environment share in climate change risk.</p> <p>Strongly supported – noting current data gaps on measurement and reporting, as well as gap for IGWC role on compliance of environmental portion of water take reporting. Further transparency on how environmental water is used and measured.</p> <p>Strongly supported – noting current gaps.</p>

**E-water
improvements**

Strengthen First Nations peoples' involvement in planning, delivery and monitoring of water for the environment to deliver improved environment outcomes, and support Cultural, spiritual and community co-benefits.
Embed First Nations knowledge. Integrate First Nations knowledge into monitoring, evaluation and reporting processes.
Enable environmental water holders to prioritise environmental watering in areas where land and water management actions are coordinated, where appropriate.

Extension of Caring for our Country program in key asset areas within the Basin.

Improve synergies between environmental, and cultural/spiritual objectives by including in remit of CEWO objectives.

Seek to recognise the environmental outcomes being achieved on private property (such as farms), beyond just key environmental assets in the Basin, and develop voluntary programs to support / incentivise participation.

Improve objectives for water quality as part of CEWH targets, broadening the use of HEW purposes.

NIC strongly supports improving general stakeholder involvement in environmental water management, including but not limited to, First Nations peoples.

NIC supports improving local knowledge inputs into environmental watering – including, but not limited to, First Nations peoples.

NIC is concerned that data is not sufficient to enable this, nor is there coordinated government investment in programs to improve the land and water management outcomes to enhance opportunities for complementary outcomes. NIC understands this could currently occur via CEWH decision-making, under the status quo but should not limit the delivery of environmental water to assets. Rather, perhaps more information on priority locations where such management would provide enhanced environmental outcomes in high priority or sensitive assets, may help to target future investment.

Expand Caring for Country programs, and fund initiatives such as Cultural Billabong Watering, which seeks to achieve Cultural objectives in partnership with other stakeholders.

Improve understanding/identification of synergies between environmental and cultural objectives, and ensure CEWH water entitlements can be utilised for purposes where there is this alignment to target both environmental and cultural objectives. Note: some NSW WSPs already allow this.

Recognising that over 90% of wetlands in the Basin are on private property, there needs to be a paradigm shift to valuing the full landscape, and not just select environmental assets or the river channel.

NIC does not support prescriptive top-down regulatory approaches to this – rather – that voluntary programs are undertaken to support landholders to undertake environmental management on land, including but not limited to environmental watering.

Clarify that water quality is an important environmental objective, and it is a valid use of HEW towards improving water quality (if deemed appropriate to the circumstances).

for water quality.

This is to address past experience of poor water quality events (particularly in dry times) where the CEWH has indicated that HEW is not for the purpose and not utilised towards this objective.

Improving river connectivity in the northern Basin (Chapter 5)

Include objectives and outcomes in the Basin Plan that specifically support end-of-system connectivity in the northern Basin.

NIC cannot support this chapter due to:

- The ephemeral, intermittent and episodic nature of river systems in the northern Basin which makes longitudinal end-of-system connectivity objectives not feasible for long periods of time;
- The ephemeral and intermittent nature of river systems in the northern Basin which means ecosystems are reliant on both wet and dry periods, and efforts to try and make the river flow constantly would be detrimental to these ecosystems;
- The relatively small regulating water infrastructure in the Northern Basin to regulate flows towards this outcome, so even if these objectives were in place, in dry years (when required) it would be not feasible to deliver water from these storages through dry river channels to the end-of-system anyway;
- The current work program being undertaken via a separate NSW Government process which has very poor confidence from stakeholders in the robustness of methods, and likely forthcoming legal challenge;
- The extreme impact this could have to water users in the Northern Basin, which poses not only exceptional socio-economic harm, but would require prohibitively expensive compensation to water users as a result of the reliability impacts to the consumptive pool (if undertaken via rules-changes) arising from the change in government policy (to which the financing of this remains unresolved if NSW proposals progress);
- There is little to no consideration in the Discussion Paper about the existing mechanisms already in place in the Northern Basin to manage for downstream outcomes. The NSW Government prepared a stocktake of existing connectivity rules in 2020.

<p>Improve environmental water management, coordination and planning in the northern Basin. NSW improves river connectivity across connected catchments of the northern Basin.</p>	<p>NIC appreciates the challenges experienced in the Northern Basin, Menindee Lakes, and Lower-Darling particularly during dry periods. These impact our stakeholders too. NIC recommends targeted measures are undertaken to provide alternative town water supplies to meet critical human water needs objectives (where relying on ephemeral rivers is too high risk) such as via infrastructure, as well as targeted arrangements for Menindee Lakes (such as fish passageway) as being considered via separate processes. There are also opportunities to look at the better management of HEW towards these outcomes.</p> <p>The focus on the Northern Basin does not appear to be backed by evidence-based data which if provided, we contest that more pragmatic solutions could be provided than the blunt and lazy options being proposed.</p> <p>Support - include broader stakeholder engagement from Northern Basin including industry, First Nations, Local Councils etc.</p> <p>See above.</p>
<p>Investment in infrastructure upgrades to improve town water supplies for communities in the Northern Basin, including to provide for alternative water supplies for systems reliant on surface water.</p>	<p>NIC agrees with the issues raised in the Discussion Paper regarding critical human needs challenges in the Northern Basin, which we believe is the result of continued under-investment in infrastructure, forecasting of risk to water security and discussion of risk appetite for communities and government. Every drought emergency options are explored and promptly forgotten about when rivers begin to flow.</p> <p>Infrastructure to support critical human water needs should be considered the highest priority for future Basin water management expenditure.</p> <p>NIC supports investment in options as a priority, such as:</p> <ul style="list-style-type: none"> • community supported weir upgrades, • improved capacity to treat groundwater reserves, • water recycling • exploration of alternative water sources where feasible.

Improving floodplain and wetland health (Chapter 6)	Continue the New South Wales' Murrumbidgee Reconnecting River Country program and extend the Gwydir Reconnecting Watercourse Country program beyond December 2026.	These are not cheap, and limited funding has been available to support local councils in water security endeavours. A priority for Federal and State water portfolio expenditure should be ensuring water infrastructure is fit-for-purpose for contemporary needs, including specifically town water supply. The NIC note this is not an issue confined to the MDB specifically and national support should be considered. Subject to community support, noting this may require a localised re-set of programs.
	Take practical and incremental steps to increase environmental flows in priority areas for the Goulburn and Murray, developed in consultation with, and supported by, local communities and landholders.	Subject to community support, noting this may require a localised re-set of programs and the opportunity to look at novel solutions, targeted at risks to environmental outcomes. Any future program must be evidence based and reflect any changed environmental objectives downstream such as in the Murray Mouth.
	As above - seek voluntary partnerships with IIOs and private landholders for environmental water delivery to sites within their footprints, seeking to deliver water further into the landscape than could otherwise be achieved.	See above recommendation, and exemplars of success and what's possible.
Responding to native fish decline (Chapter 7)	Consider a targeted package to restore native fish at priority locations in the Basin that may include, barriers to fish passage and other hazards, fishways, multi-pronged approach to invasive species, re-stocking, instream riparian habitat.	Strongly support (subject to funding arrangements) recognising the importance of complementary measures to achieve ecological outcomes in the Basin that water alone cannot achieve. The evidence-based from the SRA indicates this is now the highest environmental priority. NIC supports a MDB Native Fish strategy with industry involvement, to provide strategic support and prioritisation of joint efforts of Basin governments. NIC notes that many measures (such as fish passageways) are currently funded in many Basin States via cost-recovery from water users (e.g. NSW is a 80:20 cost-share, with

Managing water quality (Chapter 8)

Improve Basin water quality management by strengthening objectives and targets.

Ensure Basin governments work together to manage water quality hotspots by tackling the root causes of poor water quality and strengthen Basin governments' joint capacity for preventative action and early intervention.

Develop opportunities for First Nations peoples to participate and contribute their science and knowledges to understanding water quality, including through monitoring programs.

Develop a portfolio of diverse water quality improvement mechanisms – beyond just flow-based or dilution measures – to target the diverse drivers (such as carp or sewage / point-source drivers), or opportunities for riparian area management to improve outcomes (such as through sedimentation).

water users carrying the bulk of this). This has been a prohibitive cost-barrier to further rollout of these sorts of measures.

Given the scale and cost of measures (alongside tough regulatory and financial conditions already for water users with water licences fees and charges already exceeding capacity/willingness to pay) – this will require a Government funded investment to finance these projects, as water users cannot pay.

NIC recommends including (high-level / conceptual) water quality objectives for the use and management of HEW, to enable environmental water holders to consider water quality benefits and impacts of watering decisions and use. Note – current data gaps would make this difficult and not advisable to quantify at this point (noting lessons learnt in Basin Plan in inserting unachieved numerical targets).

Support in-principle – recognising a facilitation role may exist but further detail is required to determine what lever/program.

Support in-principle but note potential data gaps.

The Cultural Billabong Restoration Project is a First Nations designed project which includes water quality objectives, seeing the billabong as a 'kidney' to the river system filtering out toxins and releasing cleaner water. NIC supports projects of that kind.

NIC calls for a shift away from just water-based responses to water quality, such as dilution flows, but to look at non-water based solutions, which requires identifying the diverse contributing factors to poor water quality, and developing a portfolio of measures to target each. For example, integrating wetland and carp management, riparian management options to improve water quality outcomes. These allow a greater likelihood of success through diverse drivers / mechanisms, but are almost a much more water efficient option.

Water infrastructure and critical human needs (Chapter 9)

Modernise water infrastructure across the Basin to reduce the risk of asset failure and safety risks, and to deliver on a broader range of values and interests, including improved Basin Plan outcomes.

Consider minimum water resource plan requirements for state-based extreme event water planning to ensure adequate consultation processes and that planning is underpinned by robust climate assumptions.

Consider what support regional water utilities (such as WaterNSW) may require financially to remain viable into the future, when determining priorities for

NIC queries whether this is within the scope of the Basin Plan necessarily, but nevertheless, it remains an important consideration for the water portfolio, and in our view, one of the highest priority for current water portfolio expenditure.

NIC recommends an immediate program to ensure infrastructure ‘assets which are near or passed its engineered life span and increasingly vulnerable to failure’ (P 69), receive the government funding and political urgency required to ensure they remain safe, operational and fit-for purpose which should include recognition of a range of new beneficiaries of this infrastructure. This is in the interests of all stakeholders, including for environmental water stored in these storages, as well as for the irrigation sector. Given the significant money already expended to acquire these water entitlements (and the capital already invested in assets), ensuring they are appropriately maintained must be a priority.

In addition to these short term actions, NIC recommends a long-term (say 50 year) multi purpose Basin-wide infrastructure review to ensure infrastructure maintains fit for purpose into the future.

NIC also notes the current pricing models (such as impactor pays) which heavily burdens water users with costs for infrastructure CapEx and OpEx. In many areas (such as NSW which is struggling to cost-recover to the level of expenditure required already), a government funding program will be necessarily, as these costs will far exceed what water users will have the ability to pay.

Consider principles that can be incorporated in state systems, about growth and risks, acknowledging the limitations to current supply systems. Note lessons learnt from prescriptive approaches previously.

NIC notes that the current water pricing determinations in NSW have resulted in prohibitively high costs for WaterNSW to meet regulatory requirements and provide services, which are beyond the ability to pay for water users to pay for cost-recovery under current frameworks. This is the subject of a separate program of work by the NSW

**Basin Plan
regulatory
design
(Chapter 10)**

Basin water management, given current pricing determination concerns.

Consider ways to reform WRPs by focusing the requirements on what matters most or shift away from accreditation to oversight of Basin states.

Improve SDL accounting and compliance including clarifying definitions and improving consistency and knowledge.

Government, supported by IPART, to determine a way forward, and to date remains unresolved. In determining priorities for the water portfolio in the Basin, the current financial predicament of regional water utilities like this must be considered, given the reasonable likelihood that a government bailout may be required, or some form of funding injection to remain viable. In the absence of an effective water utility to deliver water and manage the system, everything else will fall apart.

NIC supports simplification.

NIC queries whether a separate WRP is actually required, or rather, if the MDBA can simply assess whether the state-based WSP meets Basin Plan requirements – given that is the primary regulatory instrument. Essentially, all a WRP does, in a practical sense, is act as a guideline to say how the water source will meet Basin Plan requirements, but the actual instrument that manages for this outcome is the WSP. NIC is of the view that the importance placed on the WRP is disproportionate to the role it actually serves in a practical sense.

Where there are unique features of a WRP different to simply pointing to a WSP, these could be documented in a guideline or reference document (such as LTDLE factors). Whether an entire new instrument, with a rigid accreditation process, and significant duplication, achieves any benefit (in the context of the extensive bureaucratic resourcing required, and cost of that resourcing, and risk of confusion of inconsistencies), is a valid consideration.

There is a need to more clearly publish information about SDL compliance, to help build public confidence in water management. With SDLs coming into effect in 2019, there is now full compliance, however, many stakeholders fail to recognise this. This is partly due to the complexity of reporting.

The accounting and reporting processes are also very inefficient and have long time-lags. or example, in reports of compliance with SDLs, this data is provided by the Basin States to the MDBA to compile into Registers of Take and assess whether water take accounting was consistent with the method in the Basin Plan – which is then provided to the IGWC to

	<p>report on. This is a minimum three-part process. NIC refers to our submission on the Statutory Review of the IGWC for further details on this.</p>
<p>Improve accounting and compliance of the use and management of HEW</p>	<p>There is a need for greater accountability on the management decisions for the use of HEW, as a public asset. For example, if an environmental water holder decides to release a large portion of their entitlements during a wetter year, and then have no or little water remaining for subsequent drier years, there is currently little scrutiny over those decisions. Currently, SDL compliance is assessed in terms of if water extractions go above SDLs (within compliance thresholds). However, the trend that is emerging is the opposite – underusage, with SDL credits accumulating. While this is documented in the detail of SDL reports if a stakeholder knows where to look, it receives very little attention in the interpretation and communication of SDL reporting, and there is no current policy initiatives underway to seek to improve under-usage non-compliance to ensure Basin States are enabling usage up to the SDL. Further work is required to continue work programs on understanding the drivers of underusage, and exploring options to ensure there are no policy barriers to underusage.</p> <p>NIC is concerned by the tendency for Basin-states to undertake rules-changes (such as WSP amendments) and not manage those impacts to the consumptive pool via the agreed processes from the NWI, such as the Risk Assignment Framework. At present, there is no accountability on Basin States who do this, despite impacts to water users reliability (including CEWH assets). A process to identify impacts, account for them, and ensure Basin States are following NWI commitments, is critical to both industry and the CEWH. NIC seeks more information on what is intended by this option, as special treatment for one party over another, particularly in the water market, cannot be supported.</p> <p>NIC again notes the ‘Intergovernmental Agreement on Implementing Water Reform in the Murray Darling Basin’ (2013, updated 2019) clause below: Clause 5.2 says: <i>"Except as otherwise agreed between the Commonwealth and the relevant State(s) to facilitate improved environmental watering, Basin States agree that the characteristics of licensed entitlements held for environmental use will not be enhanced or diminished</i></p>
<p>Report on underusage of water in SDL accounting, not just overuse compliance risks</p>	
<p>Develop a register to track the reliability of water entitlements to ensure States are not breaching NWI principles of impacting water access entitlements</p>	
<p>Refine water trading rules to improve how exemptions for environmental water delivery work, support compliance and align with broader water market reforms.</p>	

Improving science and knowledge to inform the Basin water management (Chapter 11)

Streamline Basin Plan reporting to support compliance, outcomes assessment, First Nations participation and adaptive management.

Build understanding of the complexities and interactions of environmental, economic, social and Cultural outcomes in the Basin through sustained research capacity, community involvement, and a greater focus on science synthesis, collaboration and communication.

Strengthen opportunities for First Nations peoples to contribute their science and knowledges.
 Monitor water flows, availability and river connectivity, and how these interact with ecosystems and climate change, to ensure effective water planning and delivery across the Basin.
 Enhance groundwater knowledge across the Basin
 Increase our knowledge on how native fish can better be protected at the Basin scale.
 Improve understanding of water quality drivers and impacts to deliver a greater predictive capacity, so water managers can pre-empt events.

relative to like entitlements held and used for other purposes. This includes that they will be subject to no less favourable conditions, including with respect to fees and charges, access to allocations, capacity to use, trade, and carryover, than like entitlements held for other purposes. The Parties note that any agreement to change the characteristics of licensed entitlements held for environmental use should not impact on another state's water availability, rights or entitlements under the Murray Darling Basin Agreement unless agreed to by the affected state."

NIC see that the core role of Basin Plan, and thus reporting, is to enable and enforce SDLs. NIC is unsure what is meant by enforcement beyond this, and questions the boundary of the role / limitation of the Commonwealths jurisdiction, with States primarily responsible / holding powers for water management.

NIC agree with this option, noting clear data gaps particularly on socio-economic (both community and agriculture industry) conditions and impacts, as outlined above in Part 3.

Support

NIC support in-principle but seek further information on what is intended, and whose role this would be (i.e. currently States monitor this data). This work would need to build on, not duplicate, existing efforts such as the BoM water information portal, or the NSW Water Insights.

Support

Support

Agree - data gaps on water quality drivers mean there are limited actions that can be taken to directly target those drivers. See above section on water quality.

Improving socio-economic assessments (Chapter 11b)

Address knowledge gaps preventing more targeted action shown by the initial SDL assessments relating to groundwater, environmental condition and non-water drivers.

Agree – see above section on SDL assessments.

Improve methods for SDL accounting to more accurately estimate water take and future demands. Improve modelling and predictive capacity by continuing collaborative development of models and forward-facing tools with Basin governments.

Agree – noting we do not consider this to be a significant problem at present, but are not opposed to further continual improvement.

NIC seeks further information on this, and what is intended, given current water source models are decision support tools, not predictive. Different models will be needed for different purposes.

Improve understanding of measurement processes and accuracy of environmental water, to understand delivery and measure outcomes.

While water use for irrigation can be measured via point-source meters, there is currently no equivalently accurate method for measuring environmental water use in most circumstances (except where delivered via infrastructure with a meter, and except based on dam releases). This leaves a gap in measuring outcomes.

Establish systems to collect and monitor localised community profile information to improve socio-economic assessments in the Basin.

This is noting that socio-economic data used in the Basin Plan Evaluation is only required to be collected at a Basin-scale, which smooths over impacts at a local and industry level, where they are felt most.

This option would seek to gather improved, interoperable community data and flow through measurements of regional economies including working with industry and communities to understand these relationships. This includes a repeat of the community profiles undertaken in 2016/2017.

Improve counterfactual analysis to assess impact and benefits of the Basin Plan.

See socio-economic chapter of NIC Basin Plan Review for further details.

This is in response to the findings of the Basin Plan Evaluation (2025) in which communities felt the findings did not reflect their lived experiences, and that it downplayed impacts as they were not based on a valid counterfactual. This meant that stable trends, for example, were interpreted as a positive outcome – even though with a valid counterfactual, this would show that growth or improved outcomes otherwise would have occurred.

See socio-economic chapter of NIC Basin Plan Review for further details.

**Resolution to
Basin Plan 1.0**

Evaluate existing community support programs and determine if funding is adequate, and extend given the time lag of impacts.

There is a general consensus that existing community support programs are not adequate, disproportionate given the scale of impact, and not well utilised.

NIC is also concerned by a prevailing (incorrect) view that these programs are able to offset the impacts of water recovery – which from lived experience – this is not the case, as the local economy continues to suffer from the lost employment and economic revenue.

Consider impacts to water market prices as a socio-economic impact

See socio-economic chapter of NIC Basin Plan Review for further details.

NIC has been concerned that recent assessments have disregarded water market price impacts from legislative requirement for socio-economic considerations – given they have a significant impact on farmers and business decision-making, including long-term viability (particularly of certain commodities).

Further flow forecasting and monitoring in ephemeral systems to improve general forecasting inputs

This would be valuable to inform predictability of water allocation in both the Northern and Southern Basins.

Maintain SDLs at current SDLAM adjusted levels, and monitor.

Given the environmental outcomes being reported across the Basin, there is not an evidence-base to justify further changes to SDLs (or even to remove the SDLAM adjustment offset).

The evidence-base shows that the costs which would be required to obtain that shortfall (whether via buybacks or other means, neither of which are supported) would be exceptionally large. There is no evidence to justify this would be value for money, and to the contrary, evidence suggests it is not (see NIC Report on the additional 450 GL). At best, it is definitely not the environmental priority for investment, and comes with concerning socio-economic impacts.

It is critical to acknowledge that future implementation options in the Basin require a strong level of trust and cooperation and collaboration with communities, and farmers. The decisions Governments take in response to the Basin Plan 1.0 elements will set the tone for the future ongoing working relationship with those critical to success.

See Parts 1 and 2 of this submission for further details.

Update methodologies for SDLAM assessment to better recognise and account for its value

Explore alternative options to finalise SDLAM, without further water recovery.

Develop a pathway forward on community-supported Constraints Management (in some form)

NIC anticipates that the environmental benefits from SDLAM projects are greater than initially modelled. Opportunities to factor in these improved outcomes are required, particularly if considering a SDLAM shortfall.

Options may include:

- Invest instead in a strategic package of complementary measures, or water delivery partnership options, on the basis new knowledge now says this would provide better outcomes than the water recovery option
- Develop a SDLAM Roadmap (tied to the Constraints Roadmap), noting this is least preferred, but remains preferable to SDL changes.

The purpose of this is to provide no negative impact at SDLAM reconciliation.
See above section.