National Irrigators' Council
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4 August 2026

Independent Review Panel
Independent Review of the Snowy Water Inquiry Outcomes Implementation Deed
c/– Department of Climate Change, Energy, the Environment and Water

Submitted via: consult.dcceew.gov.au

RE: National Irrigators' Council Submission to the Draft Report of the Independent Review of the Snowy Water Inquiry Outcomes Implementation Deed

Dear Panel,

The National Irrigators' Council (NIC) welcomes the opportunity to respond to the Draft Report of the Independent Review of the Snowy Water Inquiry Outcomes Implementation Deed (the Draft Report). NIC represents irrigation businesses and irrigator organisations across the Murray–Darling Basin, including water users in the Regulated Murrumbidgee and broader shared Murray resource, whose agricultural production depends on the reliability of their water access entitlements.

NIC recognises that a modernised, transparent and evidence-based Deed framework is needed. NIC also welcomes the Panel's stated intent that improved environmental outcomes should be pursued without compromising the reliability of water supply for irrigation.

However, having assessed the Draft Report against

- the Review's own governing Review Framework (DCCEEW, November 2025)
- the National Water Initiative (2004); and
- NIC's Position Statements[1] on:
    - Reliability of Water Access Entitlements;
    - Enabling Cultural Objectives in Water Management; and
    - Murray-Darling Basin Plan.

Consistent with NIC's Guiding Policy Principles, NIC's threshold position is that any reform altering the volume, timing or reliability of water delivered to downstream entitlement holders must:

- use market mechanisms and negotiated agreement rather than unilateral reallocation;

[1] www.irrigators.org.au/positionstatements/

Office 8, Level 3, 14-16 Brisbane Avenue, Barton ACT 2600 | PO Box 29, Bellata NSW 2397 | 02 6273 3637
E: admin@irrigators.org.au | W: www.irrigators.org.au | T: @Nat_Irrigators | ABN: 92 133 308 326

- fully compensate any reduction in reliability resulting from a change in government policy;
- not seek to impact allocations and reliability through rule changes; and
- be transparently measured, reported and tested through public consultation.

NIC has identified several areas where the draft recommendations, create material risk to the reliability of downstream consumptive entitlements, extend to shared interstate water resources, and sit uneasily with the risk-allocation and compensation principles of the National Water Initiative (NWI) and with the Review Framework's own stated principles.

This submission sets out those concerns beginning with Recommendation 1 itself, which is the primary driver of these impacts and proposes specific amendments for the Panel's consideration ahead of the final report.

Assessment against the Review Framework's own principles

The Review Framework (DCCEEW, November 2025) sets out six principles that were to underpin "the process design for conducting the review and how proposed management options will be considered" (Review Framework, p.8). NIC has assessed the Draft Report's recommendations against each of these principles and identifies the following areas of concern, in addition to the "Minimise unintended consequences" principle.

Transparent and evidence-based

This principle requires that "processes to assess management options are documented, including the evidence used to support specific recommendations and decisions" (p.8). The accounting mechanism proposed at section 4.6 of the Draft Report – debiting downstream diversion and allocation impacts "against an environmental water entitlement" – is not accompanied by any documented methodology for how the debit would be calculated, verified or made available to affected entitlement holders. NIC seeks that this methodology be documented and published consistent with this principle.

Furthermore, the exclusion of impacts outside the Murrumbidgee catchment require full and thorough consideration must occur prior to finalisation.

Accessibility

This principle in about ensuing technical inputs "are communicated in an accessible manner to all advisory groups participants including the methods and assumptions underlying results". Whilst the information is available, the time to review and consider is considerably short given the complex and technical nature.

Trust and confidence

This principle requires that "advice to government is impartial, with consideration of multiple perspectives" (p.8). NIC's perspective on downstream reliability and shared-resource risk should be given the same weight in the final report as the commercial risk to Snowy Hydro, balanced with the role of Snowy Hydro to provide on-demand peak electricity for the National Electricity Market (NEM).

Fostering collaborative partnerships

This principle commits to "meaningful participation" of stakeholders and First Nations, including through the Stakeholder Advisory Group (p.8, p.14). NIC seeks that irrigator and downstream entitlement-holder representation – including from valleys beyond the Murrumbidgee that share the River Murray resource, be explicitly strengthened in the ongoing Deed governance arrangements.

Minimise unintended consequences

The Review's own framework names avoiding "impact to state water shares in the Murray Darling Basin" as an unintended consequence to avoid, yet this was not tested for Recommendation 1 for within the Murrumbidgee and the shared Murray resource. The recommendation is also clearly in conflict the risk-allocation and compensation principles of the National Water Initiative (NWI).

This is a significant oversight from the review and should be reconsidered. NIC suggests re-affirming these principle before finalising Recommendations (particularly Recommendation 1), or amending the recommendation pending the assessment sought above.

Climate variability and long-term future change

The Review was to consider climate change as part of its evidence base and indicated climate change is a significant driver of the need to update and modernise the Deed. However, in doing so, the Panel has not explored the accepted uncertainty with climate projections and incorporate plausible scenarios, nor acknowledged the entitlement and allocation system that adjusts to climate as part of NSW water management planning.

Concerns regarding Recommendation 1

Recommendation 1 is the central operative recommendation of the Draft Report and the source of nearly every impact on water entitlement holders discussed in this submission. It provides:

> *"Environmental flows in the Upper Murrumbidgee River are increased to achieve environmental outcomes equivalent to the delivery of an average annual target of 30% (87 GL equivalent) of the average annual inflows into Tantangara Dam, delivered through redirecting a portion of the Required Annual Release from the Snowy-Tumut Development through Tantangara Dam… staged delivery, commencing with an increase in the volume of water to an average annual target of 23% (68 GL equivalent) of average annual inflow, with further increase subject to a 5-year audit on the effectiveness of environmental water delivery." (p.10)*

NIC's is concerned that this recommendation is also directly at odds with the Review's own principles.

Three features of this recommendation are directly relevant to water entitlement holders.

First, the scale of the redirection is substantial and set to grow: an immediate increase to 23% (68 GL) of average annual inflow, rising to 30% (87 GL) subject only to a 5-year audit of ecological effectiveness. Either volumes, during dry conditions can present a significant percentage of the total flows and hence, clarification on if it is an up to or actual amount is required.

Second, the water is not new water, it is sourced by redirecting a portion of the Required Annual Release, meaning it is diverted away from a flow path that presently serves other purposes and users both within the Murrumbidgee and within the shared resource of the Murray. This presents a clear issue of impact and costs, which have not been transparently and thoroughly tested.

Third, the redirection mechanism (via Tantangara Dam into the Upper Murrumbidgee) is the specific cause of the two categories of entitlement-holder impact addressed: (a) measurable reductions in general security diversions and end-of-year allocations for downstream Regulated Murrumbidgee users, and (b) an untested risk to the River Murray Increased Flows package and interstate state water shares in NSW, Victoria and South Australia. Both the transmission and actual impacts of this change, must be considered against risk assignment compensation considerations.

Furthermore, the review and adaptive management approach (to move from 23% to 30%) is framed entirely around ecological outcomes, does not reflect climatic variations, ignoring thresholds of impact to other users. As drafted, it contains no corresponding requirement to reassess the accumulating impact on entitlement holders, or socio economic value of the recommendation.

The Draft Report's hydrological modelling (section 4.6, "Downstream water availability and reliability," p.83) finds:

"Impacts on downstream regulated water users are concentrated in drier years, with small reductions in general security diversions (2-3% in drier years) and end-of-year allocations on average (1-3%). Allocations against high security entitlements remain unaffected."

While the Panel notes these impacts are "within the margin of error for the model," its own cost–benefit analysis separately lists "reduced water availability for downstream regulated users" as a distinct, material cost category within the approximately $605 million (present value) cost of the preferred Option 4 (pp.84–85). A cost material enough to be itemised in a whole-of-system cost–benefit analysis cannot, at the same time, be treated as immaterial for the purposes of determining whether it is compensable to the entitlement holders who bear it.

The Required Annual Release (RAR) that Snowy Hydro provides to the River Murray catchment underpins state water shares in NSW, Victoria and South Australia under the Murray-Darling Basin Agreement. Any reduction in the NSW state water share arising from this Review would directly reduce allocations to irrigators and environmental water holders across the southern connected system — including licence holders well beyond the Regulated Murrumbidgee.

Recommendation 1 proposes to meet the increased Upper Murrumbidgee environmental flow target by redirecting a portion of RAR through Tantangara Dam. By definition, this redirects a volume of RAR (water that underpins the River Murray Increased Flows package and interstate state water shares) into the Murrumbidgee system rather than its established path to the River Murray. The Draft Report's own hydrological analysis of this redirection is confined to the Murrumbidgee valley: it discusses "a redistribution of inflows between Burrinjuck and Blowering dams" and impacts on "downstream regulated water users" in the Regulated Murrumbidgee (p.83), but does not extend the quantitative analysis to the River Murray itself or to NSW, Victorian or South Australian state water shares.

This is not an oversight the Panel was unaware of. The Review's Terms of Reference are explicit that this analysis was out of scope:

> *"The Review did not include detailed quantitative re-modelling of the River Murray Increased Flows package or full re-modelling of Snowy River hydrology." (p.19)*

This scope exclusion sits in direct conflict with the Review Framework itself that lists "Minimise unintended consequences" as one of six foundational principles governing how the Review is to be conducted, and which names avoiding "impact to state water shares in the Murray Darling Basin" as one of only two specific unintended consequences the Review process committed to avoid. A recommendation that redirects RAR volume away from its established path to either the Murrumbidgee or the River Murray, without the interstate state-share impact having been quantitatively modelled, cannot yet be said to satisfy this principle.

NIC recommends: before the final report is settled, the Panel commission a quantitative assessment of the effect of the Recommendation 1 RAR redirection on the River Murray Increased Flows package and on NSW, Victorian and South Australian state water shares. Where any reduction in the NSW state water share is identified, it should be treated as a policy-change impact under NWI Clause 50, fully compensable to affected general security and environmental water entitlement holders across the Murray system — not only those in the Regulated Murrumbidgee.

Furthermore, NIC raise concerns regarding the adequacy of the offset and compensation arrangements addressed elsewhere in this submission, before the larger volume is redirected.

NIC recommends: the final report require regular, publicly reported reliability accounting and impact-disclosure protocol for the Regulated Murrumbidgee and Murray, developed in consultation with affected irrigators, that discloses the volumetric impact and end-of-year allocations and clarifies how the Clause 50 compensability test applies where the environmental water offset proves insufficient in any given year.

NIC recommends: Recommendation 1(d) be amended so that the 5-year audit gating any increase beyond 23% (68 GL) also assesses the cumulative impact on downstream and interstate water entitlement holders and the adequacy of offset or compensation arrangements, and that no increase toward the 30% (87 GL) target proceed unless that assessment is satisfactory.

Inadequate compensation / trade offs

The Draft Report includes a number of compensation arrangements to underpin, the overarching impacts of Recommendation 1, these include:

- Recommendation 4 requires the ACT Government to provide water entitlements to the Commonwealth Environmental Water Holder "of a volume that offsets the actual volumetric risk to water reliability in the regulated Murrumbidgee from the additional minor transmission losses associated with improving environmental flows

- Recommendation 24 establishes "a rule-based compensation framework that limits compensation to clearly defined circumstances and supports adaptive system management," that compensation applies "only where outcomes fall outside a defined operating envelope," with the amount "determined using a transparent, publicly available method or formula".

Neither of these approaches are consistent with risk assignment provisions within the National Water Initiative (NWI) that any reduction to the reliability of water access on an entitlement, as a result of changes to government policy, is fully compensable under Clause 50 of the NWI.

Recommendation 4

It is not clear from the Draft Report whether the Recommendation 4 entitlement contribution is intended to also cover the separately identified and comparatively larger impact on general security diversions (2–3% in drier years) and end-of-year allocations (1–3%) discussed above, which arises from the broader redirection of Required Annual Release volumes rather than from transmission losses alone (less the interstate state water share impacts). If multiple distinct impacts require multiple distinct offsets, the Draft Report does not identify what mechanism – beyond the general reference to debiting "system losses… against an environmental water entitlement" – addresses the larger of them.

Recommendation 24

Recommendation 24 read together with the discussion at section 6.6, this framework is expressly built around the existing Snowy Compensation Deed between NSW and Snowy Hydro (pp.131–133). It governs compensation payable to Snowy Hydro for licence or operational changes affecting its commercial position. No equivalent rule-based, transparent mechanism is proposed anywhere in the Draft Report for irrigation entitlement holders in the Regulated Murrumbidgee, notwithstanding that the Panel's own hydrological modelling confirms measurable reductions in their water availability.

This gap sits at odds with Commonwealth and state legislation. If government considers it appropriate to build a transparent, rule-based compensation framework for one class of affected party – a commercial energy generator – the same rigour should extend, as a matter of basic equity, to the statutory property rights of consumptive entitlement holders.

Furthermore, other responses propose responses to impacts is an accounting adjustment, not compensation or public reporting to affected parties:

"Accounting for system losses as environmental water use, debited against an environmental water entitlement, would ensure that changes to environmental releases do not disproportionately affect downstream reliability, particularly under dry climate conditions." (p.84)

The Draft Report does not describe how the accounting/offset arrangements will be measured, publicly reported, or made available for scrutiny by all affected parties, including irrigators, nor how it would restore lost reliability in the very dry years the modelling identifies as most affected.

NIC recommends: A transparent, evidence-based system should be established to determine the reliability impacts within the Murrumbidgee and Murray from the proposals, this impact should be assess, mitigated or appropriately compensated consistent with the risk assignment provisions and state legislation.

NIC recommends: the final report clarify the relationship between the Recommendation 4 entitlement contribution and the broader diversion/allocation and interstate impacts, and confirm that any offsetting entitlement is sized to the full modelled downstream impact, not transmission losses alone.

First Nations water entitlements must be additional, not reallocated

NIC's Aboriginal Water Position supports Aboriginal and Torres Strait Islander access to water for cultural objectives "within the current water management framework and market systems", and is explicit that:

> *"There must be no third-party impacts on current water entitlements, their reliability, nor any legal or practical changes to entitlement characteristics, from any initiative or program - including Cultural and environmental flows." (cl.5)*
> *"Enduring, transparent and accountable governance frameworks must be in place prior to use of public funds to purchase entitlements for any purpose - including Cultural or environmental." (cl.6)*

Recommendation 17 proposes that governments support First Nations access to water entitlements "through targeted and sustained investments," progressed through a "Nation-led program" (p.15). The reference to "investments" is consistent with an acquisition-based approach – of the kind used under the Australian Government's Aboriginal Water Entitlements Program, which NIC would support in line with our Aboriginal Water Position. However, Recommendation 17(a) leaves open that the program should "identify the mechanism for legal authority to hold and manage water interests" without specifying that this must be a market purchase or funded acquisition rather than an administrative reallocation or new entitlements from the existing consumptive pool.

Separately, NIC notes that the environmental flow options already modelled (Options 2–5) include "a fixed allocation of 6 GL/year… as an additional release requirement over and above the environmental water release volumes" for cultural purposes (p.72), delivered through the same Tantangara Dam redirection mechanism that produces the downstream impacts. While separate from Recommendation 17's longer-term entitlement program, this allocation's contribution to downstream reliability impacts should be transparently and separately accounted for.

NIC recommends: the final report confirm that any First Nations water entitlements arising from Recommendation 17 will be acquired by purchase or government investment, and will not be sourced by reallocating water away from existing irrigation entitlements or general security allocations.

NIC recommends: that the 6 GL/year cultural water allocation's contribution to downstream impacts be reported separately within the reliability accounting protocol sought above

7. Support for rule-based governance must be applied symmetrically

NIC supports, in principle, the Draft Report's broader shift toward transparent, evidence-based and rule-based governance – including the proposed independent Snowy Water

Commissioner and dispute resolution mechanism (Recommendation 9), the requirement for "documentation and public reporting of decisions and trade-offs" (Recommendation 9(d)), and the move away from discretionary, case-by-case compensation decisions in favour of "a transparent, publicly available method or formula" (Recommendation 24).

NIC's concern is not with the direction of this reform but with its incomplete application. The same rigour and transparency proposed for Snowy Hydro's commercial interests should extend, on an equal footing, to the property rights of downstream irrigation entitlement holders.

Contemporary concerns require contemporary solutions

NIC welcomes that the Draft Report reaches that "increasing the volume of environmental water alone is not enough" (p.62) — and that Recommendations 18–20 propose integrating environmental water delivery with catchment management and complementary measures. NIC supports this direction and encourages the Panel to place equal weight on complementary, non-volumetric measures in the final report, rather than relying on a step-change in extraction from Tantangara Dam as the primary lever for ecological recovery.

Conclusion

NIC supports the Panel's overarching objective of a more resilient, transparent and well-governed Murrumbidgee River and Snowy Scheme, and recognises the substantial technical work underpinning the Draft Report. The concerns raised in this submission go to a consistent theme: that the reliability of downstream irrigation water access entitlements – in the Regulated Murrumbidgee and, potentially, across the shared River Murray system, must be treated with the same rigour, transparency and compensability as the commercial interests of Snowy Hydro. This is required both by the risk-allocation principles of the National Water Initiative and NIC's approved policy positions, and by the Review's own Review Framework, which commits to minimising unintended consequences and to transparent, evidence-based, impartial decision-making.

NIC would welcome the opportunity to discuss this submission further with the Panel or the Department ahead of the final report, and to be included in any subsequent consultation on the design of a rule-based compensation or reliability-accounting framework for downstream entitlement holders.

Contact:
Zara Lowien
Chief Executive Officer
National Irrigators' Council
ceo@irrigators.org.au