



CENTRAL LAND COUNCIL

Submission to the Productivity Commission

National Water Reform 2026

8 May 2026

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About the Central Land Council

The Central Land Council (**CLC**) is a Commonwealth Statutory Authority established under the *Aboriginal Land Rights (Northern Territory) Act (Ch) 1976*. The CLC has statutory responsibilities for approximately 780,000 square kilometres of land in the southern half of the Northern Territory (**NT**). Our functions include:

- a) ascertaining and expressing the wishes and opinion of Aboriginal people living in the area of the CLC as to the management of Aboriginal land in the area;
- b) protecting the interests of traditional Aboriginal owners of Aboriginal land;
- c) assisting Aboriginal people to take measures likely to assist in the protection of sacred sites on land (whether or not Aboriginal land); and
- d) consulting with traditional Aboriginal owners of Aboriginal land about any proposals relating to the use of that land.

CLC also administers a range of programs for the benefit of its constituents in relation to environmental management, community development, governance, economic participation, cultural heritage and customary practices.

CLC is also a native title representative body under the *Native Title Act 1993 (Cth)*. We prepare native title applications, respond to development proposals with the potential to impact on native title rights and interests ('future acts'),¹ negotiate indigenous land use agreements and support many corporations representing native title holders known as prescribed bodies corporate.

Introduction

The CLC welcomes the opportunity to provide comment on the Productivity Commission's (PC) National Water Reform Inquiry 2026 (**Inquiry**). Responding to information requests A and B from the Inquiry's Terms of reference (**Inquiry ToR**) CLC provides the following, focusing on matters of particular relevance to the rights and interests of Aboriginal people in the CLC region:

- a) Part A provides updates on the NT Government's compliance with the National Water Initiative (NWI) and progress against the PC's recommendations since the PC's 2024 *Inquiry into National Water Reform (2024 Inquiry)*, including recommendations for reform.
- b) Part B provides comments on economic regulation and governance settings for drinking water services in Aboriginal communities and homelands in the NT and provides recommendations for reform.

CLC welcomes the opportunity to provide further detail by meeting directly with the PC during the Inquiry, particularly to further discuss our experience and our members' concerns regarding the regulation of drinking water services in the NT, and steps to improve regulation and management.

Water holds profound cultural, spiritual and economic significance for Aboriginal people in central Australia and across the country. Aboriginal people in central Australia have lived and travelled across desert country for millennia. This required expert knowledge of water places, passed down through generations. Waterways, aquifers and springs are often sacred sites connected by songlines that form part of the living cultural landscape. Traditional Owners have personal responsibilities to protect these places and country for future generations. Damage to these places can cause physical, spiritual and also social injury and illness, as well as erode culture, language and the biodiversity values of land;¹ and access to good drinking water is fundamental to being able to live on country.

Our Council members have significant concerns about the NT Government's approach to the management of water resources particularly with respect to licencing and planning processes and the provision of drinking water services in remote communities and homelands. Our Council members have felt disempowered and frustrated by the lack of action to improve water planning so that it includes Traditional Owners' advice and protects their rights and interests in water. CLC has consistently documented our constituents' concerns with water governance in the NT.²

The PC's 2024 Inquiry reported the NT as non-compliant with the NWI on multiple grounds and backsliding in key areas.³ CLC submits that the NT Government has not fulfilled the reform priorities identified by the PC 2024 Inquiry. The NT Government has abandoned key

¹ For more detail, see Donaldson, Susan Dale. [Singleton Water Licence NT Aboriginal Cultural Values Assessment: ADDENDUM](#), p1.

² For recent examples, see the CLC's [submission to the NT Government](#) on the *Draft Alice Springs Water Allocation Plan* (March 2026); the [NT Land Council's joint submission to Australian Senate Environment and Communications Legislation Committee](#) RE the *Environment Protection Reform Bill* (Nov 2025); CLC Submissions to Australian Government DCCEEW on the *Future National Water Agreement (May 2024 and Sept 2024)*.

³ Productivity Commission, 2024 *Inquiry into National Water Reform*.

commitments it made under the 2023 ***Territory Water Plan*** and continued to backslide in several key areas.

Since the current NT Government came into office in August 2024, we have seen an unprecedented escalation in the erosion of transparency and disregard for the rights and interests of Traditional Owners, evidence-based decision-making and democratic processes more broadly.

Overall, the CLC is calling on the Productivity Commission to make a strong statement to the Federal Government about the state of water management in the NT, and to ensure that jurisdictions follow best practice in the development of their jurisdictional action plans under the new National Water Agreement, particularly in engaging Aboriginal organisations in their development and ongoing monitoring.

The Land Councils recently advocated for a federal water trigger to be strengthened to cover all large-scale water projects through Environmental Protection Act reforms given the significance of our concerns about the NT's water management. We continue calls for the Federal Government to step in and urge the Productivity Commission to explore all avenues for Federal support and incentives for accountability and improved decision-making in the NT.

1. Information request Part A – NWI assessment

1.1 Progress since the 2024 NWI assessment

This section provides an update on the NT Government's progress since the 2024 Inquiry, summarised in the table at **Appendix A**.

Soon after the 2024 Inquiry, the August 2024 election saw the Country Liberal Party come to power in the NT winning seventeen seats out of twenty-five in the Legislative Assembly and forming a majority government. The NT Parliament is a unicameral Parliament without an upper house, so the NT Government has had unchecked capacity to pass legislation. In CLC's view their priority has been to fast-track development for industry at all costs and in this endeavour, they have:

- a) Further weakened environmental and water regulation.
- b) Purposefully limited avenues for transparency and accountability.
- c) Curtailed public consultation and disregarded the advice and interests of Traditional owners.
- d) Disregarded environmental, social and cultural evidence in decision-making.

The NT Government has made two significant legislative changes since the 2024 Inquiry that demonstrate their approach to land and water management:

- a) The NT Government's *Petroleum, Planning and Water Legislation Amendment Bill 2025* passed in April 2025 removed the right of third parties to seek review of decisions, including the grant of a licence to take groundwater or surface water. The NT Government

stated they intended to ‘provide greater certainty for proponents and investors.’⁴ CLC’s view is that merits review is a standard and vital part of democracy to improve and ensure fair decision-making. The Bill was not subject to scrutiny by the Legislative Scrutiny Committee or developed through any public consultation.

- b) The NT Government’s *Territory Coordinator Act*, passed in March 2025, established the role of Territory Coordinator, a non-elected statutory official with unprecedented and wide-ranging powers to override regulations, step in for various agencies to make decisions on their behalf, exempt projects from all or part of 32 pieces of legislation, including environment protection and water legislation and expedite approvals.⁵

The NT Government has also abandoned or weakened three commitments for water planning that the previous NT Government had committed to in their 2023 *Territory Water Plan* and that the CLC supported. The PC had acknowledged these as positive commitments for improving compliance with the NWI in their 2024 Inquiry.

Since the 2024 Inquiry the NT Government has abandoned the following commitments:

- a) Development of new safe drinking water legislation.
- b) Establishing an Aboriginal Water Advisory Council to enhance Aboriginal participation in water decisions.
- c) Developing new legislation to replace the **Water Act 1992 (NT)** with community and industry input, acknowledging that the Water Act ‘does not provide all the necessary mechanisms for best practice water resource management in the current context of climate change, growing competition for water and community expectations around governance and accountability’.⁶ Instead of a comprehensive and community informed review, the NT Government has instead made a series of specific amendments to the Water Act without any public consultation or legislative scrutiny that have acted to reduce transparency and accountability, such as removing the rights of third parties to seek merits reviews of decisions made under the Water Act as above and removing guardrails around consent to access the Aboriginal Water Reserve against the advice of the CLC (see more below).

The NT Government’s *Territory Water Plan Annual Progress Report 2025* is silent on the above priority actions that they abandoned. This is not transparent and is concerning considering the actions were developed in response to the feedback of Territorians.

The *Territory Water Plan* was only funded until mid-2026 and there has not been any indication of renewal or replacement.

⁴ NT Government, [Water Act Amendments | Water Security](#), 11 August 2025.

⁵ See CLC and NLC’s [joint media release](#) expressing concerns the Territory Coordinator Bill from March 2025 and other media coverage of the controversial Bill: [What is the NT’s territory coordinator bill and what laws could it override? - ABC News](#)

⁶ Territory Water Plan, p34

As the Summary table at **Appendix A** demonstrates, the NT Government has not progressed the three reform priorities identified by the PC and has continued to backslide against several key commitments of the NWI, particularly:

- a) First nations peoples' representation in water planning and incorporating First Nations peoples' objectives and strategies into water plans.
- b) Water planning, including identification of specific environmental and public benefit outcomes and stakeholder and community engagement.

Below we provide further details on these matters through four case studies mentioned in the table.

1.1.1 Case study: Western Davenport Water Allocation Plan

Given significant public concern and push back from the CLC, the Water Advisory Committee (**WAC**), environment organisations and broader public on the draft Western Davenport Water Allocation Plan (**WAP**), the NT Government entered into negotiations with the WAC and CLC throughout 2024 to seek to address significant concerns.^{7,8} In August 2024, the NT Government ultimately agreed to follow the advice of a majority of the WAC members and finalised the plan with some improvements including those CLC had advocated for on behalf of Traditional Owners.

The new WAP:

- a) reduced the Estimated Sustainable Yield (**ESY**) by 20 billion litres and gazetted the Plan for a limited period of 3 years to practice precautionary planning in the context of significant scientific uncertainty; and
- b) amended an objective to 'protect' cultural values, rather than 'account for' as they had previously proposed.

However, 3 months later on 16 December 2024, the new NT Minister for Water sent a letter to the WAC members stating that he had decided to:

- a) revoke the WAP previously agreed on with the WAC and replace it with the previous version for a period of 10 years; and
- b) dissolve the WAC with immediate effect.

This scrapped the hard-won improvements Traditional Owners had called for. Among other issues, the new WAP:

- a) disregarded the view of Traditional Owners, CLC and the WAC;
- b) increased the ESY by 20 billion litres (back to the previous amount found to be unsustainable by expert hydrogeological review);

⁷ Media coverage of this process: [NT water allocation draft risks 'irreversible damage' to country and culture, critics say - ABC News](#); [Groundwater available for extraction in Western Davenport cut by 50 per cent - ABC News](#) and [CLP government must govern for all Territorians - Central Land Council](#).

⁸ CLC's [Submission on the Draft Western Davenport Water Allocation Plan](#), May 2023

- c) removed the stronger protection for cultural values back to an objective that they be ‘considered’;
- a) minimised the contents according to the new 3-part structure that relegated key information including risk assessment and management activities to non-statutory documents; and
- b) weakened objectives for environmental outcomes so the WAP now contains no specific protections for ecosystem health or groundwater dependent ecosystems and vague implementation actions and timelines.

1.1.2 Case study: The Draft Alice Springs Water Allocation Plan process

In March 2026 the NT Government released their *Draft Alice Springs WAP 2026-2036*. The CLC is deeply concerned that the draft demonstrates a regression in water planning standards and does not meet NWI benchmarks for transparent, evidence-based and participatory water governance.

The CLC organised two meetings with Arrernte Traditional Owners from across the planning area and invited staff from the NTG to attend. Their concerns include:

1. The draft plan was not developed with a WAC. The previous iteration of the Alice Springs WAP (2016-2026) was developed with a WAC to ensure community perspectives informed the plan. The CLC acknowledge the NT Government called for Expressions of Interest in mid-2024 and did not receive any responses, however we do not view that as an adequate justification for continuing without making more comprehensive efforts to form a new one nearly two years later, particularly given the significant public interest in this matter and the critical role of a WAC. This demonstrates instead that more accessible and deliberate approaches to engage the public are required.
2. The draft was developed without consultation with local Arrernte Traditional Owners, despite this being a clear commitment of the previous 2016 plan and the 2021 review report. The previous WAP from 2016 stated it was a priority for the NT Government to work with Traditional Owners to identify, monitor and protect cultural sites. The 2021 Review Report acknowledged this hadn’t happened and that it was ‘essential’ prior to the next plan. The latest draft was released without any progress on this critical action. To remedy this the CLC initiated the two meetings with Traditional Owners referred to above. They expressed frustration and concern that the NT Government had 10 years to start this work but had not progressed it, so that cultural sites that rely on groundwater and need protection remain unidentified and unprotected in the new draft plan.⁹
3. The Draft Implementation Actions again commit to working with Traditional Owners, however:
 - a) the timeline indicated is 2030-2033 without any explanation as to the ongoing delay in the context of increased water extraction and removal of protections for cultural values;

⁹ See further detail on Traditional owners concerns about the Draft Alice Springs WAP in CLC’s [submission](#).

- b) they only aim to ensure that Aboriginal cultural values are ‘identified’ and ‘monitored’, not that they are protected.¹⁰

Arrernte Traditional Owners explained:

‘Cultural values are not an object. They are a living spirit, connected to the country itself. It’s where our wellbeing comes from. In the Western world they can’t see it, they can’t believe it. If the water comes out, you lose those places and all everything around it dies because it is all connected. This place is important for everyone. Those old people were looking after country not just for themselves, but for everyone, making sure it was there for everyone and the future.’ (19 March Meeting).

4. Broader public consultation was unclear and inadequate. The NT Government followed their increasingly favoured approach to hold targeted, closed meetings with stakeholders they had identified after releasing the draft. At the urging of CLC and other stakeholders, the NT Government organised a seminar in Alice Springs however they were initially reluctant to advertise or encourage a broad attendance and asserted to the CLC that it was a seminar for interested people, not a public meeting. Fortunately, as word got out, the event was more widely promoted and more than 80 people attended demonstrating the level of interest and concern from community members. It was unclear whether the NT Government was recording their feedback or how it would be taken into account. This mixed messaging does not demonstrate the clear and transparent consultation which Territorians have repeatedly called for and which should be required for such an important public matter (see for example responses on the *Strategic Water Plan Directions Paper* and *Draft Territory Water Plan*).¹¹
5. Beyond failing to consult with TOs to identify, monitor and ensure the protection of cultural values the draft Plan also weakens the protections and overarching objective for cultural values:
 - a. The previous plan’s objective relating to Aboriginal cultural values included: ‘the *protection* of culturally significant water dependent sites,’ however the draft Plan includes vague knowledge gathering exercises that aim for ‘improved understanding’ of cultural values so they can be ‘accounted for’ and ‘considered’ in water management¹² – not protected.
 - b. The draft plan provides a limited protection for one culturally important species that covers an undefined area, fails to consider other culturally and environmentally significant species and does not include any management actions for implementation.

¹⁰ [Draft Alice Springs Water Plan 2026-2036](#), March 2026

¹¹ NT Government Department of Environment, Parks and Water Security (now Department of Environment Lands and Planning), *Northern Territory Strategic Water Plan Directions Paper: Consultation Summary Report*, May 2022, p8 & *Draft Territory Water Plan: Consultation Summary Report* June 2023, p5.

¹² Draft Alice Springs WAP 2026-2036, p8.

- c. The draft Plan has completely removed two groundwater management zones that were in the previous plan. These zones had restricted further water use in these areas to protect groundwater dependent ecosystems. The removal these zones removed these protections. Independent expert hydrogeological advice also advised removal of groundwater management zones that required further monitoring is inappropriate from a groundwater management perspective more broadly and inconsistent with the Department's own recommendations.¹³
- d. Expert and independent hydrogeological review of the draft Plan and associated documents commissioned by the CLC found:
 - i. there are significant gaps in the science that underpins the Draft Plan; and
 - ii. these remain unaddressed by the Draft Implementation Actions¹⁴.

The NT Government told the CLC they would aim to address some of these concerns in the next iteration of the Draft.

1.1.3 Case study: Aboriginal Water Reserves

CLC submits that the NT Government's legislative amendments to make Aboriginal Water Reserves available in water plans in March 2025 is not enough to demonstrate improvement regarding the NWI commitment for '*First Nations peoples' access to water, including through native title rights to water*'.

While the CLC supports the Aboriginal Water Reserve policy, it is limited in terms of addressing historical exclusion of Aboriginal peoples from accessing water more broadly. As acknowledged by the PC Inquiry, it is only available for economic use across a small portion of the Territory for some Aboriginal groups that have been able to acquire land under the *Aboriginal Land Rights (Northern Territory) Act 1976* (Cth) and exclusive possession native title in water planning areas. Water planning areas predominantly cover areas that government and industry have deemed economically valuable land, often because of improved access to water resources, which has historically attracted settlement of pastoralists and other developers and precluded Aboriginal people from achieving land rights and exclusive possession in these areas.

The NT Government also made amendments to legislation regarding Aboriginal Water Reserves without consulting Land Councils that may undermine their practical implementation and result in adverse outcomes for Aboriginal people.

In May 2025 the NT Government abandoned the regulations they had been co-developing with Land Councils for designating Aboriginal land eligible for the Aboriginal water reserve and consenting to applications from the Reserve. We had reached agreement on these regulations in mid-August 2024 however the NT Election was called and a new government installed before they

¹³HydroGeoEnviro, Hydrogeological Review of the *Draft Alice Springs Water Allocation Plan 2026-2036* [Appendix A of [CLC Submission on Draft Alice Springs WAP](#)], March 2026

¹⁴ HydroGeoEnviro Review

got to Cabinet for sign off. The new NT Government scrapped the regulations and unilaterally amended the Water Act to:¹⁵

1. remove the requirement for the NT Government to consult with Land Councils to identify 'eligible' Aboriginal land to allocate the Aboriginal Water Reserve. Previously this was a legislated and collaborative process with data sharing agreements to ensure accurate allocations. The removal of this requirement means Land Councils still have to check the allocations however it is now within public comment timeframes, without access to the necessary data for a thorough analysis and after the draft has already been published. This resulted recently in errors and delays in the *Draft Alice Springs Water Allocation Plan* process, where the NT Government's allocations to the Aboriginal Water Reserve were produced by an unclear methodology that was inconsistent with previous plans and their own policy; and
2. Remove the requirement for regulations prescribing how Aboriginal people's consent would be determined in order to access the Reserve. It is now at the discretion of the NT Government's Water Controller to determine who is an eligible Aboriginal person and whether Aboriginal people have given their consent. The lack of regulations results in a highly uncertain process that could open up risks of conflict between groups or exploitation of the Reserve.

Native title rights to water

We also highlight that this objective of the NWI refers to native title rights to water. As raised in our submission to the PC's 2024 Inquiry, the NT Government has consistently failed to comply with the relevant provisions of the Native Title Act in relation to groundwater extraction licences, by failing to recognise that they constitute Future Acts under s24HA of the Native Title Act. It is CLC's position that water extraction licences constitute Future Acts in all conceivable scenarios and urge the NT Government to give procedural rights accordingly.

1.1.4 Case study: Ti Tree Water Allocation Plan Aboriginal Water Reserve

The NT Government declared the Ti Tree WAP in 2020. The WAP sets an ESY of 10.2 gigalitres (**GL**) in total and allocates 1.5GL to the Aboriginal Water Reserve for the Southern Groundwater Management Zone (**GMZ**). However, because of existing licences in the Southern GMZ this allocation is entirely notional. There is no water available to Traditional Owner groups in the area who have expressed interest in accessing water for economic purposes.

According to the 2025 mid-term review of the Ti Tree WAP, water licence holders are using only 50% of their entitlements (and this is the highest since the WAP was declared in 2020).¹⁶ We understand the Water Controller seeks to recover some water for Aboriginal people's use, however the NT Government has undertaken compliance checks in the Ti Tree area over recent years and have not yet acted to recover any water. The NT Water Controller has also recently

¹⁵ [Water Amendment \(Aboriginal Water Reserves\) Bill 2025](#)

¹⁶ NT Government Department of Lands Planning and Environment Water Resources Division, [Midterm Review: Ti Tree Water Allocation Plan 2020-2030](#), Feb 2025 p.11.

renewed a number of licences in the Southern GMZ, including two licences that together equal 3GL renewed at the end of 2024.¹⁷

This is an equity issue that arguably privileges industry with pre-existing licenses, facilitates speculative water hoarding and locks Aboriginal people out of opportunities for water use.¹⁸

1.2 Barriers and emerging risks

Barriers affecting progress in the NT include:

- a) reduced protections and transparency in the legislation underpinning water management in the NT;
- b) the NT Government's overt agenda to fast-track development as a priority over other broader public and environmental interests;
- c) lack of incentives and compliance mechanisms to ensure compliance with the NWI and hold states to account;
- d) a lack of incentives and requirements on funding allocated to the NT from the Federal Government. For example, the National Water Grid should require the NT Government to demonstrate how their project and water management more broadly aligns with the NWI.

Risks include:

1. the cumulative impacts of water extraction from different projects on ecosystems and culture. The NT Government does not have a way of assessing, monitoring and protecting against cumulative impacts, particularly on groundwater systems and flows over time.
2. the contribution of Climate change to erratic rainfall and extreme flooding events. Extreme flooding over the summer/wet season of 2025-2026 has caused devastation and supply interruptions across the NT, particularly in the Northern parts of CLC's region and into the Top End in NLC's region. Overtime changed rainfall patterns will likely also exacerbate groundwater insecurity especially in the context of over extraction and high levels of uncertainty about impacts over the long term.
3. Water pricing, trading and water markets in the NT.

As per CLC and NLC's joint submission to the Australian Government on the *Future National Water Agreement*,¹⁹ the Land Councils' urge caution on the development of some elements of the NWI: water pricing, trade, and any moves to uncouple water from land.

In the NT, water remains largely free for developers to acquire and use (subject to small government application fees). There is no pricing regime for licenced water to recover costs for sustainable management including research, regulation, monitoring and compliance or administration. This means the NT government has granted licences for vast amounts of water

¹⁷ NT Government [Water Licencing Portal](#), licence documents for Ti Tree Water Allocation Plan.

¹⁸ See Jackson et al. for an analysis of similar processes around the NT: [River grabbing from the source: groundwater extraction and the self-perpetuating colonial practices of dispossession in Australia's Northern Territory - ScienceDirect](#)

¹⁹ [Central Land Council and Northern Land Council joint submission - Future national water agreement - Central Land Council](#), May 2024

without charge to companies deriving private profit. Until water is properly valued and priced for private development, there is little incentive for industry to improve water efficiency and the NT has no way to recoup the costs for sustainable water management.

The *Territory Water Plan* committed to developing a water charging framework on water licence entitlements and CLC understand the NT Government began discussions on the charging framework with a Government-appointed steering group of stakeholders, but neither CLC nor NLC were approached to participate on the steering group. This is a concern given the risks of adverse impacts for Traditional Owners, particularly in the context of Land Councils' role in the development of Aboriginal Water Reserves. We are not sure if the work of this group has continued.

It is crucially important to ensure that the impact of aqua nullius on Aboriginal peoples is recognised in all water pricing policy. Non-Aboriginal Australians have had the benefit of over a century of water rights, which were free to acquire and use for much of that time (and largely still are free in the NT). We also note that in the NT particularly there is a range of exemptions from the need to obtain a water use licence at all. Pastoralists use the 'stock and domestic' exemptions to use significant volumes of water with no metering, monitoring or charges. The NWI should mandate water licensing for all large-scale water users, irrespective of the industry. Cost recovery from commercial water users who have been benefiting from the economic development outcomes during this period is essential, but governments must ensure that Aboriginal people are not unfairly affected by any increases to water fees and charges. This has driven continued loss of water rights for Aboriginal people in other jurisdictions, particularly NSW and Victoria.²⁰

CLC reiterates that water and land must be managed together, given water extraction has local (and downstream) impacts on land and Country is viewed and managed by Traditional Owners as a holistic, culturally interconnected ecosystem. Traditional Owners that are affected by proposed water extraction from trade between proponents or land parcels must be consulted before trade can occur. In CLC's view, trade has material impacts that must be considered (for example where a trade may allow more water extraction than otherwise would have occurred, or on a different scale). The high level of uncertainty about NT's water resources, coupled with the lack of regulatory protections for impacts (particularly outside of water planning areas which are governed by the Water Allocation Planning Framework²¹) requires much more caution, research and consultation before encouraging more trade in the NT to ensure sustainable and equitable trading and outcomes.

²⁰ Hartwig, L., and S. Jackson. 2020. *The Status of Aboriginal Water Holdings in the Murray-Darling Basin: ARI Report No. 2020/004*. Australia: Australian Rivers Institute, Griffith University; Hartwig, Lana, S. Jackson, and N. Osborne. 2020. "Trends in Aboriginal Water Ownership in New South Wales, Australia: The Continuities between Colonial and Neoliberal Forms of Dispossession." *Land Use Policy* 99:104869

²¹ As discussed in CLC's [submission to the 2024 PC Inquiry](#), we have significant concerns about the Water Allocation Planning Framework which applies outside of water planning areas in the NT: it is a twenty-six year old, two-page policy document that has no scientific basis, allows water mining, does not require stakeholder engagement or protection of cultural values, or define or require consideration of the estimated sustainable yield for the area in question.

The particularities of the NT context have critical implications for water pricing and trading and the extent to which approaches and lessons from other jurisdictions can be adopted here. Important considerations include, but are not limited to:

- a) the extent and type of Aboriginal land ownership;
- b) that water entitlements are and must remain tied to land ownership;
- c) the limited coverage and effectiveness of Water Allocation Plans; and
- d) the risks of insufficient evidence underpinning allocations leading to expensive future water buybacks where systems are overallocated.

The NT Government has the opportunity to review the negative and/or perverse outcomes of water charging regimes in other jurisdictions and establish a context-appropriate regime for the NT that avoids the pitfalls of other systems and properly takes into account the finite nature of water and its value to the community, particularly Traditional Owners.

In regard to water trading through water markets, the particularities of the NT context necessitate significant research and scoping to identify the barriers, costs and benefits of water trading, and public consultation on whether water trading should be encouraged. CLC do not support moves towards water markets in the NT at this stage. Any move towards water markets in the NT must be approached with extreme caution and through close consultation with Aboriginal people.

Recommendation: The Productivity Commission should encourage that where there is no price on water for economic use (like the NT) that at a minimum commercial licence holders should contribute to the costs of sustainable regulation, enforcement, monitoring and independent research through payments on their licences above the current administrative charge. This must not apply for Aboriginal owned companies given historical and ongoing inequities around water access.

Recommendation: Ensure that any proposed changes to water charging and trading regimes require thorough and published expert advice, impact-analysis and public consultation, including specific consultation with Aboriginal community controlled organisations.

1.3 Forward reform priorities (next three years)

CLC submits the following reform priorities would most improve outcomes in the NT:

- 1) Ensure the NT Government co-designs its jurisdictional action plan to meet the new Water Agreement with Land Councils and is held to account for best practice water management, transparency and stakeholder engagement.
- 2) Overhaul water planning in the NT to, for example but not limited to:
 - a) make water plans binding on decision-makers.
 - b) reinstate Water Advisory Committees for each Water Allocation Plan with majority Traditional Owners/Native Title Holders for the relevant area.
 - c) require meaningful protections for Aboriginal cultural values in Water Allocation Plans, as identified by Traditional Owners; and
 - d) require consideration of and protection against cumulative impacts.

- 3) Co-design, legislate and resource a basic level of drinking water service for remote communities that considers acceptability of water in collaboration with Land Councils and remote community residents.

2. Information request Part B – Secure, resilient and sustainable services

There have not been any material changes since the PC’s 2024 Inquiry relating to the water service arrangements and regulation of water utilities in remote communities in the NT, so CLC’s previous submissions and recommendations on this matter remain relevant.²²

The CLC welcomes and supports the PC’s 2024 Inquiry’s findings regarding drinking water regulation in the NT, which also remain relevant including:

- a) that opaque cross-subsidies exist in the NT where beneficiaries of water use do not bear the costs and recommended more transparent subsidising of essential services in remote locations.²³
- b) that no minimum drinking water standards are set in legislation.²⁴
- c) the existence of persistent drinking water quality issues in remote Aboriginal communities, including the fact some communities in the NT do not have access to safe drinking water and the significance of aesthetic drinking water quality concerns²⁵;
- d) that ‘current arrangements for providing safe water are not adequate’ and reiterated advice that clear and transparent CSOs should be designed to ensure affordable access to a basic level of service, in areas where such service provision would not otherwise exist;²⁶
- e) the lack of consistent reporting and the opportunity for improvement; and
- f) that all Australians should be ensured access to a basic level of service for safe and reliable drinking water.²⁷

2.1 Current water service arrangements

To summarise key points in previous CLC submissions and the current arrangements for drinking water services in the NT:

1. The *Water Supply and Sewerage Services Act 2000* (NT) (**WSSS Act**) regulates the provision of public water supply in the Territory. It requires that provision of ‘water supply services’ in

²² See CLC’s 2022 Submission to the NT Government’s Consultation Paper on Improving Economic Regulation of Water and Sewerage Services, CLC’s [submission to the PC’s 2020 Inquiry](#) on National Water Reform & CLC’s [submission to the PC’s 2024 Inquiry](#).

²³ PC 2024 Inquiry, p.14

²⁴ PC 2024 Inquiry, p. 240

²⁵ PC 2024 Inquiry, p. 244

²⁶ PC 2024 Inquiry, p. 245

²⁷ PC 2024 Inquiry, p. 248

‘water supply licence areas’ be licenced by the NT Utilities Commission, the regulator that oversees essential services provision to consumers of water.²⁸

2. Power and Water Corporation (**PWC**) is the current and sole licensee under the WSSS Act and ‘must provide water supply or sewerage services to customers who own land with an authorised connection to [its] water supply or sewerage services infrastructure’.²⁹
3. This legislated guarantee of supply only applies to ‘water supply licence areas’, which include 18 gazetted towns. Aboriginal communities and homelands are not water supply licence areas and therefore the protections under the WSSS Act do not apply.³⁰
4. In remote communities where provision of water is commercially unviable given smaller economies of scale and remote infrastructure costs, PWC coordinates essential services through Indigenous Essential Services Pty Ltd (**IES**). IES provides power, water and sewerage services across the 72 remote Aboriginal communities and 79 outstations for approximately 39,000 people.³¹ IES is a not-for-profit subsidiary of PWC, funded directly by the NT Department of Housing, Local Government and Community Development (**DHLGCD**). Unlike PWC, which is overseen by the Utilities Commission, IES is a private proprietary limited company, with no legislation mandating licencing or service standards.
5. Majority of the houses in remote Aboriginal communities are owned by the NT DHLGCD. Residents pay rent to the DHLGCD, which covers the provision of water and sewerage services and as above DHLGCD funds IES to provide the service. This means remote consumers do not have a direct financial relationship with their service provider. CLC’s position is that as consumers they must be able to be active participants in the assessment of that service’s performance and offered the same protections as all customers.³²
6. As no drinking water standards have been set in legislation, drinking water services are guided by a Memorandum of Understanding (**MoU**) between the Department of Health, PWC and IES which is not legally binding. The Schedule for Water Quality Requirements under the MoU³³ has not been made publicly available or provided to the CLC when requested.
7. There is no official ‘drinking water provider’ for Homelands – once a Homeland satisfies certain criteria, it can apply to have ‘sustainable, potable water supply in operating condition’ and a ‘recognised service provider willing to undertake responsibility for servicing the homeland’.³⁴

²⁸ Kirsty Howey & Liam Greal (2021): [Drinking water security: the neglected dimension of Australian water reform](#), Australasian Journal of Water Resources, p.2

²⁹ WSSS Act, section 41(2).

³⁰ Howey & Greal 2021 p3

³¹ NT Government, [Services to remote communities and homelands](#)

³² [In December 2024](#) the NT Court of Appeal ruled that the NT government is legally responsible for safe drinking water in remote communities, following a successful appeal in 2023 brought by residents of Laramba, who initially took the government to court over high levels of uranium in their drinking water.

³³ [Memorandum of Understanding \(MOU\)](#) Between Department of Health and Power and Water Corporation and Indigenous Essential Services Pty Ltd. For Drinking Water, October 2022, Schedule DW2: Water Quality Requirements

³⁴ MoU

8. Providing safe and reliable drinking water across large, arid areas to small and often highly disperse remote communities is costly and complex. The corrosion of ageing water infrastructures means service providers and utilities require increased and ongoing government support, processes and programs to maintain and replace water supply and treatment infrastructure.

CLC also note the NT *Utilities Commission's Annual Compliance Monitoring Report (2024-25)* found various instances of PWC not complying with their licence and failing to report the non-compliance, stating: 'Over 2024-25 and into the 2025-26 compliance period, the Commission has increasingly noted PWC's failure to meet deadlines and its compliance reporting falling significantly below the expected standard. The Commission does not consider PWC is treating non-compliance with the seriousness it warrants ... The Commission is deeply concerned about what it views as a deterioration in PWC's management of, and attitude toward, compliance.'³⁵

2.2 Water services for Aboriginal and Torres Strait Islander communities

As this submission and many of our previous submissions have asserted, remote Aboriginal communities in CLC's region and across the NT face increasing challenges arising from threats to water resources and experience ongoing and significant challenges in relation to the supply of adequate and safe drinking water.

Drinking water security

All communities in CLC's region rely on bore water from aquifers. The NT Government last shared high-level data with the CLC on water security in November 2024. There was no detail or evidence provided to explain the risk determinations assigned to individual communities' water security, on a scale from low to extreme risk. The ratings could be related to a spectrum of issues including ageing bores and other infrastructure, or groundwater supply, or both, but it demonstrates that water stress is the norm across most Central Australian communities as 21 of 32 communities are considered high risk. Four communities are considered very high (Imangara, Docker River, Tara and Titjikala) and three communities (Engawala, Yuendumu and Yuelamu) are ranked extreme risk. Only four are considered 'medium risk'.

Water insecurity can mean communities have their water pressure cut to unusable levels during peak use times and it can block community projects from going ahead including new government funded housing for residents and staff as well as dialysis centres and sports and arts projects that communities are seeking to fund through their own money from royalties, park fees and other income streams.

Drinking water quality

According to Power and Water's latest data on drinking water quality from 2024-2025,³⁶ three communities in CLC's region have water that does not meet Australian standards for safe consumption: Alpururulam and Nyirripi due to elevated fluoride and Willowra due to elevated levels of uranium.

³⁵ Utilities Commission, [Annual Compliance Monitoring Report 2024-2025](#), January 2026 p.15.

³⁶ Power and Water [drinking water quality report 2025](#)

1. After close to 15 years of community and CLC advocacy, the funding and land access for the water project (new bores on pastoral land) in Alpururulam has been secured and works are set to commence this year. The project has been protracted and stressful for the community with project completion still a number of years away.
2. CLC understands Power and Water are still assessing options for a treatment solution in Nyirripi and are delivering boxed water in the meantime. However, we have had reports from residents that there have been interruptions to the supply of boxed water which have since been resolved but nonetheless caused significant concern.
3. Willowra's uranium levels were within the Australian Drinking Water Guidelines (ADWG) in the last report (2023-2024). CLC learned they are now over the ADWG on 30 April 2026 when the latest report was released. CLC has sought an update on the proposed solution to this exceedance but next steps remain unclear.

Many of our constituents raise concerns about the acceptability of their water for taste and hardness. No communities in our region meet Australian standards for these factors. CLC welcome the PC Inquiry's 2024 recognition of how significant this issue is for peoples' health and wellbeing in remote communities and note that hardness and scaling issues are increasingly contributing to infrastructure failings in remote communities.

Case study: Wilora community water

In January 2026, the CLC became aware of significant water and housing maintenance issues in the community of Wilora that are impacting on residents' safety and wellbeing across the community. The issues relate to poor water quality and critical repairs and maintenance requirements impacting on water supply more broadly.

On 16 January 2026, CLC was notified by a constituent that the water in Wilora had been turned off for a week. Indigenous Essential Services told the CLC that the water pressure had been cut back due to high demand, but it should still have been available for essential uses. On 19 January, the Aged Care Centre contacted CLC to inform us that the water pressure was cut off to a distressing extent. For a week during the peak of summer, they reported that people across the community:

- a) were unable to shower;
- b) had to fill up buckets and saucepans from one tap with very limited flow (described as dripping) in most houses for drinking water, to clean food and flush toilets; and
- c) many had to rely on other people's houses when their own water had completely stopped.

CLC visited the community in March 2026 and was able to determine that:

- a) Power and Water cut back the pressure in Wilora because they can only supply a certain amount at a time from the bore and water use was overcoming the supply. This is because of significant water losses caused by leaks in houses from failing hardware and washers, contributing to large water wastage and losses in the system. There are at least six houses with significant leaks, to the extent that the water in the sewerage is running clear and overflowing at several houses.

- b) Residents and the Essential Services Officer in Wilora have made requests to the NT Government's Housing Department but waited months for responses. Tradespeople contracted by the NT Government have been out twice this year to take note of the issues but have not fixed anything and residents reported that they refused to note down any other issues than the specific matters they had been sent to look at.

CLC sent a report on these issues to the NT Department of Housing in April 2026 seeking plumbing inspections be conducted across the entire community as a priority, with on-the-spot fixing of leaks and replacement of degraded health hardware and at the time of writing have not had a reply.

Homelands drinking water

Homelands are remote Aboriginal living areas defined by the residents' cultural or traditional relationship to the land. There are approximately 500 homelands in the Northern Territory, servicing around 10,000 people.³⁷ The ability of our constituents to live on their homelands – their traditional Country – is fundamental to their right to practice and pass on culture.

There is no data on drinking water security or quality in homelands, which are serviced by Homelands Service Providers through contracts with NT Government's Homelands Services, or they are left to manage water privately. Many homelands experience critical issues with ageing and failing infrastructure, water quality concerns and being able access water on homelands at all.

A critical catch for homelands in the NT is that to be eligible for funding, a homeland must already:

- have a sustainable, potable water supply in operating condition;
- have its own operating power supply;
- have safe and secure housing;
- be accessible;
- be the resident's principal place of residence; and
- have a recognised service provider willing to undertake the responsibility for servicing the homeland and be able to deliver services in a safe environment.

Without all of these conditions met, homelands cannot be registered for funding through the NT Homelands program and there are currently no fit-for-purpose funding streams for homelands residents in this position to get the necessary infrastructure to meet these requirements. Much of the original essential service and housing infrastructure was previously funded by the Commonwealth during the 1970s and 1980s outstation movement or through the later *Bushlight* solar power program. All of these initiatives have since been abandoned by governments in favour of investment in NT remote communities. However, there are commitments in the Ten Year Remote NT Housing Partnership Agreement for both governments to give serious consideration to new investment in homelands to help ease overcrowding and conflict in larger communities. This commitment is widely supported by the constituents of all land councils across the NT.

³⁷ NT Government, [Homelands Services](#)

2.3 NT Government reform directions for economic regulation of water and sewerage services

The NT Government's Department of Treasury and Finance (DTF) undertook consultations with stakeholders in 2024 as per its commitment in the *Territory Water Plan* and released a *Reform Directions paper* in September 2024 summarising feedback received and next steps.

The DTF's Directions Paper acknowledges the fragmented and unequal regulatory protections mean remote communities 'do not receive the same protections afforded by economic regulation because service providers are not regulated.'³⁸ To address this the DTF's Direction paper made two commitments to 'enhance the economic regulatory framework for water supply and sewerage services':

1. expanding the coverage of the economic regulatory framework to service providers across the Territory; and
2. applying a consistent, transparent and tiered methodology to determine the form and level of regulation appropriate for service providers and their service areas across the Territory.

The *2025 Territory Water Plan Annual Progress Report* also states that the NT 'started the process to amend the [WSSS Act]. The amendment will increase the area where the Act applies beyond urban centres.'

The CLC was not aware of any progress towards amending the WSSS Act, however we sought an update from the NT Government's Department of Treasury and Finance on 28 April 2026 and they informed us that they are in the process of circulating a 'draft design of the Regulatory Framework' and would be consulting with Land Councils and other stakeholders later in May 2026.

Recommendation: The Productivity Commission should seek clarification from the NT Government regarding the specific progress it has made under the NT Economic Regulatory Reform Process and outline this progress in its forthcoming Inquiry Report.

While we can't comment without further information on what is proposed, CLC submits that:

1. Tiered regulation must still ensure a basic level of service for remote communities, self-determined by remote residents.

Expanding the WSSS Act to cover the whole of the NT is a supported first step to ensure expanded protections, however the Direction paper indicates a tiered approach whereby two categories of service provider will be established: large service provider with full economic regulation and small service providers with 'light touch' economic regulation.

CLC submits that if IES is considered a small service provider, 'light touch' regulation in remote communities serviced by IES must at a minimum:

³⁸ NT Government, [Reform directions to improve economic regulation of water and sewerage services – Summary Paper](#), September 2024, p2.

- a) ensure a basic and adequate level of service that is determined through consultations with remote communities, Aboriginal community-controlled organisations and service providers;
- b) consider water quality and supply needs for housing and medical and other services in remote communities;
- c) ensure all utility providers (including IES) are required to publicly report against their standards of service to enhance transparency and inform planning; and
- d) Ensure that drinking water service providers must maintain existing services and are resourced to undertake increased responsibilities. The CLC believes that this is an important balance to get right. If it is too difficult or expensive for a drinking water provider to provide safe drinking water to a particular location and there is a risk of prosecution for an offence, the drinking water provider could cease supplying water to that particular location altogether.

Recommendation: The Productivity Commission should clarify that light touch regulation must at a minimum ensure a basic and adequate level of service that is determined through consultations with remote communities, Aboriginal community-controlled organisations and service providers; and resource IES appropriately to undertake increased responsibilities.

2. Expanding the WSSS Act coverage does not address the lack of legal regulation or protection for drinking water *safety* across the NT.

Recommendation: The Productivity Commission should recommend that the Department of Health assume a regulatory role in relation to Power and Water Corporation and Indigenous Essential Services pursuant to legislation that replaces the existing MOU.

4. The framework will not improve protections or servicing of water and sewerage for Aboriginal homelands in the NT.

The DTF's report explicitly notes the intent is to exclude service arrangements for homelands from the regulatory framework (along with all forms of self-supplied services through infrastructure owned by the landowner or occupier).

Recommendation: The Productivity Commission should emphasise that efforts to improve economic regulation for the rest of the NT must be accompanied by substantially increased funding and resources to support homelands residents to develop and implement drinking water plans with their service providers to ensure fit-for-purpose approaches.

2.4 Reforms to water service arrangements that would materially improve outcomes

CLC has provided recommendations throughout this and previous submissions calling for economic regulatory reform for water supply and sewerage services to improve transparency and accountability of service providers and serve the long-term interests of remote communities in particular. This includes by ensuring that all water service providers including IES are licenced and answerable to a regulator and consumers and at a must at a minimum ensure a basic level of service that is determined through consultations with remote communities, Aboriginal community-controlled organisations and service providers.