

Submission to the Productivity Commission National Water Reform Inquiry 2026

Response to the Interim Assessment - Context Matters

The 2004 National Water Initiativeⁱ established nationally consistent objectives rather than nationally identical legal frameworks, recognising that governance arrangements should reflect each jurisdiction's hydrological, cultural and economic circumstances.

Submitted by Wongulla Waters Pty Ltd – July 2026

Executive Summary

The Productivity Commission has been asked to undertake an assessment of jurisdictions' progress towards achieving the objectives and outcomes of the 2004 NWI.

The NWI has arguably Australia's been most important national water reform agreement, driving change in policy, law, regulation and community engagement over the past 20 years. The NWI deliberately established nationally agreed objectives and resolved that:

- jurisdictions implement the reforms through their own legislation;
- where reforms reflect local circumstances; and
- the implementation of reforms occurs progressively.

This flexibility is a deliberate feature of the NWI, recognising Australia's highly diverse hydrology, different stages of water resource development and health of aquatic systems.

Water policy reform is complex, contextual and requires a systems perspective. Accordingly, implementation should be evaluated against the outcomes sought by the NWI rather than the uniformity of legislative mechanisms.

The Northern Territory governance arrangements meet the objectives of the NWI through transparent, adaptive and science-based water planning appropriate to Northern Australia's environmental, cultural and economic circumstances.

As a participant and observer of the water reform over the life of the NWI, I submit that there has not been any “reversal” or “backsliding” in the reform progress, but reform consistent with the objectives of the NWI has progressed at different rates across jurisdictions.

Context Matters

To assess that the impact of that change, the Productivity Commission should compare the achievements against the outcomes and provide appropriate weighting to the evidence submitted by jurisdictions – because context matters. Public commentary and advocacy often dominate headlines, but the real story is buried in plain sight. Buried within the grey literature of government policy, regulation, and practice including water allocation plans, licensing and engagement.

This submission focuses on water planning, water allocation, extraction licensing and allocation of water for Aboriginal economic development in the Northern Territory.

Australia's highly diverse hydroclimatic systems vary from the highly regulated, perennial rivers and aquifers of the Murray–Darling Basin to the monsoonal rivers (with wet-dry habitat), extensive floodplains in the Northern Territory and regionally significant groundwater resources of central and northern Australia

The NWI reflects the agreement of governments to nationally consistent reform with sufficient flexibility to accommodate Australia's diverse climate and hydrology, different stages of water resource development and varying economic and community priorities.

While the principal reform challenge in the Murray–Darling Basin in 2004 was recovering overallocated water for environmental services, the Northern Territory's challenge is to establish governance arrangements for secure access to source water for public water supplies, retain water in the surface and ground water systems for environmental and cultural needs, and support sustainable economic development including allocation of water for Aboriginal economic development in relatively undeveloped systems.

The Northern Territory is unlikely to experience the historic pattern of widespread overallocation that characterised parts of the Murray–Darling Basin because of its hydrology, current level of development and precautionary planning framework.

In the Northern Territory successive governments have committed to maintaining free flowing rivers, other than existing dams on the Manton (commissioned in 1939) and Darwin (commissioned in 1972) rivers for public water supply. Governments have also committed to sustainable consumptive use, and protection of water quality where water is released, recharged or recycled (or reused).

The Northern Territory has a model of statutory Water Allocation Plans consistent with paragraphs 36-38 of the NWI for water systems where there is significant development, or likely future development. This process is the trigger for more extensive work in monitoring and modelling groundwater and surface water systems, risk assessment, partnering with Aboriginal knowledge holders and community engagement. In the Northern Territory water planning has predominantly focused on groundwater systems being the dominant source of water for consumptive use, or to sustain ecosystems.

Perpetual water access entitlements under paragraph 28 of the NWI have not been adopted in the Northern Territory. Instead, fixed-term licences, consistent with paragraph 33 of the NWI, allow jurisdictions the discretion to adopt a risk-based approach to water planning according to the level of development, projected demand and planning risk. In addition, groundwater extraction licences are location specific (not separated from land) based on the science of the aquifer system.

The Productivity Commission's *National Water Reform 2021* report recognised the value of a fit-for-purpose approach to water resource management and proposed a risk-based framework. Such a risk-based approach is a critical starting point for responding to the emerging scenarios with the changing climate.

Recommendation

The Productivity Commission has an important opportunity to reaffirm the principles that underpinned the National Water Initiative. National consistency should be judged by the achievement of nationally agreed outcomes rather than uniform legislative design. Recognising fit-for-purpose governance arrangements will strengthen future water reform across all Australian jurisdictions while respecting the diversity of Australia's water resources and communities.

About Wongulla Waters Pty Ltd

Wongulla Waters Pty Ltd is a bespoke consultancy specialising in water. Darryl is the Director and Principal Consultant of Wongulla Waters with more than forty years working across urban, regional and remote water sectors in Australia, and globally. Darryl was the Australian Water Association's Water Professional of the Year Award in 2019 and was recognised as Distinguished Fellow in 2018 and Honorary Member in 2024 of the International Water Association, and Honorary Fellow of Engineers Australia in 2025.

Darryl's career has included executive leadership in water services, water policy, drinking water and environmental health research, water resource management, environmental management, infrastructure planning, emergency and counter disaster management and regulation.

ⁱ INTERGOVERNMENTAL AGREEMENT ON A NATIONAL WATER INITIATIVE

Between the Commonwealth of Australia and the Governments of New South Wales, Victoria, Queensland, South Australia, the Australian Capital Territory and the Northern Territory