



**NORTHERN
LAND COUNCIL**

Our Land, Our Sea, Our Life



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Northern Land Council (NLC) Submission to the Productivity Commission on the National Water Reform 2026: Water services reform directions – Interim Update 1

Darwin

Head Office:

29 Julius St, Berrimah, NT, 0828

Tel:

(08) 8920 5100

Email:

ceo@nlc.org.au

Website:

www.nlc.org.au

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About the Northern Land Council

The Northern Land Council (**NLC**) was established in 1973. Following the enactment of *Aboriginal Land Rights (Northern Territory) Act 1976* (Cth) (**Land Rights Act**), the NLC became an independent statutory authority responsible for assisting Aboriginal people in the northern region of the Northern Territory (NT) to acquire and manage their traditional lands and seas. The Land Rights Act combines concepts of traditional Aboriginal law and Australian property law and sets out the functions and responsibilities of the land councils.

The NLC is also a Native Title Representative Body under the *Native Title Act 1993* (Cth) (**Native Title Act**), with main functions relating to progressing native title claims, consulting with native title holders, negotiating Indigenous Land Use Agreements (**ILUAs**), and resolving disputes about native title.

Approximately 30% of the NT population is Aboriginal.¹ Over 50% of the NT's land mass is owned by Traditional Owners under the Land Rights Act (**Aboriginal Land**) (including around 85% of its coastline), with much of the remainder being subject to native title interests. Hence, Traditional Owners have an enormous stake in the economic development of the NT and should be at the forefront of any policy development.

A significant function of the NLC is to express the wishes and protect the interests of Aboriginal people who are Traditional Owners under the Land Rights Act or native title holders under the Native Title Act (collectively referred to as **Traditional Owners**) throughout its region.

The NLC's vision is a NT in which the rights and responsibilities of Traditional Owners are recognised and in which Aboriginal people benefit economically, socially and culturally from the secure possession of their lands, seas, and intellectual property.

Introduction

The NLC welcomes the opportunity to participate in the Productivity Commission's National Water Reform Inquiry for 2026. We acknowledge that our previous submissions remain pertinent and thank the Productivity Commission for considering the NLC's contribution in this first Interim Update. We acknowledge that the core issues in the Northern Territory (**NT**) have been canvassed by Central Land Council's (**CLC**) submission,² particularly regarding NT's regulatory framework, and the recent legislative

¹ The term 'Aboriginal' is used throughout this submission when referring to Aboriginal and Torres Strait Islander people. The NLC recognises and respects the variety of terms used interchangeably around Australia; however, the NLC uses the term Aboriginal as directed by the Executive Council. Where statistics or other material are cited directly from external sources that use alternative terminology – such as 'Aboriginal or Torres Strait Islander' or 'Indigenous' – the language of the original source has been retained.

² Central Land Council, Submission to the Productivity Commission National Water Reform 2026 (Submission No 54, 8 May 2026).

changes that have further weakened rights relating to water in the NT. Additionally, this submission relates only to the matters raised in Interim Update 1, which primarily concerns water resource reforms.

Water is life for Aboriginal people in the Northern Territory; it is a familial being; it is songlines; it is kinship. Safe drinking water is fundamental to ensuring Aboriginal people in remote communities in the NT can live on Country. Given this significance, increasing Traditional Owner's freshwater rights has long been a focus of the NLC. The NLC established the Water Committee in 2022 in recognition of the importance of water, and the lack of water rights and protections in the NT regulatory framework. The provision of water services is only one aspect of water that is important to Traditional Owners and should not be viewed in isolation of other important factors such as healthy water places and cultural values.

This submission is guided by the three principles that underpin the functions, values, and purpose of the NLC Water Committee. Self-determination and empowered Traditional Owner decision-making lies at the heart of the principles below and is fundamental to any meaningful progress toward these goals.

- **Water for Country and Culture** - Healthy water places and cultural values must be maintained, and Aboriginal people need to have a meaningful voice in decision-making processes.
- **Water for People and Services** - Aboriginal people must have access to water that is safe to drink and there needs to be enough water available to meet the requirements of growing communities.
- **Water for Economic Development** – Water must be available for Aboriginal people to access and use for commercial enterprises, businesses and industries to help achieve economic self-determination and outcomes and community development.

As observed by the Productivity Commission in 2024, the NT is largely not compliant with the National Water Initiative (NWI).³ Whilst the NLC acknowledges that there are a multitude of factors contributing to the substandard water services in regional and remote communities in the NT, it is imperative that water services are given the weight, importance and funding required to improve and meet basic standards.

Issues with water services, including unsafe drinking water and ageing or unmaintained water infrastructure is a critical concern raised by Traditional Owners. Traditional Owners and the NLC have long advocated for improvements to water services, however, continue to be let down by the regulatory framework and lack of political commitment to address longstanding issues.

Secure, resilient and sustainable water services

The NLC affirms the importance of secure, resilient and sustainable water services. As highlighted by the Productivity Commission, clean drinking water, sanitation, and water services are directly linked to Closing the Gap Target 9b (access to essential services) and Sustainable Development Goal 6 (clean water and sanitation).⁴

³ Productivity Commission, *National Water Reform 2024* (Inquiry Report No 105, 28 May 2024). 18.

⁴ Productivity Commission, *National Water Reform 2026: Water Services Reform Directions* (Interim Update 1, June 2026) 28.

The NLC and other Aboriginal Peak Organisations including the Land Councils and Aboriginal Housing Northern Territory (AHNT) face challenges in progressing work towards target 9b due to a lack of data around progress and a lack of data and information sharing regarding the status of water services and infrastructure in general.

In the NLC region, drinking water does not meet Australian Drinking Water Guidelines (**ADWG**) in any of the remote communities serviced by Indigenous Essential Services (**IES**), as aesthetic parameters are not met⁵. IES is the wholly owned not-for-profit subsidiary of Power and Water Corporation (**PWC**),⁶ and provides water services to 72 communities in the NT, 33 of which are in the NLC region. Of those 33 communities, all are solely reliant on groundwater, bar Bulla.⁷ Thus, the status of the bore infrastructure is of great importance. The most recent Annual PWC Drinking Water Quality Report (2025) indicates that in the 33 communities in the NLC region⁸:

- Health Based Targets (**HBT**) are not met in 4 communities:
 - Jilkminggan, Robinson River, Warruwi, Weemol.
- Aesthetic parameters are not met in any communities in the NLC region.
- Health parameters are not met in 3 communities:
 - Bulla (exceedances of barium)
 - Nauiyu (exceedances of manganese)
 - Wugularr (exceedances of antimony)

Health based targets are a way to quantifiably assess pathogen risk and is important as the ADWG recognises pathogenic organisms as the greatest risk to consumers of drinking water.⁹ Therefore, it is of significant concern that HBT are not met in the four communities listed above. Additionally, the aesthetic quality of drinking water is intimately connected to public health, and thus the lack of compliance with the ADWG in this regard should not be minimised.

The regulatory framework in the NT is not conducive to secure, resilient and sustainable water services. As highlighted in CLC's 2026 Submission and NLC's 2024 Submission to the Productivity Commission,¹⁰ the *Water Supply and Sewerage Services Act 2000* (NT) (**WSSS Act**) requires urgent reform, particularly to ensure IES communities are protected by the WSSS Act. This currently represents a major protection gap in the NT's legislative and regulatory framework.

There has been a longstanding commitment from the NT Government to develop and implement Safe Drinking Water legislation. This has not progressed under the current NT Government. The introduction of Safe Drinking Water legislation is an important step in improving the current regulatory framework in

⁵ Power and Water Corporation, *Annual Drinking Water Quality Report 2025* (2025) 91 (Table 9, aesthetic exceedances in communities). This is in reference to the aesthetic parameters of the ADWG, not the health parameters.

⁶ Above n 5, 18. The regional breakdown is NLC analysis based on the community list in that report.

⁷ Bulla is a surface water and groundwater system; however, the surface water source is quite tenuous as a reliable source.

⁸ Above n 5, 38, 72–84 (health-based targets), 89–90 (health exceedances).

⁹ Above n 5, 36.

¹⁰ Northern Land Council, Submission No 38 to the Productivity Commission, *National Water Reform 2024* (February 2024) 4–5; Central Land Council, above n 2.

the NT that is not conducive to secure, resilient and sustainable water services, especially in remote communities and homelands.

Homelands and outstations are an instructive example that shows the scale and breadth of water service issues across the NLC region. As mentioned above, IES provides water services to 72 communities in the NT, 33 of which are in the NLC region. For homelands, outstations and town camps not on the IES portfolio, water services are in the remit of service providers funded under the NT Homelands Program, if dwellings are funded.

Further again if the homelands and outstations are unfunded the provision of essential services is up to residents or local organisations wholly. Currently, the protections of the WSSS Act do not apply to homelands. Homelands are places of language, culture, ceremony, and intergenerational wellbeing; they are also central to self-determination. Legislative reform and increased funding to service providers would be a strong signal of support to Traditional Owners that Government values homelands and outstations and the practice of people living on Country.

Water services in regional and remote areas

Water services in regional and remote areas in the NLC region are substandard, inadequate, and representative of structural inequities that Traditional Owners face in the NT. The NLC acknowledges that the severe lack of funding is a key factor in these poor standards, but this is a symptom of lack of prioritisation by both the Northern Territory and Commonwealth Governments.

For the purposes of this submission, we have structured our responses in alignment with the information requests for this section, focusing on Theme 3. Our previous submissions remain relevant, and unfortunately the most recent amendments to the regulatory and legislative framework is that a further reduction of rights has occurred. This includes the removal of third-party merits review for water extraction licences under the *Water Act 1992* (NT)¹¹, as well as the removal of the requirement to engage with Land Councils under the *Aboriginal Water Reserves*¹². Substandard water services across the NLC's region are not sporadic events; they are a commonplace feature of Traditional Owner's daily lives. For example, in Numbulwar, NLC received reports earlier this year of discoloured water after the floods. NLC often assists remote community residents with addressing issues and passing on water service concerns to Power and Water Corporation and IES. In Numbulwar, this concerned the leaking of sewerage into a billabong where children were swimming in nearby. This health hazard was addressed approximately one week after NLC initially contacted PWC, highlighting the challenges in remote service delivery, and the need for investment in local communities.

¹¹ *Water Act 1992* (NT) s 105D and sch 2, as amended by the *Petroleum, Planning and Water Legislation Amendment Act 2025* (NT). The Bill was introduced on 12 February 2025 and passed on 25 March 2025.

¹² *Water Amendment (Aboriginal Water Reserves) Act 2025* (NT) No 13 of 2025, amending *Water Act 1992* (NT) s 71BA.

It is often raised by NLC Council Members that the challenges Traditional Owners and communities face with water services are an example of systemic racism. Remote service delivery presents additional challenges in water service delivery; however, this alone cannot explain the substandard services NT remote communities face. The NLC acknowledges the unique challenge service delivery in the NT remote context creates, however there has been a lack of prioritisation and focus from successive Governments, both NT and Commonwealth in addressing long-standing issues in NT remote communities. Recently, Matthew Ryan, Chairperson of the NLC spoke publicly at the public hearing for the *Inquiry into racism, hate and violence directed at Aboriginal and Torres Strait Islander people* as to subpar water quality in Daly River and Bulla being an example of systemic racism¹³. As the NLC Chair stated, the same situation would not be acceptable in urban areas in the NT. This observation brings into sharp context the challenge Traditional Owners face across the NLC region.

Information request 3: Priorities for self-determined improvements to water services in Aboriginal and Torres Strait Islander communities

Request 3.1: Are there additional priorities to those summarised in figure 2 that would support self-determined improvements to the security, resilience and sustainability of water services in discrete Aboriginal and Torres Strait Islander communities?

The NLC supports the identified priorities identified in Figure 2, and makes the following comments:

1. Standards and reporting

a. National/jurisdictional standards

For the 72 communities in the NT that are monitored by IES, the Australian Drinking Water Guidelines (ADWG) are the national standards for which drinking water quality in communities is monitored against (this excludes homelands). The primary issue in this regard is ensuring a timely and adequate response to the data that is collected, particularly where health and aesthetic parameters are not met.

As stated above, the NLC is aware of several issues in communities in the NLC region that have unclear or unknown timelines in terms of remedying inadequate drinking water quality. The NLC notes that this is enabled by legislative and regulatory frameworks that do not penalise or restrict these precarious situations from occurring. This highlights the burden placed on Traditional Owners and remote community residents in having water service issues addressed.

¹³ Northern Land Council, *Opening Statement to the Joint Standing Committee on Aboriginal and Torres Strait Islander Affairs* (Darwin, 15 July 2026).

Thus, whilst national and jurisdictional standards are an important aspect of improving water services in remote communities, without adequate funding, such standards are limited in their ability to positively impact and safeguard residents living in communities.

b. Transparent and culturally appropriate reporting

This represents a significant gap in the current system. The NLC Water Committee consistently raise the need for plain English summaries of water quality in each community. Plain English summaries that explain what exceedances are reported, both in terms of aesthetic and health parameters would be of great benefit. The NLC understands there are community factsheets for some communities available online, often for communities that exceedances.

On several occasions when engaging with Traditional Owners, NLC has heard from residents that they are not aware of data or reporting and have not seen it before. Hence, whilst the reporting is comprehensive and available online, there is a clear need for more culturally appropriate reporting. Clear explanations of the health implications of the data collected would also be beneficial to community members.

NLC holds the view that PWC and IES should have further direct engagement and consultation with Aboriginal people living in remote communities in the NT. There is a clear need for information that is digestible, concise and informed by health outcomes that is provided to residents, in a timely manner and in a culturally appropriate form. This would ideally include providing data to residents in the same year as the data is collected, rather than the following year when the data is not current.

2. Community capability and partnerships

- a. Recognition of local skills and knowledge*
- b. Improved partnerships*

The NLC strongly endorses this summary. An additional recommendation to further bolster this is to perhaps note an explicit link between the recognition of local skills and knowledge, with the “governance reforms” in the third priorities box.

3. Infrastructure, governance and data

- a. Sustainable infrastructure and technology solutions*
- b. Governance reforms*
- c. Indigenous water data sovereignty*

The NLC further endorses this summary of priorities, as Indigenous-led water governance is central to self-determination. Local maintenance and monitoring of water services is also central to economic development and is preferable to fly-in-fly-out arrangements currently in place. It should be noted that for Indigenous knowledges to inform decision-making and outcomes,

Aboriginal people must have a seat at the table at the initial stages of decision-making, rather than at a later step in the process when public consultation takes place.

Request 3.2: What are the key policy reforms that Australian governments could undertake to support additional priorities?

The NLC notes that many of the points and recommendations made in previous submissions, both by CLC and NLC, remain relevant. Currently, we do not observe any real appetite for policy reform at the NT Government level, and we lack the support and levers that might assist from the Commonwealth level. Such assistance from a regulatory or legislative level may flow from reform at a national level, as the National Water Act Review is currently taking place. However, the NLC is not currently aware of the scope and potential for reform to the Commonwealth legislation (*Water Act 2007* (Cth)) to benefit the NT.

Information request 4: Service delivery in regional and remote areas

Request 4.1: Information about specific cases of existing or prospective collaborative models that support secure, resilient and sustainable water service provision in regional or remote areas, including any approaches by governments/government-owned service providers.

Across the NLC region, NLC has limited knowledge of cases of existing or prospective collaborative models that are successfully supporting secure, resilient and sustainable water service provision in regional or remote areas.

This is exemplified by the current processes/models in place. For instance, in the Utilities Commission 2024-25 Annual Compliance Monitoring Report,¹⁴ the Commission details its views on Power and Water Corporation's (PWC) compliance performance in the 2024-25 period and into the 2025-26 period. The Commission notes PWC's failure to meet deadlines and lack of compliance and observes:

That '[u]nder the Territory's current legislative framework, the Commission has limited options to escalate its enforcement actions'.¹⁵ It is noted that '[t]he Commission could suspend or cancel a licence, but this would be impractical for PWC as it would impact the provision of services to customers and there is no alternative service provider. This demonstrates a gap in the current enforcement framework, where powers that are available to electricity and water regulators in other states and territories such as the ability to impose civil penalties or accept

¹⁴ Utilities Commission of the Northern Territory, *Annual Compliance Monitoring Report 2024-25* (January 2026) 15.

¹⁵ Ibid 15.

*enforceable undertakings would be a valuable alternative to Court proceedings for an offence’.*¹⁶

This speaks to the substandard service being provided to communities serviced by PWC, and further to the lack of remedies available under the current regulatory framework.

Request 4.2: What state and territory government policy reforms and actions would expand the adoption of collaborative, efficient service delivery models across regional and remote areas? How could the Australian Government support jurisdictions to facilitate adoption of improved service delivery models?

Regarding some of the sub-questions in this information request, the NLC makes the following observations/remarks:

- Grant administration and evaluation could largely benefit from involving land councils earlier in the consultation process. This is relevant to grant funding at both a Territory and Commonwealth level. Currently the NLC is not made privy to the factors that influence the NTG’s prioritisation of infrastructure improvements, which results in a level of confusion, as to why certain communities have been prioritised over others. Regarding National Water Grid (**NWG**) funding, Land Councils are also only involved later in the process and are not privy to the internal decisions that influence why certain projects have been viewed as more urgent than others.
- The Australian Government could support jurisdictions, particularly the NT, to facilitate the adoption of improved service delivery models by:
 - Providing tailored and targeted advice to service providers, including the setting of national standards.
 - Providing reliable, increased and ongoing funding, given the NT’s reliance on Commonwealth funding for water related infrastructure upgrades.

Information request 5: Sustainable funding for service improvements in small towns and communities

Sustainable, committed and ongoing funding for service improvements in regional and remote communities must occur at both an NTG and Commonwealth level. The concerns NLC has previously raised regarding the opaque funding and planning arrangements for remote water services in the NT remain pertinent.¹⁷ This makes it difficult for Land Councils to understand why certain infrastructure projects are prioritised for funding. The NLC does note some very recent improvements in data sharing in terms of infrastructure status, however the level of data provided is insufficient to assist meaningfully in addressing this issue.

¹⁶ Ibid 16.

¹⁷ Northern Land Council and Central Land Council, *Joint Submission on a Future National Water Agreement* (10 May 2024) 20.

Basic level of services (BLOS) Information Request

The NLC supports the establishment of a BLOS in principle. However, in order for a BLOS to have a positive and tangible impact on remote communities, it is imperative this is accompanied by a sustainable funding model, and employment opportunities at the regional and local level. Furthermore, the deficiencies in the current regulatory framework may impede meaningful progress towards meeting any standards that are set. Thus, establishing a BLOS should also be accompanied by legislative reform of the WSSS Act, so that there is accountability for IES.

Coordinating a BLOS should involve the Land Councils as key stakeholders, with meaningful engagement and consultation at the outset. If the Australian Government is considering establishing a BLOS at the jurisdictional and national level, it is important that any standards that are set remain flexible for local communities, particularly so that remote communities are not negatively impacted.

In terms of scoping out indicators and data sources that could be used to measure service outcomes, the NLC would benefit at first instance from having access to the indicators and data sources that are currently being used by PWC and IES. Following this, co-designing indicators and re-assessing data sources could be an effective way to ensure that measuring service outcomes is fit for purpose and also amenable to different stakeholders.

It is concerning that, as per the Productivity Commission's *Closing the Gap: Annual Data Compilation Report 2026*, there is 'no data to establish a baseline or assess progress toward Target 9B' across jurisdictions nationally.¹⁸ This lack of data may be a barrier to establishing a BLOS in terms of gauging what standards are currently being met across jurisdictions, however this is not an insurmountable barrier, and encouraging this data collection and publication is strongly supported by the NLC.

Community service obligation (CSO) payments Information Request:

Community service obligation (CSO) payments continue to operate with a lack of transparency in the NT, through opaque recurrent grants. For greater effectiveness and to meet the objectives of the National Water Initiative, NLC holds the position that the NT Government should develop and process these grants in partnership with the Land Councils and relevant communities.¹⁹ Access to the details of current CSO payments will facilitate an informed understanding and assessment of how to improve the process.

¹⁸ Productivity Commission, *Closing the Gap Annual Data Compilation Report July 2026* (July 2026) 96. Target 9B provides that all Aboriginal and Torres Strait Islander households have access to essential services that meet or exceed jurisdictional standards by 2031.

¹⁹ Above n 12, 20.

The NLC welcomes the Productivity Commission's sub-request for information as to how CSO payments could be designed with climate resilience in mind, as well as collaboration, innovation and efficiency. As noted above, greater transparency as to the current process will assist with this dialogue.

The need for consistent and reliable Commonwealth funding

The NLC has raised concerns about the lack of consultation that precedes the NTG's funding proposals through the NWG. This aside, for the 2025-26 financial year, two NWG funded projects in the NLC were not funded on the basis of merit, but on the basis of global events impacting funding sources/funding not being available.

The precise location and details of the projects that were not funded in the last financial year is confidential, but it can be noted that the urgency of the projects was highly evident from the proposals. It is worth noting that the water services problems that these funding proposals were seeking to address are longstanding and critical to progress on several Closing the Gap targets.

Essential infrastructure upgrades in remote communities should not be impacted by shifting government funding priorities and world events. Secure, guaranteed and ongoing funding, particularly at a Commonwealth level, is fundamentally necessary to ensure improvement in water service provisions in remote communities and homelands across the NLC region. It is concerning that in the same financial year, NWG funding is going towards the Managed Aquifer Recharge Project in the Upper King River; a project that primarily appears to be for the benefit of the agricultural industry²⁰.

Information request 6: Standardised tools for consumer-led planning, monitoring and evaluation

The NLC supports the development of transparent, standardised tools to support consumer-led planning and overall water service outcomes. Consumer-led planning, monitoring and evaluation are central to self-determined decision-making and water services. Not only does this provide confidence in the data collected, but it is also central to strengthening local economies through providing employment opportunities. Standardised tools should be developed in partnership with Aboriginal communities in the NT, so they are fit for purpose and community led. A wholistic approach, wherein the development of standardised tools occurs in tandem with the establishment of a BLOS, would be most effective.

²⁰ National Water Grid Authority, Upper King River Managed Aquifer Recharge Investigations. Australian Government funding of \$2.45 million was provided through the National Water Grid Fund.