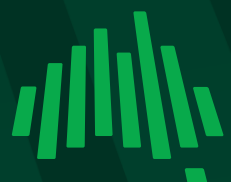


Third Independent Review of the Water for the Environment Special Account

August 2025



The National Farmers' Federation (NFF) is the voice of Australian farmers.

The NFF was established in 1979 as the national peak body representing farmers and more broadly, agriculture across Australia. The NFF's membership comprises all of Australia's major agricultural commodities across the breadth and the length of the supply chain.

Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

The NFF represents Australian agriculture on national and foreign policy issues including workplace relations, trade, and natural resource management. Our members complement this work through the delivery of direct 'grass roots' member services as well as state-based policy and commodity-specific interests.

NFF Member Organisations



11 August 2025

Independent Expert Panel
Department of Climate Change, Energy, the Environment and Water
King Edward Terrace
Australia

Via Email: WESAreview@dcceew.gov.au

RE: Third Independent Review of the Water for the Environment Special Account

Dear Panel,

The National Farmers' Federation (NFF) welcomes the opportunity to provide a submission to the *Third Independent Review of the Water for the Environment Special Account* (WESA). Our responses to the 2019 and 2022 review processes are attached at Attachment 1 and 2 and should be read as background in conjunction with this submission.

The Role of the WESA

The WESA is designed to support a balanced approach to water recovery, one that seeks to achieve environmental objectives while also recognising the needs of the productive water sector. WESA funding is intended to be used flexibly across a range of recovery mechanisms, including efficiency measures, constraints relaxation projects, investments in on-farm water infrastructure, other supply measures, and where appropriate, the purchase of water access rights. Achieving balance between healthy rivers and thriving communities is embedded in WESA's legislative framework and has been consistently recognised by both the Productivity Commission and the Department. It is in this context that WESA must not be used to pursue a singular water purchase approach to meet the 450GL of additional environmental water target.

Absence of a Progress Report on Implementation Status to Support a Review

It is concerning that no formal implementation or progress report has been provided to inform this Review. To-date, it is unclear what projects have been funded and delivered through WESA, what funds have been committed and expended, and what the remaining balance is. It is challenging if not impossible for stakeholders to provide informed comment in the absence of such information. Transparent reporting on the above measures should have been a prerequisite for initiating this process.

This lack of transparency extends beyond WESA itself. It remains unclear whether recent and proposed Commonwealth water purchases are being financed through WESA or via the undisclosed Federal Budget allocation. If the latter is correct, then remaining WESA funds should be redirected toward delivering complementary measures and structural adjustment support for communities consistent with its remit. This point is underscored by the Second WESA Report which identified a substantial pool of unspent funds and a reluctance to invest in complementary measures at a time when buybacks were not an option on the table.

Furthermore, the Murray-Darling Basin Authority *Early Insights Paper* reinforces that the delivery of environmental water does not always translate to improved ecological outcomes. Water recovery measures should therefore not be evaluated and prioritised based on a volumetric approach but rather through a more nuanced manner that considers environmental and socio-economic impact. Any credible pathway to achieving the 450GL must include investment in complementary measures and delivery infrastructure, particularly where physical constraints continue to impede water flows.

Effectiveness of Payments Made in Relation to a Purchase and Deliverability of the 450GL Target

Any assessment of the effectiveness of payments made to acquire water access rights as referred to Paragraph 86AD(2)(b) of the *Water Act 2007* must take into consideration the long-term and often irreversible socio-economic impacts on Basin communities and the distortion on the water market. This includes lost production and the structural adjustment assistance required to support communities. The Productivity Commission's *Murray-Darling Basin Plan: Implementation Review 2023 Inquiry Report* recognised this reality, concluding that the structural adjustment assistance required to mitigate the impacts of water purchase is significant and even when combined with existing measures may still be insufficient to meet the 450GL target by 31 December 2027.

While the Commonwealth's \$300 million Sustainable Communities Program is a welcome step, it is a one-off payment, and it is inadequate to address the scale of disruption caused by water purchases. As highlighted in the Office of Impact Analysis *Addendum to the 2012 Basin Plan Regulation Impact Statement*, water purchases are projected to inflict an estimated \$111 million per year in lost production in the Southern Basin¹. Analysis by Dairy Australia and Ricardo estimate that reduced water availability could result in upward of \$500 million per year in lost revenue for Southern Basin dairy producers. Compounding these concerns is the lack of transparency regarding how funding under the Sustainable Communities Program will be delivered, what proportion (if any) will be drawn from WESA, and what accountability mechanisms will apply.

Public Disclosure of WESA-Funded Projects

NFF recommends that all WESA funding provisions are disclosed onto the public record in real-time once contracts have been signed and relevant cooling-off periods have expired. An approach employed by the Australian Securities Exchange should apply here. This will improve transparency in the WESA's operations and be a useful point to guide future review processes.

¹ June 2024, The Office of Impact Analysis, Department of the Prime Minister and Cabinet: [Murray-Darling Basin Plan – Addendum to the 2012 Basin Plan Regulation Impact Statement \(June 2024\)](#)

Please do not hesitate to contact Warwick Ragg, General Manager, Natural Resource Management, via e-mail: WRagg@nff.org.au at the first instance to progress this discussion.

Yours sincerely,



DAVID JOCHINKE

President

Attachments List

1. 2019 NFF Submission to the Review of the WESA.
2. 2022 NFF Media Statement on the Second Independent Review Report into WESA Funding and Delivery.



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National Farmers Federation



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6 December 2019

WESA Review Panel
C/- Department of Agriculture
GPO Box 858
Canberra ACT 2601

Dear WESA Review Panel

RE: NFF submission to review of the Water for the Environment Special Account

The National Farmers' Federation (NFF) welcomes the invitation to make a submission to the Independent Review of the Water for the Environment Special Account (WESA).

The NFF is the peak national body representing farmers and, more broadly, agriculture across Australia. On matters related to water, the NFF is the only national body that brings a 100 per cent farmer-focused viewpoint and represent the interests of farmers that are affected by water management decisions including irrigators, riparian and floodplain landholders and stock and domestic users.

The NFF acknowledges the recovery of 450 GL 'up water' efficiency measures additional to the 2,750 GL Murray-Darling Basin Plan (Plan) which was agreed to in 2012 provided there would be neutral or positive socio-economic impacts. At the December 2018 Murray-Darling Basin Ministerial Council meeting, Ministers agreed to the additional socio-economic criteria for potential efficiency measure projects.

The NFF contributed to the development of this criteria to reflect broader community impacts associated with further water recovery and thus, supports the additional criteria. In the context of efficiency measures, the NFF's Murray-Darling Basin Plan policy is that:

- Acquisition of water towards the 450 GL should prioritise off-farm sources to ensure the consumptive pool is not reduced, and should be linked to progress on relaxing constraints to enable the water to be delivered, consistent with the Productivity Commission recommendation.
- The recovery of the additional 450 GL can only proceed if there are no negative socio-economic outcomes, consistent with criteria developed at the December 2018 Basin Ministerial Council.

Overall, it appears unlikely recovery of the 450 GL will be achieved on budget, and by 2024 for a number of reasons outlined below.

How likely is it that the volume outcome of 450 GL can be achieved?

It appears unlikely the volume outcome of 450 GL can be achieved. While the NFF supports the additional socio-economic criteria, its strictness will necessarily constrain viable on-farm projects. The Productivity Commission reflects these concerns and notes that a more comprehensive program design should be developed that could mitigate impacts.

The Department's Commonwealth On-Farm Further Irrigation Efficiency Program (COFFIE) in South Australia and the Water Efficiency Program has been established to meet the 450 GL recovery target. COFFIE only recovered 1.9 GL at a cost of \$12 million. The NFF understands that uptake of the Water Efficiency Program has been slow and it appears unlikely there'll be sufficient projects to meet the 450 GL water recovery target.

Furthermore, EY also estimated potential savings from off-farm sources to be between 26 – 280 GL.

Overall it does not seem likely that 450 GL will be recovered.

How likely is it that the volume outcome can be achieved by 30 June 2024?

Enhanced environmental outcomes intended under the efficiency measures will be dependent on easing constraints in the southern basin involving the following key focus areas:

- Hume to Yarrawonga;
- Yarrawonga to Wakool;
- Lower Darling;
- Murrumbidgee;
- Goulburn; and
- River Murray in SA.

Easing constraints intends to deliver high flow events which requires considering potential flooding and third party impacts from the release of environmental of water. These are complex issues. Governments will need to work closely with communities and landholders to mitigate third party impacts of which there does not appear to be any cost estimates.

At this point, all projects remain at a 'concept design' stage. The Productivity Commission suggests it would be a highly ambitious undertaking to implement constraints by 2024, noting that previous negotiations to release 25 000 ML/day from Hume Dam in the early 2000s involved negotiating legal easements with 103 landholders and took almost eight years to complete. With the constraints measures affecting a significantly greater number of landholders and with four years until 2024, the NFF agrees it will be a challenge to meet the target without a significant increase in resources.

The NFF notes the Constraints Measures Coordinating Work Plan agreed at Ministerial Council in December 2018. While there appears to be an agreed plan, the NFF has seen little progress in its implementation, except for Menindee Lakes which is already proving difficult on-ground. At the August 2019 Ministerial Council meeting, NSW and Victoria Ministers agreed to review modelling of constraints flows to assess whether existing modelling undertaken for the constraints program is sufficient to give communities confidence that it is practical to deliver the targeted flow rates and determine recommendations to inform implementation. While a welcome step, the longer it takes to commence implementation, the more difficult it will be to meet the designated 2024 timeline.

For these reasons, the NFF believes it will be unlikely to reach the volume outcome by 30 June 2024.

How likely is that the \$1.575 billion can pay for projects to achieve the volume outcome?

The cost and design of efficiency measures will influence participation and depend on a number of factors including:

- Market prices – recovering water at a market multiple of 1.75, using current prices for high reliability water entitlements, would far exceed the budgeted \$1.575 billion funding available for WESA.

- Market multiple – there have been suggestions that a market multiple of 1.75 is too low to encourage program participation, and is less than multiples offered in previous Government programs.
- Off-farm cost – EY, in their analysis of efficiency measures identified that off-farm efficiencies would be more expensive than on-farm efficiencies.

Overall, it appears unlikely the allocated funding will be sufficient to achieve 450 GL water recovery.

What factors affect the likelihood of achieving the volume outcome within the available time and budget?

As above.

Should you seek further advice or information please contact the undersigned or NFF's General Manager, NRM on wragg@nff.org.au or 0262695666.

Yours sincerely



TONY MAHAR
Chief Executive Officer



Hard truths from WESA should prompt rethink on 450GL

📅 3 August 2022

Australia's peak farm body says the release of the Second Water for the Environment Special Account (WESA) Report should prompt a major rethink of the Australian Government's policy of recovering an additional 450GL under the Murray Darling Basin Plan.

National Farmers' Federation President Fiona Simson said the findings provide Water Minister Tanya Plibersek the opportunity to reset the Government's approach, and to focus on achievable pathways to realise environmental outcomes.

"It's right there in black and white. Achieving the 450GL is a virtually impossible task given the constraints of the river system and the socio-economic test agreed on by water ministers.

"Now there are two paths forward: pick an unwinnable fight with the states and try to swing the wrecking ball of buybacks back through Basin communities; or divert funding to invest directly in on-ground environmental outcomes.

New research released this week by NSW Irrigators Council has confirmed the devastating impact the 450GL could have, if recovered from on-farm



Reliability Water Share entitlement across the southern connected systems below the Choke,” Ms Simson said.

“The pain recovery would cause, particularly in lower Murray River communities, means this isn’t something any responsible government would consider.”

“Instead, Minister Plibersek should ask the MDBA to report on alternate pathways to achieve the environmental outcomes of the 450GL.

“This could include practical on-ground measures such as habitat restoration, feral species control, native species breeding programs and pollution management.”

The NFF says the Australian Government should recognise the Plan’s achievements and focus on delivery of the 605GL through SDLAM projects.

“We can’t lose sight of the remarkable environmental outcomes the Basin Plan has already delivered. More than 2,100GL has been returned to the environment and that’s had real results. We saw that during the last drought.

“When we take into account the current SDLAM projects we’ve now achieved 98% of the Plan’s target. That’s a huge and hard-won achievement by communities and governments.

“We need to make sure those SDLAM projects are fit for purpose, deliverable and not creating perverse outcomes. We know that more of these projects exist, and we need a process to allow them to come forward and contribute towards the targets under the Plan.”

Ms Simson said she was cautiously optimistic about the new Government’s approach.

“In my early discussions with Minister Plibersek, she’s clearly taking a considered approach to these issues. We look forward to ongoing engagement to ensure the perspective of Basin Communities is heard while also ensuring we maintain a viable production sector.”



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