

National
Farmers
Federation

Statutory Review of the Role of the Inspector- General of Water Compliance

March 2026



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



Executive Summary

The National Farmers' Federation (NFF) welcomes the opportunity to provide a submission to the Department of Climate Change, Energy, the Environment, and Water (Department) to inform the *Statutory Review of the Role of the Inspector-General of Water Compliance* (IGWC). This process follows from an earlier non-statutory Independent Review led by Peter Harris AO and undertaken by the Department in 2023. The NFF submission to that Review is attached at Attachment 1. The Final Report (Harris Review) was published in January 2024, followed by the Australian Government's response in June of that year. The Commonwealth agreed or agreed in-principle to eight of eleven recommendations, several of which were implemented through the 2024-25 Federal Budget.

This Review is seeking comment on a range of matters including but not limited to:

- (a) *Whether the intended purpose of the Inspector-General, including as defined in the Act and relevant explanatory memoranda, remains fit;*
- (b) *Whether the functions and powers provided to the Inspector-General through the Act are appropriate and consistent with the intended (or recommended) purpose of the role;*
- (c) *Whether the purpose, functions and powers of the Inspector-General are without duplication, and add value to water management in the Basin;*
- (d) *Whether the administrative arrangements for the Inspector-General under the Act enable efficient, independent and effective execution of the Inspector-General's functions and powers; and*
- (e) *Any other matter specified in writing by the Minister that is relevant to the role of the Inspector-General.*

NFF considers that the IGWC is independent, is operating within its remit, and plays an important role in supporting the efficient and effective administration of water compliance in the Murray-Darling Basin (Basin). This submission updates our policy position in light of developments since the Harris Review. Consistent with Terms of Reference (TOR) Point 9, we have also reviewed progress against implementation of the Report's recommendations and made additional comments where relevant.

While NFF supports the continued role of the IGWC as an independent review umpire, this review provides an important opportunity to assess how it is delivering value within the Basin operating framework. In our view, the core focus of the IGWC must be on oversight of institutional performance. This is the central priority in the 2025-26 Annual Work Plan (specifically, "*holding responsible Commonwealth agencies and Basin States accountable on Basin Plan implementation*")¹, and we support the continuation of this focus.

At the same time, the value delivered by the IGWC is not always apparent. Based on a review of the public record, its visible activities appear to be limited to periodic reporting and Community Sentiment Surveys, and it is not always clear how the broader work program is contributing to compliance assurance outcomes. On this point, we note that

¹ November 2025, Australian Government, Inspector-General of Water Compliance: [Annual Work Plan 2025-26](#)

the IGWC has invested a considerable amount of time and effort into communication activities that include the production of online video materials on *YouTube* intended to explain its role. These materials have reached limited audiences with subscriber and viewing numbers indicating minimal engagement². We suggest that there needs to be a redirection of focus here.

While communication activities are important, it is not clear how this is contributing to or complementing the IGWC's core function as an independent review umpire, particularly in the context of a recent 47% increase in Full-Time Equivalent (FTE) staffing resources³. From the perspective of many in the Basin, it is unclear what real value the IGWC is delivering beyond the publication of reports and surveys. This needs to change and we need to see greater clarity and visibility on outcomes. Separate to this, we also note that there are genuine concerns that this increase in resourcing will lead to a focus on enforcement action against water users operating in good faith (responsibilities that reside with State regulators), rather than conducting oversight on institutional performance which is the priority item in the Work Plan. The latter must remain the focus, especially as we edge closer to timeframes for water recovery and as Basin communities continue to undertake much of the heavy lifting to deliver Basin Plan outcomes.

Coordination of Interrelated Reviews and Broader Timelines

NFF recognises that there are several related reviews either underway or scheduled (including this Statutory Review, the Basin Plan Review which formally commenced this month, and the forthcoming Statutory Review of the *Water Act 2007*). Each process raises questions relevant to the role and functions of the IGWC and therefore coordination is essential (this is recognised in the TOR). Despite this, it is our view that coordination will be challenging given the strict timeframes applied. For instance, the Water Act Review will not commence until next year and we do not expect the Murray-Darling Basin Authority (MDBA) to publish its *What We Heard Report* on the *Basin Plan Review Discussion Paper* until circa June. Recommendations will then need to be developed and consulted on, and at the same time, the Final Report of this Review must be provided to the Minister by 30 June.

It is our view that this sequencing does not provide sufficient opportunity for these reviews to inform one another, nor allow for comprehensive consultation with Basin States and industry groups should legislative amendments be contemplated. The Harris Review and Australian Government's response both acknowledge that legislative reform may be considered through either statutory forum. However, as the IGWC is established under section 215B of the *Water Act 2007*, substantive reforms are most appropriately advanced (and should be deferred) through that forum. This would also allow for a more coordinated and considered approach which is a focus of this review.

² February 2026, Inspector-General of Water Compliance: [YouTube Video Articles List](#)

³ 2025, Australian Government, Inspector-General of Water Compliance: [Annual Report 2024-25](#)

Current Scope and Responsibilities

NFF supports the establishment of an independent review umpire. We do not tolerate any breakage of existing laws. The IGWC plays a critical role in building confidence within the community and ensuring the efficient and effective administration of water compliance across the Basin. These contributions are also recognised by the MDBA in its Discussion Paper⁴. This includes (and arguably more importantly) ensuring that institutions responsible for implementation of the Basin Plan are held to robust oversight and accountability.

The ability of the IGWC to monitor and act upon issues should they arise is critical to safeguarding the sustainability of the Basin and the productive resources that it provides. As the operating environment of the Basin continues to evolve, NFF considers that there is merit for the IGWC to maintain a stronger and more visible focus on institutional performance against Basin Plan commitments over the short- and long-term, particularly where implementation risks have implications for statutory compliance or community confidence (i.e., as it relates to water recovery targets). This approach is reflected in the current Annual Work Plan which identifies institutional performance and accountability as the primary priority. This focus must also inform future Work Plans.

Question of Independence

NFF considers that the IGWC is operating as an independent review umpire.

NFF acknowledges the Commonwealth's provision of \$28.6 million over four-years from 2024-25 to support the operation of the IGWC as announced in the May 2024 Budget. This implements Recommendation 3.3 of the Harris Review which called for funding on a fixed four-year rolling basis. NFF supports this reform. As the Harris Review made clear, independence is less of a question about funding than it is about long-term security. A forward-funded model mitigates the risk of short-term financial pressure influencing its priorities and undertakings.

NFF also notes implementation of Recommendation 3.1 through the establishment of a dedicated internal legal capability (General Counsel)⁵. The Harris Review identified that reliance on legal services from a Department that may itself be subject to review or oversight may not present challenges in routine administrative matters but can create serious conflicts where the IGWC is required to scrutinise Commonwealth, MDBA, or State actions. In such circumstances, dependence on Departmental legal services can constrain the IGWC's ability to fully exercise its responsibilities. Establishing an internal legal capability therefore strengthens the operational independence and capability of the IGWC. It also reinforces community confidence in the regulatory framework, and this is supported by NFF.

⁴ February 2025, Australian Government, Murray-Darling Basin Authority: [2026 Murray-Darling Basin Plan Review Discussion Paper](#)

⁵ April 2025, Australian Government, Inspector-General of Water Compliance: [Organisational Structure Effective 1 April 2025](#)

Data Supply Chain and Dependency

As raised in NFF's prior submission, there are legitimate concerns that the lengthening and timing of the data assessment chain (and positioning of the IGWC at the end of it) has, for example, delayed assessments of Sustainable Diversion Limit (SDL) compliance and that this could potentially create irrecoverable situations in water allocation. This concern is recognised in the Harris Review which highlights the reactive nature of existing audit arrangements and the importance (and IGWC openness) of enabling the IGWC to play a more direct and active role in such matters. We also bring to your attention that there are related questions proposed by MDBA in its *Basin Plan Review Discussion Paper* (see Page 79 which identifies the need to ensure the IGWC receives the information required to conduct risk-based oversight and compliance functions). NFF supports in-principle a more proactive model for the IGWC. As stated earlier, these are all considerations best addressed in subsequent review processes to ensure better coordination and consultation opportunity.

In addition, NFF understands that reliance on externally provided data (which is relevant for the IGWC) presents challenges in forming independent and credible judgements. This is a clear problem, and one we previously noted could be mitigated by developing methodologies that test the robustness of information received. Progress has been made in this regard as reflected in the 2024-25 IGWC Annual Report which notes the development of new Water Resource Plan reporting guidelines in addition to the use of existing qualitative and quantitative methods to examine data. Progress is welcome and we look forward to seeing further improvements in this space.

Continuing Communications with Jurisdictions

As stated in our prior submission:

NFF commends existing IGWC efforts to facilitate and maintain a network of regulators that hold common responsibilities in the Basin. Relationship building coupled with a continuous stream of communication ensures information and intelligence are actively shared between regulators. This improves strategic and operational decision-making capability, regulatory efficiency, and the ability of the IGWC to uncover and investigate irregularities with the limited resources at its disposal.

Conclusion

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.

Attachments List

- 1. 2023 NFF Submission to DCCEEW: Independent Review of the Inspector-General of Water Compliance**



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01 December 2023

Independent Review Taskforce
Department of Climate Change, Energy, the Environment and Water
Kind Edward Terrace
Parkes ACT 2600

Via email: Review_IGWC@dcceew.gov.au

Dear Mr. Harris AO,

RE: Independent Review of the Inspector-General of Water Compliance

The NFF was established in 1979 and is the authoritative voice of the Australian agriculture industry. The NFF serves as the national peak body representing the broad interests of farmers across geographical and commodity borders. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations in turn form the NFF. The NFF seeks to ensure that any legislative reform does not have a perverse or adverse impact on agricultural productivity.

Overview

The NFF welcomes the opportunity to provide a submission to the Independent Review Taskforce and provide feedback and comment to shape the strategic direction of the Final Report. While we acknowledge the purpose of this Interim Report is to address urgent matters that affect the functions of the Inspector-General of Water Compliance (IGWC) as stipulated in the provided Terms of Reference, comments on proposed signposts for the Final Report have also been detailed.

NFF Response

The IGWC plays a critical role in building confidence within the community and ensuring the efficient and effective administration of water compliance with existing legislative agreements across the Murray-Darling Basin. The ability of the IGWC to monitor and act upon associated issues is critical to safeguarding the long-term sustainability of the Basin, and by extension, the productive resources that it provides to the Australian community. The NFF does not tolerate any breakage of existing laws.

The establishment of an independent regulatory umpire that draws on resources and functions that previously belonged to the Murray-Darling Basin Authority (MDBA) is a worthwhile practice, and one we strongly support. The IGWC is a positive construct as it ensures institutions responsible for the implementation of the Murray-Darling Basin Plan are held to robust, regulatory oversight and accountability. Moving forward, the IGWC must



consider partitioning greater time and focus toward assessing the performance of institutions involved in the delivery of the Plan.

Data Reliability and Dependence

Assessment of compliance with SDLs now involves all three parties, resulting in several attached risks. For instance, the lengthening of the data assessment chain has delayed assessments of SDL compliance, this has the potential to create irrecoverable situations in water allocation. Additionally, IGWC dependence on data provided to it risks its ability to undertake independent, credible, and accurate judgements regarding the effectiveness of institutional efforts. This is a clear problem, and one that we agree could be mitigated through the development of methodologies that test the robustness of incoming data. The IGWC must consider how the lengthening of the data assessment chain will impact assessment timeframes and perceptions of its independence and make an informed decision as to whether to continue or modify this arrangement.

Duplication and Enforcement Powers

In recognition that duplication risks between States create an impediment to the effective regulatory function of the IGWC, NFF supports the recommendation to develop clear and formal understandings between regulators that outline the ability of the IGWC to act in the absence of a State effort. This would mitigate the likelihood of duplication risks and maximise operating efficiency – this should be pursued with urgency and priority.

Network Communication

NFF commends existing IGWC efforts to facilitate and maintain a network of regulators that hold common responsibilities in the Basin. Relationship building coupled with a continuous stream of communication ensures information and intelligence are actively shared between regulators. This improves strategic and operational decision-making capability, regulatory efficiency, and the ability of the IGWC to uncover and investigate irregularities with the limited resources at its disposal.

Governance and Organisational Structure

The NFF remains agnostic on the issue of IGWC governance structure (i.e. individual or Board arrangement). We hold no concern with the current governance structure and welcome a maintaining of the existing status-quo where the IGWC is led by a single individual. The proposal to create advisory panels to support the IGWC execute its functions is a welcome measure as it will ensure decision-making is appropriately informed by a diverse range of skills and experience.



Independence

It is the position of the NFF that the IGWC operates with independence.

While the Interim Report acknowledges that the IGWC budget is effectively a Departmental allocation that is not immune to the influence of political persuasion (i.e., restricted access to funds), the ability of the independent regulator to draw attention to such behaviour is argued to be a sufficient deterrent. NFF supports this view, and we encourage the exploration of additional mechanisms that preserve budgetary independence. As a principle of best practice, the budget of the IGWC should be established by parties outside its regulatory scope. This will enshrine community confidence.

Conclusion

The NFF thanks the Independent Review Taskforce for the opportunity to provide feedback and comment to this Interim Report. We look forward to the release of the Final Report anticipated January 2024, and request to be notified of any updated release timeframes as we approach the new year. Please do not hesitate to contact Warwick Ragg, General Manager via e-mail: WRagg@nff.org.au or phone (02) 6269 5666 at the first instance to progress this discussion.

Yours sincerely,

A handwritten signature in blue ink that reads "Tony Mahar".

TONY MAHAR
Chief Executive Officer