

**National
Farmers
Federation**

Productivity Commission Review into National Water Reform 2026

April 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



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Introduction

The *National Farmers' Federation* (NFF) welcomes the opportunity to provide a submission to the Productivity Commission's (PC) Call for Submissions for the *Inquiry into National Water Reform 2026*. NFF understands that further opportunities for engagement (including through the dedicated Stakeholder Working Group which we note has yet to convene) will allow for more detailed input, and we will engage constructively as those processes progress.

This submission provides brief observations on key emerging issues in the water reform environment including transparency and sequencing of the *National Water Agreement* (NWA), constraints affecting town water supply and infrastructure delivery, and the treatment of general security entitlements in the context of contaminated water sources.

National Water Agreement

There is concern regarding the framing and sequencing of the NWA within the context of this Review. As stated on Page 9 of the *Call for Submissions* document, the Commission should apply the requirements of Section 88 of the Water Act noting that:

- “Jurisdictions who are party to the NWA by 28 May 2026 will have entered into the successor framework to the NWI with updated objectives”.

It is unclear what underpins the selection of this date (28 May) including whether it aligns with any existing legislative requirements reporting timelines and deadlines that have either not been made public or well communicated. In the absence of this context, the inclusion of a defined date creates an implicit expectation that progression to the NWA will occur within a fixed timeframe. This risks creating pressure for jurisdictions to sign a new Agreement without full consideration and understanding of the implications.

The current understanding is that the NWA is with States and Territories for consideration, that there is no immediate urgency to sign, and that further stakeholder consultation will be undertaken at a State-level prior to any decision. Ensuring that stakeholders have access to the current version of the Agreement along with sufficient opportunity to assess and respond to its implications must be a prerequisite ahead of any expectation of jurisdictional alignment.

NFF notes that the PC's *National Water Reform 2024 Final Report* validated industry concerns regarding the consultation process led by *Department of Climate Change, Energy, the Environment and Water* (DCCEEW) in the development of an NWA¹. This is clear as the Report underscored the critical need for improved transparency and co-design (both which are principles that have been lacking in the process to-date). Significant scope remains to improve upon the most recent draft shared for public consumption to ensure industry

¹ Australian Government, Productivity Commission, May 2024: [National Water Reform 2024 Inquiry Report](#), Report No. 105

stakeholders have clear visibility of, and the ability to meaningfully engage with, the substantive framework intended to govern water reform over the next decade.

Accordingly, NFF seeks that the PC to recommend the public release of a consolidated document for industry and stakeholder review. This would materially improve transparency and strengthen community trust in the reform process.

Town Water Supply and Infrastructure Constraints

NFF welcomes the Inquiry's specific focus on town water supply and we emphasise that the reliability of town water supply must remain a foundational priority for national reform.

Significant challenges continue to undermine town water security, particularly in regional and remote areas of the *Murray-Darling Basin*. In these regions, regulatory and funding constraints have repeatedly impeded the construction of critical infrastructure, including weirs and storage upgrades. Consequently, the ability to deliver secure and reliable potable water remains compromised, limiting dependable service outcomes for these communities. These failures directly impact the viability of regional Australia. In practical terms, infrastructure deficits increase supply risk and erode confidence in water systems that are essential not only for community wellbeing but for the stability of the agricultural workforce and local economies. This disparity in service standards is unacceptable. Future reform frameworks must explicitly recognise the critical nature of town water supply and urgently address the practical limitations blocking infrastructure delivery, particularly as broader system pressures continue to increase.

General Security Entitlements and Contamination Risk

Finally, emerging approaches to managing contaminated water (including *Perfluoroalkyl and Polyfluoroalkyl Substances* (PFAS) affected water sources) raise concerns about the treatment of water entitlements and the integrity of the consumptive pool.

NFF understands that PFAS contaminants have exceeded safe drinking water guidelines in some NSW regional bores (e.g., Dubbo in May 2020) and have been detected in drinking water catchments in locations such as the Blue Mountains (Cascade system) and more recently in the Central Coast (Ourimbah Creek). Recent experiences in New South Wales (NSW) have highlighted the risk that water sources impacted by PFAS contamination may be effectively removed from general availability through the exercise of State regulatory powers to limit usage to the detriment of the consumptive pool. When water is removed from the NSW Available Resource Determination (ARD) or general security pool without to manage contamination without corresponding compensation, the burden is inequitably shifted onto entitlement holders rather than being addressed as a broader policy or public good issue.

NFF maintains that a more appropriate approach would be for Governments to uphold the integrity of existing entitlements and meet their own water needs through participation in the established national water market (i.e., sourcing new water) or through the fast-tracking of critical treatment infrastructure. Such an approach ensures full transparency in cost allocation and there is no undermining in general security entitlements and property rights which is essential for safeguarding community trust and agricultural productivity.

Additionally, this approach establishes a fair and predictable allocation of risk between the State and water user. Ultimately, prioritising these market-based and infrastructure solutions is essential to achieving the core objectives of this Inquiry which are to support a water system that is affordable, secure, resilient, and sustainable for both urban and rural communities.

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.



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