
Australian Government – DCCEEW

Third Independent Review of the Water for the Environment Special Account (WESA)

RGA Submission – August 2025

The Ricegrowers Association of Australia appreciates the opportunity to make a submission to this review, but notes our ability to provide informed feedback is severely constrained by the Australian Government's secrecy and lack of transparency on key matters related to the 450 GL target.

Progress towards the 450 GL/y water recovery target

Whether or not the Government is on track to meet its 450 GL/yr target by 31 December 2027 can only be inferred from incomplete information across multiple websites. The lack of transparency and consolidated information leaves the public in the dark and the Government unaccountable.

In March 2025, then Water Minister Tanya Plibersek announced water recovery 'in progress' had surged to 286 GL¹. However, the amount contracted as of 31 March 2025 was only 157.3 GL², including an estimated 78.2 GL of water over-recovered above valley targets from buybacks in 2008-2012³ and another 29.2 GL recovered under earlier programs dating back to 2016⁴.

This indicates the Government has purchased only an additional 49.9 GL so far, leaving another 293 GL to be recovered in the less than two-and-a-half years left to the 31 December 2027 deadline.

It can be reasonably assumed that the 49.9 GL purchases from its two 2024-25 tenders were the low-hanging fruit in terms of price, and that future purchases will be progressively more expensive, complex to process, and

¹ <https://www.tanyaplibersek.com/media/media-releases/joint-media-release-huge-milestone-proves-murray-darling-basin-plan-is-back-on-track/>

² <https://www.dcceew.gov.au/water/policy/water-recovery/progress>

³ <https://www.dcceew.gov.au/water/policy/water-recovery/progress/over-recoveries>. The final volume will not be known until all Water Resources Plans are accredited and model verified as part of the Basin Plan review in 2026.

⁴ <https://www.weeklytimesnow.com.au/news/water/federal-government-faces-battle-to-buy-irrigators-water/news-story/af8996706625fe3c032df44cdf4884d>

elusive. Whether or not the design of payments for purchase under Section 86AD will be effective is impossible to tell given the near-total lack of transparency on the Government's total budget for purchasing water, and what it is willing to pay for different entitlement types in different valleys.

As for non-purchase options, the Government says 10 projects have received policy approval and another six projects have funding approval⁵. The estimated water savings are undisclosed for 12 out of the 16 projects; the remaining four are estimated to yield just 6.56 GL in entitlements for the environment. Overall, it appears progress is slow on non-purchase options and water savings are low.

Based on the limited information publicly available, it appears clear the Government will fall short on its target to recover 100 GL a year as set out in the Budget papers⁶ to meet the 450 GL/yr target by 31 December 2027.

RGA notes that recovery of 450 GL is not mandatory; rather, the Government must only take 'all reasonable steps'. We believe it is not reasonable for the Government to be prioritising water recovery at this stage when it is well documented that enhanced environmental outcomes at this stage depend on constraints relaxation and action on degradation drivers such as invasive species and cold water pollution.

It does not help when the Commonwealth Government is prioritising the delivery of the 450 GL above the Sustainable Diversion Limit Adjustment Mechanism (SDLAM) 605 GL projects, which include constraints relaxation. Delivery of the 605 GL is mandatory, unlike the 450 GL.

The WESA Budget

It is impossible to tell whether the amount standing to the credit of, and to be credited to, the WESA is sufficient to meet the 450 GL target when the Government is keeping secret the funds it has available for the task.

It is clear the remaining \$806 million in the original \$1.5 billion WESA budget is not enough to purchase another 293 GL at current water market prices (much less the premium we know the Government is paying; more on that later), or recover through water-saving infrastructure projects.

We know the Government has more funds at its disposal, but it has classified the amount as not-for-publication in its Budget papers due to 'commercial' sensitivities'. This lack of transparency is unacceptable, and unjustified. The

⁵ <https://www.dcceew.gov.au/water/policy/programs/open/rrwip>

⁶ <https://www.dcceew.gov.au/sites/default/files/documents/dcceew-2025-26-pbs.pdf>

total purchase budget at the Government's disposable is not commercially sensitive, as it says nothing about how much the Government is willing to pay for particular entitlement types in particular valleys – information that could distort the market and is therefore commercially sensitive.

The secrecy around the total Budget is simply a way to avoid accountability.

Three guiding principles for water recovery

The framework for the delivering the 450 GL of additional environmental water sets out three guiding principles ostensibly to ensure purchases are strategic:

- A. Enhanced environmental outcomes
- B. Minimising socio-economic impacts
- C. Achieving value for money

It says these principles will drive program delivery focused on outcomes. The Government is, however, failing to abide by its own principles in practice.

A. Enhanced environmental outcomes

Recovering 450 GL is supposed to enhance environmental outcomes across the Basin. As such, the location and types of entitlements recovered is supposed to take account of their environmental utility – that is, whether they can be used to support enhanced environmental outcomes.

Previous water recovery rounds were undertaken on the understanding of needing to bridge a specified gap in a valley from the BDL to the SDL. This meant that each valley had/has a clearly specified target (shared and local) based on the gap to bridge and the respective valleys shared contribution.⁷

This provided a degree of certainty on the extent of change for the valley, but also an (albeit slight) degree of confidence that the specified number was necessary to achieve the Plan's objectives and based on scientific reasons.

However, it is clear the Government is now simply buying whatever water it can get wherever it can find it, irrespective of whether it will or will not contribute to the Plan's environmental objectives, or the community costs.

For example, it can be inferred that environmental utility is not being taken into account in any meaningful way when the Government paid a \$1000/ML premium over the going market price to purchase 13 GL of high security water

⁷ <https://www.nswic.org.au/wp-content/uploads/2023/12/2023-11-20-Submission-PC-Interim-Report.pdf>

in Victoria's Goulburn Valley for a total \$63 million⁸. It bought the water despite the acting CEO of the Goulburn-Broken Catchment Management Authority (CMA) explicitly asking it not to purchase more water in the valley.

The CEO said in the last 15 years, inter-valley trade had increased from 50 GL to over 400 GL, which has “essentially destroyed the characteristics of the lower Goulburn with bank slumping, erosion and declining native fish populations”. The valley has about 650 GL in environmental water and “struggles to use (what we) already have”.⁹

As the Productivity Commission has observed,

“The absence of a credible delivery pathway for the 450 GL/y over the next four years – including catchment-specific targets – provides no certainty to Basin communities or water market participants, potentially undermining planning and investment decisions. The government risks being seen as just chasing a volumetric target, with no interest in the consequences or enough focus on the outcomes sought.”¹⁰

B. Minimising socio-economic impacts

The economic impacts of recovering more water from the consumptive pool have been well documented by multiple bodies, including the Australian Bureau of Agricultural and Resource Economics (ABARES), the Murray-Darling Basin Authority (MDBA) and Frontier Economics¹¹.

ABARES' modelling for the impacts of recovering the additional 450 GL found that an additional 225 GL would cause \$111 million in forgone output in the southern Basin every year¹², on top of the \$542-\$764 million in forgone production that the MDBA had estimated to meet the Basin Plan's baseline 2750 GL recovery target¹³. These modelled scenarios would hit the rice and dairy industries particularly hard and leave local-government areas (LGA) that rely on irrigated agriculture especially vulnerable.

This vulnerability was outlined in a 2024 ABARES report that identifies the Carathool and Murrumbidgee LGAs as the two areas most vulnerable to the negative socioeconomic impacts of buybacks.¹⁴

⁸ <https://www.weeklytimesnow.com.au/news/water/duxtun-water-makes-63-million-on-water-sale-to-federal-government/news-story/429c3f5dc9ac1bea597ed5ee69b31a39>

⁹ <https://www.countrynews.com.au/water/more-water-not-needed-for-goulburn/>

¹⁰ Productivity Commission Interim Report on the Murray Darling Basin Plan 10-year Implementation Review, November 2023, p78.

¹¹ <https://www.nswic.org.au/wp-content/uploads/2025/04/Impacts-of-the-Water-Amendment-NSWIC-Submission-Final.pdf>

¹² https://daff.ent.sirsidynix.net.au/client/en_AU/search/asset/1035841/0

¹³ <https://www.mdba.gov.au/sites/default/files/publications/Basin-Plan-RIS-Nov2012.pdf>

¹⁴ https://daff.ent.sirsidynix.net.au/client/en_AU/search/asset/1035821/0

However, there is no evidence the Government is attempting to minimise socioeconomic impacts through a strategic approach to purchase and non-purchase options. Rather, it is pressing ahead with buybacks as the priority, claiming that socioeconomic impacts will be minimised by its \$300 million Sustainable Communities Program.

This one-off support program is clearly insufficient when ABARES and the MDBA warn that past and present water recovery will wipe away more \$600 million a year in forgone farmgate value of irrigated agriculture.

C. Achieving value for money

The framework says the market price for water rights does not determine value for money alone, but that a range of financial and non-financial factors need to be considered in accordance with the Commonwealth Procurement Rules. Nonetheless, how much the Government pays is a key indicator of value for taxpayers' money.

The Government is yet to release complete and meaningful market information on its confirmed water purchases to date, including the entitlement types, their locations, and the price paid per megalitre on each entitlement type. This information is only slowly and belatedly dribbling out as Government purchases are recorded in state water registers, often months after contracts are finalised and published on AusTender with limited, high-level information.

Based on the registered sales, the Government is paying at least a 30% premium over and above the going market value for different entitlement types. So, it is not achieving value for money based on the market price at the time it received the expressions of interest in selling water.

Whether or not this represents value for money based on non-financial factors, it is impossible to ascertain when the Government does not disclose exactly what factors it is taking into consideration for each purchase.

What we do know is that recovering a total of 424 GL of water by 2027 would require purchasing more than twice the amount of water entitlements that are typically traded each year in the southern Basin. The Productivity Commission warns that the Government seeking this much entitlement in such a short period would increase 'water prices in ways that cause excessive disruption to water markets and Basin communities. The expectation of a significant government entry into southern Basin water markets will also affect the decisions of other market participants.'¹⁵

¹⁵ [Murray-Darling Basin Plan: Implementation review 2023 | Productivity Commission](#)

Intentional government disruption, driving up entitlement and allocation prices, is not consistent with the principle of minimising socioeconomic impacts.

Given the non-financial factors of environmental utility and minimising socioeconomic impacts are clearly not being considered in any meaningful way, then the premium the Government is paying to purchase water entitlement does not represent value for money.

The design of payments

The Government will only pay for water recovery towards the 450 GL/yr in the form of entitlements. This payment design excludes a wide range of options to deliver the desired enhanced environmental outcomes more efficiently and effectively with few, if any, negative socioeconomic impacts.

This includes more balanced ways to account for the water that the Commonwealth has access to, and options to free up more water without further reducing the consumptive pool available to grow food and fibre.¹⁶

Further, at this point, with almost 4000 GL of water recovered for the environment under the Basin Plan and earlier reforms, simply adding more water will not deliver lasting improvements in Basin ecosystems.

As the MDBA's 2025 Basin Plan Evaluation highlights, "water quality, riparian and floodplain management, pest control, instream habitat, river operations, constraints and works, and environmental water portfolio management" are vital to improving ecosystem health.¹⁷

Action on these complementary measures, water accounting and management options would deliver enhanced environmental outcomes of greater ecological equivalence than the recovery of 450 GL in water entitlements, but are excluded from the payment design in the framework.

The Government does have the option to invest in complementary measures, water accounting and other non-purchase options to free up more water. While clause 7.08B in the amended Basin Plan specifies additional HEW for the 450 GL to be a water access right, a water delivery right or an irrigation right, the note to 7.08B states such a specification may be revoked, amended or varied under subsection 33(3) of the Acts Interpretation Act 1901.

Constraints

¹⁶ For example, [Delivering the Murray-Darling Basin Plan - Innovative Ideas to Deliver the Plan in Full.pdf](#) (rga.org.au))

¹⁷ [2025 Basin Plan Evaluation](#)

The amount standing to the credit of, or to be credited to, the WESA account is clearly insufficient to ease or remove constraints. The barriers are also more complex than simply the amount of funding available. Consequently, Basin governments have made little progress. The result is a double-negative: (i) continued pressure from 'no regrets', ineffective constraints activities; and (ii) a forced and rushed further grab for water that's no longer supported by best available evidence.¹⁸

Rules-based changes

RGA opposes rules changes to free up more water for the environment by reducing the reliability of farmers' access. While the 450 GL framework sees rules changes as a way to 'manage socio-economic impacts, through predictable reductions in water use'¹⁹, they in fact amount to compulsory acquisition and erosion of reliability in breach of the 2013 Basin Plan IGA.²⁰

Under the 2004 National Water Initiative's risk assignment framework, enshrined in Commonwealth and State water law, governments are legally required to compensate water licence holders for policy and other decisions that reduce reliability.²¹ However, in practice we have seen the NSW Government changing rules in water sharing plans (WSPs)²² without even assessing the compensation due. Recent changes in the NSW Riverina where almost all Australia's rice is grown include:

- a 2022 Special Purpose Access Licence for Lake Albert in the Murrumbidgee Valley (est. 0.1% involuntary de facto reduction).
- 2024 trading rule changes in multiple water sharing plans (effective involuntary 100% reduction for some water users).
- 2025 NSW/ACT Joint Trading Framework (0.5% involuntary reduction in Murrumbidgee General Security reliability).
- 2025 Special Purpose Access Licence (SPAL) for Wagga Wagga (1% involuntary reduction in Murrumbidgee General Security reliability).
- Under consideration: 2025 minimum inflows review (est. 13-25% involuntary reduction in general security reliability).

¹⁸ <https://www.rga.org.au/sites/default/files/content-files/Submissions/2024/DCCEEWDraft%20Restoring%20Our%20Rivers%20Framework.pdf>

¹⁹ [Delivering the Basin Plan in full: Restoring Our Rivers: Framework for delivering the 450GL of additional environmental water | Australian Government, Department of Climate Change, Energy, the Environment and Water](#)

²⁰ <https://www.mdba.gov.au/sites/default/files/publications/macquarie-castlereagh-wrp-intergovernmental-agreement-on-implementing-water-reform-in-the-murray-darling-basin-2013.pdf>, Clause 2.2.

²¹ <https://www.dcceew.gov.au/sites/default/files/sitecollectiondocuments/water/Intergovernmental-Agreement-on-a-national-water-initiative.pdf>, clauses 40, 48-50.

²² <https://www.nswic.org.au/wp-content/uploads/2025/04/Impacts-of-the-Water-Amendment-NSWIC-Submission-Final.pdf>, see p18 for a list.

The Government's attitude is that each change has negligible, if any impact, on reliability. But it has not, to RGA's knowledge, assessed the cumulative impacts over the 10-year life of each WSP, as required under the NWI.

Further, as the NSW Irrigators' Council has observed, rules changes do not 'manage' socio-economic impacts, but rather create negative impacts. For one, rules-based changes render water allocations less secure or predictable, causing many irrigators to scale back on production. This ultimately means less revenue which could in turn, impact the viability of farming operations and the serviceability of loans. It also creates flow-on impacts into communities with fewer jobs and less income flowing through local economies.²³

This is not consistent with principle of minimising socioeconomic impacts in the framework for recovering the 450 GL.

At least when entitlements are purchased, owners are compensated and the sale is voluntary. It is fundamentally inequitable that under buybacks, sellers are compensated, but under rules changes, all licence holders take a cut in water access involuntarily and without compensation.²⁴

However, while RGA opposes rules changes that ultimately reduce the reliability of water entitlements, there are cases where MDBA rules changes have freed up more water for the environment without third-party impacts on farmers. We refer you to our submission to the NSW Parliamentary inquiry into the impacts of the federal Restoring our rivers Act 2023 for more detail; this outcome should count towards the Basin Plan recovery targets.²⁵

²³ Ibid, p17.

²⁴ Ibid, p17

²⁵ <https://www.parliament.nsw.gov.au/ladocs/submissions/89715/Submission%2061%20-%20Ricegrowers'%20Association%20of%20Australia.pdf>