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Auditor General report of buybacks shows a well-paved road, but to where?

19 February 2025, Canberra, ACT – The release of the Auditor General's report¹ of the Federal Government's water buybacks finds the Government implemented a well-paved road of effective process but struggled to find the link between the buyback program and the intended policy objectives for the Murray Darling Basin Plan.

“Many will glance at the key findings of effective process and give the Government a pat on the back, but the devil is in the detail when the report goes on to question the link between the buyback program and the intended policy objectives for the environment” said National Irrigators' Council CEO, Ms Lowien.

“It found that the buyback program, designed to bridge the gap between current diversions and the Basin Plan's Sustainable Diversion Limits (SDLs), was a well-paved road but questions, to where?”, said Ms Lowien.

“Achieving Sustainable Diversion Limits in the Basin was the centrepiece of the Basin Plan, but achieving the broader environmental objectives requires going beyond just adding water,”

“Government reporting indicates that SDLs are enforced² and being achieved³– so it's fair to ask the question, as the Auditor General infers, why is the Government buying more water and not investing in other solutions?” said Ms Lowien.

This finding is consistent with concerns from Basin communities who say water recovery has become an ends in itself, detached from working towards achieving a healthy working Basin.

“You can't just add water and expect results, and we are pleased the Auditor General has also hit this stumbling block, questioning the links to the broader policy objectives underpinning water recovery.”

“If the Auditor General found this from the bridging the gap program designed to achieve SDLs, imagine what they would find for the additional buyback programs under various Government streams currently occurring,” said Ms Lowien.

The ANAO report says:

“The current evaluation framework requires revision to enable an accurate measurement of the program's impact on intended policy objectives, including in the context of broader evaluation activities planned for the Basin Plan.”

“The evaluation framework is focussed on short- and medium-term program outputs and does not enable an accurate measurement of the program's impact on

¹ https://www.aph.gov.au/Parliamentary_Business/Tabled_Documents/9337

² <https://www.igwc.gov.au/sites/default/files/2024-12/2022-23-compliance-performance-report-accessible.pdf>

³ https://www.mdba.gov.au/sites/default/files/publications/annual-water-take-report-2022-23_0.pdf



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intended policy objectives or link the program to evaluation activities planned for the Basin Plan.”

“Measuring the registration of water entitlements with the CEWH two to three years after the completion of the program does not provide a measure of the program's impact on or contribution towards achieving the broader policy objectives underpinning water recovery.”

The Government accepted the report recommendations to firstly 'review and update the evaluation framework for the strategic water purchasing program to ensure the chosen evaluation approach remains appropriate for the program', and 'if relevant, revise the outcomes in the evaluation framework to enable an accurate measurement of the impact of the strategic water purchasing program on intended policy objectives' but also agreed to 'updating procurement-related policies and guidance to provide clarity on establishing probity requirements' which the Inspector General of Water Compliance had already recommended.

NIC is underwhelmed by the report, given several important considerations were omitted.

“The report overlooked concerns by the Inspector General of Water Compliance regarding governance and probity, merely re-recommending further controls and processes despite the Federal Government being in the market as we speak, further risking market interference,” said Ms Lowien.

“The Auditor General scratched the surface regarding concerns about the value of buying more water but could dig deeper, asking can this water actually be delivered, how is buying water contributing to, or impacting a healthy working Basin, and are there alternatives that are more cost effective to Australian's”.

“We would welcome the Auditor General providing a supplementary report with these considerations,” said Ms Lowien.

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