

Monday, 31st August 2026

Mr George Leeper
Independent Reviewer for the Water Act Review
Water Act Review Secretariat
Department of Climate Change, Energy, the Environment & Water
E: wateractreview@dcceew.gov.au

Re: Independent Review of the Water Act 2007

Australian Energy Producers (AEP) welcomes the opportunity to provide a submission to the Independent Review of the Commonwealth *Water Act 2007*.

AEP is the peak body representing Australia's oil and gas explorers, developers and producers. Our members account for more than 95 per cent of Australia's oil and gas production and play an important role in Australia's energy security, economic prosperity and the transition to a lower emissions economy.

Water is one of Australia's most important assets. Industry recognises its responsibility to manage water carefully and to protect its availability and quality for other users today and for future generations. AEP supports a regulatory framework that protects water resources while remaining proportionate, efficient and fit for purpose. The review provides an important opportunity to identify sensible reforms to legislative and regulatory arrangements, including the removal of obsolete, complex or duplicative regulation.

However, significant changes to the scope of the *Water Act* would be premature while important elements of the existing framework remain unresolved and broader water reform processes are continuing. The review should distinguish between shortcomings in the legislation and shortcomings in the implementation of legislation. Where an object or policy outcome has not yet been achieved, the appropriate response may be improved implementation rather than legislative amendment.

AEP believes the Review should focus on ensuring the *Water Act* delivers against its existing objects, simplifying Commonwealth regulatory arrangements, and better integrating with established state and territory water frameworks. The Commonwealth should complement these existing arrangements rather than duplicate functions already undertaken at a jurisdictional or catchment level.

Summary of recommendations

Australian Energy Producers recommend:

- 1. Defer substantive reform of the Water Act until current national water reform processes are settled.** We recommend the Review be delayed. Reviewing the Water Act now is inopportune with so many other relevant & substantive national water reviews still afoot. Most significantly, with no States having signed the December 2025 National Water Agreement, it is difficult to offer constructive feedback on a water reform process which appears to be trying to proceed without the practical expertise of the State & Territory Governments.

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2. **Create a framework that recognises established State and Territory water planning processes.** Structurally, the Water Act's attempts to impose top-down national planning has not been successful. Industry's experience has been that water is best planned and managed at the local catchment level. The existing State & Territory water planning processes are better understood and supported by stakeholders than the nationally accredited water resource plans.
3. **Prioritise delivery against the existing objects of the Water Act before expanding its scope.** The Review should focus on ensuring that the *Water Act 2007* is able to fully deliver against its original objects before seeking to add new areas of complexity to the Act's scope. Instead of the substantive new requirements foreshadowed in the discussion paper, the review should refocus on delivering a light-touch Water Act framework which builds on the existing framework of State water planning processes to focus on delivering Sustainable Diversion Limits (SDLs).
4. **Simplify governance and accreditation arrangements.** The Commonwealth's institutional and governance arrangements have not delivered accountable, efficient or transparent decision making. Rectifying these shortcomings should be the second major focus of the Review. The onerous processes of Commonwealth accreditation of water resource plans should be jettisoned as an unsuccessful experiment.
5. **Prioritise achievement of the Basin's Sustainable Diversion Limits.** It would be premature to try and optimise the use of environmental water until the Sustainable Development Limits have been demonstrably delivered. The primary focus of the Review should be delivering the reforms needed to make the Basin's water use sustainable.

We have provided responses to relevant discussion questions in the attachment. We'd welcome questions that you may have around any of the issues that we have raised in this submission. I can be contacted on kknudsen@energyproducers.au or on 0434 123 780.

Yours sincerely



Keld Knudsen
General Manager – States & Territories
Director – Queensland

ATTACHMENT ONE:

Industry context

The oil and gas industry is critical to Australia's energy security and economic prosperity. Natural gas provides around 25 per cent of Australia's primary energy needs, including essential electricity that supports a growing share of renewable energy, and is a major source of energy for manufacturing and minerals processing¹.

The sector contributes approximately \$105 billion annually to the economy, supports around 215,000 jobs², and is a major source of public revenue, contributing \$21.9 billion in taxes and royalties in 2024-25 alone³. The industry's use of water is relatively modest – less than 0.2 per cent of the water consumed by Australians (by comparison, agriculture accounts for almost 59 per cent of national water consumption)⁴.

Queensland's onshore oil and gas industry is more of a supplier than a user of water. Most water removed from coal seams as a by-product of gas production is treated and provided at low cost to other users such as farmers and local government or used to recharge aquifers. Industry in Queensland has invested more than \$3 billion in water treatment infrastructure, and over 50 gigalitres of water was provided by the industry for beneficial use in 2023-24 with over 90 per cent of this volume provided for beneficial use⁵. This supply of water is particularly important during times of drought.

Timing and sequencing of the Review

AEP considers the timing of reforms to the *Water Act* to be premature. A number of significant and interconnected national water reform processes remain underway. Most importantly, the December 2025 *National Water Agreement* has not secured the agreement of State and Territory governments.

National water reform in Australia has historically depended on cooperation between governments. State and Territory governments retain substantial responsibilities for water planning, allocation and management. It would be premature for the Commonwealth to implement through the *Water Act*, a national policy framework before its scope, operation and intergovernmental support have been settled. There are also related processes underway through the Murray Darling Basin Authority, including the review of the Basin Plan and work concerning opportunities for First Nations peoples. Proceeding with significant changes to the *Water Act* before these processes are sufficiently settled creates a risk of further complexity, duplication or misalignment between Commonwealth, State and Territory frameworks. AEP therefore recommends that finalisation of the Review and substantive legislative reform be deferred until the broader national reform architecture is clearer.

We believe that the Review can usefully identify deficiencies in the operation and administration of the existing Act and opportunities to simplify the current framework.

¹ [Australian Energy Statistics](#), 2023-24

² KPMG, [Economic contribution of the gas industry](#), February 2025

³ Australian Energy Producers [2024-25 Financial Survey](#), June 2025

⁴ Australian Bureau of Statistics, (2017) [4610.0 Water Account 2015-16](#).

⁵ Australian Petroleum Production & Exploration Association, survey of members.

Selected questions for consideration from the discussion paper (page 7)

To what extent have the objects of the Water Act been achieved?

The objects of the *Water Act 2007* have been only partially achieved. For this reason, we do not recommend a dramatic increase in the scope and complexity of the Act as contemplated by questions 3, 6 and 7 of the discussion paper.

As currently drafted, the Water Act has an ambitious set of eight objects, two sub-objects and five points of clarification relating to two of the objects. It would be difficult to argue that any of these objects have been comprehensively addressed other than perhaps:

- (h) to provide for the collection, collation, analysis and dissemination of information about:*
 - (i) Australia's water resources; and*
 - (ii) the use and management of water in Australia.*

Object (h) is the only one of the eight objects which is truly national in scope, with the other seven all focussed on the Murray-Darling Basin. It would be difficult to argue that the Water Act has achieved object (a) which is: *"to enable the Commonwealth, in conjunction with the Basin States, to manage the Basin water resources in the national interest"*.

The fact that an existing object has not been fully achieved does not necessarily demonstrate a need for additional legislative obligations. It may instead point to shortcomings in implementation, administration, governance or cooperation between governments. The Review should therefore first identify why existing objects have not been fully delivered and whether those barriers can be addressed within the current statutory framework.

What are the opportunities for the Water Act to improve the delivery of First Nations economic, environmental, social, spiritual and Cultural outcomes?

AEP supports improved economic, environmental, social, spiritual and Cultural outcomes for First Nations communities.

The *Water Act* already includes each of these considerations under object (fa). Consistent with our answer to the previous question, we do not believe that this existing object has yet been delivered.

We also note that the Murray Darling Basin Authority (MDBA) has been specifically tasked with considering these issues of increased opportunities for First Nations during their review of the Basin Plan and also to report each year to the Department on Authority's consideration of indigenous values and uses. In addition, there are eight initiatives listed on page 23 of the discussion paper which also contribute towards meeting the Act's object (fa). These reporting and program frameworks should be given time to deliver tangible outcomes before hastening to amend the Water Act.

Are the institutional and governance arrangements under the Water Act effective in ensuring accountable, efficient and transparent decision-making? If not, how can they be improved?

No – the complex governance structures built around the Water Act have not led to accountable, efficient and transparent decision-making. These complex and onerous structures, which do not sit comfortably with existing State & Territory structures should be reconsidered as an integral part of the independent Review.

Is the role and administration of Water Resources Plans (WRPs) clear and fit for purpose?

No – from a water user's perspective, Commonwealth WRPs are onerous and duplicative. AEP recommends that the national accreditation process for water resource plans be discontinued and be replaced with a streamlined approach that recognises established state planning processes. The WRPs are complex and highly prescriptive which means they have effectively become a static regulatory instrument in a world of adaptive management. As a result, WRPs have been particularly unsuitable in addressing cross-border and connectivity issues.

AEP recommends a reconsideration of the role and administration of Commonwealth water resource plans. The objective should be a simpler framework that establishes clear outcomes while making greater use of existing State and Territory planning arrangements.

What are the opportunities for the Water Act to optimise the use of environmental water to achieve additional environmental outcomes, especially in the face of a changing climate?

While the submissions to the Basin Plan Review that identified opportunities to optimise the use of environmental water are well meaning, we are concerned that a new focus on optimising the existing environmental flows may reduce the focus on delivering the Sustainable Development Limits (SDL) for the Basin as a whole. The immediate priority should remain on achieving those SDLs and having stakeholders recognise that achievement.

Once that objective has been achieved, there may be greater scope to consider how available environmental water can be managed most effectively within a sustainable Basin wide framework.

What are the opportunities for the Water Act to align with the objectives set out in the National Water Agreement?

Historically, the focus of the Act has been on Murray-Darling Basin rather than truly national water reforms. In an ideal world, where there was broad agreement around the objectives of the National Water Initiative (NWI) – a greater alignment between the Act and the NWI would be constructive. However, the December 2025 National Water Agreement has not secured the agreement of State and Territory governments. It would therefore be premature to amend the *Water Act* to implement or align with provisions of an agreement that has not yet achieved national agreement.

Doing so also risks pre-empting the outcome of continuing negotiations with jurisdictions that retain substantial responsibility for water planning and management. The priority should be ensuring that the *Water Act* effectively delivers against its existing objects and that Commonwealth arrangements complement rather than duplicate State and Territory frameworks.