



QUEENSLAND  
FARMERS'  
FEDERATION



Productivity Commission National Water Inquiry  
National Water Reform 2026  
**April 2026**

**Prepared by**  
Jo Sheppard, CEO, QFF  
E: [qfarmers@qff.org.au](mailto:qfarmers@qff.org.au)

**Prepared for:**  
Australian Government's Productivity Commission

## Contents page

About the Queensland Farmers' Federation.....	2
Submission .....	2

This submission is provided to:

National Water Reform 2026 Inquiry  
Productivity Commission  
GPO Box 1428  
Canberra City ACT 2601

Submitted via website: <https://www.pc.gov.au/inquiries-and-research/water-reform-2026/make-submission/>

### Our members

- Queensland Fruit & Vegetable Growers
- Cotton Australia
- Canegrowers
- Greenlife Industry QLD
- eastAUSmilk
- Australian Cane Farmers Association
- Queensland United Egg Producers
- Turf Queensland
- Pork Queensland
- Australian Chicken Meat Federation
- Bundaberg Regional Irrigators Group
- Burdekin River Irrigation Area
- Central Downs Irrigators Ltd
- Fairburn Irrigation Network
- Mallowa Irrigation
- Pioneer Valley Water Co-operative Ltd
- Theodore Water Pty Ltd
- Eton Irrigation
- Lockyer Valley Water Users

# About the Queensland Farmers' Federation



## **The Queensland Farmers' Federation (QFF) is the united voice of agriculture in Queensland.**

Our members are agricultural peak bodies who collectively represent more than 13,000 farmers who produce food, fibre and foliage across the state.

QFF's peak body members come together to develop policy and lead projects on the key issues that are important to their farmer members and the Queensland agriculture sector.

Together, we form a strong, unified voice leveraging our effectiveness by working together to drive policy and initiatives that support a strong future for Queensland agriculture.

## Submission

QFF welcomes the opportunity to provide comment on

We provide this submission without prejudice to any additional submission from our members or individual farmers.

### **Executive Summary**

QFF's submission focuses on ensuring national water reform delivers practical, on-ground outcomes for agricultural water users, particularly in relation to water pricing, access to water and policy settings translate into practical and productive real-world use of water.

Water pricing remains a key issue, with direct implications for farm viability and long-term investment. QFF's recent work reinforces the importance of maintaining alignment with Lower Bound Pricing principles and retaining a clear line of sight between costs and prices. Pricing frameworks that support forward-looking cost recovery and stable, predictable outcomes are critical for the future of agriculture. Pricing frameworks must also be considered alongside broader system settings, including environmental water management, to ensure outcomes are realised in practice.

Access to water continues to be a constraint on growth in many regions. QFF recognises the Queensland Government's ongoing work to unlock unallocated water and improve access for productive use. Ensuring this translates into timely and practical access at the farm level will be key to realising these benefits.

A key issue is whether policy settings translate into outcomes that are seen on the ground, particularly in areas such as pricing, access to water and planning frameworks, where implementation directly affects farm businesses' ability to access water, manage risk and invest with confidence.

Reform should also better recognise the operating environment faced by agriculture, including the link between water and energy, and the need for planning frameworks that can respond to variability and support the effective use of available water.

QFF encourages the Productivity Commission to focus on reforms that deliver stable and predictable pricing, improve access to water, and support practical decision-making across the agricultural sector.

## Water Pricing and Long-Term Productivity

Water pricing remains a key issue, with direct implications for farm viability, regional productivity and long-term investment confidence.

QFF's recent work, informed by independent analysis, reinforces the importance of maintaining alignment with Lower Bound Pricing principles. At its core, this means agricultural water users need a clear line of sight between the efficient cost of running their schemes and the prices they are being asked to pay.

Under a Renewals Annuity framework, forward-looking operating and capital expenditure forecasts set out what is required to maintain the scheme over time, with costs recovered progressively. Farmers understand this approach and see it as a form of co-investment in maintaining service levels and long-term asset performance.

A Regulatory Asset Base (RAB) framework shifts this dynamic. Pricing outcomes are more heavily influenced by inputs such as WACC, asset valuation and how costs are classified. While these are standard regulatory tools, they are less visible to farmers and can weaken the link between what is being spent and what is being charged.

The practical impact is that pricing becomes more exposed to periodic resets, increasing the risk of price shocks and reducing predictability. It also raises questions around how costs are being shared over time, particularly when future customers may carry a greater portion of the burden.

The choice of pricing framework should also be considered within the broader pricing envelope between lower-bound and upper-bound approaches, rather than as a single prescriptive model. In practice, final price setting remains a matter for state governments and must reflect local circumstances, scheme characteristics and the needs of water users.

Pricing settings alone will not deliver outcomes. The effectiveness of any pricing framework is closely linked to how it interacts with water planning, environmental water management and broader system settings. Without this alignment, there is a risk that pricing signals do not translate into practical or productive outcomes for either consumptive users or environmental water holders.

### QFF recommendation

The Commission should prioritise pricing approaches that maintain alignment with Lower Bound Pricing principles and support transparent, forward-looking cost recovery that delivers stable and predictable outcomes for agricultural water users.

## Access to Water and System Utilisation

Across Queensland, the constraint on agricultural growth is often not water availability, but the ability to access and use water within existing water plan settings.

QFF recognises the Queensland Government's ongoing work to unlock unallocated water and improve access for productive use. This work provides a strong foundation to improve the utilisation of existing water resources and support regional development.

Building on this progress, there is an opportunity to ensure that water can be accessed in a way that supports timely and practical use at the farm level, and enables productive real-world outcomes.

### QFF recommendation

National reform should support clear and timely pathways to improve access to water, including unallocated water, to enable productive use.

## Water and Energy

Water and energy are directly linked inputs across agriculture yet are often treated separately when establishing policy settings.

In practice, energy costs are now a key driver of water use decisions, system efficiency and overall productivity. This directly impacts water use and the viability of production in some regions.

Recognising this relationship is important to ensure policy settings reflect the operating environment faced by agriculture.

### QFF recommendation

Future reform should better recognise the relationship between water and energy in policy and investment decisions.

## Planning Frameworks and Variability

While climate variability is well recognised in policy, planning frameworks do not always reflect how variability is managed in practice.

Producers operate in highly variable conditions, managing both dry periods and episodic rainfall events. However, current planning settings can limit the ability for a farmer to respond when water is available.

Improving flexibility within water planning frameworks will support more effective use of existing water resources and aligns with broader efforts to unlock water for productive use.

#### QFF recommendation

Statutory water planning frameworks should prioritise flexibility and responsiveness, enabling water users to access and use water when it is available.

## Environmental Water and Complementary Measures

Environmental water plays an important role in achieving broader system outcomes. However, the effectiveness of environmental water holdings depends on the ability to translate allocations into realised outcomes on the ground.

A balanced approach is needed to ensure that both environmental and productive outcomes are delivered in practice. This comes back to how water is managed, coordinated and used across the system, not just how it is allocated.

There is an opportunity to improve how environmental water is delivered through better system operation, coordination and supporting measures. Without this, there is a risk outcomes remain theoretical rather than realised on the ground.

#### QFF recommendation

National reform should focus on improving how existing environmental water is managed and delivered in practice, recognising that pricing settings alone will not achieve the intended outcomes.

## Competing Demand for Water Resources

There is increasing pressure on water resources from competing uses, including emerging and expanding industries. While these developments form part of broader economic growth, they also introduce additional demand and potential risks to water availability and reliability for existing entitlement holders.

For agriculture, confidence in statutory planning frameworks relies heavily around how these competing interests are assessed, managed and regulated. This includes ensuring that any impacts on water quality, quantity and long-term availability are well understood, underpinned by robust evidence-based science, transparently communicated, and appropriately managed within existing frameworks.

Maintaining this balance is important to ensure that growth in one sector does not come at the expense of established agricultural water users and regional communities that rely on secure and reliable access to water.

### QFF recommendation

National reform should support clear, transparent and consistent approaches to managing competing demands for water, ensuring that impacts on existing entitlement holders are properly assessed and addressed prior to development.

## Future Reform Approach

Water reform has been ongoing for several decades, with significant change already delivered across the sector.

There is a strong view that future reform should focus on improving the operation of existing frameworks, rather than introducing additional layers of reform that impact water users. Where reform is proposed, it must be undertaken with full consultation and agreement with water users.

Any changes that affect water as a property right must be carefully considered, subject to meaningful consultation with water users, and include appropriate recognition and compensation where impacts occur, including consideration of the broader social and economic impacts on farm businesses and regional communities.

## Conclusion

The next phase of national water reform must remain focused on outcomes.

For Queensland agriculture, that means maintaining pricing that is stable and predictable, improving access to water where it is available, and ensuring policy settings, developed through meaningful consultation, support practical and productive decision-making on farm.

Ultimately, the effectiveness of reform will be judged on whether it supports the practical and productive real-world use of water.

QFF encourages the Productivity Commission to focus on reforms that deliver these outcomes and support the long-term productivity of the agricultural sector.

Yours sincerely

Jo Sheppard  
Chief Executive Officer



**This submission is provided by the Queensland Farmers' Federation**

---

PO Box 12009 George Street, Brisbane Qld 4003  
Level 8, 183 North Quay, Brisbane Qld 4000  
ABN 44 055 764 488

**Contact QFF**

---

**E:** [qfarmers@qff.org.au](mailto:qfarmers@qff.org.au)  
**P:** 07 3837 4720  
**W:** [www.qff.org.au](http://www.qff.org.au)

