

TERMS OF REFERENCE – SECOND INDEPENDENT REVIEW OF THE WATER FOR THE ENVIRONMENT SPECIAL ACCOUNT

Purpose and context

1. The Hon Keith Pitt MP, Minister for Resources and Water has initiated a second independent review of the Water for the Environment Special Account (WESA) in accordance with section 86AJ of the *Water Act 2007* (the Act).
2. This second review follows the first independent review of the WESA, which was tabled in Federal Parliament on 4 September 2020 and is available on the Australian Government’s Department of Agriculture, Water and the Environment website at: <https://www.agriculture.gov.au/water/mdb/policy/wesa-review>
3. This second review also follows Minister Pitt’s announcement on 3 March 2021 to close the Water Efficiency Program for any further projects and launch a new approach to recovery of the 450 gigalitres of additional environmental water through the new Off-farm Efficiency Program.
4. It will be conducted by an independent review panel and consistently with Part 2AA of the Act and these Terms of Reference which set out the scope of the review.

Scope of the review

5. The second review will complement the first review by focussing on the period between now and when the first review was completed and consider whether the amount standing to the credit of, and to be credited to (i.e. the amount available in the WESA and to be made available in the WESA in the future), the WESA is sufficient to:
 - (a) increase, by 30 June 2024, the volume of the Basin water resources that is available for environmental use by 450 GL; and
 - (b) ease or remove constraints identified by the Murray-Darling Basin Authority on the capacity to deliver environmental water to the environmental assets of the Murray-Darling Basin (Basin).
6. In conducting this review, the panel will also consider:
 - (a) the progress that has been, and is anticipated to be, made towards increasing the volume of the Basin water resources that is available for environmental use, and
 - (b) whether the design of projects in relation to which payments have been made under section 86AD is likely to be effective in increasing the volume by 450 GL of the Basin water resources that is available for environmental use.

Second review report

7. The panel is to provide the Minister a written report of the second review by late 2021.