

Overview of 1st two months of the Labor Government (2025-2028)



Department for Environment and Water

Following the May 2025 federal election, Australia's Labor government entered its new term with comprehensive environmental and water management commitments. This report evaluates the Albanese government's progress on environmental protection and water-related election promises during the initial 60 days post-election. The assessment examines both successfully implemented initiatives and outstanding commitments across environmental law reform, biodiversity protection, and water resource management that formed critical components of Labor's policy platform.

Key actions undertaken

Environment sector achievements

The government has demonstrated progress on several environmental initiatives, though primarily through technical and lower-profile measures. The Nature Repair Market commenced operations on March 1, 2025, following earlier legislative passage. This biodiversity offset scheme represents a significant step in Labor's staged EPBC Act reform strategy, providing a market-based mechanism for environmental restoration and conservation credits.

Legislative amendments have addressed specific environmental concerns, with the EPBC Amendment for Macquarie Harbour salmon farming enacted on March 26, 2025. This amendment protects the Tasmanian salmon industry by halting ministerial review of earlier approvals, aligning with broader environmental law reform processes while addressing industry-specific concerns.

Marine park expansions continue to operate effectively, with major expansions around Macquarie Island and Heard/MacDonald Islands remaining in effect as of early 2025. These expansions demonstrate ongoing commitment to marine conservation despite the absence of new protected area designations.

Water management initiatives

Water policy has seen more substantial progress with the launch of the First Nations Water Strategy 2025-2030. This strategy embeds Indigenous water management priorities into federal policy frameworks, representing a significant advancement in culturally appropriate water governance and recognition of traditional water rights.

Practical water recovery measures have commenced with the groundwater recovery tender opened on June 25, 2025. The federal government is purchasing up to 3.2 GL/year of groundwater entitlements in the Queensland Upper Condamine region as part of the "Bridging the Gap" Basin Plan delivery, demonstrating active water resource management.

Major challenges and responses

Environmental protection delays

The government faces significant challenges in delivering comprehensive environmental reform. The federal EPA establishment and complete EPBC Act overhaul remain stalled, with Labor having formally shelved the second stage before the election. This delay reflects the complexity of creating new institutional frameworks and the political challenges of comprehensive environmental law reform.

The national environment law rewrite has not been introduced despite being described as "urgent." Environment Minister Watt has indicated hopes to table legislation early next year, suggesting an 18-month timeline from the election, which indicates the substantial preparatory work required for comprehensive environmental law reform.

Water governance complexities

Water sector reforms face implementation challenges across multiple jurisdictions. The National Water Agreement remains unfinalized despite the updated draft being published in late 2024. Full implementation, including action plans across jurisdictions, is expected to require up to two years for state-level rollout, highlighting the complexity of federal-state water governance coordination.

Water market reforms are experiencing transition delays, with key regulations including intermediaries code, data reforms, and anti-manipulation rules scheduled to commence between July 2025 and mid-2026. None have started yet, indicating the technical complexity of water market regulation overhaul.

Gaps identified

Environmental protection framework

The absence of a federal EPA creates a significant institutional gap in environmental protection enforcement. Without this independent body, comprehensive environmental oversight remains fragmented across existing agencies, potentially limiting the effectiveness of environmental law enforcement and compliance monitoring.

The delayed biodiversity funding rollout represents a critical implementation gap. While the \$262 million commitment for protecting 30% of land and marine areas by 2030 was reaffirmed in the budget, actual implementation programs and additional allocations have not materialized, suggesting coordination challenges between funding allocation and program delivery.

Water system coordination

The National Water Agreement delay creates uncertainty in water governance frameworks, particularly affecting interstate water sharing arrangements and coordinated basin management. This gap may limit the effectiveness of water resource management during critical periods such as drought or flooding.

Incomplete water market reforms leave existing regulatory gaps in water trading systems, potentially affecting market transparency and anti-manipulation protections. The staged implementation approach may create temporary regulatory inconsistencies during the transition period.

Analysis of impact

Strategic prioritization pattern

The government's approach reveals strategic prioritization of achievable technical measures over comprehensive structural reforms. Successfully implemented initiatives like the Nature Repair Market and groundwater recovery tender provide immediate operational benefits while requiring less complex legislative processes.

The pattern suggests a pragmatic approach to reform sequencing, with technical implementations preceding major institutional changes. This strategy may help build implementation capacity and political momentum for larger reforms while delivering tangible progress on specific environmental and water management issues.

Overall impact

The following summarize recommendations dated May 31, 2025, sent by IPAG Asia Pacific, Melbourne to Hon Murray Watt, Minister for the Environment and Water for implementing in the 1st 100 days of the 2nd term of the Labor Government. It provides status of implementation and what needs to be done is to be on track for timely completion of the initiatives.

IPAG Recommendations	Progress Made	Implementation Status (✓/X)	Remarks
National climate risk assessment	Not yet initiated; no cross-sectoral report or interdepartmental process publicly launched.	X	No visible steps; important to kickstart cross-department coordination.
National adaptation & resilience strategy	Strategy not yet published; no funding or implementation framework announced.	X	Still missing funding and delivery plan to back the strategy.

IPAG Recommendations	Progress Made	Implementation Status (✓/X)	Remarks
Biodiversity restoration programs	Nature Repair Market commenced; no major new habitat programs or species updates yet.	✓ (Partially)	Nature Repair Market is a start; broader species recovery needs more action.
Darling basin plan review	Groundwater recovery tender launched; Basin Plan delivery in motion; no full Plan review yet.	✓ (Partially)	Progress on tenders but full review timeline is still unclear.
Urban water resilience	No dedicated funding streams or partnerships announced yet.	X	No new partnerships: cities remain vulnerable to water stress.
National nature finance taskforce	No official launch or announcement of nature finance taskforce to date.	X	Taskforce missing; risks falling behind global green finance standards.
EPBC act modernisation	Macquarie Harbour EPBC amendment passed; full overhaul delayed.	! (Limited progress)	Taskforce missing; risks falling behind global green finance standards.
National water grid roadmap	No public release of roadmap or infrastructure prioritisation updates.	X	Lack of published plan leaves stakeholders uncertain on priorities.
Climate & nature observatory	No launch or reference to observatory or data platform in first 60 days.	X	No data hub progress; hard to track national targets.
Environment & water ministers' council	No formal meetings convened or publicly announced post-election.	X	Coordination gap; states waiting for clear leadership signal.

Institutional development challenges

The delays in establishing fundamental institutional frameworks like the federal EPA and comprehensive environmental law reform may constrain long-term environmental protection effectiveness. These foundational elements are critical for coordinated environmental governance and may limit the impact of other environmental initiatives without proper institutional support.

Similarly, water governance delays may affect the government's ability to respond effectively to emerging water challenges, particularly climate-related impacts on water resources and interstate water sharing disputes.

Moving forward.....

Australia's Labor government has demonstrated mixed progress on environmental and water commitments during its first 60 days post-election. While successfully implementing technical measures like the Nature Repair Market, groundwater recovery tender, and First Nations Water Strategy, major structural reforms including the federal EPA, EPBC Act rewrite, and National Water Agreement remain pending.

The government's performance reflects a strategic approach prioritizing implementable technical solutions while allowing additional development time for complex institutional reforms. This pattern provides early operational wins in water management and environmental offsetting while building toward more comprehensive reform packages.

The success of the government's environmental and water agenda will ultimately depend on its ability to translate delayed structural commitments into effective legislative action over the coming 12-18 months. The balance between immediate technical implementations and long-term institutional reform will determine whether Australia's environmental and water management framework can meet both current operational needs and future environmental challenges. The activation of lower-profile measures demonstrates administrative capacity, but the pending major reforms will test the government's ability to deliver transformative change in environmental governance and water management systems.