Key legislative milestones in water reform

The National Water Initiative is the blueprint for water reform across Australia. It was signed by the Council of Australian Governments in 2004 and is an agreement between the Australian Government and all states and territories. It is considered a key milestone as it was a turning point for water managers in Australia in providing direction on how to use our most precious resource.

The Initiative was established to achieve sustainable water use in each catchment across the country. Importantly, in establishing the initiative, governments recognised the need to manage surface water and groundwater together, as a connected system.

Under the Initiative, governments have committed to:

- preparing comprehensive water plans
- achieving sustainable water use in over-allocated or stressed water systems
- introducing registers of water rights and standards for water accounting
- expanding trade in water rights
- improving pricing for water storage and delivery
- better managing urban water demands

Assessments of progress implementing the Initiative are required to occur on a triennial basis, with the latest assessment by the Productivity Commission in 2017. The next triennial assessment of the Initiative will occur in 2020.

The Water Act (2007)
The Water Act, 2007 provides the legislative framework for ensuring that Australia’s largest water resource—the Murray-Darling Basin—is managed in the national interest. In doing so, the Water Act recognises that Australian states in the Basin continue to manage Basin water resources within their jurisdictions.

- established the Murray-Darling Basin Authority (MDBA)
- required the MDBA to prepare the Basin Plan
- established the Commonwealth Environmental Water Holder to manage the Commonwealth’s environmental water to protect and restore the environmental assets of the Basin
- provided the Australian Competition and Consumer Commission (ACCC) with a key role in developing and enforcing water charge and water market rules along the lines agreed in the National Water Initiative
- gave the Bureau of Meteorology additional water information functions
- gave the Productivity Commission a role in reporting on the effectiveness of water reform legislation

The Basin Plan (2012)
In 2012, there was widespread agreement across government that a plan was needed to manage our water carefully and protect the Basin for future generations. The Basin Plan was developed to manage the Basin as a whole connected system. The aim of the Basin Plan is to bring the Basin back to a healthier and sustainable level, while continuing to support farming and other industries for the benefit of the Australian community.

At its heart, the Basin Plan sets the amount of water that can be taken from the Basin each year, while leaving enough for our rivers, lakes and wetlands and the plants and animals that depend on them.

History of water management in the Basin

The Murray-Darling Basin is rich in history—it has been home to more than 40 First Nations for thousands of years, it was one of the first areas of Australia explored by early settlers and its most precious resource, water, has been managed for decades.

For thousands of years, the practices of First Nations contributed to a balance between resource use and sustainability— they used only what they needed to make sure the Basin remained healthy.

The first early settlers began exploring the Basin in the 1820’s finding the Murray, the Darling and Lake Alexandrina. This exploration was the beginning of trade along the Murray, with South Australia using paddle steamers and barrages to move merchandise up and downstream—a practice that was enhanced by the gold rush in the 1850’s. By the end of the 19th Century the breadth of the river system had been realised.

As the use of the river system increased, there was a greater need to come to an arrangement to share water. In 1914, the Commonwealth, New South Wales, Victoria and South Australian governments signed the River Murray Waters Agreement. This agreement set out the need to develop infrastructure (locks and weirs) in the southern Basin, to store and share water between the three states.

Over the coming decades infrastructure was built to regulate the rivers in the southern Basin, while the rivers in the north were managed separately by New South Wales and Queensland. With development came an increased use in water and by 1981 the mouth of the River Murray closed, an indication the river was drying.

Governments knew more work was needed to ensure the Basin became healthier and more productive.
The Murray–Darling Basin Agreements

The first agreement: The River Murray Waters Agreement
By the end of the 19th Century different states had an understanding that irrigation was affecting the Basin. In 1902 the Interstate Royal Commission on Murray Waters was convened to inquire into the ‘conservation and distribution of the waters of the Murray and its tributaries for the purpose of irrigation, navigation and water supply’. It was the first official body to propose a program of capital works, essentially to build 75 locks and weirs, for the Murray–Darling system. From 1920-1970 management of water under the Agreement changed—the following amendments were made:

- 1923: Irrigation took precedence of navigation
- 1934: Capacity of Hume Dam determined to be 1500 gigalitres (GL)
- 1954: Capacity of Hume Dam expanded to 3000 GL
- 1958: Agreement to deal with the effects of the Snowy Mountains Hydro Electric Scheme
- 1963: The proposal of developing Chowilla Dam is agreed
- 1970: Dartmouth Dam replaces the Chowilla Dam proposal
- 1948: Agreement to protect catchments from erosion
- 1954: Agreement to introduce a reserve for dry conditions

The second agreement: The Murray–Darling Basin Agreement
The Murray–Darling Basin Agreement replaced the River Murray Waters Agreement in 1987, expanding the resource-sharing arrangements between the states to cover the whole Basin. At the same time:
- the establishment of Murray–Darling Basin Commission replaced the River Murray Commission
- the Ministerial Council was established, with water Ministers from each state and the Australian Government tasked with overseeing water reform
- a Community Advisory Committee was established
- the scope for the agreement expanded—water managers were now looking to include the Basin landscape, not just the rivers themselves.

Further amendments were made to the Agreement over time, including:

- 1992: The Salinity and Drainage Strategy was incorporated
- 2002: Increased water for the environment in the River Murray, to keep the Murray Mouth open and preserve significant environmental sites
- 2006: Provision of funding for River Murray infrastructure to provide certainty for governments
- 2008: Established a South Australian storage right
- 2009: The agreement was incorporated into the Water Act 2007

Records of inflows into the Murray–Darling Basin

- 1895: Start of the ‘Federation Drought’ which lasts for 7 years
- 1910: Severe drought leads to the end of commercial navigation on the Murray and Darling rivers
- 1914: Flooding along the River Murray
- 1917: Flooding along the River Murray
- 1921: Flooding along the entire Basin
- 1923: Flooding along the River Murray
- 1931: Flooding along the River Murray
- 1944: Severe drought causes widespread flooding in Condamine and Warrego rivers
- 1948: Capacity of Hume Dam expanded to 2500 GL
- 1950: Record rainfall causes widespread flooding in Condamine and Warrego rivers
- 1954: Capacity of Hume Dam expanded again to 3000 GL
- 1958: Agreement to deal with the effects of the Snowy Mountains Hydro Electric Scheme
- 1963: The proposal of developing Chowilla Dam is agreed
- 1970: Dartmouth Dam replaces the Chowilla Dam proposal
- 1981: Drought forces Adelaide to take 90% of its water from the Murray. The Murray Mouth closes for the first time in recorded history
- 1987: The agreement was incorporated into the Water Act 2007
- 2006: Provision of funding for River Murray infrastructure to provide certainty for governments
- 2008: Established a South Australian storage right
- 2009: The agreement was incorporated into the Water Act 2007