The NSW Parliament passed the Water Management Act 2000 (NSW). The Act established a completely new statutory framework for managing water in NSW.

The Federal Parliament passed the Water Act 2007 (Cth). The Act provides the legislative framework for management the Murray-Darling Basin water resources.

NSW is required to develop 22 Water Resource Plans (WRP) by 2019 in the NSW Murray Darling Basin Zone.
The Council of Australian Governments adopted a strategic water reform framework in February 1994, which was incorporated in the National Competition Policy agreements.

- **Main objectives**: establish an efficient and sustainable water industry and mitigate widespread natural resource degradation.
- **Content**: water pricing, investment in rural water schemes, water trading, water entitlements, resource management, institutional reform and improved public consultation.

**1997**

**Murray-Darling Basin Cap**

Introduction of Murray-Darling Basin Cap on surface water diversion.

- The Cap is defined as “the volume of water that would have been diverted under 1993/94 levels of development”.
- The Cap is a long-term average annual water extraction target.
- Main objective: maintain (and where possible improve) existing flow regimes and achieve the sustainable use of water resources by developing and managing Basin water resources to meet ecological, commercial and social needs.
The NSW Parliament passed the Water Management Act 2000 (NSW) in December 2000. The Act established a completely new statutory framework for managing water in NSW.

- The main objective: provide for the sustainable and integrated management of NSW water resources for the benefit of both present and future generations.
- NSW Water Sharing Plans are made under the Water Management Act 2000 and the majority of NSW water access licences are issued under the Act.


- “Blueprint” for water reform:
  - Consolidation of 1994 reforms; extended the Cap and Trade market based system; imbedded a nationally competitive water market, removed barriers to trade, facilitated efficient water use, instituted water accounting and addressed structural adjustment issues.
  - The preamble to the Intergovernmental Agreement on a National Water Initiative, declared that: “Water may be viewed as part of Australia’s natural capital, service a number of important productive, environmental and social objectives. (...) governments have a responsibility to ensure that water is allocated and used to achieve socially and economically beneficial outcomes in a manner that is environmentally sustainable.”

- The Act provides the legislative framework for management the Murray-Darling Basin water resources.

**Content:**

- Required the preparation of the Basin Plan 2012;
- Established the Murray-Darling Basin Authority (MDBA) and the Commonwealth Environmental Water Holder (CEWH);
- 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.
- Provided the Bureau of Meteorology (BOM) with water information functions.
- Provided the Productivity Commission (PC) with a role in reporting on the effectiveness of the implementation of the Murray-Darling Basin Plan and water resource plans and the progress towards achieving the objectives and outcomes of the National Water Initiative.

- The Water Act 2007 has been amended several times:
  - Water Amendment Act 2008 – partial referral of powers by the Basin States
  - Water Amendment Act 2015 – 1500GL cap on surface water purchases and greater flexibility with efficiency measures.
The Federal Parliament passed the Basin Plan 2012

- The Basin Plan provides for an integrated and strategic framework for water reform, consistent with the requirements of the Water Act 2007.
  - Main Objective: restore the Basin’s rivers and wetlands to health while supporting strong regional communities and sustainable food production.
  - Target: The ‘recovery’ of 2750GL of surface water for the environment via direct water entitlement purchases and infrastructure funding (water buybacks have had significant social and economic impacts on valleys across NSW).

NSW is required to develop 22 Water Resource Plans (WRP) for inland valleys by 2019 as required requirement by the Basin Plan 2012.

Content:

- Set water sharing arrangements for consumptive users.
- Establish rules to meet environmental and water quality objectives
- Show compliance with the Sustainable Diversion Limits
- Include Water Quality Management Plans
- Provide for environmental watering
- Establish an extreme events policy