

Overview of the National Water Agreement and How It Affects the Murray-Darling Basin Plan

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A New National Water Agreement

The National Water Initiative (NWI) was a non-legally binding intergovernmental agreement between the Commonwealth and the states and territories on water reform and management in Australia. The agreement was signed in 2004, and since then much has changed in our environment; climate change is impacting water scarcity and continued population and industry growth has put water resources under increasing pressure, presenting new challenges to water security and necessitating a new agreement.

Consequently, the current federal government has proposed a new agreement called the National Water Agreement (NWA) to address these challenges. The agreement was developed through 3 rounds of public consultation and makes significant changes to the NWI, most significantly in the areas of First Nations involvement and knowledge and climate change preparedness and action. The agreement is not yet finalised as it has only been signed by the federal government and now waits upon each state and territory to sign. Once signed, the government, states and territories will develop new national policy and guidance to implement the NWA.

Changes from the National Water Initiative in the National Water Agreement

The government has several goals they hope to achieve with the NWA, which include maintaining current water access rights, ensuring secure water supplies for growing urban areas as well as remote communities, supporting sustainable water planning for our changing climate, strengthening the influence of Aboriginal and Torres Strait Islander peoples in water management, supporting the irrigated agriculture sector and promoting a flexible management approach.

Within the most recent draft version of the NWA (released in December 2024) these are formulated as 7 objectives:

- Objective 1 – Safe and secure supply of sufficient water quality and quantity to sustain communities, culture, natural environments and economic prosperity
- Objective 2 – Investment in major water infrastructure that is effective, strategic and transparent
- Objective 3 – Water management that recognises and protects Aboriginal and Torres Strait Islander water interests and values
- Objective 4 – Evidence-based decision making in water management that is underpinned by robust and coordinated use of science, data and cultural knowledge
- Objective 5 – Sustained community trust and confidence in government, water agencies, water managers and water users
- Objective 6 – Environmentally sustainable water planning and management that is interconnected, adaptive and responsive to climate change and other circumstances
- Objective 7 – Water management frameworks that facilitate judicious and efficient use of water

As a result of the addition of new material and the restructuring of existing material to fit these objectives, the NWA has some significant differences from the NWI. Most notably, these changes have occurred regarding Aboriginal and Torres Strait Islander Peoples' involvement and knowledge and climate change preparedness and action. Clauses addressing climate change have been added to multiple outcomes, for example under water services provision the following was added: 1.2 A risk-based, adaptive approach to planning is undertaken to ensure maintenance of urban water security across Australia in response to climate change and variability, including increased flood and drought risk, population change and other pressures. The section on environmental water is also much expanded in the new agreement (Objective 6) and includes a new outcome called climate change adaptation (6D), which provides guidance on how water can be managed to respond to changing climate impacts.

Aboriginal and Torres Strait Islander Peoples' involvement in water management has also been expanded in the new agreement, addressed through Objective 3 and additional clauses throughout the agreement. A new schedule, Schedule E Engaging Aboriginal and Torres Strait Islander Peoples, has also been added. These changes are much needed updates to the agreement, creating a more equitable water management system where Aboriginal and Torres Strait Islander Peoples' knowledge and water rights are acknowledged and protected. Likewise, changes to address climate change will hopefully help to future proof Australia's water system and ensure its longevity.

While it is worth celebrating these positive changes, there are also concerns about how the new agreement may impact existing water management planning, such as for the Murray-Darling Basin.

Impact on the Murray-Darling Basin Plan

The Murray-Darling Basin is Australia's largest river system and is both a critical habitat for many endangered species as well as hugely significant in Australia's food production. It is managed by the Murray-Darling Basin Authority in accordance with the Murray-Darling Basin Plan, both of which emerged as outcomes from the Water Act 2007, itself an outcome of the National Water Initiative. Therefore, a new water agreement has the potential to significantly impact the Murray-Darling Basin. However, despite being directly addressed by outcomes in the National Water Initiative, neither the Basin nor the Basin Plan are mentioned in the new agreement. As a result, there is uncertainty about how the new agreement will impact the Basin Plan.

However, back in 2020, the Murray-Darling Basin Authority published recommendations for a new water agreement based on lessons taken from managing the Basin. Their suggestions were as follows:

- strong compliance, including in the regulation of water markets
- an increase to First Nations' access to water
- climate change adaptation in all policies and management frameworks
- better capability building to help all water users navigate the system
- investment in science and monitoring of system condition and
- water management to be complemented by whole-of-system policies.

As mentioned above, an entire objective has been created to address climate change adaptation in the NWA. Likewise, under outcome 3E Aboriginal and Torres Strait Islander people's access to inland water will be increased. When it comes to compliance, the agreement addresses this in terms of transparency and fairness, both generally and for the regulation of water markets. Whether this translates to strong compliance will have to be seen with the implementation of the final version of the agreement and its monitoring.

The agreement also addresses capacity building for all water users and was simplified from previous drafts to be more easily accessible for all waters users. Similarly, the plan promotes investment in science and monitoring. The one thing the agreement misses is whole-of-system policies, owing to the absence of any mention of the Murray-Darling Basin and to the fact that policies developed from the agreement will only be created once it has been finalised. Therefore, these may later be included. However, the finalised agreement will not be made public until all states and territories have signed on meaning whether these necessary elements are included and accurately address recommendations will not be known until after it is too late for the general public to provide feedback.

However, importantly, the Murray-Darling Basin Authority is currently undertaking a review of the Murray-Darling Basin Plan with submissions for consultation open until 1 May this year. The Water Act is also being reviewed this year with public consultation occurring in the next few months. So, while there may no longer be a chance to provide feedback on the new agreement, there's still a chance for concerns to be heard.

If you live or work on the Basin, or if this article has raised any concerns about water management of the Basin, the link below will lead you to the review discussion paper and submission page for feedback for the review.

<https://getinvolved.mdba.gov.au/2026basinplanreview>

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