WATER REFORM IN AUSTRALIA

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National Water Commission
Australia – limited resources

Distribution
surface water runoff

- 20.3%
- 23.3%
- 1.0%
- 0.4%
- 1.7%
- 1.9%
- 0%
- 0.3%
- 6.1%
- 13.3%
- 21.1%
Water Use by Industry

- Rural: 80%
- Urban: 12%
- Industry, Mining and other: 8%

adapted from *Water and the Australian Economy*- April 1999
Water use per capita

Source: OECD (2003) Environmental Performance Reviews: Water
Australian Policy Coordination

• Each State responsible for management of its natural resources eg land and water

• All governments recognise the need to work together

• Federal Government involved in matters of national interest
Government Structure

Council of Australian Governments (CoAG)

- Murray Darling Basin Ministerial Council
- Natural Resource Management Ministerial Council
- Primary Industries Ministerial Council
- Environment Protection and Heritage Ministerial Council

Supported by Standing Committees and Working Groups of Officials
Australia’s Reform Process

- Commenced in 1994
  - COAG Water Reform Framework
- Renewed in 2004 with new 10 year COAG commitment
  - National Water Initiative (NWI)

Objective

“A nationally-compatible market, regulatory and planning based system of managing surface and groundwater resources for rural and urban use that optimises economic, social and environmental outcomes”
NWI Instruments for managing water

Water Planning

Water Markets

Water Regulation
Some Key Elements of Reform

• Institutional
  – separation of policy, service provider and regulator
  – corporatising the provision of water services
    : high level of transparency, accountability, benchmarking performance
  – devolution of responsibility to lowest possible level

• Pricing
  – volumetric, full cost recovery
Some Key Elements of Reform (cont)

• Entitlements and planning
  – transparent statutory based planning
  – clear specification of entitlements including statutory provision for environment

• Markets
  – separation of water access entitlements from land
  – opening up water trading
Messages – Lessons Learnt

• Reform takes time
  – a long term plan is needed
• Good policy framework essential to introduce change
  – integrated package of planning, markets and regulation
• Needs commitment at all level of government and community support
Thank you

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