

Is Australia about to walk away from water reform?¹

by Dr John Williams FTSE*

For over a quarter of a century Australia has been at the forefront of progressive water reform, developing policy and its implementation and evolving institutional governance.

The historic 2004 agreement to form a National Water Initiative (NWI), with its shared commitment by governments to increase the efficiency of Australia's water use, is rightly recognised as one of the world's most significant water reforms. Its aspirations warrant our continued vigilance and action if we are to avoid repeating the mistakes of the past. We should, if anything, be driving it further and faster.

It was therefore perplexing to see the Australian Government budget announce the abolition of the National Water Commission (NWC). Loss of the NWC's high-level independent role poses a real threat to Australia's hard-won water reform progress and the NWI.

For many, the recent budget decision is all the more surprising in light of an independent Council of Australian Governments (COAG) review of the NWC only two years ago. That review concluded:

The NWI remains a relevant and active reform agenda supported by most stakeholders. ... The elements of the NWI still to be implemented are, by their nature, the more difficult ones and the role that can be played by a specialist and independent body like the NWC is likely to be even more important in the future.

Where to now for water reform?

Continuing with water reform is vital, to maximise our future productivity and efficiency, especially now as we confront new issues and pursue new opportunities.

All those with an interest in water will eagerly await the NWC's final assessment of water reform progress, due to be delivered to COAG later this year. What will it say about the unfinished business of water reform, and about applying the NWI's tried and tested principles to new issues and future development decisions?

Further, I wonder how, given the abolition of the NWC and the COAG Standing Committee on Environment and Water, governments will respond to these final NWC recommendations? Let us hope that we don't see a return to the days when state borders matter more than the rivers that run through them.

As the NWC outlined in 2011, substantial progress in water reform has been made, and there is still much unfinished business:

- returning surface water and groundwater systems to sustainable levels of extraction;
- meeting commitments to incorporate significant water interception into water plans, to avoid eroding the security of water rights;
- improving the responsibility and accountability for environmental water management decisions among the relevant institutions, and also the scientifically credible

monitoring and evaluation of environmental outcomes;

- deciding how to manage competing demands for water from the urban, rural and resources sectors.

Clearly there is also still a need for expert performance audits of large-scale water plans and expenditure of the billions of public dollars committed to them, including restoring the Murray-Darling Basin.

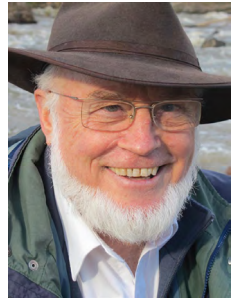
If these and other aspects of Australia's essential water reform are to be completed by all governments there needs to be strong leadership and adequate resourcing, supported by independent assessment of progress and deficiencies.

As other stakeholders have noted, it is important that we retain an independent voice on national water reform — as the NWC's has been — to give everyone confidence that future assessments are fair and impartial.

Complex intertwined issues need leadership

The world has a huge appetite for energy, water and food. All three are products of intimately linked ecosystems and natural resources. For example, water resources (surface and groundwater) can be affected by the development and management of other resources such as natural gas. There is a need for sensitive complementary management if we are to achieve the future food requirements of the planet.

The complex water–energy–food–climate-change interfaces will bring economic and social pressures to bear on our scarce water resources and require innovative policy solutions. In this context, the NWC stepped up with an early assessment of coal seam gas and water issues. Further, it has urged governments to apply tried and tested NWI principles if deciding to develop northern Australia's water resources, and has made sure Indigenous voices were heard. It has provided an independent forum where state and federal governments met with leaders in industry, environment and Indigenous matters, to examine the whole system for the sake of water reform.



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Towards a solution?

Australia needs national leadership to catalyse robust enquiry on how best to manage these competing needs and demands, and to drive fresh policy and future water reform.

Our water industry has for many years generated imaginative leadership, policy, operational principles and frameworks which have underpinned the water reform progress to date. Now we need to build on our water reform record to prepare for the future with foresight.

Managing water scarcity will remain a challenge for Australian governments. Whether we are prepared to meet that challenge will shape our economic prosperity, social wellbeing and environmental health.

I challenge us all who are associated with the Peter Cullen Trust not to sit on our hands or turn a blind eye to the destruction of Australia's rich achievement in water reform. To stand against the relentless assault will require speaking truth to power.

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¹ This article is adapted from 'My Point of View', WATER June 2014.

