



Australian Government
National Water Commission

Progress in the National Water Initiative including Urban Water Reform

CEDA National Water Forum

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Outline

- Progress in the National Water Initiative
- Specific issues in water reform: Pricing
- Specific issues in water reform: Urban water



The NWI – more relevant than ever

- ◆ Over-allocation...
- ◆ Sustainable levels of extraction...
- ◆ Balancing consumptive use and environmental water...
- ◆ Managing climate change risks...
- ◆ Water-induced adjustment...
- ◆ Longer term water planning...
- ◆ Institutional reform...
- ◆ Introducing water trading...
- ◆ Improved Accounting for water...



NWC's First Biennial Assessment of NWI Progress

- The NWI remains the primary and enduring national reform blueprint
- NWI policy prescriptions continue to be widely accepted as the right ones

But ...





Progress in the NWI

1. **Overallocation: still not being managed as envisaged in the NWI**
 - 💧 NWI commitments to move to sustainable levels of extraction have not been fully met

NWC urges redoubled efforts

COAG





Progress in the NWI

- 2. Water Planning:** as a consequence of the NWI, water planning has improved, but plenty of room for improvement

NWC urging a new focus on planning

COAG





Progress in the NWI

3. Completing and operationalising **water plans** has been difficult for governments
 - 💧 Clarity and certainty not yet realised



Progress in the NWI

- 4. Compliance and Enforcement:** Public confidence in the planning and allocation systems depends on compliance

NWC encourages stronger efforts

COAG





Progress in the NWI

5. Surface water – groundwater interactions: need to manage joint resources, jointly

💧 Groundwater the “poor cousin”

NWC continues to highlight the problem

COAG





Progress in the NWI

- 6. Water interception:** recognised as a serious challenge by governments but, farm dams and forestry are politically difficult

NWC sees insufficient concerted action

COAG





Progress in the NWI

- 7. Water Trading:** good progress, but administrative complexity and barriers remain

NWC urges simplification of markets

COAG





Progress in the NWI

8. Government contributions to the costs of urban water infrastructure

- 💧 Commonwealth / State confusion in roles

NWC recommends national guidelines on
Government involvement



Progress in the NWI

9. **Water pricing:** Regulators need strengthening in some states

NWC urges new national guidelines

COAG





Progress in the NWI

- 10. Role of local government:** in some states, local government is responsible for urban water delivery, but local govt is small and poorly resourced

NWC urges governance reform



Progress in the NWI

11. Management of environmental water has not emerged as envisaged in the NWI

NWC urges national principles and improved practices for environmental water

COAG





Progress in the NWI

- 12. Monitoring river health and groundwater:** a more harmonised and rigorous national approach is required

NWC has proposed such a framework



Progress in the NWI

13. **Water data:** sustained collaborative effort required for evidence-based management

NWC strongly supports the BoM

COAG





Progress in the NWI

14. Water Sector **Skills Shortages**: large skill gaps identified

NWC sponsoring water sector Skills Task Force

COAG





Progress in the NWI

- 15. Water Science:** R + D in the water sector lacks coherence
- e.g. no national research priorities

NWC has suggested a national water science strategy

COAG





And ...

- 💧 Urban water reform has been disappointing
 - 💧 Improve water planning; remove policy 'bans'
 - 💧 Diversify to less-climate dependent sources
 - 💧 Consider a national reliability benchmark?
 - 💧 Reduce public confusion on restrictions
 - 💧 Get serious about water sensitive urban design

NWC has recommended an urban water reform supplement to the NWI

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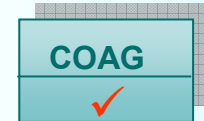
COAG Tasking

“Develop a comprehensive enhanced urban water reform framework with specific and measurable actions”



Other Lagging Reforms

- 💧 Private sector involvement
- 💧 Commonwealth/State collaboration
- 💧 Planning on bases other than the historical record
- 💧 “Charging for subsidies”
- 💧 Restoring the real role of water restrictions





Urban Water Pricing

The NWC argues for:

- 💧 Stronger independent pricing oversight
- 💧 More transparent pricing
- 💧 Consideration of scarcity pricing
- 💧 Improved pricing for new water sources
- 💧 Review of inclining block tariffs



Urban Water Pricing cont'd..

- 💧 Equity through means other than pricing
- 💧 Improved metering and billing
- 💧 More transparent security of supply
- 💧 Further institutional reform and competition
- 💧 Structural reform, including non-metropolitan



NWC Suggestions for Consideration in a New Urban Reform Agenda

- Providing more transparency about levels of risk to urban water supply security
- Options to intensify competition in urban water
- Options for more effective third party access
- Developing more effective structural models for non-metropolitan urban water delivery



NWC Suggestions for Consideration in a New Urban Reform Agenda cont'd

- 💧 Designing clearer pathways through health and environmental regulations for new supply options
- 💧 Developing a national water recycling strategy
- 💧 Getting serious about a national approach to WSUD
- 💧 Developing a national strategy to better utilise stormwater



NWC Suggestions for Consideration in a New Urban Reform Agenda cont'd

- Agreeing nationally harmonised approaches to water restrictions
- Strengthening pricing oversight in some states
- And... re-establishing clear respective roles for State and Commonwealth governments in urban water



The “Big Six” Challenges – Water Reform 2008-09

Adjusting to Climate Change

1. Resolving over-allocation

2. Adjustment of Australia’s irrigation industry

3. Improving management of water-dependant environmental assets

4. Securing urban water supplies

5. Implementing the MDB reforms

6. Finding new Commonwealth/State working relationships in water



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