



Australian Government
National Water Commission

A horizontal splash of clear blue water with several droplets and ripples, set against a light blue background.

UTSPEAKS:

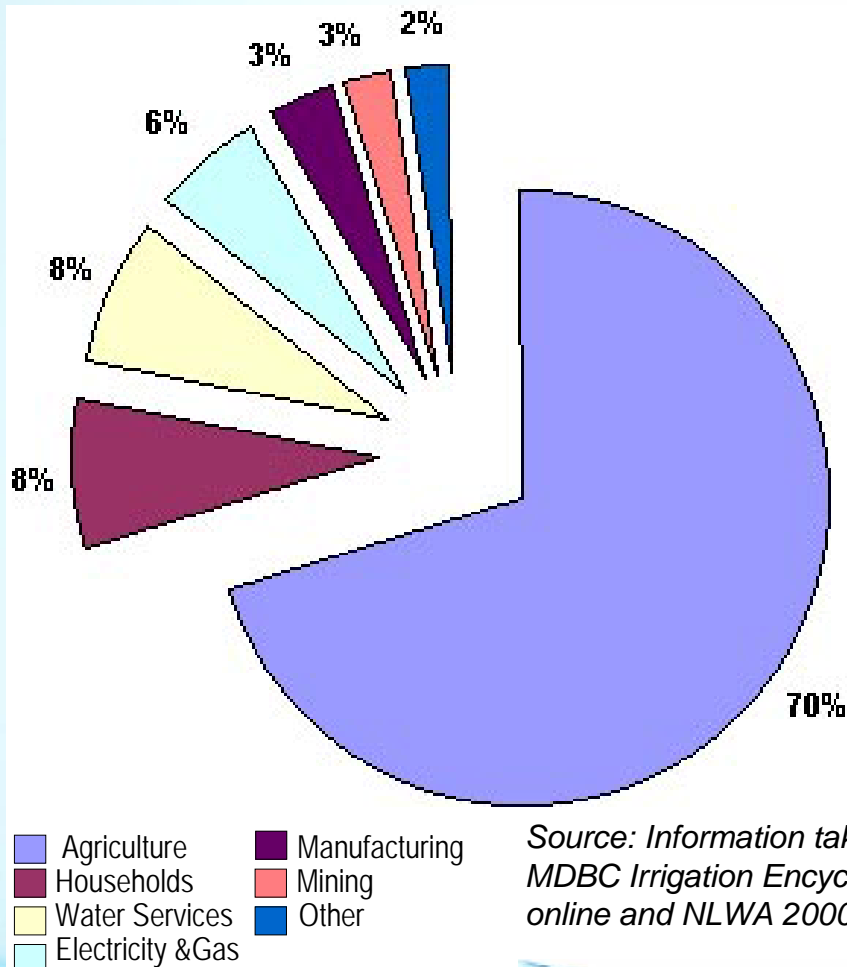
When Green Water is Best

Achieving a water resource smart Australia

Ken Matthews
Chairman and CEO
National Water Commission
Tuesday 15 August 2006



Water use in Australia

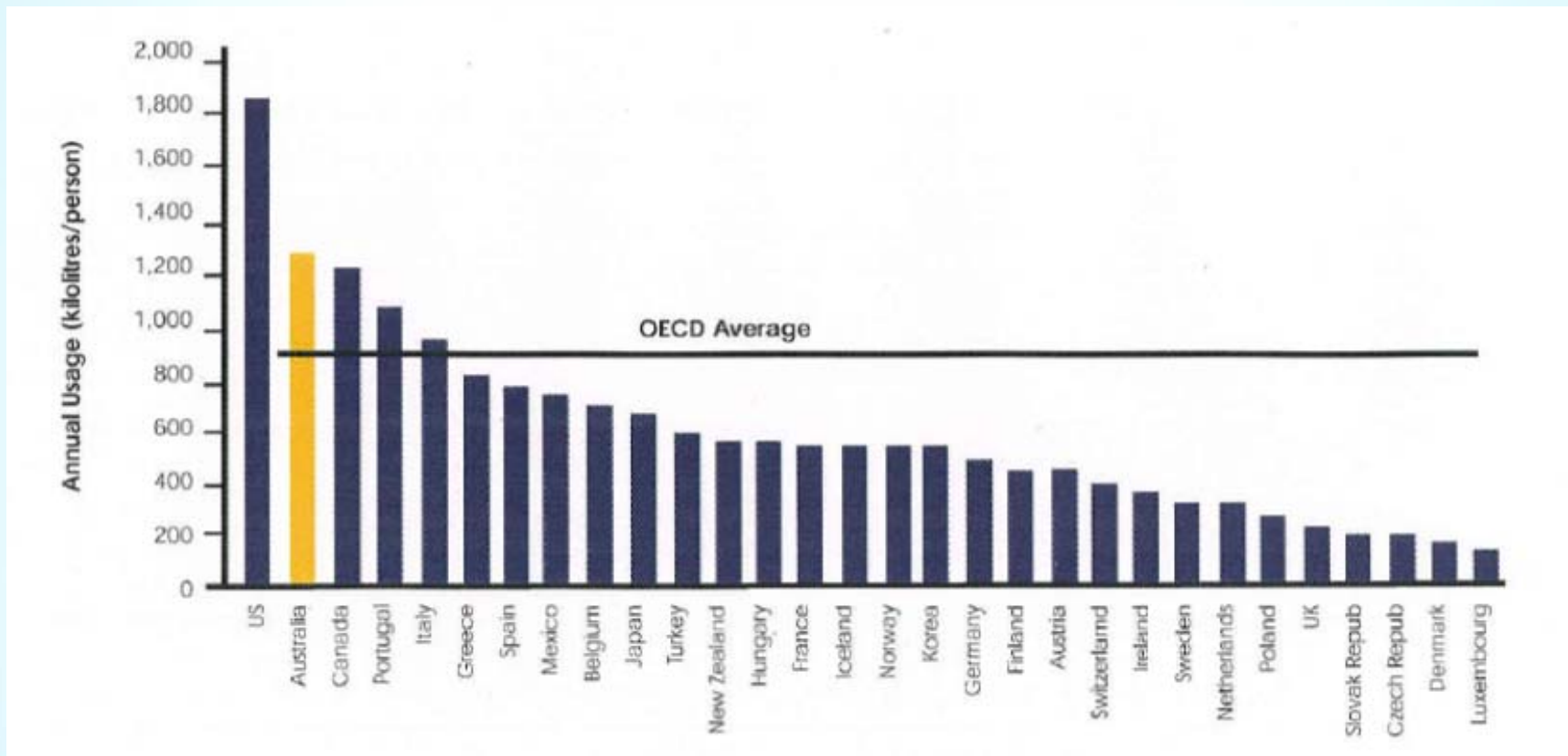


Source: Information taken from MDBC Irrigation Encyclopaedia online and NLWA 2000

- About 24 million megalitres used annually
- Irrigation accounts for about 25% of Australian agricultural production
- Water use increased 65% between 1983-84 and 1996-97



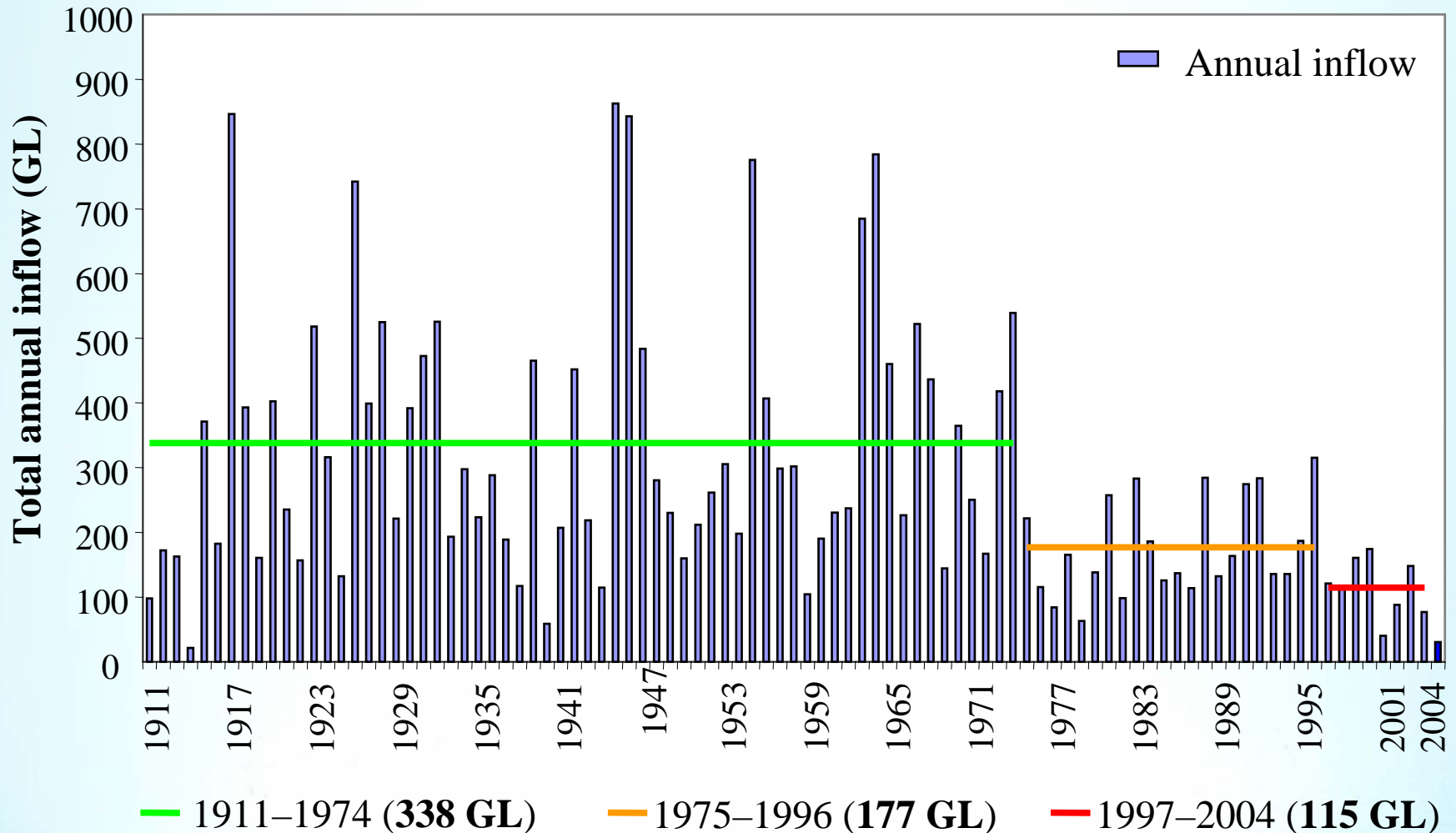
Water use per capita



Source: OECD (2003) Environmental Performance Reviews: Water



Annual Inflows to Perth dams have declined



Source: WA Water Corporation.



What is the NWI trying to do?

- Reform 200 years of practice
- Consolidate in one document the whole of water reform
- Find a national approach among many different players
- Integrate production and environment
- Integrate science and economics
- Deal with both urban and rural issues
- Keep water at the front of national public policy

A new journey with no precedent



Prerequisites to National Water Reform

- An imperative to act (the drought, growing public awareness)
- National leadership (Prime Minister, COAG, NWC)
- National blueprint and timetable (the National Water Initiative)
- Institutional arrangements (the National Water Commission)
- Resources (the Australian Government Water Fund)



The National Water Commission – Roles

Drive national water reform

1. Advance the COAG National Water Initiative
2. Advise on, and administer, the Australian Government Water Fund



Why continue with national water reform?

- steady increases in irrigated agriculture and increased demands for environmental water
- Improving scientific understanding of surface and groundwater systems
- reduced certainty in water use entitlements and consequent significant investment exposure
- disparate progress in water reform across the States, and intractable differences between States
- insecure urban water supplies
- need to capitalise on new techniques and technologies



Current Problems in the Water Sector

- Gaps in knowledge, eg. ecological needs of rivers; groundwater
- Underdeveloped markets
- Lack of resource security
- Public sector dominance of the water sector
- Differences between States; lack of national frameworks, standards
- Deficiencies in measurement, metering, accounting
- Immature water planning – including environmental needs
- Lack of resources for daily water management tasks
- Entrenched tensions between production and environmental users



Need to concentrate efforts on the “NWI basics” ...

1. Converting existing water rights into secure and tradable water access entitlements
2. Complete NWI-consistent water plans using best available science
3. Implement these plans - to resolve uncertainty for users and deliver sustainable levels of water extraction in practice
4. Establish open and low cost water trading arrangements
5. Improve water pricing to support the wider water reform agenda
6. Implement national approaches to water measuring, metering, monitoring, accounting and reporting



Key Challenges in the NWI

- Finalising water plans and entitlements
- Returning existing overallocated water bodies to environmentally sustainable levels
- Allowing water access entitlements to be traded freely
- Providing the necessary water accounting systems
- Implementing full cost recovery and efficient pricing policies in urban and rural areas
- Maintaining the momentum and direction of reform



Australian Government

National Water Commission

Seven Doubtful Claims about Water Management in Australia

1. That recycled sewage will never be acceptable for potable use in Australia
2. That additional urban water supplies should not be bought from irrigators
3. That water for the environment should be bought on the market only as a last resort
4. That urban water use restrictions introduced during the drought should continue indefinitely
5. That any water not taken for consumptive use is necessarily doing good to the environment
6. That water quality and pricing should be uniform across all urban water users
7. That water and sewerage are natural monopolies and should therefore be provided by governments

Propositions for discussion only. These ideas merit thorough public debate.



Seven Doubtful Claims about Water Management in Australia

1. That recycled sewage will never be acceptable for potable use in Australia
3. That water for the environment should be bought on the market only as a last resort
4. That urban water use restrictions introduced during the drought should continue indefinitely
5. That any water not taken for consumptive use is necessarily doing good to the environment
6. That water quality and pricing should be uniform across all urban water users
7. That water and sewerage are natural monopolies and should therefore be provided by governments

Propositions for discussion only. These ideas merit thorough public debate.



Seven Doubtful Claims about Water Management in Australia

2. That additional urban water supplies should not be caught from irrigators

last resort

4. That urban water use restrictions introduced during the drought should continue indefinitely
5. That any water not taken for consumptive use is necessarily doing good to the environment
6. That water quality and pricing should be uniform across all urban water users
7. That water and sewerage are natural monopolies and should therefore be provided by governments

Propositions for discussion only. These ideas merit thorough public debate.



Seven Doubtful Claims about Water Management in Australia

3. That water for the environment should be bought on the market only as a last resort

last resort

4. That urban water use restrictions introduced during the drought should continue indefinitely
5. That any water not taken for consumptive use is necessarily doing good to the environment
6. That water quality and pricing should be uniform across all urban water users
7. That water and sewerage are natural monopolies and should therefore be provided by governments

Propositions for discussion only. These ideas merit thorough public debate.



Seven Doubtful Claims about Water Management in Australia

1. That recycled sewage will never be acceptable for potable use in Australia
2. That additional urban water supplies should not be bought from irrigators
3. That water for the environment should be bought on the market only as a
- 4. That urban water use restrictions introduced during the drought should continue indefinitely**
5. That any water not taken for consumptive use is necessarily doing good to the environment
6. That water quality and pricing should be uniform across all urban water users
7. That water and sewerage are natural monopolies and should therefore be provided by governments

Propositions for discussion only. These ideas merit thorough public debate.



Seven Doubtful Claims about Water Management in Australia

1. That recycled sewage will never be acceptable for potable use in Australia
2. That additional urban water supplies should not be bought from irrigators
3. That water for the environment should be bought on the market only as a last resort
4. That urban water use restrictions introduced during the drought should
- 5. That any water not taken for consumptive use is necessarily doing good to the environment**
6. That water quality and pricing should be uniform across all urban water users
7. That water and sewerage are natural monopolies and should therefore be provided by governments

Propositions for discussion only. These ideas merit thorough public debate.



Seven Doubtful Claims about Water Management in Australia

1. That recycled sewage will never be acceptable for potable use in Australia
2. That additional urban water supplies should not be bought from irrigators
3. That water for the environment should be bought on the market only as a last resort
4. That urban water use restrictions introduced during the drought should continue indefinitely
5. That any water not taken for consumptive use is necessarily doing good to
- 6. That water quality and pricing should be uniform across all urban water users**
7. That water and sewerage are natural monopolies and should therefore be provided by governments

Propositions for discussion only. These ideas merit thorough public debate.



Seven Doubtful Claims about Water Management in Australia

1. That recycled sewage will never be acceptable for potable use in Australia
2. That additional urban water supplies should not be bought from irrigators
3. That water for the environment should be bought on the market only as a last resort
4. That urban water use restrictions introduced during the drought should continue indefinitely
5. That any water not taken for consumptive use is necessarily doing good to the environment
6. That water quality and pricing should be uniform across all urban water users
- 7. That water and sewerage are natural monopolies and should therefore be provided by governments**

Propositions for discussion only. These ideas merit thorough public debate.



A Dozen Trends in Water Policy

- | | | |
|----------------------------------|---|---|
| 1. Rural | → | Urban |
| 2. Public Sector | → | Private Sector |
| 3. Centralised | → | Decentralised (both urban and rural) |
| 4. Water Management | → | Infrastructure investments |
| 5. Regulation | → | Market Instruments |
| 6. Unaccountable Water Use | → | Accountable production
and environment |
| 7. Government / Local Government | → | Community |
| 8. Electorally Unimportant | → | Electorally vital |
| 9. Single source | → | Diversity of sources |
| 10. Rural industries | → | Rural communities |
| 11. Water Management | → | Natural resource management |
| 12. River Flows | → | River assets |
| 13. Community confidence | → | Lack of confidence |



A Dozen Trends in Water Policy

1. Rural



Urban

- | | | |
|----------------------------------|---|---|
| 2. Public Sector | → | Private Sector |
| 3. Centralised | → | Decentralised (both urban and rural) |
| 4. Water Management | → | Infrastructure investments |
| 5. Regulation | → | Market Instruments |
| 6. Unaccountable Water Use | → | Accountable production
and environment |
| 7. Government / Local Government | → | Community |
| 8. Electorally Unimportant | → | Electorally vital |
| 9. Single source | → | Diversity of sources |
| 10. Rural industries | → | Rural communities |
| 11. Water Management | → | Natural resource management |
| 12. River Flows | → | River assets |
| 13. Community confidence | → | Lack of confidence |



A Dozen Trends in Water Policy

- | | | |
|----------------------------------|----------|---|
| 1. Rural | → | Urban |
| 2. Public Sector | → | Private Sector |
| 3. Centralised | → | Decentralised (both urban and rural) |
| 4. Water Management | → | Infrastructure investments |
| 5. Regulation | → | Market Instruments |
| 6. Unaccountable Water Use | → | Accountable production
and environment |
| 7. Government / Local Government | → | Community |
| 8. Electorally Unimportant | → | Electorally vital |
| 9. Single source | → | Diversity of sources |
| 10. Rural industries | → | Rural communities |
| 11. Water Management | → | Natural resource management |
| 12. River Flows | → | River assets |
| 13. Community confidence | → | Lack of confidence |



A Dozen Trends in Water Policy

- | | | |
|----------------------------------|----------|---|
| 1. Rural | → | Urban |
| 2. Public Sector | → | Private Sector |
| 3. Centralised | → | Decentralised (both urban and rural) |
| 5. Regulation | → | Market instruments |
| 6. Unaccountable Water Use | → | Accountable production and environment |
| 7. Government / Local Government | → | Community |
| 8. Electorally Unimportant | → | Electorally vital |
| 9. Single source | → | Diversity of sources |
| 10. Rural industries | → | Rural communities |
| 11. Water Management | → | Natural resource management |
| 12. River Flows | → | River assets |
| 13. Community confidence | → | Lack of confidence |



A Dozen Trends in Water Policy

- | | | |
|----------------------------------|----------|--|
| 1. Rural | → | Urban |
| 2. Public Sector | → | Private Sector |
| 4. Water Management | → | Infrastructure investments |
| 6. Unaccountable Water Use | → | Accountable production and environment |
| 7. Government / Local Government | → | Community |
| 8. Electorally Unimportant | → | Electorally vital |
| 9. Single source | → | Diversity of sources |
| 10. Rural industries | → | Rural communities |
| 11. Water Management | → | Natural resource management |
| 12. River Flows | → | River assets |
| 13. Community confidence | → | Lack of confidence |



A Dozen Trends in Water Policy

- | | | |
|------------------|---|--------------------------------------|
| 1. Rural | → | Urban |
| 2. Public Sector | → | Private Sector |
| 3. Centralised | → | Decentralised (both urban and rural) |

5. Regulation → Market Instruments

- | | | |
|----------------------------------|---|-----------------------------|
| 7. Government / Local Government | → | Community and environment |
| 8. Electorally Unimportant | → | Electorally vital |
| 9. Single source | → | Diversity of sources |
| 10. Rural industries | → | Rural communities |
| 11. Water Management | → | Natural resource management |
| 12. River Flows | → | River assets |
| 13. Community confidence | → | Lack of confidence |



A Dozen Trends in Water Policy

- | | | |
|-----------------------------------|----------|---|
| 1. Rural | → | Urban |
| 2. Public Sector | → | Private Sector |
| 3. Centralised | → | Decentralised (both urban and rural) |
| 4. Water Management | → | Infrastructure investments |
| 5. ... | → | ... |
| 6. Unaccountable Water use | → | Accountable production and environment |
| 7. Government / Local Government | → | Community |
| 8. Electorally Unimportant | → | Electorally vital |
| 9. Single source | → | Diversity of sources |
| 10. Rural industries | → | Rural communities |
| 11. Water Management | → | Natural resource management |
| 12. River Flows | → | River assets |
| 13. Community confidence | → | Lack of confidence |



A Dozen Trends in Water Policy

- | | | |
|----------------------------|----------|--------------------------------------|
| 1. Rural | → | Urban |
| 2. Public Sector | → | Private Sector |
| 3. Centralised | → | Decentralised (both urban and rural) |
| 4. Water Management | → | Infrastructure investments |
| 5. Regulation | → | Market Instruments |
| 7. Government / | → | Community |
| Local Government | | |
| 8. Electorally Unimportant | → | Electorally vital |
| 9. Single source | → | Diversity of sources |
| 10. Rural industries | → | Rural communities |
| 11. Water Management | → | Natural resource management |
| 12. River Flows | → | River assets |
| 13. Community confidence | → | Lack of confidence |



A Dozen Trends in Water Policy

- | | | |
|-----------------------------------|----------|--------------------------------------|
| 1. Rural | → | Urban |
| 2. Public Sector | → | Private Sector |
| 3. Centralised | → | Decentralised (both urban and rural) |
| 4. Water Management | → | Infrastructure investments |
| 5. Regulation | → | Market Instruments |
| 6. Unaccountable Water Use | → | Accountable production |
| 8. Electorally unimportant | → | Electorally vital |
| 9. Single source | → | Diversity of sources |
| 10. Rural industries | → | Rural communities |
| 11. Water Management | → | Natural resource management |
| 12. River Flows | → | River assets |
| 13. Community confidence | → | Lack of confidence |



A Dozen Trends in Water Policy

- | | | |
|----------------------------------|---|---|
| 1. Rural | → | Urban |
| 2. Public Sector | → | Private Sector |
| 3. Centralised | → | Decentralised (both urban and rural) |
| 4. Water Management | → | Infrastructure investments |
| 5. Regulation | → | Market Instruments |
| 6. Unaccountable Water Use | → | Accountable production
and environment |
| 7. Government / Local Government | → | Community |

9. Single Source

→ Diversity of sources

- | | | |
|--------------------------|---|-----------------------------|
| 11. Water Management | → | Natural resource management |
| 12. River Flows | → | River assets |
| 13. Community confidence | → | Lack of confidence |



A Dozen Trends in Water Policy

- | | | |
|----------------------------------|----------|---|
| 1. Rural | → | Urban |
| 2. Public Sector | → | Private Sector |
| 3. Centralised | → | Decentralised (both urban and rural) |
| 4. Water Management | → | Infrastructure investments |
| 5. Regulation | → | Market Instruments |
| 6. Unaccountable Water Use | → | Accountable production
and environment |
| 7. Government / Local Government | → | Community |
| 8. Electorally Unimportant | → | Electorally vital |
| 9. Single source | → | Diversity of sources |
| 10. Rural Industries | → | Rural Communities |
| 13. Community confidence | → | Lack of confidence |



A Dozen Trends in Water Policy

- | | | |
|----------------------------------|----------|--|
| 1. Rural | → | Urban |
| 2. Public Sector | → | Private Sector |
| 3. Centralised | → | Decentralised (both urban and rural) |
| 4. Water Management | → | Infrastructure investments |
| 5. Regulation | → | Market Instruments |
| 6. Unaccountable Water Use | → | Accountable production and environment |
| 7. Government / Local Government | → | Community |
| 8. Electorally Unimportant | → | Electorally vital |
| 9. Single source | → | Diversity of sources |
| 10. Rural industries | → | Rural communities |
| 11. Water Management | → | Natural Resource management |

10. Community confidence

Lack of confidence



A Dozen Trends in Water Policy

- | | | |
|----------------------------------|----------|---|
| 1. Rural | → | Urban |
| 2. Public Sector | → | Private Sector |
| 3. Centralised | → | Decentralised (both urban and rural) |
| 4. Water Management | → | Infrastructure investments |
| 5. Regulation | → | Market Instruments |
| 6. Unaccountable Water Use | → | Accountable production
and environment |
| 7. Government / Local Government | → | Community |
| 8. Electorally Unimportant | → | Electorally vital |
| 9. Single source | → | Diversity of sources |
| 10. Rural industries | → | Rural communities |
| 11. Water Management | → | Natural resource management |
| 12. River Flows | → | River Assets |
| 13. Community confidence | → | Lack of confidence |



A Dozen Trends in Water Policy

- | | | |
|-------------------------------------|----------|---|
| 1. Rural | → | Urban |
| 2. Public Sector | → | Private Sector |
| 3. Centralised | → | Decentralised (both urban and rural) |
| 4. Water Management | → | Infrastructure investments |
| 5. Regulation | → | Market Instruments |
| 6. Unaccountable Water Use | → | Accountable production
and environment |
| 7. Government / Local Government | → | Community |
| 8. Electorally Unimportant | → | Electorally vital |
| 9. Single source | → | Diversity of sources |
| 10. Rural industries | → | Rural communities |
| 11. Water Management | → | Natural resource management |
| 13. Community
confidence | → | Lack of confidence |



Australian Government

National Water Commission

www.nwc.gov.au