



Australian Government  
National Water Commission

## The National Water Initiative and Water Smart Australia

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AGM of Murray Darling Association Inc

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## Outline

- About the National Water Initiative
- Current issues in water reform
- Progress to date
- Rural / Urban trading
- A Vision for water management in Australia



## 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*



## It's not simple...

- Water is political.
- There are strong community views.
- Everyone has an opinion.
- There can be big winners and losers.
- Success relies on Commonwealth / State cooperation.
- Aspects of: water science; water planning; water markets; and water policy are immature.
- Private sector participation is just beginning.
- There are no silver bullets.



## But there are grounds for optimism ...

- Considerable goodwill towards reform and the NWI
- The NWI remains the agreed national blueprint
- Strong public interest
- Water is on the political agenda
- Tasmania and WA have come on board
- State / Territory work plans well developed
- Ministerial Council work plan in place



## At the same time ...

- ... risks to water supplies are rising
- ... a public sense that the NWI is faltering
- ... concerns that governments are squabbling
- ... concerns about stakeholder consultation
- ... concerns about sequencing the NWI reforms
- ... concerns that the NWI is not coping with urban water issues



## Current Problems in the Water Sector

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



## Current Challenges

- Delay in introducing water trading
- Dissention over rural – urban trading
- Difficulties in water planning
- Redressing groundwater allocations
- Loss of urban water security
- Lack of opportunity for private sector participation
- Pricing and charging reforms
- Recovery of water for the environment



## NWI Progress to July '06

- Significant effort is being made, especially in water planning and pricing reforms
- Some water trading is occurring despite incomplete trading arrangements in most states
- It remains critical to improve water planning as the foundation for confidence in water management
  - Good and growing scientific understanding
  - Genuine engagement with those affected
- Plenty yet to do under the NWI



## Must focus on “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



## Draft Principles for Rural / Urban Trading Projects

These principles relate to project proposals to buy water from willing rural sellers to augment urban water supplies.

- Decision-making should expose the costs, risks and benefits (including non-quantifiable) of all options.
- All potentially interested parties, including rural communities, should have opportunity to comment
- Proposals should be consistent with relevant regional water plans
- Social, physical and environmental constraints should be identified and observed
- Third party impacts need to be identified and managed.

Discussed at Commission Meeting 07/2006  
6 September 2006



## Water Management in Australia: A Vision of a Positive Future

### Shared National Objectives

1. The NWI continues as the national blueprint
2. Cost-effective water use efficiency is adopted throughout Australia as a national objective



## Water Management in Australia: a Vision of a Positive Future ... *continued*

### Highly Effective Water Planning and Decision Making

3. Water planning processes are fully participatory
4. Production, environmental and social objectives are all taken into account
5. Best available science and economics are used
6. The necessary investments are made in knowledge and information about our water
7. Australian water users enjoy certainty about entitlements
8. Water regulation and management are nationally harmonised



## Water Management in Australia: a Vision of a Positive Future ... *continued*

### Environmental Sustainability

9. The need for sustainable use is taken as given
10. Water management is integrated with wider natural resource management



## Water Management in Australia: a Vision of a Positive Future ... *continued*

### World Class Water Management

11. Best available water management techniques are actively implemented
12. Adaptive water management practice is employed to reflect learnings
13. Australia's irrigation industry is seen as a model for the rest of the world
14. Australia is recognised as a world leader in water reuse and recycling
15. Water trading is widespread throughout Australia and considered 'normal'
16. There are expanding opportunities for private sector involvement



## Water Smart Australia Programme

- Practical, on-the-ground water solutions
- Consistent with, and helps to achieve, NWI
- To accelerate smart technologies and practices
- Direct grants to projects
- Competitive bidding
- Investments in water infrastructure and better water management



## Raising National Water Standards

- Water Accounting
- Emerging Water Markets
- Water Planning and Management
- Irrigation and other Rural Water
- Water Dependent Ecosystems
- Integrated Urban Water Management
- Groundwater
- Northern Rivers
- National Assessment of Water Resources



*More information?*

[www.nwc.gov.au](http://www.nwc.gov.au)