



## ENVISAGING A FUTURE OF CONTINUING WATER REFORM

Ken Matthews AO – Former Chair, National Water Commission

*Ken Matthews AO retired as Chair and CEO of the Australian National Water Commission (NWC) in October 2010. Ken was previously the Secretary of the Federal Department of Transport and Regional Services, and the Secretary of the Department of Agriculture, Fisheries and Forestry.*

In October 2014, the Academy of Technological Sciences and Engineering (ATSE) issued an important statement: a public call for the governments of Australia to develop and commit to a renewed long-term national water reform agenda. The Academy is concerned that Australia's strong history of successful water reform has ground to a halt and a dangerous complacency has developed.

It is true that water management arrangements in Australia have been significantly improved by the reforms flowing from the 1994 Council of Australian Governments (COAG) Water Reform Framework, and the subsequent 2004 National Water Initiative (NWI). It is true also that the resulting water management arrangements have been of great benefit to Australia and are admired internationally.

The results we have achieved in water trading, environmental water management, the Murray-Darling Basin Plan and improved water data husbandry are some of the outstanding legacies of many years of hard reform work.

But in Australia the next drought is never far away – and even if it were not, so much remains to be done in water reform that abandoning reform efforts now would be irresponsible and enormously costly to both the economy and our environment.

### A VISION FOR AUSTRALIA

In its published Position Statement, ATSE envisages a future of continuing water reform and year-on-year improvement in the way we manage our water resources. It calls for the governments of Australia to commit now to developing the next-generation water reform agenda.

Based on the remarkable success of water trading in Australia, it argues that future water management decisions should continue to be driven as much as possible by market forces. But ATSE also calls for intensified efforts in the next reform agenda to provide better science – both physical and social – to ensure environmental, economic, social and regional sustainability.

### THE IMPORTANCE OF SCIENCE

Because of its special interests in science and research, ATSE has identified a range of specific areas that would benefit from focused research to guide future water reform. Among other areas, it argues that we need an improved understanding of:

- Groundwater systems and their physical processes – these are essential to improving sustainable water resource management, particularly for the ongoing development of northern Australia;
- Interaction of groundwater systems with resource extraction activities, including unconventional gas;
- Ecological science, especially efforts to improve our understanding of ecological responses to changes in water regimes, to guide decision-making processes for the Commonwealth Environmental Water Holder and environmental water managers;



**In Australia the next drought is never far away, so planning for future water security is essential.**

- 'Landscape carrying capacity' and the effects of cumulative impacts on the natural resource base for both surface water and groundwater.
- The impact of a changing climate on water availability across Australia;
- Community participation in water management, such as how to improve participation in formal water planning processes and how best to engage the community in decisions about new technologies and alternative water sources, including recycled water;
- Water-related cultural and economic interests of indigenous Australians.

## AREAS FOR REFORM

Informed by such research, ATSE has highlighted some of the most obvious opportunities for inclusion in the next-generation water reform agenda:

- A forward reform agenda for Urban Water – a sector that has not to date been subject to the same reform pressures as non-urban water;
- National principles and guidelines for water management in the mining and gas sectors;

- National principles and guidelines for water management in northern Australia;
- National principles and guidelines for the best use of environmental water;
- A national strategy and priorities to guide water science and research;
- A forward reform agenda for water-related regulatory systems. Inconsistent and inefficient regulatory arrangements across water-related health, environment and economic areas provide many opportunities for improvement;
- A national strategy to make better use of our experience in water reform as a competitive advantage for Australian firms competing in world markets, including the export of Australian water management skills, experience and technologies.

In addition, ATSE argues for new arrangements for the ongoing leadership, assessment and evaluation of reform progress. As always, institutions and governance matter. The Government's decision to abolish the National Water Commission has left a serious gap in national water reform architecture. Australia continues to need an independent, analytical agent to audit progress and to constructively stimulate and steer the reform process into the years ahead.

## THE NEXT STEPS

In my view, ATSE's call for a next-generation reform agenda for water is very timely. The job is not finished. There continues to be dispute, dissent and dissatisfaction with current water management arrangements. There are large economic, environmental and regional benefits still to be harvested. There are also problems to be avoided, such as potential issues associated with undisciplined northern development.

I believe it will be important for other organisations and individuals to take up the cause and argue also for our next chapter in the continuing story of national water reform. But perhaps this time the task should not be left to governments alone. There are many groups and individuals in Australia who have much to contribute in suggesting Australia's next reform targets. ATSE has started the ball rolling; it's time for others to get specific and go public about what needs to be done, by whom and by when.