

ISSUES



NUMBER

79

JUNE 2007

WATER RESOURCES

PRINT POST APPROVED PP350254/2221

The Water Revolution

Fiona McKenzie

Policy Analyst, Wentworth Group of Concerned Scientists

There is nothing like drought to fuel a water debate. Over the past 100 years, such debates have helped shape today's water management system.

Australia has 246 river basins with many waterways that only flow after rain – full one month and empty the next. In such a land of extremes, a valuable resource like water is a contentious thing to manage. This is not new. Arguments over water date back to the drafting of the Australian Constitution prior to Federation.

The current water reforms under consideration are part of an evolution in thinking that began to take hold as far back as 1994. This was the year that the Council of Australian Governments (COAG) agreed to a Water Reform Framework to achieve “an efficient and sustainable water industry”. However, although the theory was in place, success in implementing this framework varied between the states. Uncertainty over water property rights and the tension between the needs of water users and the environment proved to be stubborn stumbling blocks.

Beyond the government process of reforming water management, many people have dreamt up all sorts of ideas to create or relocate water. During the big drought of 2002, many schemes were promoted by newspaper and radio, from reversing the direction of water flows in rivers to building massive pipes from north to south. Such ideas are dangerous because they tend to catch the collective imagination even though they defy ecosystem boundaries.

These ideas have come and gone, but the reality of a prolonged drought has raised more media and political interest. There has been the risk that one of these schemes might actually get enough support to go ahead despite the damage it could cause.

This risk was too great for one group of scientists to ignore, so they got together to discuss what should be done. This gathering, which became known as the Wentworth Group of Concerned Scientists, sought to find solutions that would secure the health of Australia's land, water and biodiversity in the long term, not just during the next drought.

From this gathering came a document called the “Blueprint for a living continent”. This was a prelude to two more blueprints. The “Blueprint for a national water plan”, released in 2004, outlined a range of solutions that COAG could implement, including:

- establishing a set of integrated accounts for run-off, river water and groundwater systems (to figure out the number of pieces of the pie and to avoid double-counting the same water);
- bringing over-allocated river and groundwater systems back into balance;
- developing a nationally consistent water entitlement and trading system;
- supporting community-based catchment, river and estuary management; and
- creating environmental water trusts for stressed river systems.

The 2004 blueprint was an important document because it focused attention on the plight of the nation's water systems, which were being stretched by more and more demands on their precious cargo. This focus in turn helped to trigger the creation of the National Water Initiative (NWI) in 2004.

The NWI came about when, for the first time, the Prime Minister, premiers and chief ministers of all the states and territories sat



Nedgera Creek only flows after rain and quickly recedes to a “chain of ponds” before drying out again. (Courtesy James McKenzie)

communities feared that measures in the NWI would impact negatively on their livelihoods. These fears and ongoing drought have fuelled resistance to returning water to the rivers through environmental flows. As Professor Peter Cullen of the Wentworth Group has said, the history of water development in the Murray–Darling Basin has been one of interest groups seeking to use water for their particular advantage.

In response to a culmination of pressures – from voter concern over climate change to town water restrictions and

down together and agreed on a joint approach to looking after Australia’s water resources. In essence, the NWI committed governments to:

- identifying and restoring over-allocated water systems to sustainable levels;
- expanding water trading so water goes to the highest value crops;
- releasing water flows to ensure healthy rivers;
- ensuring secure water access entitlements;
- improving monitoring, reporting and accounting of water use;
- introducing more sophisticated, transparent and comprehensive water planning; and
- improving the management of water in urban environments.

It resulted in the establishment of the National Water Commission and a \$2 billion commitment from the Australian government. It is historic because, instead of trying to bend the continent to our will, we were accepting that it has ecological limits that we must respect. Finally, it seemed that the health of our rivers was assured.

The signing of the NWI was another turning point in the management of water resources. It built on the COAG reforms of 1994 and, in addition, committed to fixing the legacy of over-allocated river systems in the nation’s south.

The NWI is supposed to have made substantial progress in addressing over-allocation and over-use by 2010. This has been easier said than done. Many irrigation

drought – on 25 January 2007 the Prime Minister announced a new \$10 billion, 10-point plan for water. In 2006, the impacts of drought were being felt in country and city areas alike. It was also becoming clear that the current weather patterns weren’t just a drought, but part of a larger climate shift towards less rainfall – similar to the dry decades in the first half of the century. This meant that not only did we have to fix over-allocated systems, but the amount of water available would continue to shrink.

With cities running out of water and wetlands dried beyond recognition, we were running out of time to get the NWI past the road blocks on the way to implementation. The Prime Minister’s plan acknowledged that, at the current rate of progress, the NWI objective of addressing over-allocation was not likely to be met without a significant intervention.

With his new plan, the Prime Minister declared he was taking control of the water crisis gripping the eastern states of Australia. In effect, the plan is a reflection of the failure of governance of the Murray–Darling Basin, rather than an attempt to replace the NWI. Indeed, in order to be eligible for the billions of dollars to be invested into infrastructure, farmers and irrigators will need to be in full compliance with the objectives of the NWI.

The 10-point plan includes a nationwide investment in irrigation efficiency and infrastructure and a 50–50 split of the resulting

efficiency gains between irrigators and the environment. The plan will also see the expansion of the role of the Bureau of Meteorology to provide necessary water data, and a completion of the restoration of the Great Artesian Basin. It will see a single government entity control most of the Murray–Darling Basin. Through a series of intense negotiations, it was also agreed that an independent commission of scientific experts would advise the Federal government in its new role.

Specific to the Murray–Darling Basin, the plan will provide:

- \$3 billion to address, once and for all, water over-allocation;
- a new set of governance arrangements;
- a sustainable cap on surface and groundwater use; and
- major engineering works at key sites.

In response to the plan, the Australian Capital Territory, NSW, Queensland and South Australia have agreed to refer powers over the Murray–Darling Basin to the Commonwealth. At the time of writing, Victoria was still considering its position and has not yet referred its powers.

In this way, the Constitution has effectively

been rewritten, and without the need for a referendum. For the first time in 100 years, the states agreed to hand over their powers controlling water to the Commonwealth.

The challenge in implementing both the Prime Minister’s plan, and the broader NWI, will be in ensuring that the objectives within these plans are not blocked by interest groups. The battle to address over-allocation is far from won. It requires that water be returned to the Commonwealth, either through its purchase on the market or through water being returned after improvements in irrigation efficiency.

Since the announcement, the Greens have called for the Federal government to enter the market immediately to buy back allocations. At the same time, the National Farmers’ Federation, though prepared to “look at a water buy-back

[The NWI] is historic because, instead of trying to bend the continent to our will, we were accepting that it has ecological limits that we must respect.

framework to address over-allocation”, expressed concerns about the impact this could have on rural communities and the irrigation industry.

No plan is perfect. The NWI is still in its teething stage. It will also be crucial that the \$10 billion announced by the Prime Minister is not wasted on random projects to satisfy these select interests. Serious assessment of all infrastructure projects will be required. The management of land and water still needs to be integrated. Regional catchment bodies still need to be strengthened in order to deliver on river and landscape health at the community level.

There are a range of ways you can get involved in bringing our water systems back into balance. For example, as part of the NWI, the Australian Government Water Fund provides grants to communities to promote the wise use of water. You can find more at the National Water Commission’s website (www.nwc.gov.au). You can also write to your local member of parliament and ask how the NWI is being implemented in your area.

The Federal government will have to make some difficult decisions and we still have a lot to learn about how to live within the capacity of the land. As always, the true test lies in action, not words. For now, we have been given a historic opportunity to set things right.



The Murray–Darling Basin. (Courtesy Murray–Darling Basin Commission)