Urban water governance and reform | 
Lessons from Australian?

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Australia and India
Overview

• Australian context
• **Why:** Drivers of reform
• **What:** Major milestones in urban water reform journey
• **When:** Reform timeline
• **How:** Reform framework
• Rapid comparison with India and
• Implications for leading reform processes
Australian context

• Water has been *and* always will be central concern of life and livelihoods

• highly variable climate, recurrent droughts interspersed with periodic floods.

• *the driest inhabited continent, yet among the ‘thirstiest’ of water consumers.*

• ~ 24 million, with 90% in dense urban areas, on the coastal fringe
Layers Government

- Under the Constitution, the States and territories bear responsibility for land and water management,

- National government
  - enablement, funding and oversight,
  - ensuring that ‘the national interest’ is best served.
Urban water systems (1960-1980s)

- ‘build and supply’ era
- ‘unlimited public resource’ assumptions
- legacy of debt, infrastructure and maintenance costs
- Irregular pricing & metering
- unsustainable environmental degradation

1960s

As most suburban Brisbane properties were not seweraged in the early 1960s, human waste was disposed of in buckets or septic tanks and collected by “night soil men”.

Brisbane City Council operated night soil sanitation depots including one located beside Cedar Creek, which closed in the late 1960s as the need for night soil collection declined.

1970s

Prior to Brisbane being completely seweraged, most properties had an outhouse—a toilet located outside away from the main house, without a flush or sewer attached.

In response to the flood that devastated Brisbane in 1974, construction of Wivenhoe Dam commenced in 1976 to mitigate future severe floods and prevent smaller ones.
The land of bust and boom

- Economic recession – *an opportunity to drive productivity reforms.*

Millennium Drought hit its peak in the late 2000s- *Created a ‘burning platform’ for change*
Australian urban water reform journey

State and utility led reforms
User pays in some utilities
Bipartisan support for reform in Victoria
## First Wave of central led reforms

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>1992</td>
<td>Council of Australian Governments (COAG) formed</td>
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<td></td>
<td>Murray Darling Basin Agreement</td>
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<td>1993</td>
<td>Hilmer Committee report on National competition policy (NCP)</td>
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<td></td>
<td>Working Group on Water Resource Policy report</td>
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<td>1994</td>
<td>COAG water reform policy framework</td>
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<td>1995</td>
<td>COAG adopted NCP package</td>
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### Tools and mechanisms

- National competition policy
- Benchmarking systems
- Federal incentives for reforms
- Corporatisation of the utilities
- Establishing professional regulators
- Water knowledge and expertise

### Responses

Three-staged approach to restructure utilities and agencies:
1. aggregation (or disaggregation)
2. separation of responsibilities
3. commercialisation.
Second wave of reforms

<table>
<thead>
<tr>
<th>Year</th>
<th>Response</th>
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<tr>
<td>2004</td>
<td>National Water Initiative (NWI)</td>
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<td>2005</td>
<td>National Water Commission established</td>
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<td>2006</td>
<td>Australian Water Recycling Guidelines</td>
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<td>2007</td>
<td>Water Act</td>
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Under the NWI, governments made commitments to:
- prepare water plans with provision for the environment
- deal with over-allocated or stressed water systems
- introduce registers of water rights and standards for water accounting
- expand the trade in water
- improve pricing for water storage and delivery
- meet and manage urban water demands
Components of reform

Drivers
- Economic downturn
  - Heavy financial cost of sector inefficiencies
- Water scarcity
  - Competing uses for limited water resources

Determinants
- Building on best practice
- Vision and skills to communicate the need for change
- Incentives to induce ‘buy in’
- Increased sectoral capacity and skills
- Political willingness and champions

Enabling Factors
- Coordination of reforms
- Sector economic regulation
- Capacity of Nat Govt to provide incentives
- Capacity of sector leaders and utilities to respond
- Awareness and support from within sector and the public

State Level Variations
- Process for decision making on service delivery models
- Creation of regulatory institutions
- How NCP reforms are implemented
Key lessons for leading reform

• understand the drivers in each context and over different periods
• work is built on that has already proved effective;
• focus on the issues that need to be address rather than the jumping to solutions;
• understand the skills, capacity and appetite to lead reforms, politicians can only move when constituents see benefit.
• as community members see benefits of change, the drivers for the next phase of water reform are set in place.
29 states & 7 unions, 1.3 billion water scarcity, infra, equity

value in considering which structural, institutional, organisational and individual factors were seen to influence change, or the sequencing of change and how changes were applied at different levels and across different states.
Translation or innovation?

• The aim should not be to translate lessons, but rather to assess how the lessons can drive innovation of ideas.

• For this there is a need to understand *how*:
  • any individual or collective bundles of lessons may overcome current bottlenecks in different contexts
  • How comparison of reform timelines and reflection can trigger ideas or new thought processes

• Building on existing initiatives (e.g. SMART Cities and Atal Mission for Rejuvenation and Urban Transformation (AMRUT))

• Understanding the roles and capacity of individual actors

• Starting where there is demand & build on what is working.