



## **Submission to the Inquiry into the National Water Commission (Abolition) Bill 2014**

by

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## **Performance and Role of the National Water Commission (NWC)**

The National Water Commission has performed an excellent service in coordinating water reform in Australia, as an independent organisation at arm's length of state and Federal governments. This fundamentally reflects its charter, capacity and the expertise of the organisation, including the commissioners. In the difficult area of water resource management, the organisation was respected by all stakeholders. This resulted from its independent objective and expert investigations, programs and publications.

In addition, the transparency of reporting information provided to governments and industry was welcomed by all key stakeholders, providing a credible source on complex issues relevant to water management. In particular the NWC assessments of water reform were particularly important. Further, the NWC was pivotal in rationalising the language of water management (licencing, water operations) which affected many policies and impacted on environmental and social outcomes.

The NWC also adopted a prominent role in monitoring and evaluation. This remains one of the most important and poorly resourced or integrated issues for governments. The leadership provided by the NWC on key issues of water reform have been very important in transitioning the complex area of water resource management into one where there is improved integration across governments and communities with better outcomes.

## **Abolition of the NWC**

The proposal to move the functions of the NWC to other organisations within the Australian Government (the Productivity Commission, the Murray-Darling Basin, the Bureau of Meteorology, the Department of the Environment and ABARES) is of concern. The rationale, provided by the Commission of Audit, that the NWC did not deliver programs or have approval or regulatory functions was not sufficient. As argued above, the NWC played a critical public coordination and audit role in water reform, overcoming many of the highly fractured institutional problems of the past and providing sound objective and transparent advice to governments and communities.

There remains a critical audit role for the NWC. Governments in the past have not adequately done this. A similar respected role was performed by the Independent Audit Group in assessing the Murray-Darling Basin Cap, established for the same reasons. The implementation of the Murray-Darling Basin Plan remains the most challenging issue for water management in Australia, requiring independent assessment. The NWC is capable of doing this, with expertise and in a role removed from the key water agencies of government. The option for the Productivity Commission to take on this role does not adequately recognise the complexity of the task and the expertise required both in terms of staff capacity but also leadership, provided by the NWC commissioners.

Further, there is increased likelihood that such objectivity and transparency will no longer occur, particularly as two of the major agencies involved in water management, the Murray-Darling Basin Authority and the Department of the Environment, are to take over some of the functions of the NWC. The states will also be involved in most of the implementation of water reform. Given the fractious nature of the relationships between the states and the Commonwealth over the Murray-Darling Basin Plan up to now, it is important to have an independent organisation to carry out assessments, promote water reform and tackle complex issues of implementation.

## Reasons for maintaining the NWC

There are compulsive reasons for maintaining the NWC, given the arguments above.

- Independence of State and Australian Government water agencies. Critical for
  - auditing
  - coordination and rationalisation of policies and jargon used by different jurisdictions for the management of water
  - Identification of key complex issues that constrain water reform which are not adequately dealt with by the States and Australian Government (e.g. interception of flows by earthworks)
- Auditing of the Murray-Darling Basin Plan, without expertise in leadership and within the organisation
- Reduced function in transparency of inquiry with public reporting
- Loss of expertise within the NWC and their networks for reporting critical detail relevant to water management, based on the best available science.
- Loss of Commissioners from different sectors of the water industry providing balance for advice and confidence to the general public
- Establishment of institutional silos within the Australian Government and the State Governments which constrain good decision-making and advice
- Inadequate future progress one of the most poorly resourced and badly coordinated areas of water reform – monitoring and evaluation.
- A future problem of fractured reporting on key issues that need to be integrated

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