Delivering multiple benefits through urban water management

A review of governance and practice
Institute for Social Science Research

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How do Australian water utilities deliver multiple benefits through urban water services?

Competition reforms in the 1990s corporatised the Australian water sector
- discrete service delivery, regulatory and policy agencies
- Improved economic efficiency

Drought-tested, governance did not perform so well:
‘As the drought arrived, the institutional framework was so fragmented that it was difficult to identify which institution was responsible for planning for the management of extreme events.’ – Byrnes, 2013:19.

- Integration functions and responsibility for emerging issues lost
- Multiple benefits have uneasy fit within least cost business models
- Regulatory constraints to flexible responses and innovation
- Default to large centralised systems…
Case study of Brisbane, Melbourne and Perth

Cities with varying institutional histories, biophysical conditions, governance arrangements, and levels of innovative practice

Methods

1. Examined legislative frameworks for principles and responsibilities
2. Compiled legislative and regulatory instruments to identify key mechanisms
3. Interviewed practitioners responsible for water servicing activities, policy development or regulatory compliance (n = 7)
### Institutional features…

### …practice features

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<th>Operational remit</th>
<th>Key mechanisms</th>
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| **Brisbane**        | **SEQ Water (Distribution and Retail Restructuring) Act 2009:**  
  • Operational matters | • Land-use development approvals  
  • Developer contributions  
  • Public interest directions from Council |
| **Melbourne**       | **Water Act (1989):**  
  • catchment management  
  • environmental obligations  
  • commercial principles | • Role as catchment manager  
  • Ability to introduce By-laws  
  • Infrastructure contributions |
| **Perth**           | **Water Corporations Act (1994):**  
  • commercial principles | • Drainage aspects of Water License  
  • Licensing fees  
  • Developer contributions |

- Regulatory barriers not insurmountable
- However, Executive management support needed for reinterpretation of rules or ‘envelope pushing’ innovations
- Clear funding access for ‘additional’ benefits
- Collaborative relationships with regulators and partnerships with services delivery organisations
- Policy capacity within utility with on-going connections to policy networks
Avenues for future research... 

...and policy work

- Understand influences on and trade-off rationales of executive decision-making
- Develop comprehensive cost-benefit investment models
- Explore the impacts of co-located vs fragmented water quality and service delivery responsibilities
- Explore the notion of ‘earned autonomy’ in regulatory arrangements
- Understand processes and mechanisms for practice-to-policy knowledge translation
- Review Board appointment processes and tenures
- Negotiate cost-benefit distributions with regulators
- Review integration of catchment/water management and service delivery functions
- Consider performance-based regulatory reforms
- Recognise policy work of delivery organisations and invest in policy capacity
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References: