



Australia's Climate is changing Australia

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Australia has a problem

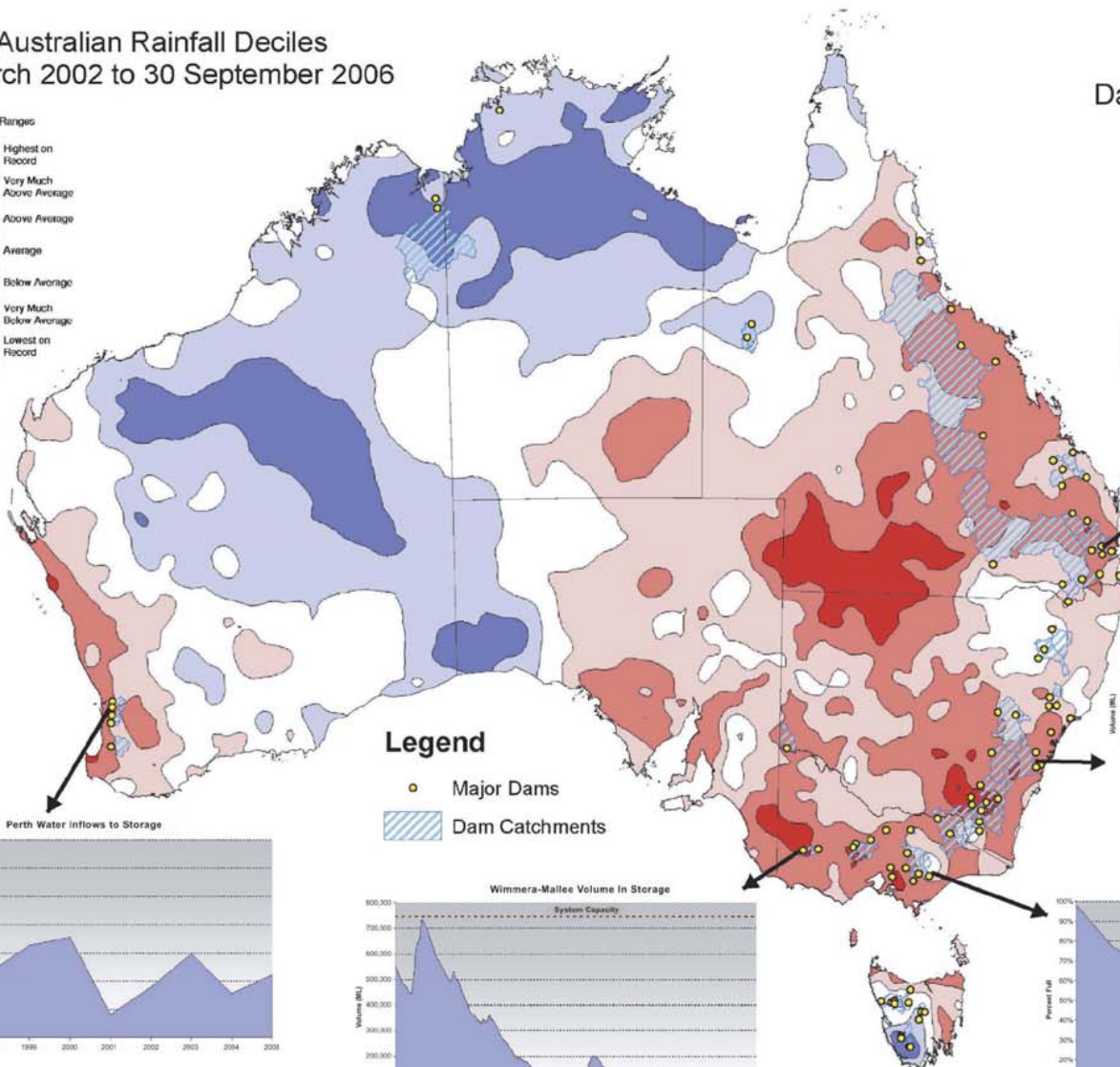
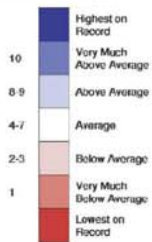
- Drought and ...
- Evidence suggests a step change in weather patterns and ...
- Science is warning of further adverse change and ...
- The last 50 years have been wet and...
- This is when we built our cities and built our thirst for water
- Impose pre 1950s rainfalls on Australia and we have a very serious problem!



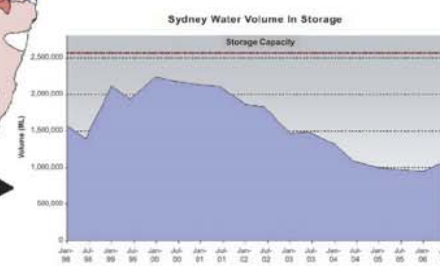
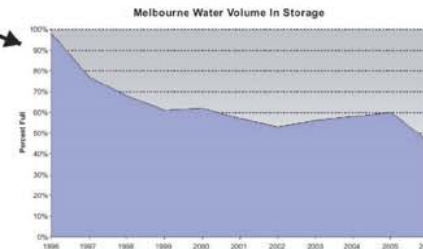
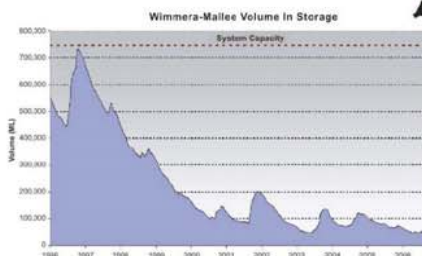
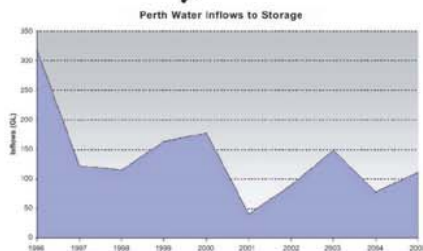
Less rain means much less water!

Australian Rainfall Deciles
1 March 2002 to 30 September 2006

Rainfall Decile Ranges

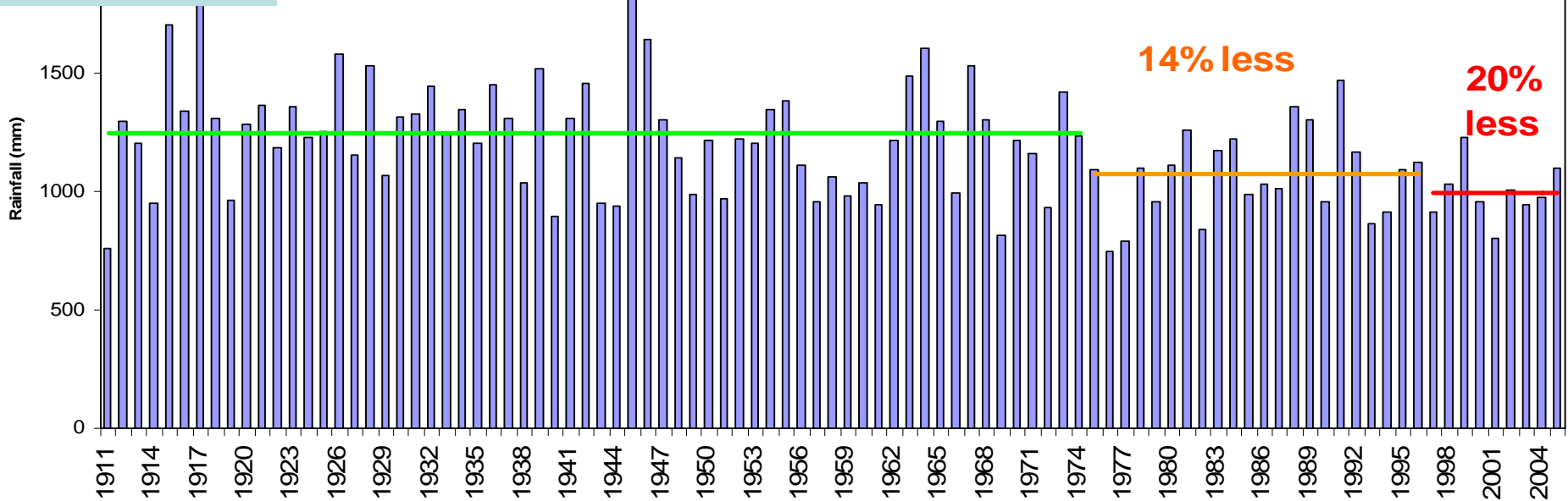


Dam storage volumes or inflows
1996 - 2006

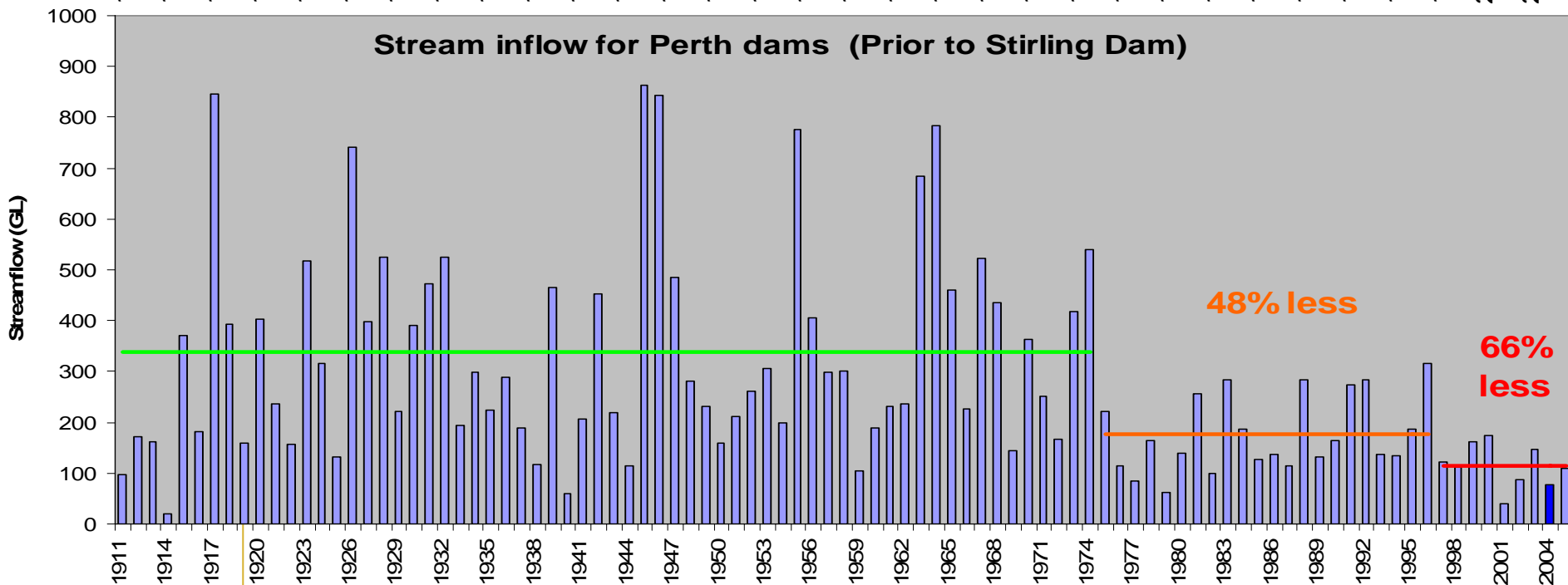


PERTH

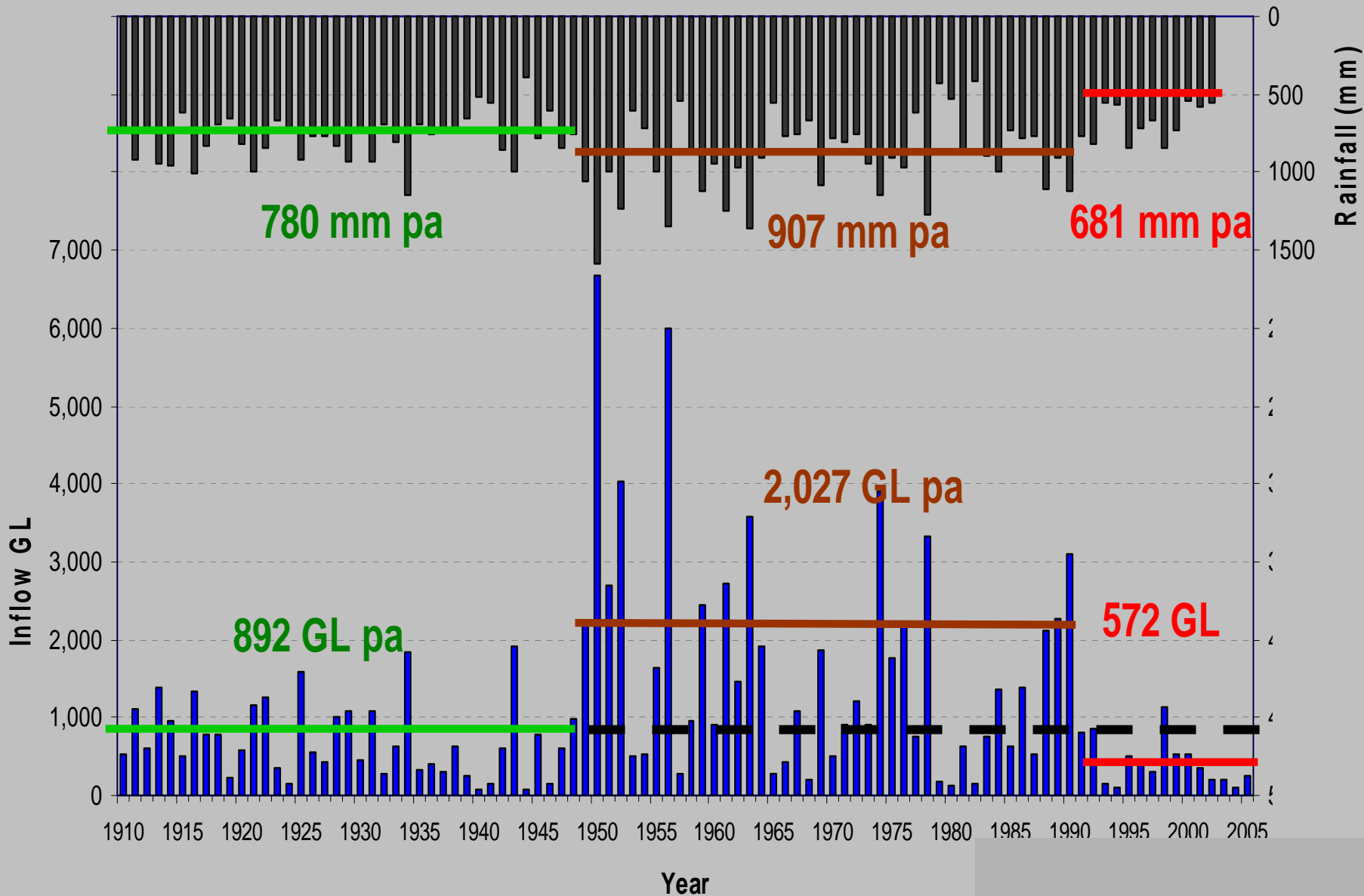
Rainfall for Jarrahdale



Stream inflow for Perth dams (Prior to Stirling Dam)



Warragamba + 3 Nepean Dams (Inflows & annual rainfall)





The system is changing

- We appear to be returning to a pre 1950s regime
- Australia may have to get by with less water for quite some time!
- There is a way through this



National Water Initiative

- 21st Century solution to a 21st Century problem
- Gave ourselves 10 years
 - => 2014
- But nature has taken over the timetable
- We need to accelerate reform
- Expedite change
- Remove change impeding barriers



5 National Priorities

1. Buy water environmental, now!
2. Offset water losses - holes in the bucket!
3. Build transparent Water Accounts
4. Apply same market and price disciplines to all
5. Accept all options - desalination, reuse, recycling and trade - cost them.



1. Open the market to all

- Buy water entitlements
 - Use short, simple plain English tenders
 - No restrictions on who may sell
- Set up smart water supply contracts
- Use Independent Trusts to manage new environmental entitlements
- Rewatering plans
 - 245 Basins and 850+ wetlands
 - May not be able to save them all
- Use the market
 - Empower all to change, to adjust
 - Empower all to be part of the solution
- By December 30 days for a permanent trade & 2 days for a temporary trade (no more divides)

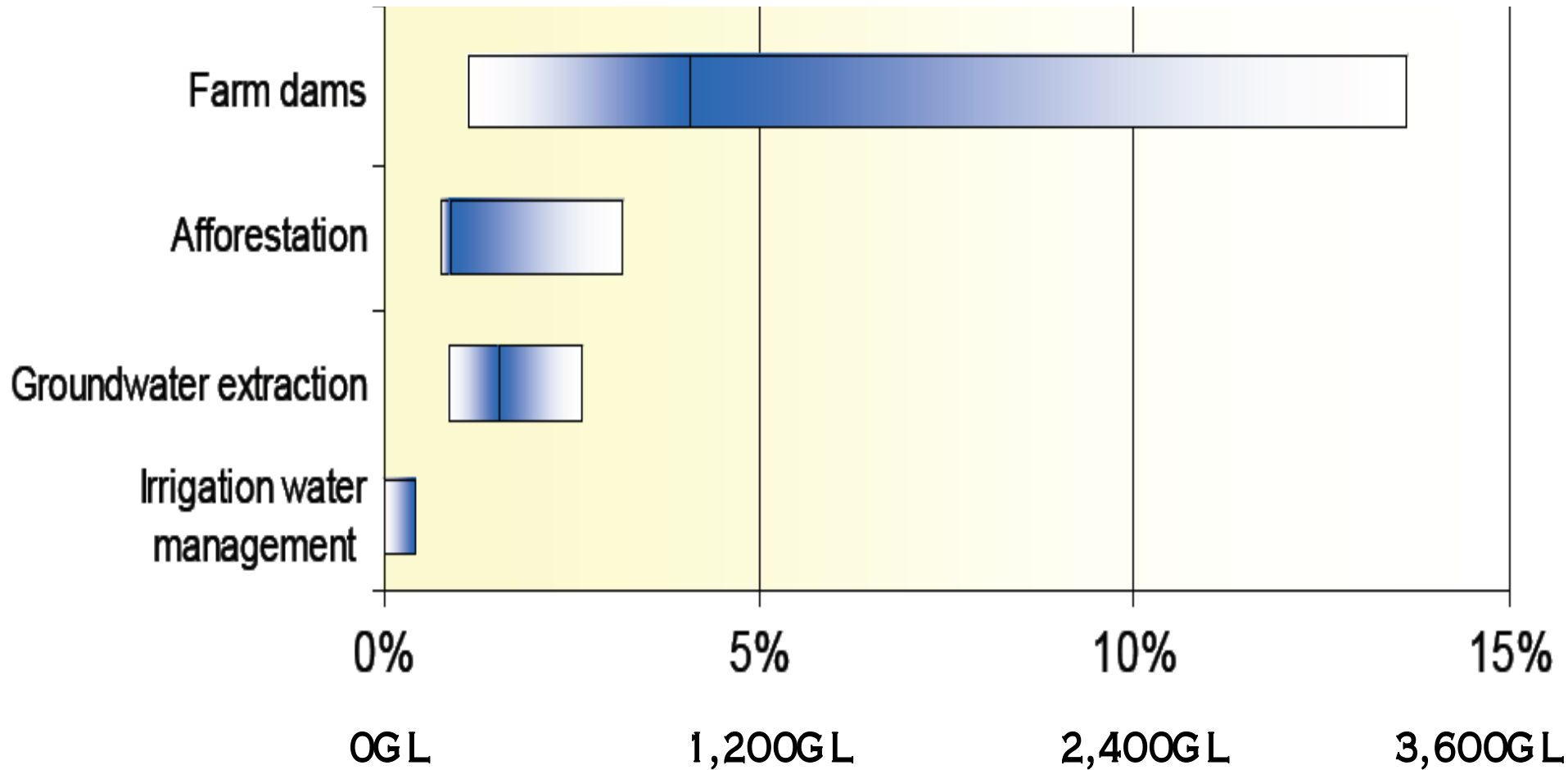


2. Plug the holes in the bucket

- Regulate and require offset of all flow reduction activities
 - Plantations
 - Farm dams
 - Increased water use efficiency
 - Groundwater development



Flow reduction in the MDB!



500 GL = one step forward while taking four steps back



- When ever anyone is allowed to access more water the system must force some-one to access less
 - Double entry water accounting!
- Manage the tyranny of many small flow reducing activities



3. Timely, audited regional accounts

- Place same disciplines on our water managers as we place on corporate Australia
- Fund effective monitoring that is essential to build the accounts
- A single National Accounting System
 - Force disclosure of what is really happening
 - Audit all accounts
 - Release them on time



4. Same price disciplines for all

- Expose all to the same pricing rules
 - Subsidies (grants) encourage inefficient use and over use
 - Water is still too cheap in both urban and rural Australia
- Use prices - as well as regulations - to ration urban water use
- Transfer bulk urban water entitlements to industrial and commercial water users
- Bring scarcity pricing to urban Australia



5. Options - If it stacks up do it

Option - Indicative cost	(\$/kL)
Buying high security Murray water for Adelaide	\$0.50
Appliance standards and labelling	\$0.05
Leakage reduction	\$0.20
Residential retrofits and rebates	\$0.60
Desalination, Perth	\$1.17
Indirect Potable Recycling	\$2.61
Rainwater tank rebates	\$3.00

Full cost pricing for infrastructure, including externalities.
We can't afford the costs of a grant based system.



Australia is running out of water

- A fundamental step change has occurred
- Nature has taken over the timetable
- It is time to speed up the reform agenda
 - Take a deep breath
 - And get on with it



WENTWORTH GROUP

OF CONCERNED SCIENTISTS

A 21st Century solution
to a 21st Century problem