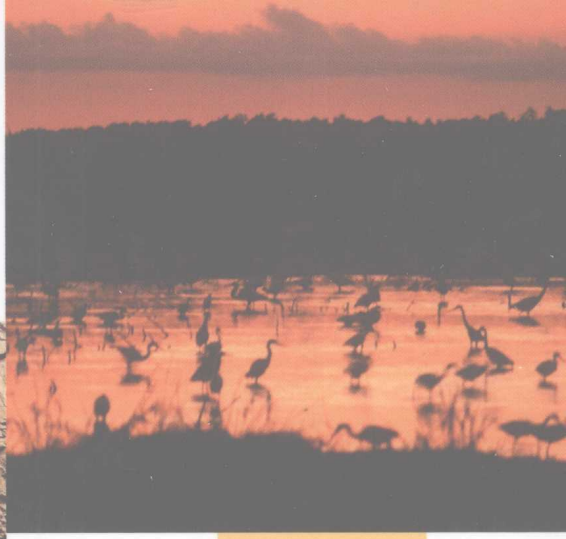
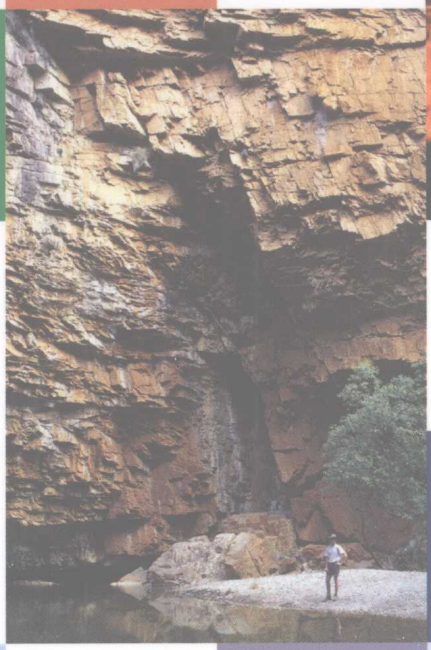

Water Policy, Tourism, and Recreation

Lessons from Australia

Edited by Lin Crase
Sue O'Keefe

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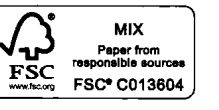

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Foreword

"The state of the art [of water management] is always provisional ... something that historians know well but hydrological engineers found harder to accept." So Harvard historian David Blackbourn, in *The Conquest of Nature: Water, Landscape, and the Making of Modern Germany* (2006), describes the evolution of water management over 300 years in Prussia, from a starting point where Dutch engineers helped drain a swamp and made the land livable to an endpoint where Germany's Greens defend the maintenance of "the natural landscape" today.

Stimulated by the National Competition Policy, over the past two decades Australia has undertaken the most ambitious and successful set of water reforms in the world. Against the backdrop of a drought of unprecedented brutality, the reforms have proved to be spectacularly technically successful (with minor drops in the value of agricultural output), yet hugely politically vulnerable. This paradox seems to have two causes. First, in the modern world, if anything is not right—and the state of the environment in southeast and southwest Australia certainly has not been right—then popular sentiment is that humans must have done something wrong. And second, although a perusal of the Australian section of any bookstore in the country will show that images of rugged farmers remain a powerful national symbol, agriculture now plays a much smaller demographic, economic, and value role in Australian society. A corollary is that there is a rising concern with the environment and with services to which the environment contributes, including tourism and recreation.

Australia is now in the midst of a massive rethink of its water management model. As is natural, but dangerous, there is a tendency to rely on (again in Blackbourn's words) "a series of confident prescriptions ... [that] promises to turn the trick and finally overcome the ignorance, or engineering mistakes, or political constraints of earlier generations." The legislative manifestation of this rethink is the Water Act of 2007, which has several notable features. First, it uses an environmental fig leaf—the Ramsar Convention on Wetlands—for the federal government to take over water management functions that are constitutionally in state hands. Second, it gives absolute priority to environmental uses, allowing

humans to do their best with what is left. And third, it gives pride of place to "best available science" as the oracle that will tell what the environment needs.

Whether these reforms will build on the remarkable foundation laid by the generation of reforms stimulated by the National Competition Policy is a big question, as is the judgment that posterity will pass on this generation of reforms. But what is ineluctable is that Australian society has "moved on," giving much higher priority than did previous, poorer generations to the environment and related issues.

Among these related issues are two—recreation and tourism—that are of great and growing value to a society in which the right to leisure is of large and increasing importance. This book sets its sights squarely on these two issues. Building heavily on the achievements—and challenges—of the National Competition Policy generation of water reforms, an eminent group of authors expands the existing framework so that tourism and recreation benefits can find their rightful place alongside the clearly economic (water for agriculture, hydropower, and industry) and clearly social (water for people) uses of water.

Against the many challenges besetting water policy formulation in Australia, a book dealing with the tourism and recreational interests in water is particularly timely. It also provides a useful context for investigating broader public policy issues that are likely to resonate with a wider audience. Accordingly, the book examines many of the political, social, economic, and other influences that have impacts on the difficult decisions surrounding the reallocation of scarce resources. This book provides a theoretical analysis of institutional lessons and delves into the nexus between the politics and knowledge of water. Using these discussions as a backdrop, it then draws lessons from a number of practical examples. It also addresses challenges of valuation in the face of changing preferences and trade-offs between ecosystem services and the management of water resources for tourism and recreation in urban settings.

The subject matter of the book is of great relevance to the evolution of water policy and practice in Australia today. And because Australian water policy has also become a global standard, the book is of high relevance to other developed countries, which face similar issues today, as well as developing countries, which will face them in the future.

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Acronyms and Abbreviations

ABS	Australian Bureau of Statistics
ACT	Australian Capital Territory
AMIF	Australian Marine Industries Federation
AWC	Australian Wildlife Conservancy
BIASA	Boating Industry Association of South Australia
CALM	Conservation and Land Management
CAWS	Country Areas Water Supply
CBD	central business district
CE	choice experiments
CGE	computable general equilibrium
CLLMM	Coorong, Lower Lakes, and Murray Mouth
CM	choice modeling
CoPS	Centre of Policy Studies
CSIRO	Commonwealth Scientific and Industrial Research Organisation
CVM	contingent valuation method
CWA	Clean Water Act
DEC	Department of Environment and Conservation
DMC	Drought Monitoring Center
DoW	Department of Water
ENSO	El Niño/Southern Oscillation
EPA	US Environmental Protection Agency

GDP	gross domestic product
ha	hectare(s)
HPM	hedonic pricing method
IBT	inclining block tariff
IO	input–output
IPART	Independent Pricing and Review Tribunal
km	kilometer(s)
km^2	square kilometer(s)
KNP	Kruger National Park
LRMC	long-run marginal cost
LWD	large woody debris
m	meter(s)
m^2	square meter(s)
MA	Millennium Ecosystem Assessment
MDB	Murray-Darling Basin
MDBA	Murray-Darling Basin Authority
MWSSD	Metropolitan Water Supply, Sewerage and Drainage
MWWG	Murray Wetlands Working Group
NCC	National Competition Council
NIMBY	not in my backyard
NMMA	National Marine Manufacturers Association
NOAA	US National Oceanic and Atmospheric Administration
NSW	New South Wales
NWC	National Water Commission
NWI	National Water Initiative
OT	Oregon Trout
OWT	Oregon Water Trust
PDWSA	public drinking water source area
PEAC	Pacific ENSO Applications Center
QLD	Queensland
RP	revealed preference
SA	South Australia

SADC	Southern African Development Community
SARCOF	Southern African Regional Climate Outlook Forum
SD	Statistical Division
SP	stated preference
SRMC	short-run marginal cost
STS	science and technology studies
TCM	travel cost method
TERM	The Enormous Regional Model
TEV	total economic value
USAPI	United States Affiliated Pacific Islands
WA	Western Australia
WTA	willingness to accept
WTP	willingness to pay

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