Water institutional reforms in Australia
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With a brief description of the physical setting and institutional history of the Australian water sector, this paper reviews the water institutional reforms in Australia focusing especially on the nature and extent of reforms initiated since 1995 and provides a few case studies to highlight the issues and challenges in effecting changes in some key reform components. The reforms initiated in 1995 are notable for their comprehensiveness, fiscal incentives and clear and time-bound targets to be achieved. Although water institutions in Australia have undergone remarkable changes, thanks to the reforms, there are still issues and challenges inherent in reforming maturing water institutions. Regional diversity in legal systems and quality standards as well as conflicts between private interest and public welfare are still serious to constraining market-based water allocation and management. While Australia still needs further reforms, its recent reform experience provides considerable insights into the understanding of both the theory and the practice of water institutional reforms.

Australia, Institutional change, Transaction costs, Water governance, Water law, Water rights, Water sector reforms