

Australia China Environment Development Program

Australian Partners Workshop Summary

August 2007



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1. Introduction

The **Australia China Environment Development Program** (ACEDP) is a five- year, AUD25 million Australian Government - AusAID initiative that aims to foster enduring partnerships between Australian and Chinese Government agencies, institutions and individuals engaged in national environmental policy development and implementation. The Program, which commenced in July 2007, will assist China strengthen its capacities for improved environmental governance by supporting high-level policy dialogue on the environment.

The ACEDP is a dynamic program, designed to respond to evolving policy priorities and emerging issues with an initial focus on **water resource management and river basin management**

Two national workshops in Canberra and Beijing in August 2007 will discuss national environmental policy priorities and explore opportunities for cooperation and policy dialogue.

The Australian Partners workshop was held at the National Museum of Australia, Canberra on Tuesday 7th August 2007. The Agenda is attached in Appendix 1 and the list of people who attended the workshop is included in Appendix 2.

This **Australian Partners Workshop Summary Report** has been prepared for submission to potential Australian Partners to provide a summary of the workshop proceedings. The report will also form a background document for the China Partners Workshop to be held on the 24th August 2007.

The Summary report provides a synopsis of speaker presentations as well as findings from the environment policy priority listing activity.

It is envisaged that speaker presentations will be available on the ACEDP website when it is operational.

ACEDP would like to thank all participants and speakers for their involvement in the ACEDP – Australian Partners Workshop.

2. Summary of workshop handout documentation

Participants and the ACEDP Australian Partners Workshop were issued with the following Program background information.

1. **Australia China Environment Development Program Information Booklet**

This bilingual information booklet provides a brief outline of the ACEDP and provides a list of key Program contacts.

2. **(AusAID) Australia – China Country Program 2006- 2010 and Environment Brochure**

These AusAID documents provide a summary of Australia's development assistance program in China.

3. **ACEDP – Australian Partners Workshop Agenda**

Agenda for the workshop including a list of guest speakers.

4. **AusAID Strategy for China- Australia Environment Development Program Summary Document**

Summary AusAID document providing an explanation of the principles, goals and strategic objectives of ACEDP.

5. **Australia Country Survey: Australian Water Policy – Issues and Lessons Learnt and China Country Survey.**

The Australian Country Survey paper provides an explanation of key lessons from the last decade of water reform in Australia and their potential relevance to China. The China Country Survey highlighted key elements of the China water resources and environment governance system, including the legislative framework, macro policy, administrative management systems and mechanisms.

These papers were prepared for the both the Australian and China Partner workshops and used as outline documents to discuss national environmental policy priorities and opportunities for cooperation and policy dialogue between Australia and China. The papers provide program partners with prompt and proper background information to guide the formulation of the first annual plan and Program management processes.

These Country Survey Documents are included in Appendix 3.

6. **Policy Challenges and potential for cooperation with Australia: Some initial observations**

Summary document of policy challenges derived from initial meetings with key Chinese partner agencies.

7. **ACEDP Workshop Feedback Form**

Feedback form to assist GHD evaluate the outcomes of workshop

3. Summary of Speaker Presentations

3.1 Welcome Address - Carolyn Bull, AusAID

Ms Carolyn Bull gave the welcome address for the Australian Partners Workshop and introduced participants to the Australia-China Country Program. The Program focuses on the key sectors of Governance, Health, Environment and working with China on development issues in the region. In general the country program is targeted at high-level policy engagement as opposed to traditional development financing. In particular the AusAID Environment Program will: contribute to enhanced environment policy dialogue between China and Australia; supporting efforts for sustainable natural resource management through an entitlements regime; collaborate with policy makers on the practical application of integrated river basin management (IRBM); and, demonstrate methods and applications of improved environmental governance and water management. It was noted that ACEDP is limited in both funding and program timeframes. Consequently the Program needs to be highly focused and policy driven in order to make an impact.

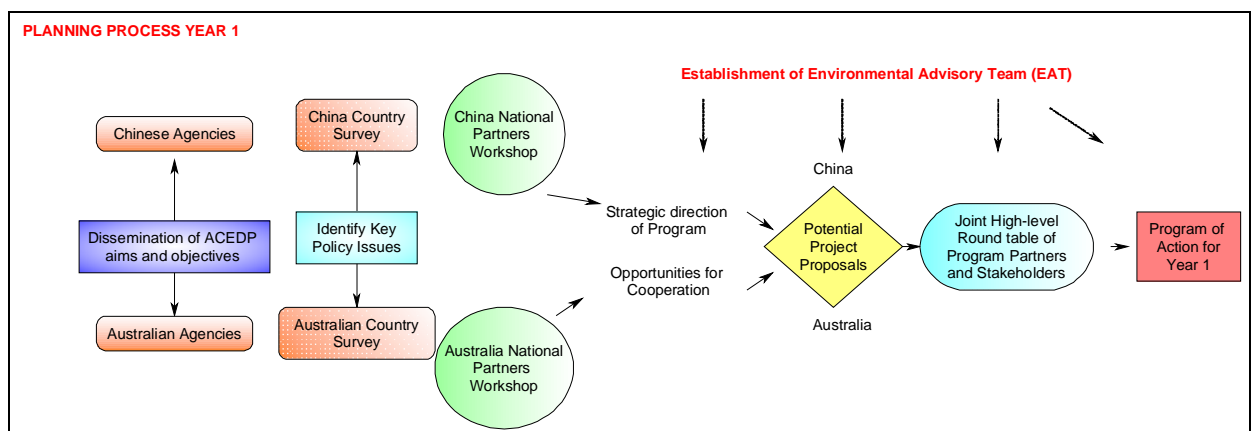
3.2 Outline of ACEDP Program and Objectives - Gunther Mau, Program Manager, ACEDP

Mr Gunther Mau provided an outline of the ACEDP Program. The presentation highlighted that ACEDP is a partnership program for mutual benefit aimed at environmental policy development, high-level policy dialogue between Australia and China, capacity strengthening, science and technology exchange and investment. The Program has an initial focus on water resources management and applications in integrated river basin management however this initial focus of the program may shift over time.

The Program will also work with Australian and Chinese partners including government and regional agencies, science and research institutions, non-government agencies and the private sector.

Gunther presented the following flow chart explaining the Planning Process for Year 1 of ACEDP.

Figure 1: ACEDP Planning Process – Year 1



3.3 National Water Policy – Progress and Issues – Ken Matthews, Chairman and CEO National Water Commission

Mr Matthews presented common issues in water resource management in Australia and China. These included:

Table 1 Common Issues in water resource management in Australia and China

Water Resource Management	Water Supply Management	Water Reform and Change	Other
Water availability	Water planning and infrastructure investment	Water reform – general (c)	Science and evidence-based decision making (c)
Climate change (c)	Water metering, metering standards and data transfer (c)	Inter-sectoral tensions (rural – urban)	Water treatment, recycling and “new” water technologies (c)
Over allocation, overuse	Water data and accounting (c)	Inter-basin transfers	Human capacity in the water sector, esp. governments (c)
Whole of basin water management (c)	Introducing markets and prices to water (c)	Irrigation modernisation (c)	Commonwealth/State; Central/Provincial relations (c)
Environmental Water Management(c)	Cost recovery and pricing	Water-induced adjustment	
River and wetland health(c)	Compliance and enforcement		
Groundwater management (c)			

(c) – Collaboration opportunities

Water scarcity, and economic growth and environmental pressures are making water reform and environmental management an imperative for China. Australia’s water reform process is respected internationally, and of interest to China.

3.4 Water and Entitlements Trading (WET) in China – Tom Vanderbyl, Sunwater

Mr Vanderbyl presented the achievements of the Water and Entitlements Trading (WET) Project. These included:

- » Reviewed existing arrangements and ongoing developments in China related to water rights;
- » Analysed the strengths and weaknesses of current arrangements in China; and
- » Made recommendations for future actions and proposed a framework for a water rights system in China

The Project identified the following key Water and Entitlement Trading issues in China:

- » Institutional problems – unclear / conflicting regulatory versus operational responsibilities
- » Poor connections between water allocation plans, management systems and water rights
- » Lack of definition, security, certainty and protection of water rights
- » Limited recognition and protection of ecological water requirements
- » Not all water abstraction types and water users captured within the water permitting system
- » No trading framework
- » Limited rights of farmers under irrigation district water permits.
- » Limited water accounting / registration / measurement systems to support water rights management
- » Limited transparency and public reporting in decision-making
- » Limited capacity within government agencies to develop the above areas

Phase two of the Project (WET 2) is focusing on the following:

- » Development of a series of high level policy papers – to provide the necessary research and advice to allow the MWR to issue Departmental Guidelines: eg. water resources allocation planning, in stream environmental flows, public sector water rights, water rights security and water management within irrigation districts;
- » Development of a number of system tools necessary to support a water rights system with a focus on hydrological modelling, water accounting standards and the registration of water rights; and
- » Capacity building – through expediting a range of workshops, seminars, tours and other training activities.

Lessons learnt from the WET Projects include the following:

- » Link to line agencies directly involved in developing and implementing policy (not just the international liaison people)
- » Identify leaders of influence and cultivate relationships with policy development sponsors within Chinese Ministries
- » Value add – focus on activities in areas of real need and interest to China, and build on existing Chinese successes
- » Focus on policy reform with technical support – avoid institutional reform as a primary focus
- » Focus on working on – and demonstrating – the solving of issues step by step, not on delivering grand solutions
- » Having Australian Government agencies involved is invaluable in establishing credibility with Chinese counterparts
- » Be prepared to analyse within – and adapt to – the Chinese context

3.5 River Basin Management in Australia – Wendy Craik, Chief Executive, Murray Darling Basin Commission

Ms Craik provided an overview of the legislative background surrounding the development of the MDB Agreement and recent institutional changes. She then provided a summary of recent activities of the MDBC including: The Cap, Basin Salinity Management Strategy, Sustainable Rivers Audit, Native Fish Strategy, The Living Murray, Integrated Basin Reporting, Water Quality, Risks to shared water resources, Water Trade, Drought Contingency Planning, River Operations and Asset Management.

In summary Mr Craik presented the major challenges currently facing the MDBC. These included:

- » Water Availability
- » Climate Change
- » Risks to further declines in the level of water resources, and
- » Balancing Environmental and Consumptive Requirements

3.6 Regional Catchment Management – Rod Taylor, Department of Sustainability and Environment, Victoria

Mr Rod Taylor (presenting on behalf of Dr Jane Doolan) described the evolution of institutional and legislative arrangements resulting in current integrated catchment management practices in Victoria. The presentation then summarised Regional River Health Strategies including the following:

- » Identify environmental, recreational, cultural, social and economic assets
- » Identify threats
- » Identify high priority river reaches and set broad priorities for protection and restoration
- » Identify actions for priority rivers
- » Develop 5-year implementation targets and 10-year resource condition targets for major river reaches
- » Include a monitoring, reporting and review program

The presentation then demonstrated the management process for Priority Reaches:

- » Identify values/assets
- » Understand key threats
- » Develop integrated suite of actions to protect/restore assets:
 - Riparian restoration, fencing, revegetation, weed control, restoring fish passage, water quality work, catchment, stormwater management, in stream habitat, bed and bank erosion, restoration of LWD, floodplain and estuary interactions, managing recreation impacts, and enhancing Environmental Flows – feed Environmental flow requirements into regional water allocation decisions

3.7 A stocktake on Integrated River Basin Management in China – Murray Chapman, Rural Plan

In the final presentation Mr Murray Chapman gave a synopsis of status of integrated river basin management in China based on his involvement on the AusAID funded Stocktake on IRBM Project in China.

The goal of this project was to develop a comprehensive and practical stocktake for the Chinese government and their partners to implement IRBM in China. The objective was to summarise the current IRBM status in China and identify the gaps and needs which may be met through international cooperation.

Observations for the project included the following:

- » 9 Chinese agencies are responsible for water law
- » Provinces and lower levels of government substantially influence what actually happens.
- » Provinces/municipalities performance judged on economics rather than environmental performance – Change indicated 1/08/07
- » China has made substantial progress in strengthening laws - overlaps & gaps
- » Environmental performance indicators are poor
- » Yangtze Forum (2007) presentations demonstrated the time is right for change

Priority actions stemming from the Project include the following:

- » Improving legal system and law amendment
- » Reforming river basin management organizations
- » Advancing policy innovation and pilot
- » Developing river basin plans under IRBM framework
- » Step-by-step promoting public participation
- » Enhancing Science & Technology support

4. Workshop Session

4.1 Priority areas for policy exchange

Peter Sutherland from ACEDP facilitated the first workshop session which documented a list of key priority areas for policy exchange between Australian and Chinese Partners. These were classified in accordance with the three key objectives of the Program:

1. Develop and enhance Policy Dialogue Between China and Australia
2. Practical Applications of River Basin Management Principles in China
3. Methods/ Applications to Improve Environment Governance in China.

The following table lists the priority areas for policy engagement from each Australian agency

Table 2 Potential Priority Areas for Policy Engagement

Priority Area	Agency
1. Develop and enhance Policy Dialogue Between China and Australia	
Establish agriculture as a primary player in future water markets	DAFF
Natural Resource Management – whole of catchment approach (soil, vegetation and landuse)	AgWest International
Whole of catchment approach with clear governance structures	IC Water
Regional water management / community river health – Catchment Management Authority institutional development	National Water Commission
Urban Water Supply contingency planning – improved analysis and support for water infrastructure and management decision making	SunWater
Market allocation of access to surface water delivery systems	ABARE
Pricing – full cost recovery to allow infrastructure constraints to be addressed to facilitate movement of water to its users (urban, agricultural, industrial, environment)	ABARE
Inter-sector water trade (urban, agricultural, industrial, environment) to maximise return to water use	ABARE
Information exchange on climate change including adaptation	Department of Environment and Water
Policy – framework for new river basin plans – development of consistent Water Quality standards and monitoring and evaluation	Rural Plan
2. Practical Applications of River Basin Management Principles in China	
Interconnected management of surface and groundwater	National Water Commission

Priority Area	Agency
Models and decision tools (hydrological and technological prediction; climate change and land use modelling; decision support tools; training and capacity building)	EWater CRC
Scientific research to support evidence based decision making	University of Canberra
Agricultural Impacts (Inputs, effluent, erosion, stock, clearing of vegetation and downstream effects) on water health (river, estuarine and stream)	AgWest International
Rural/ Urban sewage pollution treatment and industrial discharge control	CSU
Ecological flow management at a whole of basin scale including ecological asset identification and flow provision qualification	SunWater
Dialogue on regional catchment bodies and community engagement	NWC
Climate change adaptation	AusAID
Valuing river ecosystem services	Rural Plan
Addressing over allocated river systems	
Rehabilitation of the Ecosystem	NWC
Training, development and implementation of safe water planning approaches	
Apply Mekong- MDBC program to a China Pilot Program	
Managing organic pollution of rivers and lakes	SARDI / EBCRC
Identify key principles to achieve engagement and ownership of key outcomes	
Renewing water by integrated biosystem management	SARDI / EBCRC
Rural Water Management	SKM
Strengthening prevention of water resource degradation, water pollution and reversing the trend of environmental degradation	NRC
China Afforestation program / impact on water availability / optimising quality outcomes	
3. Methods/ Applications to Improve Environment Governance in China.	
Property Rights in Water	
Catchment and river health – environmental flows, conservation, sustainable land and water use, water quality	Ewater CRC
Improve water quality	SKM
Introduction of environment certification for China forestry/ afforestation programs	
Impact on climate change on water availability in China and policy responses	NWC

Priority Area	Agency
arising	
Improved stakeholder participation policy including community	AusAID
Scientific capacity building – training at an undergraduate and postgraduate level	University of Canberra
Policy on river health, environmental flows and extraction tension	
Balance between consumption and environment	
Groundwater and surface water as one interconnected source A robust water accounting framework	CSIRO – International centre for food security
Optimising water resource management systems and mechanisms	
Integrating irrigated agriculture targets with water management for sustainability of both	DAFF
Strengthening environmental regulation	AusAID
4. Other	
How environmental aid to China could be used as leverage to help industry win business in China	AusTrade

4.2 Policy Challenges facing Chinese Program Partners

Peter Sutherland from ACEDP facilitated the second workshop session which sought to document where Australian Partners could best engage with Chinese Partners. The process involved participants to vote on which Policy Challenges facing Chinese Program Partners (determined from initial consultation meetings – as listed below) provided the best opportunity for engagement.

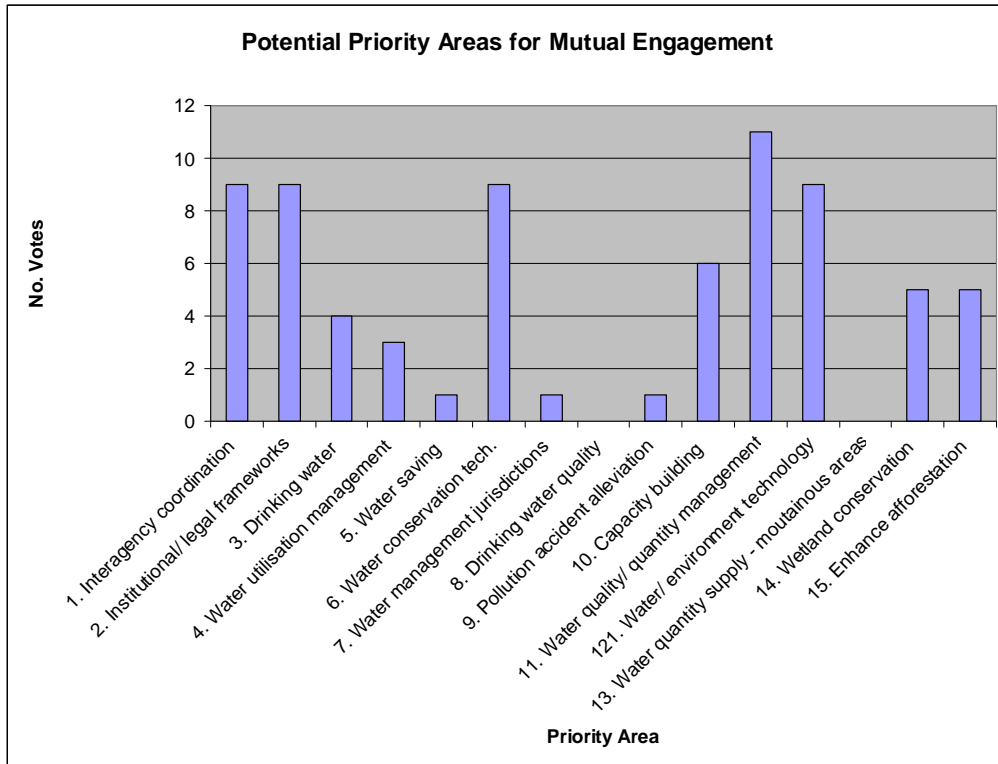
Participants were issued with the following list of policy challenges facing Chinese Program Partners. It should be noted that the list of policy challenges facing Chinese Program Partners were determined from initial consultation meetings with NDRC, MWR, SEPA and SFA. There are many other agencies/institutes that are influential on environment and water resources management policies including, but not limited to, Development Research Centre of the State Council, the Environment and Natural Resources Management Commission of the People's Congress, Chinese Academy of Sciences and Chinese Academy of Social Sciences. These agencies will potentially also provide input to the Program, however it is understandable that the ACEDP is unable to undertake full consultations to date due to time constraints.

Table 3 Policy Challenges Facing Chinese Program partners

1. Facilitate interagency coordination and integrated management related to water resource management
2. Strengthening linkage/ clarify legal responsibilities between Central Government and Local Government in water resources management, eg by making national plans etc
3. Drinking water source protection
4. Transfer from past water demand management (water users, water sources, waterworks) to water utilisation management (water abstraction license/ permit)
5. Build a Water Saving Society
6. Combine water conservation technology with water quality assurance, water quantity allocation, water ecological protection and restoration
7. Change the current management distinctions between MWR and SEPA
8. Drinking water safety assurance for urban and rural residences
9. Emerging Pollution Accident Alleviation
10. Capacity Building for officials to enhance monitoring and managing skills in legal implementation
11. Mechanism, systemic and institutional innovation combining water quality management with water quantity management methods from Australia to China
12. Introducing technology, experiences and management methods from Australia to China
13. Enhancing water quantity supply for mountainous areas, especially integrated management for small river basins in mountainous areas
14. Enhance wetland conservations of river origins
15. Enhance afforestation to prevent and control soil erosion

The participants were then asked to vote on which policy issue they believed Australian agencies could respond most effectively, based on this list of 15 priority challenges.

Figure 2: Potential Priority Areas for Mutual Engagement



* Please note that the list of Policy Challenges facing Chinese Program Partners did not include feedback from the Ministry of Agriculture in China. A major issue in China is irrigation efficiency of the agricultural sector and pollution of water resources from agricultural run-off. Although these issues were not directly included in the Chinese list of policy challenges, it is likely that Australian partners would be able to contribute in this area policy dialogue.

5. Issues raised from participants

- » The point was made that there was an extensive list of partnership programs between individual Australian Federal and State agencies and institutions and Chinese organisations currently being undertaken. The suggestion was made that there would be significant value in preparing a stocktake of these activities (as well as previously completed activities) so as to drawn upon already existing relationships as well as maximising the efficiency of ACEDP.
- » Potential partnerships between Australian and Chinese agencies focusing on drinking water quality should be explored. There were no Australian water utility organisations present at the Australian Partners Workshop, hence urban and rural drinking water quality may have been understated as issues. It is likely however that Australia would be able to engage effectively on drinking water quality issues, if an appropriate activity presented.
- » The importance of focusing on activities where Australia had a comparative advantage or high level of expertise was highlighted.
- » Issues relating to agricultural production and water quality management were discussed. This is considered to be a very significant issue in China.
- » The importance of capacity building, institutional strengthening, and mutual education programs was highlighted.

6. Next Steps

6.1 Requirements for Australian Partners

At the conclusion of the workshop, the Program Manager, Mr Gunther Mau provided the following information for Australian agencies interested in becoming core partners in ACEDP:

- » Notify ACEDP in writing of your in-principle interest to become a core partner.
- » Nominate a contact person in your agency
- » Commit to participate in the Joint High Level Roundtable in late September in Beijing
- » Be ready to provide strategic/ technical advice to the ACEDP and its (core) program partners
- » Use your own networks to promote the ACEDP in Australia and overseas.



Australian Government
AusAID



Appendix A

List of Participants

Name	Organisation
Carolyn Bull	AusAID
Matt Plaistowe	AusAID
Peter Wilson	AusAID
Marjorie Sullivan	AusAID
Marcus Howard	AusAID
Gerard Cheong	AusAID
Rob Miller	Department of Environment and Water Resources
Jo McAllister	Department of Environment and Water Resources
Cong Cong Wu	Department of Environment and Water Resources
Murray Chapman	Rural Plan Pty Ltd
Helen Grinbergs	AGO
Simon Hearn	ACIAR
Dr Ken Matthews	NWC
Dr Wendy Craik	MDBC
Rod Taylor	DSE Vic
Dr John Williams	NRC, NSW
Gunther Mau	ACEDP
Peter Sutherland	ACEDP
Jin Zhang Zou	ACEDP
Mark Thomson	ACEDP
Ty Morrissey	ACEDP
Richard Hart	GHD
Steven Chaytor	ACEDP
Don Blackmore	Kiri-ganai Research
Dary Quinlivan	DAFF
Tom Vanderbyl	Sunwater
Kellie-Jane Pritchard	AGWEST International Department of Agriculture and Food
Hian Yap	Australian Trade Commission
Richard Sharp	SKM
Dr Melissa Parsons	University of Canberra
Gary Jones	eWater CRC
Andrew Lloyd	DEWR
John Morley	AGO
Colin Chartres	NWC
Prof Johh Blackwell	CSU
Tariq Rana	CSIRO CSU
Dr Phil Glatz	EBCRC
Sharon Page	ABARE
Richard Mcloughlin	DAFF



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