

Regional Policy Processes and Water Related Management Issues

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Introduction

On October 15, 1998 the Corangamite and Glenelg-Hopkins Catchment Management Authorities announced that the district rate-payers would pay annual waterway tariffs of \$32 per annum. Within two weeks of that announcement local headlines were trumpeting the rise of 'people power' in what was to become the \$32 levy protest (Warrnambool Standard, December 1, 1999). Local protest meetings were called in all of the major towns in the catchment demanding an end to the tariff. Local politicians and local councillors became embroiled in the conflict and over six months the protests continued until the Victorian government finally relented and withdrew the tariff.

The whole episode of the water tariff could be analysed as a purely political response to another local taxation issue and the paper will address some of these issues. However, while such an analysis can be sustained, there are broader issues that need to be considered. Analysing the competing discourses in the debate is an important first step in understanding the nature of water politics in south-west Victoria. Accordingly the paper begins with a brief introduction to the nature of discourse and then analyses two major discourses in public policy; new public management and environmentalism. The impact of these two major discourses on water policy is analysed in the light of their affect upon the politics of water in south west Victoria. The paper concludes by arguing that the debates over water policy in the south west will continue to be dominated by major discourses that need addressing at all levels, from local through catchment to regional and national levels.

Discourse and the Policy Process

Discursive practice, or discourse, in its simplest form, is people doing, saying or writing things in some social context (Fairclough 1993). This involves the processes of production and reproduction of texts that are dependent upon agents acting in different social settings (Fairclough, 1993). Since texts are made up of forms of past practice, and include a range of different meanings, they are open to interpretation (Fairclough, 1993). In this way discursive practice goes beyond the mere content of speaking, writing or some other symbolic form of expression, to the interpretations or meanings of the expression. In this respect texts are consumed differently in different social contexts.

Discourse is a social practice which focuses on the institutional and organisational circumstances of the discursive event, and how these shape the nature of the discursive practice. While discursive practice does not contrast with social practice in that the former is a particular form of the latter, the emphasis here is on how people's practices are shaped by social structures and relations of power in ways of which they are often unaware (Fairclough 1993). Conversely, people's practices have outcomes and effects which act upon social structures, social relations and social struggles. According to Fairclough, the relationship between discourse and social structure should be seen as a dialectical one (Fairclough, 1993). The major reason for this is to avoid the pitfalls of turning discourse into a mere reflection of some deeper reality, or seeing discourse as the source of the 'social' (Fairclough, 1993).

One way in which discourses become naturalised and normalised is in *common sense*. Discourses are naturalised in the sense that they are accepted in an uncritical and largely unconscious manner as the way to perceive and understand the world. Accordingly, when discourses are accepted as part of the common sense, they are accepted in an axiomatic way. But common sense is not rigid and unchangeable, and is 'continually transforming itself, enriching itself with philosophical opinions which have entered ordinary life' (Gramsci, 1978). Yeatman points out that the incorporation of oppositional interests can lead to a 'residualisation' of those interests in official discourse (Yeatman, 1990). Legitimacy is still maintained even though oppositional groups only gain recognition in official discourse as 'add ons'. Environment issues often fall into this category. The official language of the state often includes reference to ecological concerns, but the practical outcomes for many environmental issues are not always positive.

Discourse is political practice in that the power relations established and sustained in social institutions are social constructions which are amenable to change (Dant, 1991). In this respect, discourse as social practice is the capacity of actors to produce, distribute and consume different interpretations for their perceived needs. Fraser argues that there are three parts to this process. Firstly there is the struggle 'to establish or deny the political status of a need, the struggle to validate the need as a matter of legitimate political concern or to enclave it as a non-political matter'. Secondly there is the struggle over 'the interpretation of the need, the struggle for the power to define it and, so, to determine what would satisfy it'. Thirdly there is the struggle over 'the satisfaction of the need, the struggle to secure or withhold provision' for that need (Fraser, 1990).

Discourse as a relationship between ideas and practice helps to shape much of the policy process by helping to refine the language and communication processes. In this way the boundaries of debate are often set in a subtle way through the rationality of particular discourses. This in turn helps to define the policy agenda and what is considered legitimate in policy debates. The outcomes are that those whose positions are best served by dominant discourses tend to capture the political resources. Because some discourses tend to predominate, a hierarchy of discourse thinking is established. In this hierarchy some are given higher value, status or prestige than others. Furthermore, subordinate discourses are often seen as oppositional rather than complementary and are accorded a lower value. In this process the structure of rationality leads to a justification for the selection of one discourse over another.

Competing policy discourses

New public management

Within the context of water policy within Australia there have been a number of competing discourses. The awareness of the deteriorating water quality of water resources in Australia has seen a shift from engineering discourses to more ecological inclined discourses (Kellow, 1992). At the same time the increasing emphasis on economic rationalist discourses aimed at solving the fiscal problems of the state have resulted in radical changes to the process of public sector management in Australia.

Economic rationalism has been defined by a number of writers in recent times (Carroll and Manne, 1992; Horne, 1992; Pusey, 1991). The dominant value of economic rationalism is the belief in the efficacy of free market forces as a mechanism to determine the allocation of scarce resources among alternative uses. This belief leads to the political discourse of 'let the market decide' and 'the market knows best'. Economic rationalists advocate a minimalist role for government in the operations of the economy. They argue for the dominance of what is termed 'market forces' which means that the role of government should be limited. The outcome has been an emphasis upon free market discourses that emphasis the values of the free market such as competition, efficiency and private property rights.

Central to this discourse is the belief that small government is essential and new ways of operating the public sector are necessary or what is termed 'new managerialism'. According to Hughes, (1994) much of the change in the management structures of the state have been driven by the attack on the public sector in terms of its scale, scope and methods. Scale refers to the sheer size of the state which is accused of absorbing too much of the scarce resources available. Scope, refers to a wide range of state activities that could easily be done in the private sector. Methods refer to the bureaucratic organisation of the state that is seen as cumbersome and inefficient in the delivery of its services. The assumption is that the actions of public servants are all aimed at maximising their own position in the state. To redress this assumed justification of state programs by the self-interest of public servants the new managerialists argue that market mechanisms are required to test the efficiency of the process. They argue that for governments to perform properly there is a need for the separation between policy and management or what they call steering and rowing (Osborne and Gaebler, 1993). That is the state is meant to steer by setting the policy framework within which the rowers, the service providers, carry out the activities on behalf of the state. The result for Australia is a significant downsizing of the operations of the state.

In applying the market test the Commonwealth, State and Territory Governments agreed to examine a national approach to competition policy in 1991, engaging Professor Fred Hilmer to head up a National Competition Policy Review (National Competition Policy Review 1993). When his report was released in

August 1993, the Commonwealth, State and Territory Governments began extensive negotiations on implementation of its recommendations. The outcome was the Competition Policy Reform Act 1995 that changed the environment of public sector activity by marketising the activities of government. The 'Shield of the Crown' immunity for State and Territory Government businesses was removed and the reach of the Prices Surveillance Act was extended to the business enterprises of State and Territory Governments. The extension of competition to the public sector means that there has been increased privatisation and contracting out of services to private agencies to carry out the work of the state. The managers in the state moved from being managers of services to managers of contracts on behalf of the government and the people.

The response in Victoria over the past two decades has been the application of new public sector management practices to all levels of government. The 'public service' principle has largely been replaced by 'user pays' principle. Many of the public utilities have been privatised while other services have either been contracted out or privatised. An 'economic rational' planning process has seen the amalgamation and reorganisation of large sectors of the public sector including local government. The overall result has seen most government functions to meet the requirements of dominant economic discourses that emphasise market principles and 'small government'.

The impact of economic rationalist policies upon south west Victoria has been significant. Major local government services have been withdrawn from many of the main population centres (O'Toole, 1999). Hospital and health services have been 'rationalised' across the region (Mahnken, Nesbitt, and Keyser 1997; O'Toole *et al.*, 1999). Many schools were either amalgamated or closed down. (Victorian Education Department, 1992; Victorian Education Department, 1998). Other government services such as agriculture, social services and housing were 'rationalised' and staff either transferred or made redundant. The parlous state of local economies was further exacerbated by the effects of private sector as well. Banking facilities and other services in the smaller towns were generally wound down. The political environment of the south west became quite volatile as voters became angry about the reduction of services to the region.

Environmentalism

One discourse that both challenges and in some ways tries to accommodate the dominant economic discourses is environmentalism. Underlying this discourse are ideas of sustainable living practices, ecological preservation, harmonious production processes and biological diversity. The emphasis upon 'green' politics is an attempt to challenge the dominant processes of growth and unfettered exploitation of the 'natural' environment. Within the environmental movement there are a number of different approaches from the more radical positions that emphasise a total renovation of society to those who try to reform from within the present position (Ife, 1999).

The relationship of social and ecological forces is central to most environmental discourses. Social forces include the habits, customs, institutions, laws, ideologies, modes of reasoning, language and other elements of human practice. On the other hand ecological forces include climate, photosynthesis, respiration, radiation levels and all the elements that affect the physical environment (Hartman, 1998). The interaction between these two forces has repercussions for both human behaviour and environmental outcomes. 'Just as the sun's radiation can change the ecological balance of the climate so too human production and consumption patterns have an affect upon the climate' (Hartman, 1998) p. 338

Accordingly the discourse of environmentalism argues that ecology is not just instrumental for human species but right in itself (Eckersley, 1992; Fox, 1990). Dealing with the environment is not purely an engineering or technical concern but also a social, economic and political process. In this respect environmentalism is often in opposition to the dominant economic discourses. The underlying assumptions of economic rationalism which emphasise the world view of individuals acting in their own interests is challenged by such environmental discourses.

Public policy has been influenced to some extent by environmental discourses at both national and international level (Gardner, 1999). At federal level there is a range of legislation dealing with environmental issues and a number of policies that support the natural environment both at home and abroad. The extent to which such policies are mere rhetoric or actual is often debated. However, there are

now standard practices in many areas of government policy that address environmental and ecological issues. These range across a number of areas.

- Natural Heritage Trust
- Australia's Oceans Policy
- National Forest Policy Statement
- National Greenhouse Strategy
- National Strategy for Ecologically Sustainable Development
- National Strategy for the Conservation of Australian Species and Communities Threatened with Extinction
- National Strategy for the Conservation of Australia's Biological Diversity
- Wetlands Policy of the Commonwealth Government of Australia

In Victoria there has also been a wide range of environmental legislation:

- Catchment and Land Protection Act 1994
- Coastal Management Act 1995
- Conservation Forests and Lands Act 1987
- Environment Protection Act 1970
- Environmental Effects Act 1978
- Extractive Industries Development Act 1995
- Fisheries Act 1995
- Flora and Fauna Guarantee Act 1988
- Forests Act 1958
- Heritage Act 1995
- Land Conservation Act 1970
- Local Government Act 1989
- Planning and Environment Act 1987
- Water Act 1989 (updated)

Water policies and CMAs

A significant process in Australia is the federal structure of government which consists of one federal government, six states and two territories with limited powers (Northern Territory and the Australian Capital Territory). To overcome some of the jurisdictional problems between the various levels of government they often meet in forums to decide on policy issues. On February 25 1994 the Council of Australian Governments (COAG) agreed on a strategic framework to achieve 'an efficient and sustainable water industry' (Gardner, 1998). The major components of the policy were:

- Water pricing principles of consumption-based pricing, full cost recovery and removal or disclosure of cross subsidies
- The implementation of comprehensive systems of water allocation incorporating express environmental provisions of water and the creation of property rights in water separate from land titles
- The institution of trade in water rights
- Institutional reform to
 - separate the administration of water resource management and water services provision (the latter to be performed on a commercial basis)
 - implement integrated natural resources management (integrated catchment management)
- Programs of public consultation and education
- Support for the development of the National Water Quality Management Strategy by the Agricultural Resources Management Council of Australia and New Zealand (ARMCANZ) and the Australian and New Zealand Environment and Conservation Council (ANZECC).

The outcomes of these reforms at both Federal and Victorian level saw the separation of water as a commodity and water as an ecological resource (Donahue and Johnston, 1998).

Water policy was tied to National Competition Policy and there were a number of significant outcomes. First all the states moved to implement water reforms and in Victoria there was significant change. Secondly, the issues of common law rights over water were all but removed and replaced by statutory rights. The changing legislative processes in the states is evidence of this process. (Gardner, 1998). Thirdly it meant a move away from command-and-control mechanisms to economic instruments such as tradeable resource rights (Kurz, 1999). Prior to 1994 tradeable resource rights such as trading in water

licences was limited to a few states but the process was now being investigated on a nation wide basis (Brennan and Soccimarro, 1999).

The outcomes for water in the south west Victoria was a separation of the administration of water resource management (Catchment Management Authority) and water services provision (Corporatised Water Companies). The first stage of this process was the implementation of integrated natural resources management (integrated catchment management) that occurred on 1 July 1997. The aim was to create a whole of catchment approach to natural resource management in the state. This involved a combination of River Management Boards, Catchment and Land Protection Boards and community based advisory groups such water quality working groups (Conacher and Conacher, 2000). The primary goal was to ensure the protection and restoration of land and water resources, the sustainable development of natural resources-based industries and the conservation of our natural and cultural heritage.

However in October 1998 the State government announced that the Glenelg- Hopkins and Corangamite CMAs were going to levy a \$32 community tariff on all households in the south west. The response from the public was overwhelmingly negative although 85% of ratepayers did in fact pay the first \$32 tariff (Warrnambool Standard, April 21, 1999: 3). Meetings were held across the region protesting the imposition of the tariff with local councillors often leading the way. The CMAs, forced to 'defend' themselves against the growing protests, used a discourse of environmental protection to defend themselves with such statements as 'restoring the environmental qualities of our catchment is a huge task (Warrnambool Standard, December 4, 1998: 5).

The widely reported public response to the issue of the \$32 tariff could be interpreted as the 'straw breaking the camel's back'. In the previous years the Victorian government had imposed what was called a \$100 home tax purportedly to get the State's budget back into surplus. The opposition Labor Party opportunistically labelled the \$32 tariff as similar to a home tax, using the issue as part of a lead to an election strategy aimed at painting the State government in a bad light (Warrnambool Standard, January 20, 1999: 3). The issue was further muddied by the Labor opposition when they expanded their attack by focusing on the way the tariff was collected by a private contractor (Warrnambool Standard, June 11, 1999: 13).

The mix of peoples' reaction to economic rationalist policies, bad timing, political opportunism and general lack of education may be blamed for the hostility engendered by the \$32 tariff. However a further analysis would suggest that while these factors were important it also demonstrates the relative importance of the two discourses. The apparent rejection of economic rationalist policies by the community in south west Victoria does not hold entirely true. The user pays principle, a significant aspect of the new managerialism, is interpreted differently according to the strength of different discourses.

Since the people's identities with place change as the dimension changes the related discourses also vary. At the local or household level, maintenance considerations predominate. The dominant discourses here are sustenance related and focuses on the survival needs of individuals. Income generation and its relationship to the physical environment help to shape the type of local discourses here. Thus at farm and business levels, survival is dominated by market discourses that often conflict with ecological concerns. At the catchment or landscape level, it is often ecological concerns of maintaining life support systems over longer periods of time that predominate. The related discourses at this spatial dimension are not as immediate and are treated as peripheral to important 'local' dimensions. At the state and national levels macroeconomic considerations are limited by dominant discourses, especially new public management.

In this sense ecological discourses are squeezed between the more market driven discourses of the local and national dimensions. Water boards have legitimacy in the political and social system because they provide a needed commodity at local level. They can charge taxes because there is a clear relationship between the payment and the product consumed. The citizens, or consumers as they are now called, accept the practice of payment for water as they can see the outcomes of their market exchange. They receive water through their taps or irrigation systems and dispose of used water through waste disposal systems.

The change of term from citizen to consumer makes the relationship between water use and the market more transparent. This makes access to water for different functions whether business or domestic

dependent upon an economic exchange. The product is a private good in that it is divisible into separate components. People use the product 'water' in the amounts that they can afford. The state may run the enterprise presently but it is a business which supplies individual customers with a range of products. In this process a market discourse predominates and people are prepared to accept tariffs on water when it is used as a 'commodity'.

CMAs on the other hand find it difficult to raise taxes for their services. There is no direct market relationship and the product is perceived more as a public good in that it is not divisible. Further the immediacy of local concerns overrides the broader issues of catchment management. The ultimate quality of the product may have an affect upon private goods later in the process. To that extent the policy framework here tends more to the ecological. CMAs are still involved in delivering a product but it is not perceived as a private good that attracts direct market relations. As there is no discernible market exchange people are unwilling to pay the appropriate price. In this process the ecological discourse is jettisoned and a market discourse predominates once again.

The issue of the \$32 tariff highlights the difficulties faced by CMAs in trying to bargain between the local, regional and to some extent the national levels. One strategy has been to try to 'mix' economic and ecological discourses into what is termed 'sustainable development'. It is hoped that by combining economic development in the catchment with practices that promote long term sustainability of the natural environment a new ecological discourse can emerge. And yet those agencies that manage natural resources and water are often peripheral in the government processes and become the brokers for discourses of 'sustainable' development (Day, 1996). Such strategies again reduce the environment to a resource that is exploited for the benefits of human consumption. Environmental claims are reduced to just another sectional or vested interest in the political market place (Eckersley, 1998). In the process sustainability becomes a competitor with development and is subordinated to economic discourses (Ife, 1999). Furthermore, since technology is geared to growth not social or ecological concerns sustainability becomes a process of creating the optimum conditions for economic growth while maintaining the resource base.

Conclusion

The argument in this chapter is that dominant economic discourses have been a significant factor in limiting the place of CMAs in the political agenda. Reactions to macroeconomic policies at state and national level, and the separation of water as a marketable commodity and an ecological value, have combined to reduce the significance of water agencies that attempt to treat water as a public good. The rejection of the \$32 water tariff in the Glenelg-Hopkins and Corangamite catchments is evidence of the wide gap between economic and ecological discourses. What we learn from all this is that the dominant discourses of water policy are generally market oriented with ecological issues running a long second.

However long term economic development is dependent upon a partnership with sustainable management of natural resources. In this respect CMAs are a welcome addition to the policy process in that they are integral to reordering the competing discourses within and between different levels. As the overall objectives of integrated catchment management are new in the local political discourse CMAs have a lot of educating to do in the future. The ideas and practices of managing resources in a sustainable manner and minimising land degradation within river or drainage basins or other appropriate spatial frameworks requires a significant change in local economic discourses and CMAs are ideally placed to assist in that project.

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