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## *Alberta a Bellwether Province for Managing Water Scarcity Challenges: C.D. Howe Institute*

Toronto, April 1 – Alberta faces water scarcity challenges that make it a bellwether region for better water management policies, according to a study released today by the C.D. Howe Institute. In *The Competition for Water: Striking a Balance among Social, Environmental, and Economic Needs*, University of Lethbridge professor Henning Bjornlund writes that without a modern system for reallocating access to water, particularly from prior licence holders to new users, Alberta’s economic development and its ecosystems could be threatened.

With many water resources overcommitted and suffering environmental degradation, it is becoming urgent to find ways to reallocate increasingly scarce water supplies to meet rising demand and growing environmental concerns, notes the author. In Canada, this challenge is nowhere better illustrated than in Alberta. The province is home to 60 percent of all irrigation in Canada and has a fast-growing population and economy. These pressures helped prompt the province to halt the issuance of new licences for taking water from the Bow, Oldman and South Saskatchewan River sub-basins in 2006, bringing into focus the need to fulfill rising demand for industrial, urban, and environmental water use.

Professor Bjornlund discusses how water markets could be used in the Alberta context and what supporting institutions would be necessary to enable them to operate efficiently. Indeed, urgent action is needed within the current legislative framework to enable a better distribution of water resources.

As a prerequisite for the efficient allocation of water among competing users, the most pressing task is for the Alberta government to define waters within each watershed that need to be protected to secure environmental and other public benefits. Reforms should also aim to improve existing licence structures and introduce mechanisms to encourage water markets to operate more efficiently.

Also needed, according to the author, is a focus on longer-term solutions, such as consideration of whether the current first-in-time-first-in-right property rights system is the most appropriate way to allocate and manage access to increasingly scarce water resources.

Although this study focuses on surface water and the South Saskatchewan River basin, and solutions to water resources management inevitably must be region specific, discussions in this *Commentary* could be adapted to other regions of Canada where water scarcity is a growing issue, including some watersheds in Ontario, the southern parts of the Prairie provinces, and in British Columbia's Okanagan Valley.

For the study, go to [www.cdhowe.org](http://www.cdhowe.org)

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*The Competition for Water: Striking a Balance among Social, Environmental, and Economic Needs*, C.D. Howe Institute Commentary No. 302, by Henning Bjornlund (April 2010). 25 pp; \$12.00 (prepaid, plus postage & handling and GST – please contact the Institute for details).  
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Copies are available from: Renouf Publishing Company Limited, 5369 Canotek Road, Ottawa, Ontario K1J 9J3; or directly from the C.D. Howe Institute, 67 Yonge St., Suite 300, Toronto, Ontario M5E 1J8. The full text of this publication is also available from the Institute's website at [www.cdhowe.org](http://www.cdhowe.org).