

Ideas for Promoting Groundwater Usage Charge Efficiency to Ensure Resources for Efficient Groundwater Management

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Summary

1. The groundwater usage charge system holds significance both as the only current legal means for local governments to obtain financial resources for the preservation and management of groundwater and as a means of public regulation to prevent excessive groundwater development.
2. Despite over a decade having passed since the groundwater usage charge system was first introduced, only around 35% of basic local governments have implemented it. In addition to the extremely slow rate of adoption, only 57% of charges collected are applied to groundwater management special accounts, leaving many local governments unable to obtain adequate funds for groundwater management.
3. The unit cost per cubic meter for the groundwater usage charge remains relatively low, while the institution's efficiency has been diminished by exemptions for homes, general water utility projects, and agricultural and fishing operations, which use large volumes of groundwater.
4. Scenario analysis for various policy means of improving the groundwater usage charge system showed a need for exemption target segmentation.

| Policy Implication |

- ① (Mandate system adoption) The current Groundwater Act does not clearly specify mandatory establishment of groundwater usage charge systems or special accounts for groundwater management. The law should therefore be amended to require all local governments to implement the system.
- ② (Adjust exemptions) As a rule, exemptions should not be extended to homes and general water utility projects; reductions for some farming/fishing and simplified wide-area water supply purposes should be established in the future according to specific assessment target standards.
- ③ (Improve management system) The agents responsible for groundwater management and their duties and expenses should be clearly established to improve the groundwater usage

charge management system and lay the institutional groundwork for efficient use of collected funds.