



GOVERNMENT RESPONSE
to
A Blueprint For Water Reform
in
Western Australia

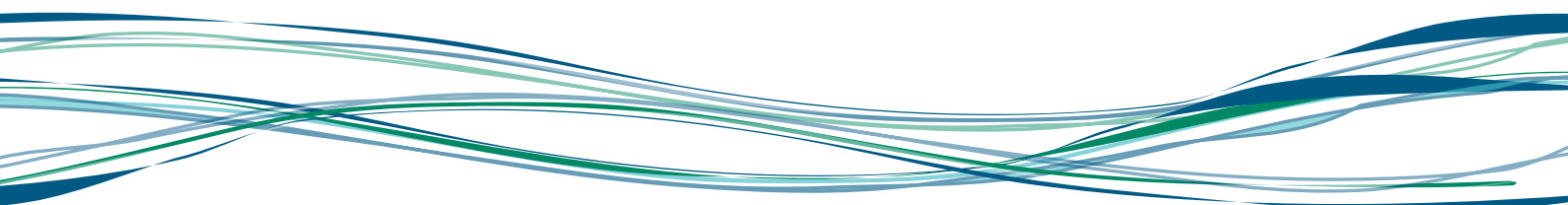


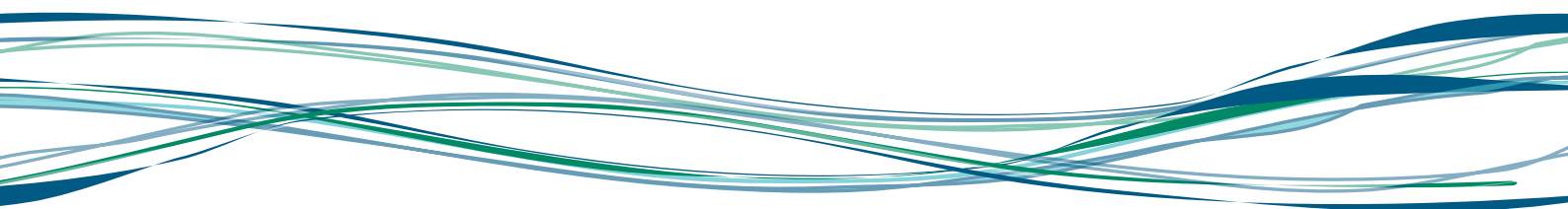
February 2007



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FOREWORD

It gives me great pleasure to present the Government's Response to the wide ranging and forward thinking water reforms outlined in *A Blueprint for Water Reform in Western Australia*, compiled by the Water Reform Implementation Committee.

The detailed reforms of the Blueprint follow on from the recommendations of the *Irrigation Review Steering Committee's Report of 2005*, which looked at current and forecast water use across all sectors in Western Australia and initiated a significant water reform agenda in the State. With the signing of the National Water Initiative in April 2006, this agenda has been given greater urgency and direction. Alongside the reform agenda, the Government has also committed to the development of the State Water Plan and Regional Water Plans.

This is a critical time for water in our State, and the reforms we put in place now must work to ensure a sustainable and equitable supply of water for *all* users. The Water Reform Implementation Committee has faced a formidable task in addressing current practice in water management alongside the extremely challenging conditions of the future, including prolonged drought, climate change resulting in significantly reduced rainfall, and increased demand as the State develops.

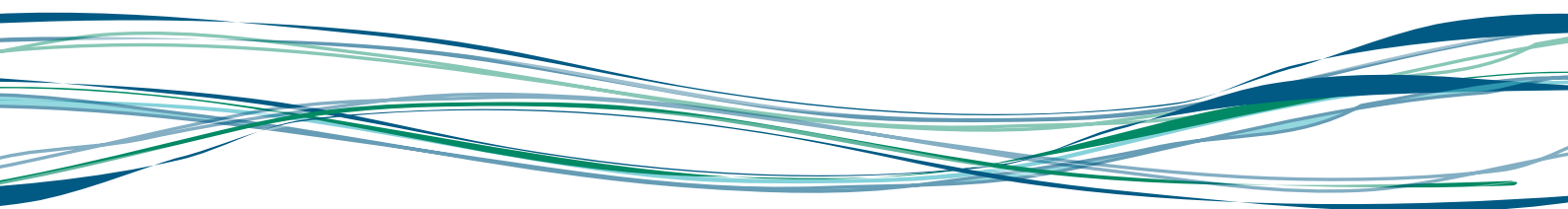
In order to provide a rigorous analysis of water use and future sustainable management, the Committee was tasked with investigating the following key areas:

- Changing the water entitlement system
- Facilitating water trading
- Implementing water metering
- Recovering water resource management costs
- Land and water planning for the longer-term protection of agricultural land
- Increasing self-management
- Investing in water use efficiency.

Given the scope and complexity of these reforms it is clear that proposed changes will affect all water users, not just irrigators. Therefore, since April 2006 the Water Reform Implementation Committee's analysis and recommendations have been subject to an extensive program of stakeholder consultation. Seventeen workshops and forums have been held throughout the State and 71 submissions have been received and reviewed by the Committee. The Blueprint incorporates stakeholder engagement and the Government Response acknowledges the broad process. The Government intends to ensure that the community will continue to be included in the implementation strategies for reform.

To Mr Ross Kelly and all the members of the Water Reform Implementation Committee I am most appreciative of all the work you have done. You have provided a significant contribution to transforming the management of water in Western Australia and ensuring our sustainable water future.

HON JOHN KOBELKE MLA
MINISTER FOR WATER RESOURCES





IMPLEMENTATION

The implementation of water reform and of the recommendations of the Government Response to the report of the Water Reform Implementation Committee are major responsibilities of the Department of Water. The Department will work with other relevant agencies where necessary.

The Government is committed to ongoing communication and engagement on its water reform agenda. In the next year, further consultation will be undertaken on:

- The State Water Plan
- Regional water plans
- Western Australia's National Water Initiative Implementation Plan
- Development of new water resources legislation.

The Government will also continue to convene regular meetings of the State Water Forum to ensure relevant stakeholder organisations are given the opportunity to be briefed on and contribute to water reform initiatives.

Additionally, detailed transitional statutory and administrative arrangements to transfer existing water licences under the *Rights in Water and Irrigation Act 1914* to the new system will be developed by the Department of Water. The Department of Water will ensure that these arrangements are effectively communicated to licensed water users, and minimise operational disruption and costs to water users and government.

The Government has already committed significant additional resources to the improved management of water resources in Western Australia. Through the usual budgetary processes, further resources will be made available to support the implementation of this reform agenda over the coming decade.

INTERPRETING THE GOVERNMENT RESPONSE

The Government Response to each of the Water Reform Implementation Committee's recommendations is provided in the following table. The table indicates the extent of the Government's support for the recommendation and the main implementation mechanism that will be used to deliver the response. Where a response is other than supported, this should be interpreted as the Government's position on that matter.

The primary implementation mechanisms to address recommendations are summarised as follows:

- **Statutory water management plans** – the recommendation will be delivered primarily through the development and adoption of statutory water management plans.
- **New legislation** – the recommendation will require legislative changes and will be addressed in the process of developing new water resources legislation, scheduled for introduction into Parliament in early 2008.
- **Department of Water policy and procedure** – the recommendation will require changes to Department of Water policy and procedure.
- **New systems development** – the recommendation will be accommodated through the development of new management systems and processes, e.g. a register of entitlements.
- **New metering program** – the recommendation will be addressed through the implementation of a new metering program to commence operation in 2008.

RECOMMENDATION	GOVERNMENT RESPONSE	IMPLEMENTATION
Statutory water management plans		
1	<p>That the scope of statutory water management plans remains sufficiently flexible to accommodate the diversity of individual water systems, the nature of water use within the plan area and the various water resources management outcomes that must be achieved. For example, plans for groundwater systems will be significantly different from those for surface water systems.</p>	<p>Supported</p> <p>Statutory water management plans</p>
2	<p>That the characteristics and components of statutory water management plans be guided by Schedule E of the National Water Initiative and include:</p> <ol style="list-style-type: none"> 1. The water source or water sources covered by the plan (i.e. its geographic or physical extent) and in particular the pools of water to be managed under the plan 2. The current health and condition of the system 3. The risks that could affect the size of the water resource and the allocation of water for consumptive use under the plan, in particular the impact of natural events such as climate change and land-use change, or limitations to the state of knowledge underpinning estimates of the resource 4. The overall objectives of water allocation policies 5. The knowledge base upon which decisions about allocations and requirements for the environment are being made and an indication of how this base is to be improved during the course of the plan 6. A review process that allows for changes to be made in light of improved information 7. The uses and users of the water, including consideration of indigenous water use 	<p>Supported</p> <p>In addition, statutory water planning should take into account indigenous water entitlements (established through Native Title determinations) including cultural and economic values associated with water, that are documented in the planning process.</p> <p>The Department of Water will also consult with regional natural resource management groups in the preparation of statutory water management plans.</p> <p>Statutory water management plans</p>



RECOMMENDATION	GOVERNMENT RESPONSE	IMPLEMENTATION
<p>8. The economic, social, environmental and other public benefit outcomes proposed during the life of the plan, and the water management arrangements required to meet those outcomes</p> <p>9. Water availability performance objectives (i.e. hydrological reliability targets), including rules for converting existing authorisations to different categories of access entitlements (as well as rules for granting or reserving additional entitlements in the future). The “consumptive pool” will be derived as an outcome of an assessment of the effect of the various categories of entitlements, access rules etc on the available resource</p> <p>10. The rates, times and circumstances under which water may be taken from the water sources in the area, or the quantity of water that may be taken from the water sources in the area or delivered through the area</p> <p>11. Conditions to which entitlements and approvals having effect within the area covered by the plan are to be subject, including monitoring and reporting requirements, minimising impacts on third parties and the environment, and complying with site-use conditions</p> <p>12. Where systems are found to be over allocated or overused, the relevant plan should set out a pathway to correct the over allocation or overuse, having regard to the potentially significant social and economic impacts of this process</p> <p>13. Alignment with relevant regional natural resource management plans and cross jurisdictional plans, where applicable</p> <p>14. An assessment of the level of connectivity between surface (including overland flow) and groundwater systems</p>		

RECOMMENDATION	GOVERNMENT RESPONSE	IMPLEMENTATION
<p>15. Impacts on water users and the environment that the plan may have downstream (including estuaries) or out of its area of coverage, within or across jurisdictions</p> <p>16. Water interception activities</p> <p>17. Locally applicable water trading rules.</p>		
<p>3</p> <p>That statutory water management plans be prepared using the best available scientific knowledge rather than with an expectation that absolute certainty is needed in order to finalise a plan. The precautionary principle should be applied if information is limited and subsequent reviews allow plans to be revised.</p>	<p>Supported</p> <p>In addition, the Government is committed to a program of investment in water resource investigation and assessment to support the scientific knowledge of water resources required for water planning.</p>	<p>Statutory water management plans</p>
<p>4</p> <p>That in relation to achieving environmental outcomes:</p> <ul style="list-style-type: none"> • Statutory water management plans define the water that is provided to meet agreed environmental outcomes separate from the consumptive pool, in accordance with the Department of Water's current policy • Water provided to meet agreed environmental outcomes be given statutory recognition and underpinned by revised water resources legislation • Water provided to meet agreed environmental outcomes be regularly monitored and publicly reported on. 	<p>Supported</p>	<p>Statutory water management plans</p>
<p>5</p> <p>That the consumptive pool for a particular water resource be determined by the access and allocation rules, through iterative modelling and assessment processes (specified within the statutory water management plan) that are to be applied to achieve the plan's environmental and supply security objectives.</p>	<p>Supported</p>	<p>Statutory water management plans</p>



RECOMMENDATION	GOVERNMENT RESPONSE	IMPLEMENTATION
<p>6 That future policy and legislation relating to statutory water management planning allow for the establishment of categories of water access entitlements with different reliabilities and other relevant water product attributes. Different categories of water access entitlements would not be for specific purposes, but would enable water users to purchase water with different forms of reliability to meet their needs.</p>	<p>The Government supports the creation of different categories of water entitlements with different reliabilities for consumptive pools defined in statutory water management plans. The implementation of this approach would be related to water scarcity and demand from water users for the establishment of a more sophisticated water trading market within their consumptive pool.</p>	<p>New legislation and statutory water management plans</p>
<p>7 That to address uncertainty inherent in the establishment of the consumptive pool, shares in a pool may be transparently allocated to the Crown for reservation for future release, including for public water supply. These shares could be released into the market on a temporary basis. As knowledge of the system improves, the State could decide to sell some or all of the remaining shares. Releases of reserved shares must not be allowed to adversely affect the security of existing entitlements or environmental water provisions.</p>	<p>Unless otherwise defined in a statutory water management plan, water will be released through consideration of a water licence to facilitate productive economic use.</p>	
<p>8 That the future release of reserved water be made through market mechanisms, such as auctions or tenders, at the discretion of the Minister, with the resultant revenue being directed to water resource management.</p>	<p>Alternate mechanisms to release water may include tenders. Any revenue generated through tenders would be returned to the consolidated fund for water resource management. Funding for resource management is addressed in Recommendations 42 and 44.</p> <p>The Department of Water has the ability to reserve water for future public water supply and other high value uses.</p>	

RECOMMENDATION	GOVERNMENT RESPONSE	IMPLEMENTATION
<p>9 That subject to further clarification and agreement about the exact meaning and application, the Government adopts the risk assignment framework based on paragraphs 48, 49, 50 and 51 of the National Water Initiative.</p>	<p>The Government notes the intent of the risk assignment framework in the National Water Initiative. Prior to its adoption, further clarity is required from the National Water Commission to understand the application of the framework to Western Australia, given the State's large number of resources and drying climate.</p>	<p>Subject to further negotiations with the National Water Commission</p>
<p>10 That when assessing options for returning over allocated or overused systems to sustainable levels, due consideration be given to ecological, economic and social implications and further that implementation of the preferred option takes place at a rate that allows orderly adjustment to occur.</p>	<p>Supported</p>	<p>Statutory water Management Plans</p>
<p>11 That statutory water management plans be prepared progressively with a priority that reflects the following circumstances:</p> <ol style="list-style-type: none"> 1. Water resources under significant pressure (e.g. Gnangara Mound), arising from the level of use of the resource, particularly over allocated systems 2. Water resources at risk as a result of demand or other pressures or where there are significant benefits in proactive planning to preserve important environmental or social values 3. Where benefits of more secure water access entitlements and water trading can be easily realised with the objective that current water licence holders can transition to a perpetual water access entitlement or a new long-term licence by 2014 4. Where existing non-statutory plans and water resources information is well advanced and available in a form that can be easily converted to statutory water management plans. 	<p>Supported</p>	<p>Statutory water management plans</p>



RECOMMENDATION		GOVERNMENT RESPONSE	IMPLEMENTATION
12	That consistent with the requirements of the National Water Initiative and community expectation, when preparing statutory water management plans the Department of Water use transparent and consultative processes.	Supported	Statutory water management plans
13	That the Minister for Water Resources: <ul style="list-style-type: none"> Publicly declares the Government's intention to prepare statutory water management plans for particular water systems and sets out the full package of associated benefits and obligations arising from the reforms (including for example, metering; monitoring; water access entitlements). Be granted the discretion to embargo certain actions that may lead to more water being taken or to an increase or change in interference with the water, (for example, licence applications and construction of works). 	Supported	Statutory water management plans and new legislation
14	That statutory water management plans be made not subject to appeal.	Supported	New legislation
15	That all statutory water management plans be reviewed every 10 years and revised as necessary. Further, that in exceptional circumstances, where predetermined triggers in statutory water management plans are met, or where it is necessary to establish an orderly plan review process across the State, the Minister may be empowered to bring forward a scheduled review. Also that the Minister be given the power, by notice in the <i>Government Gazette</i> , to make minor amendments to the plan on issues defined in the plan.	Supported	Statutory water management plans and new legislation
16	That in preparing statutory water management plans the Department of Water align and sequence the preparation of related water plans and planning processes to the maximum extent practicable, so as to streamline and integrate the plans as well as the public consultation activities associated with them.	Supported	Statutory water management plans and new legislation

RECOMMENDATION	GOVERNMENT RESPONSE	IMPLEMENTATION
Water access entitlements		
<p>17 That a comprehensive and graduated system of water entitlements be established which allows for:</p> <ol style="list-style-type: none"> 1. Water licences (including existing licences established under the <i>Rights in Water and Irrigation Action Act 1914</i>) – a defined volume of water, over a defined period (for up to 40 years), for a specified purpose (as is currently the case and of particular benefit to certain industries, such as mining), issued to the licence holder, subject to defined conditions of licence 2. Water access entitlements – a share of the consumptive pool issued in perpetuity to the water entitlement holder upon completion of a relevant statutory water management plan 3. Basic rights to take limited water for livestock and non-scheme domestic purposes. <p>Statutory water management plans would specify where and how these water entitlements may coexist within the plan area.</p>	<p>The Government supports the establishment of a comprehensive and graduated system of water entitlements, including water licences for a defined volume of water for a defined period of time and for a specified purpose, perpetual water access entitlements and basic rights to take limited water for livestock and non-scheme domestic purposes</p> <p>With regard to perpetual water access entitlements, the Government notes in particular:</p> <ul style="list-style-type: none"> • That perpetual water access entitlements may have different reliabilities as specified in the relevant statutory water management plan • The Department of Water would exercise caution in the release of water and issuance of water access entitlements so as to prevent the risk of over allocated water systems • That, as a matter of principle, securing water for the environment through statutory water management plans, either through rules based approaches or water access entitlements created for that purpose, should not be compensable. 	<p>New legislation</p>



RECOMMENDATION		GOVERNMENT RESPONSE	IMPLEMENTATION
18	That, following the completion of statutory water management plans, water access entitlements be issued to entitlement holders in the form of unit shares in the consumptive pool.	Supported	New legislation and statutory water management plans
19	That periodic allocation announcements (i.e., seasonal, annual or as necessary) be made in the form of available kilolitres per share, in accordance with the access and allocation rules defined in statutory water management plans and based on an assessment of the water available at the time.	Supported	New legislation and statutory water management plans
20	That rules governing allocation announcements, including those related to the period applicable to the announcement, be specified in individual statutory water management plans and further that all such rules be specific to the water source in question.	Supported	Statutory water management plans
21	That water and land entitlements be further separated and that it not be necessary to hold or have access to land to hold a water access entitlement. However, in order to take the water to which the water access entitlement applies, that it be made necessary to have a works approval to take water and a site use approval to use it.	Supported in principle. The further separation of land and water may only be required for water access entitlements that will be fully tradeable.	New legislation
22	That the various statutory approvals be unbundled from the water access entitlement into separate rights to: <ul style="list-style-type: none"> • An exclusive share of the consumptive pool (water access entitlement). Each statutory water management plan will establish arrangements for determining the specific volume of water that will be available to each share within a season (water allocation announcement) and the detailed rules associated with access to that water, including carryover where appropriate. • Extract or take water, including an extraction rate (works approval) • Use water (site use approval). 	Supported in principle. However, the most appropriate form and combination of these approvals is a complex matter that will require detailed consideration by the Department of Water in order to ensure the resultant system is administratively simple and streamlined.	New legislation and Department of Water policy and procedure

RECOMMENDATION	GOVERNMENT RESPONSE	IMPLEMENTATION
<p>23 That environmental water provisions be addressed through rules-based approaches (e.g. water access rules and environmental flow rules) or through water access entitlements held for environmental purposes, and that either of these options be applied as appropriate in accordance with statutory water management planning processes.</p>	<p>Supported.</p> <p>In addition, the Government notes that water to meet agreed environmental outcomes will be held separate from the consumptive pool, as outlined in Recommendation 4.</p>	<p>New legislation and statutory water management plans</p>
<p>24 In relation to the matter of significant interception of water by plantation forestry:</p> <ul style="list-style-type: none"> • At the time of the formation of the consumptive pool, that the effects of all existing forms of water interception be accounted for, and interception thresholds be set for each type of significant intercepting activity • Above these thresholds, that a licence be required to commence significant water intercepting activity and permission to undertake that activity be made conditional upon the surrender of shares equivalent to the estimated average annual impact of that activity • That licences contain a guarantee that whenever the intercepting activity ceases and the licence surrendered, a water access entitlement equivalent to the expected increase in water supplies for metered allocation will be issued. 	<p>Interception of water for plantation forestry will be accounted for in the management of water resources.</p> <p>In low rainfall areas where groundwater levels are rising, plantation forestry contributes positively to the management of dryland salinity through its water use, with little impact on other water users. It is not anticipated that water licences would be required in these situations.</p> <p>Statutory water management plans may require water used for plantation forestry operations to be licensed where there is a significant impact on the future management of a water resource.</p>	<p>New legislation and statutory water management plans</p>
<p>25 That in relation to farm dams a form of basic right akin to that provided in the <i>Rights in Water and Irrigation Act 1914</i> for the taking of limited water for livestock and non-scheme domestic purposes remains.</p>	<p>Supported</p>	<p>New legislation</p>



RECOMMENDATION	GOVERNMENT RESPONSE	IMPLEMENTATION
<p>26 In recognising that farm dams (either large farm dams or a concentration of farm dams) can have a significant impact on water availability, particularly in high rainfall areas, that this water interception be accounted for and managed by:</p> <ul style="list-style-type: none"> • Generally excluding from a licence, farm dams in those parts of the State receiving rainfall below a threshold (say 700 millimetres) • Generally excluding from a licence, farm dams that are constructed for livestock and non-scheme domestic purposes below a volumetric threshold • Determining in statutory water management plans the form of water entitlements that will apply to farm dams, including: <ul style="list-style-type: none"> - As a water access entitlement if farm dams are to be considered part of a consumptive pool - As a water licence if they are not part of a consumptive pool - As a basic right in those areas where there is no significant impact on the water balance in the area. • Requiring water accounting for licensed farm dams through appropriate metering as prescribed through the statutory water management plan • Providing for water transfer to occur from licensed farm dams or water trading where a water access entitlement is provided • Requiring the payment of a water licence administration fee if the dam is licensed • Notwithstanding the points above, that statutory water management plans require farm dams to be regulated where their collective impact on water balance or water interception is significant. 	<p>Supported.</p> <p>It is noted that farm dams provide a sustainable water resource for much of the State, and provide access to water for livestock and domestic purposes. The water resource management impact of these dams is generally low and therefore will not require any form of licensing.</p> <p>In some areas, particularly in the South West land division, farm dams have the potential to significantly impact downstream water users and the environment. In these areas, statutory water management plans may require farm dams to be licensed only where there is a significant impact on downstream water users or the environment. In the development of these plans, the approach recommended by the Committee provides guidance, on the understanding that the rainfall threshold criterion is not used in isolation.</p>	<p>New legislation and statutory water management plans</p>

RECOMMENDATION	GOVERNMENT RESPONSE	IMPLEMENTATION
27	<p>That water access entitlements be registered on a share register with Torrens Title characteristics that, in the interests of public confidence, identifies unambiguously who owns the entitlement together with the nature of any encumbrances on it. Further that interests, encumbrances and transfers be registered under protocols and procedures that align with those used for transfers and changes in land titles.</p>	<p>Supported</p> <p>In addition to the registration of water access entitlements, water licences, issued where water access entitlements are not appropriate, will be recorded on a separate register to facilitate trade.</p> <p>New legislation and new systems development</p>



RECOMMENDATION		GOVERNMENT RESPONSE	IMPLEMENTATION
Implement metering			
28	That, in recognition of the many benefits of water metering to water users and the community, comprehensive water metering (excluding livestock and non-scheme domestic water use) be the ultimate goal.	Supported in principle. Metering will be rolled out on a priority basis.	New metering program
29	That when extending water metering, the most cost-effective and efficient technology available be selected (meters must have high reliability and performance and be equipped with pulse output capable of being read by telemetry or similar).	Supported	New metering program
30	That as a matter of urgency, comprehensive metering for licensed water users be 'rolled-out' to those areas identified for the development of statutory water management plans in order to provide the best available monitoring and measurement information on current water availability and use and to establish a rigorous basis for water resource management and trading.	Supported	New metering program
31	That for existing water licences, 50 megalitres per year be made the threshold beyond which water meters are required.	Supported	New metering program
32	That notwithstanding Recommendation 31, metering of existing water licences below 50 megalitres per year be required where circumstances warrant and as determined through statutory water management plans, including where: <ul style="list-style-type: none"> • The need exists to manage specific risks to environmental water requirements, water quality and impacts on other water users • Trading is undertaken, or there is an intention to trade • There is conflict over water use • There is community demand for water metering • The requirement to meter is specified in an existing management plan or licence. 	Supported	New metering program

RECOMMENDATION		GOVERNMENT RESPONSE	IMPLEMENTATION
33	That in accordance with National Water Initiative requirements, all new water licences or water access entitlements be metered regardless of the licensed volume or where they occur but excluding livestock and non-scheme domestic use. The Western Australia National Water Initiative Implementation Plan specifies the starting date for this requirement.	Supported in principle. Metering will be rolled out on a priority basis.	New Metering Program
34	That Western Australia adopts the national standards and specifications for water meters that the National Water Commission is developing in consultation with states and territories. Until national standards are in place, that all meters be installed in accordance with the requirements of the State's Rights in Water and Irrigation (Approved Meters) Order of 2003. Further that the Department of Water ensures that the Order remains relevant to the standards, technologies and operating practices that are under development by the National Water Commission.	Supported	New Metering Program
35	That on all existing licensed water extraction installations, the Department of Water coordinates the bulk retro-fitting of meters by an approved service provider. Further, where it is evident that exceptional circumstances apply (e.g. remoteness or where installation is particularly large or complex), an exemption from this requirement may be granted provided that it can be demonstrated that installation will be undertaken by persons with relevant trade or vocational qualifications and experience.	Supported	New Metering Program
36	That, holders of new licences or future water access entitlements be given the option of arranging the installation of meters themselves, in accordance with the Department of Water's specifications, provided that the meter is approved and the installation is conducted by an accredited installation provider.	Supported	New Metering Program



RECOMMENDATION		GOVERNMENT RESPONSE	IMPLEMENTATION
37	That for each priority metering area the number, location and size of meters that will be required is determined as quickly as possible and that this information is used as the basis for calling tenders for a bulk meter installation program.	Supported	New metering program
38	That the cost of purchase, installation, maintenance, replacement and reading of meters be recovered from water users through an annual metering charge.	Supported	New metering program
39	That existing privately owned water meters remain in private ownership until such time as the meter is due for replacement, when it will be replaced by the Department of Water.	Supported	New metering program
40	In relation to meter reading, that: <ul style="list-style-type: none"> Responsibility for meter reading rests with the user until telemetric reading is available. Further, where telemetric options are not yet available, monthly meter readings be submitted at least twelve monthly or as otherwise required by a licence condition or relevant statutory water management plan The Department of Water conducts periodic audits of meter readings to ensure ongoing accuracy and consistency. 	Supported	New metering program
41	That a meter data collection and management strategy be developed. The strategy will identify how: <ul style="list-style-type: none"> The increased level of information on water use that is achieved through the extension of metering will assist the Department of Water to develop and review statutory management plans User-compliance with licence or water access entitlement conditions will be monitored Information on water use will be made readily available to water users through a user-friendly interface that incorporates decision tools to support optimal water management This data will be aggregated and reported to enhance water accounting systems and promote and assist with economic and social development. 	Supported	New metering program

RECOMMENDATION

GOVERNMENT RESPONSE

IMPLEMENTATION

Introduce water resource management charges

42 That the Department of Water introduce a water licence administration fee consisting of an application fee for all licences and permits under the *Rights in Water and Irrigation Act 1914* and an annual administration fee for all section 5C licences to take water. This would be based on the structure outlined below.

LICENCE CLASS	ENTITLEMENT CLASS (kilolitres per year)	SUGGESTED FEE	FREQUENCY
	Application fee	\$ 175	On application
1	0 – 5 000	\$ 175	Annual
2	5 001 – 50 000	\$ 280	Annual
3	50 001 – 100 000	\$ 505	Annual
4	100 001 – 500 000	\$1015	Annual
5	500 001 – 1 000 000	\$1525	Annual
6	1000 001 – 5 000 000	\$2035	Annual
7	> 5 000 000	\$2540	Annual

That the water licence administration fee recover the costs associated with the assessment of the applications and licence renewals, checking compliance with licence conditions, maintaining licensing databases, management of appeals and community awareness.

Further that applicants be required to pay an initial and non-refundable application fee \$175 applicable to:

- New applications for a section 5C licence to Take Water;
- New applications for a section 26D licence to Construct or Alter a Well;
- New applications for section 11/17/21A permits to Obstruct or Interfere with Bed and Banks;
- Applications to amend a 5C licence;
- Transfer applications for 5C licences;
- Trade applications for 5C licences; and
- Agreement applications for 5C licences.

Upon being granted a section 5C licence to take water, the licensee would be liable to pay the difference between the application fee and the annual fee in accordance with the above schedule.

Supported. The Department of Water has reviewed the Committee’s recommended fee structure and revised this to take into account current licence numbers.

The Department of Water has recommended that the fee structure and process at Attachment A be applied from 1 July 2007. The Government will determine the appropriateness of a fee structure through its required approval processes.

Rights in Water and Irrigation Act 1914 Regulations



RECOMMENDATION	GOVERNMENT RESPONSE	IMPLEMENTATION
43 That the Economic Regulation Authority independently reviews the structure and amount of the water licence administration fee within two years of its introduction and regularly thereafter.	Supported	Review
44 That, with the exception of a water licence administration fee and any charges associated with metering, the introduction of further charges for water resources planning and management only be considered by the Western Australian Government once a nationally consistent approach is adopted and substantial progress is made on water reform in Western Australia, i.e. the completion of statutory water management plans and the establishment of longer term secure water access entitlements.	The Government is bound by the requirements of the National Water Initiative to introduce water resource management changes and is part of a national review to develop uniform national charges.	Department of Water
45 That in advance of the introduction of water licence administration fees, the Department of Water provides information to all water licensees on its purpose, how it is calculated, how future increases will be determined and the levels of service licensees can expect.	Supported	Department of Water
46 In order to streamline management, increase efficiency and reduce fees, that the Department of Water be granted the funds needed to introduce a new automated water licensing administration system.	Supported. The Government will review allocation of funds to this project through its required approval processes.	New systems development
47 That all funds raised through a water licence administration fee be hypothecated to the Department of Water solely for the purposes of water licensing administration.	The Government will allocate all funding from the water licence administration fees raised, to cover the costs of administration.	Annual budget process

RECOMMENDATION	GOVERNMENT RESPONSE	IMPLEMENTATION
Facilitate water trading		
48	<p>That, guided by Schedule G of the National Water Initiative, statutory water management plans actively support water trading, with any restrictions e.g. those needed to address or allow for:</p> <ul style="list-style-type: none"> • Environmental impacts, including impacts on ecosystems that depend on underground water • Hydrological, water quality and hydrogeological impacts • Delivery constraints • Impacts on geographical features (such as river and aquifer integrity) • Features of major indigenous, cultural heritage or spiritual significance • Other social impacts to be addressed through local rules designed for the purpose. 	Supported
49	That the Government determine how best to support the emergence of an active water trading market, including through supporting the establishment and oversight of private sector water broking services and engaging experts in market mechanisms to expedite the water reform process.	Supported
50	That trading registers be structured so that information about the price paid for any water access entitlement or water allocation traded or sold is available in a timely manner.	Supported
51	That metering be made a pre-requisite for water trading.	Supported
		Statutory water management plans
		New legislation
		New systems development
		Metering program, new legislation and statutory water management plans



RECOMMENDATION		GOVERNMENT RESPONSE	IMPLEMENTATION
52	That no provision be made for anti-speculative regulation aimed at preventing the holding of water, provided that future releases of reserved water are made through either auction or tender.	The Government supports the emergence of active water trading markets, and the release of water will be done as outlined in the response to Recommendations 6, 7 and 8.	New legislation
53	That monopoly abuse that may arise from the deliberate holding of water to prevent competing development be managed through existing fair trading and trade practices legislation.	To inform future water resources legislation, the Government will review existing legal mechanisms to determine whether these provide sufficient protection against anti-competitive behaviour.	
54	That careful and strategic consideration be given to how water service providers can positively or negatively impact the emergence of water trading and how this should be managed.	The Government considers that consideration needs to be given to what rules, if any, should be brought to bear on water service providers when entering the market as a purchaser.	Statutory water management plans and Department of Water policy and procedure

RECOMMENDATION	GOVERNMENT RESPONSE	IMPLEMENTATION
Water use efficiency		
55	That regional water plans identify and support priority actions that contribute to achieving water use efficiency appropriate to that region (i.e. statutory water management plans be framed to support the adoption of particular actions).	Supported
56	<p>As a prerequisite to achieving water use efficiency and where conditions conducive to water trading exist, that water be controlled in a manner that assists water to achieve an economic value and facilitates the operation of water markets, for example by:</p> <ul style="list-style-type: none"> • Establishing consumptive pools at levels that stimulate water trading • Controlling the release of new water • Releasing new water by auction or tender • Statutory water management plans defining 'pre-tested' rules designed to minimise water trading transaction costs • Establishing pricing mechanisms to promote the efficient use of water resources • Offering incentives and subsidies where appropriate. 	<p>The Government notes that water markets support the efficient allocation and use of water. The recommendation is supported with regard to controlling the release of new water, minimising transaction costs and establishing appropriate pricing mechanisms.</p> <p>Consumptive pools should be set through water plans that consider the scientific knowledge base and current and future demands for water. These may be set conservatively where knowledge is limited or demand is low.</p> <p>New water may be released through consideration of a water licence or entitlement application or, in some circumstances, through market mechanisms including tenders.</p>
Regional water plans	New legislation and statutory water management plans	



RECOMMENDATION		GOVERNMENT RESPONSE	IMPLEMENTATION
57	<p>That water use efficiency be supported through initiatives such as:</p> <ul style="list-style-type: none"> • Waterwise Rebate Program • Waterwise on the Farm • Demand management • Water conservation plans • The application of regulations and specific licence conditions. 	<p>Supported</p> <p>The Government will develop and implement a State Water Recycling Strategy and review water usage for households and industry to identify opportunities for further water use efficiency including the development of industry benchmarks and recommendations for best practice.</p>	<p>Continuation of existing programs</p>
58	<p>That the Department of Water as a lead partner with water service providers, government agencies and industry bodies, promote and fund research and development and education and training in water-efficient practices and technologies.</p>	<p>The Government will support the Department for Planning and Infrastructure requiring urban water design (incorporating water recycling) to be an essential sustainability indicator for subdivision and planning approvals.</p>	<p>New program within Department of Water</p>
59	<p>That the Department of Water leads the development of a whole-of-government water recycling strategy that comprehensively addresses all opportunities to efficiently and economically recycle water (beyond treated wastewater) and supports industry and community participation in this activity.</p>		<p>New activity within Department of Water</p>
60	<p>That for each industry sector, benchmarks and targets for achieving water use be established and further that actual usage be reported against such benchmarks in order to encourage water-efficient practices to be adopted. (In the interests of gaining acceptance of the above, all are to be developed in close collaboration with industry).</p>		<p>New activity within Department of Water</p>

RECOMMENDATION	GOVERNMENT RESPONSE	IMPLEMENTATION
Integrate land and water planning		
<p>61 That the importance of water be addressed in land planning processes, including through:</p> <ul style="list-style-type: none"> • Reflecting the importance of water quality, protection and availability in strategic and statutory land planning processes • Strengthening alignment and integration of land and water planning activities and initiatives between the Department of Agriculture and Food, Department of Water, Department for Planning and Infrastructure, Western Australian Planning Commission and local government • Reflecting the importance of water quality, protection and availability in local government planning activities • Preparing regional strategic water plans, statutory water management plans and other water plans that have regard to equivalent land planning processes. 	Supported	Continuation of existing programs
<p>62 That the Department of Agriculture and Food leads work with other government agencies in assessing the feasibility of, and providing support for the further establishment of irrigated agriculture precincts, including through:</p> <ul style="list-style-type: none"> • Regularly reviewing and updating maps identifying agricultural land suitable for irrigation • Working with relevant agencies to identify the most appropriate options to support the long-term protection of irrigation precincts including: 	Supported	Ongoing activity within the Department of Agriculture and Food



RECOMMENDATION	GOVERNMENT RESPONSE	IMPLEMENTATION
<ul style="list-style-type: none"> - Preparing integrated land-use and water management strategies to guide future land zoning, water allocations and agency actions - Developing complementary strategic land-use plans and water management plans - Developing separate legislation to secure irrigation precincts and water allocations for the long-term - Leasing Crown land to create irrigation precincts - Once off purchasing of development rights within identified agricultural precincts. • Working with the Department of Water to identify ways in which water sources of appropriate quality can be made available to irrigated agricultural precincts. 		

RECOMMENDATION	GOVERNMENT RESPONSE	IMPLEMENTATION	
Increase self-management			
63	<p>That the Department of Water be required to identify and enable opportunities to strengthen community engagement in the management of water resources generally, including through:</p> <ul style="list-style-type: none"> • Establishing community reference panels to assist in the development of statutory water management plans • In statutory water management plans defining how communities might manage their own water subject to and being able to demonstrate that this is cost-effective and also that the community possesses the required skills and desire to do so. 	<p>Supported</p> <p>It is noted that natural resource management groups are likely to provide a valuable role in the development of statutory water management plans.</p>	<p>Statutory water management plans</p>
64	<p>For any water management functions that are devolved to community management groups, that statutory water management plans pay regard to the criteria essential for success and clearly articulate where the community groups' authority starts and finishes.</p>	<p>Supported</p>	<p>Statutory water management plans</p>



RECOMMENDATION		GOVERNMENT RESPONSE	IMPLEMENTATION
Implementation			
65	That the Department of Water be responsible for managing the implementation of these reforms and that in recognition of the interconnectedness between the various recommendations, they be considered and applied as a package.	Supported	Department of Water
66	That regional water plans be made consistent with the implementation of the reforms recommended in this report.	Supported	Regional water plans
67	That Western Australia's National Water Initiative Implementation Plan due for submission to the Australian Government in April 2007 outlines the timeframes associated with meeting the reforms recommended in this report, including in particular: <ul style="list-style-type: none"> • Introduction of new legislation in 2008 • Initialisation of new systems, including a water access entitlements register, to coincide with promulgation of new water resources legislation • Substantial completion of statutory water management plans in priority areas by 2010 • Commencement of a state-wide metering program in 2008, with roll-out tied to the statutory water management planning program. 	Supported	National Water Initiative Implementation Plan
68	That the Department of Water develop and implement an internal capacity building program directed at skilling and positioning staff to successfully implement and respond to the new requirements and ways of working associated with the reforms outlined in this report.	Supported	New program within Department of Water

RECOMMENDATION	GOVERNMENT RESPONSE	IMPLEMENTATION
<p>69 That the Department of Water adopts best practice technology and systems for the future administration and registration of water access entitlements, and water metering with the aim of achieving significant increases in administrative efficiency and widespread availability of water use information.</p>	Supported	New systems development
<p>70 That in implementing these reforms, the Department of Water builds on the experiences of other jurisdictions and where applicable engages external assistance and/or supplements its skill base by securing experienced officers from other jurisdictions.</p>	Supported	Department of Water
<p>71 That in implementing these reforms, the Department of Water:</p> <ul style="list-style-type: none"> • Identifies opportunities to improve the community's awareness and understanding of the basis of water resources management in Western Australia and the basis and application of these reforms, including regionally specific programs that build on the findings of the consultation program undertaken by the Water Reform Implementation Committee • Promotes, encourages and supports ongoing community and stakeholder participation, including through the development of statutory water management plans and legislative reform. 	Supported	Department of Water
<p>72 That the Department of Water be provided with additional resources and funding to enable the reforms recommended in this report to proceed with urgency and at least at the rate required by the National Water Initiative.</p>	Funding should be considered as part of the 2007/08 budget process.	Budget allocation process



ATTACHMENT A

LICENCE CLASS	ENTITLEMENT CLASS (KILOLITRES PER YEAR)	SUGGESTED FEE	FREQUENCY
	Application fee	\$ 200	On application
1	0 – 5 000	\$ 200	Annual
2	5 001 – 50 000	\$ 325	Annual
3	50 001 – 100 000	\$ 600	Annual
4	100 001 – 500 000	\$1200	Annual
5	500 001 – 1 000 000	\$1800	Annual
6	1000 001 – 5 000 000	\$2400	Annual
7	> 5 000 000	\$3000	Annual

Applicants will be required to pay an initial non-refundable \$200 to lodge an application. This would apply to:

- New applications for a section 5C licence to Take Water
- New applications for a section 26D licence to Construct or Alter a Well
- New applications for section 11/17/21A permits to Obstruct or Interfere with Bed and Banks
- Applications to amend a 5C licence
- Transfer applications for 5C licences
- Trade applications for 5C licences
- Agreement applications for 5C licences

Upon being granted a section 5C licence to take water, the licensee would be liable to pay the difference between the application fee and the annual fee in accordance with the above schedule.



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This report is available in PDF format from the Department of Water website at www.water.wa.gov.au. A hard copy can be obtained by emailing waterreform@water.wa.gov.au or by calling 1800 734 659.

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