Industry association
Public submissions to Securing Western Australia’s water future: Position paper
Stephen Carroll

ABA welcomes the proposed approach to water reform in WA.

In situations where the availability of water is more limited than suitable land which can be irrigated, it is important that title to a water right is suitable for the purposes of using it as security to support access to finance.

The form of statutory water title in the eastern States has been designed to achieve this.

However their does remain an issue where irrigators access their water via an entity that manages a bulk entitlement. Typically these irrigators access to water is via a contract with the entity managing the bulk entitlement.

A significant proportion of water used for irrigation is managed this way. Because the contract does not include the financier, a financier’s interest in the water is subject to the rules of the entity managing the bulk entitlement. In some instances financier’s interests are not recognised and there is variation between entities where they are recognised. The impact of this is that banks generally do not regard these forms of water rights as appropriate security in their own right.

The Commonwealth Government’s response to this issue has been to require water rights accessible via a bulk entitlement to be able to be transformed to individual statutory water rights. However the process and cost of doing this makes this option very unattractive.

A solution to this issue would be to allow these forms of water rights to be covered by Personal Property Security legislation. Reform of Personal Property Security legislation means that we now have a national approach to registering 3rd party interests assets that are not land based assets. This includes interests in contracts that have a financial value. There is one national register for this purpose and a national set of rules for dealing with these interests.

Financial institutions now use these processes to protect their interest in equipment that they have financed, including motor vehicles, and also livestock and crop liens.

All water rights were excluded from being covered by this reform which means that the non-statutory forms of water rights are also excluded.

ABA supports statutory water rights continuing to be excluded from the PPS register but recommends that non statutory water rights should now be able to be covered. Banks have put in place systems to use PPS regulation to protect their interests in commercial assets that are not land based. By including non-statutory water rights in PPSR this would ensure that irrigators looking to use the value they have in non-statutory water rights as security for loans are able to do so. It is expected that this would also significantly increase number of suppliers of finance in this market.

To achieve this outcome individual States will have to allow the PPSR to do this. The PPS legislation is being reviewed in 2014 and ABA recommends that the WA Government support this change.

If you require further information regarding the impact of water reform on banking related issues please contact me.
Stephen Carroll

Yours sincerely

Stephen Carroll
30 December 2013

Mr Tad Bagdon  
Executive Director – Policy & Innovation  
Department of Water  
PO Box K822  
PERTH WA 6842

By email: policy@water.wa.gov.au

Copy to:
Iqbal Samnakay, by email: (Iqbal.Samnakay@water.wa.gov.au)

Dear Mr Bagdon

AWA WA submission on “Securing Western Australia’s water future: Position paper – reforming water resources management”

Introduction

AWA WA is pleased to provide a submission in response to the “Securing Western Australia’s water future: Position paper – reforming water resources management” (Position Paper) published by the Department of Water (DoW) in September 2013

AWA WA also thanks the DoW for the opportunity to engage in the consultation process, with respect to the proposed Water Resources Management Bill (WRM Bill), as a representative on the Minister for Water’s Water Resources Reform Reference Group (WRRRG). We look forward to continuing to collaborate with key stakeholders on the WRRRG to assist the DoW to finalise the key policy positions which underpin the WRM Bill and the supporting subsidiary legislation.

It is the AWA WA's view that the WRM Bill is vital to ensure the effective management of water resources in WA in the 21st century. In our view, the WRM Bill should establish a legislative basis for implementing the key aspects of the National Water Initiative (NWI) in WA, while maintaining the flexibility to continue the current system, under the current legislation, of fixed term, fixed volume licensing, where it is more suited to the hydrological and market circumstances of the water catchment area in question. This ‘co-existence’ of systems is required to ensure that the DoW has the full suite of options available, or ‘more tools in the toolbox’ as foreshadowed in the Position Paper, in determining the most effective and appropriate water catchment responses to all possible future challenges.

In light of the State government's decision not to release a green bill, AWA WA requests the opportunity to comment on draft versions of the WRM Bill throughout the drafting process and prior to the introduction of the WRM Bill into Parliament.

Further, AWA WA strongly urges the DoW to continue to consult with the WRRRG in relation to the supporting subsidiary legislation, namely the proposed Water Resources Management regulations and by-laws.
AWA WA acknowledges that, as set out in the Position Paper, the State government will not introduce cost recovery for water licences.

However, AWA WA recognises the need for the DoW:

1. to be adequately resourced; and
2. to remain as a stand-alone agency,

in order for the proposed legislation to be properly developed, introduced and implemented in due course.

**High level comments**

AWA WA's high level comments in relation to the Position Paper are set out below:

**Improved licensing and water trading**

AWA WA welcomes the proposal to simplify licensing by introducing a level of assessment commensurate to the risk, including new assessment ‘criteria’. It is important that the new proposed criteria be developed together with key stakeholders to ensure it is clear, uncomplicated, certain and fair.

We also support the proposal to remove barriers to trade, namely, to simplify the assessment process for trades and transfers, to develop generic, state-wide trading rules and to make traded volumes and prices publicly available.

AWA WA supports policies that allow water users the freedom to choose how to meet their water needs. Information that is up-to-date and readily available from the water regulator will ensure that water users can make informed decisions regarding licensing and trading.

**Water access entitlement framework**

AWA WA supports, in principle, the proposal to introduce a water access entitlement (WAE) regime to provide additional security through property rights, to reduce government intervention and to enhance market mechanisms.

AWA WA is keen to see as many tools made available to water users and regulators to enable water to be managed appropriately for each water catchment area. However, as stated above, the enabling legislation should also provide the flexibility to determine when the current legislation is appropriate in particular circumstances.

AWA WA urges the DoW to consult with stakeholders regarding the transition from the current licensing regime to a WAE regime and the proposed co-existence of both systems. The proposed co-existence of both systems has the potential to add to complexity. Accordingly, in our view, it would be important to develop clear criteria as to which system would apply, clear “rules” regarding who makes the choice as to which system would apply and the basis for that determination.

**Improved planning framework**

AWA WA supports, in principle, the proposal to introduce statutory allocation limits and statutory water allocation plans (SWAPs) to provide greater security for water users and regulators.
AWA WA acknowledges that there will always be uncertainty. Nevertheless, AWA WA encourages policies that are rigorous with regard to the gathering of evidence and which are based on sound and current science. AWA WA also believes that communities and stakeholders should be consulted about policies that affect them.

The Position Paper states that the introduction of SWAPs will be developed through a consultative process and will be prescribed through regulations, taking into account local issues relevant to the specific water resources through the views of a local advisory group and the community in decision-making processes. AWA WA supports the proposal that membership of local advisory groups should include a majority of representatives from water users, as well as representatives of other interest groups. It is not clear from the Position Paper when such local advisory groups would be established. Accordingly, in our view, timing is an important consideration.

AWA WA believes that effective and transparent governance frameworks should underpin all water related institutions. Therefore, in our view, it is important that the WRM Bill will retain the capacity to introduce:

- an independent advisory body to provide general advice to the Minister for Water on any water-related issue; and
- water resources management committees.

AWA WA strongly supports consultation with key stakeholders with respect to the development, introduction, implementation and ongoing review of SWAPs. As already suggested to the WRRRG, AWA WA supports the development of a template/model SWAP for a water catchment area to see how the policies might apply at a practical level.

AWA WA supports, in principle, for the release of unallocated water to be granted by various mechanisms, including first-in first-serve, competitive submission, market mechanisms (including auctions and tenders) or other suitable means. The Position Paper also confirms that it is proposed to retain the use-it or lose-it policy in the case of the management of water entitlements under the improved licensing regime (but not in the case of water access entitlements).

In our view, further work is required in order to properly develop a new risk assignment framework and compensation provisions in the WRM Bill.

AWA WA encourages the DoW, via the WRRRG, to explore how other jurisdictions have implemented the above policies, and to consider ‘lessons learned’ from such examples. We support the development of a ‘hypothetical’ case study, with respect to a water catchment area, to see how the above policies might apply at a practical level.

Linked policy considerations

AWA WA believes that the health of consumers should be protected.

AWA WA supports the proposal to consolidate and make explicit provisions relating to:

- environmental water;
- water quality (although we recognise that impacts to water quality are not only governed by DoW, but other State government agencies);
- basic water;
- protection and management of public drinking water sources;
• public water supply;
• drainage; and
• injection of water or fluids into or through aquifers/underground water resources.

AWA WA supports, in principle, the proposal to reform the current compliance and enforcement provisions to bring them up-to-date.

Other
The Position Paper refers to ‘new and emerging management challenges’, including for example, mine dewatering. It is not clear, on the face of the Position Paper, how such management challenges will be addressed by the WRM Bill and/or other legislation.

Summary
In summary, AWA WA recommends and supports the following:

• adequate resourcing of the DoW, and the retention of the DoW as a stand-alone agency, in order for the proposed legislation to be properly developed, introduced and implemented in due course;
• the opportunity for stakeholders to comment on draft versions of the WRM Bill throughout the drafting process and prior to the introduction of the WRM Bill into Parliament;
• consultation via the WRRRG in relation to the supporting subsidiary legislation, namely the proposed Water Resources Management regulations and by-laws;
• consultation with stakeholders regarding the transition from the current licensing regime to a WAE regime and the proposed co-existence of both systems;
• consideration of when local advisory groups should be established;
• the development of a template/model SWAP for a water catchment area to see how the policies might apply at a practical level;
• further work to properly develop a new risk assignment framework and compensation provisions in the WRM Bill; and
• the development of a ‘hypothetical’ case study, with respect to a water catchment area, to see how the policies underpinning the WRM Bill might apply at a practical level.
We look forward to continuing the dialogue with you. If you have any questions regarding our submission, please contact Daniela Tonon.

Yours sincerely

[Signature]

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Submission:

Securing Western Australia’s water future
Position paper – reforming water resource management

DUE 31 December 2013

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Submitted to:
Water Reform
Policy and Innovation Directorate
Department of Water
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BACKGROUND

About The Commercial Egg Producers Association of WA (Inc).

The Commercial Egg Producers Association of Western Australia (Inc) (CEPA) is the leading representative body for Western Australian commercial egg producers. CEPA members produce approximately 85 per cent of eggs in Western Australia. The majority of commercial egg producers in the State are members of CEPA.

The Objectives of CEPA are to:

1. To proactively represent and promote the best interests of Commercial Egg Producers in dealings with Government, non-government bodies and their representatives.

2. To secure uniformity of action on matters affecting the common interest of Commercial Egg Producers.

3. To promote and uphold industry codes of practice for animal welfare, quality assurance, bio-security, environmental, labelling and transport of live poultry.

4. To promote the consumption of Western Australian laid eggs.

CEPA is a member of:

- WA’s leading State farm lobby group The Western Australian Farmers Federation Inc.

- Egg Industry national peak body Egg Farmers of Australia Inc.

- The Royal Society for the Prevention of Cruelty to Animals WA (RSPCAWA) Inc.

- Department of Agriculture and Food WA Buy West Eat Best program

- Egg industry Research, Development and Marketing Company, The Australian Egg Corporation Ltd.

Egg Production in Western Australia

There are 186 registered businesses in Western Australia (WA) that produce eggs. Only 30 produce eggs as their primary business which represents 99% of total WA egg supply. The WA egg industry only supplies 66% of eggs sold in WA meaning 34% of eggs are supplied from interstate.

SUBMISSION

This submission is made with the corresponding headings of the Securing Western Australia’s water future document for easy reference.
1. CEPA welcomes the State Governments proposed changes to water resource management legislation and policy to meet 21st century challenges in WA. It is very pleasing to see that there is a will to provide greater transparency and engagement with water uses.

2. When allocating water there must be provision for current water needs of an egg producing business.

3. When allocating water there must be provision for future water needs of an egg producing business based on current livestock numbers and on any possible expansions in the future. Producers of intensive industries invest millions of dollars to develop an enterprise, if water securing into the future is not offered, the risk to the investors/producers will be too large to contemplate resulting in less investment into the industry.

4. Consideration must be given to the prospect of expansion of an egg producing business into the future. There are instances whereby, enterprises cannot develop further due to resources such as water not being available to expand or even develop in the first instance.

5. If the State Government is serious about keeping primary production in Western Australia, it must provide consideration to the current businesses and consider their expansion and the water needs that come with it.

6. CEPA does not wish to see the government fully allocating water within a region without first giving consideration to the primary production sector in that area.

2.1.2 Population growing and an expanding economy

7. Eggs provide a good health source of protein, minerals and vitamins at an affordable price. If the Population growth in Western Australia is to rise at 2.2 per cent per annum, then one could make the assumption that egg consumption will also be on the rise. To satisfy the future public demands on fresh WA laid eggs, it is imperative that the State first acknowledge this and secondly have an appropriate strategy in place (in consultation with industry) on how to best address this issue.

8. With most of WA’s water at near allocation capacity, the State needs to do something differently.

9. There are many opportunities within the metropolitan area to be able to harness rainfall for human consumption instead of allowing the water to run off into the ocean.

2.1.3 New and Emerging management challenges

10. CEPA fully supports the comment in that legislative and policy reform is needed to meet new challenges. Egg producers need certainty of an input resource into their businesses; otherwise they will be reluctant to invest millions of dollars needed for set up of an enterprise that will be restricted in growth as a result of not enough water allocation to run the business.

2.2 Legislative Confusion

11. CEPA supports the development of a legislative framework for water management in WA.
2.4.1 Overview

12. CEPA supports the duration of tenure going from 10 years up to 40 years.

13. CEPA would like to see that the nature of access right may need to vary depending on the availability of water, however, consideration needs to be provided on the “need” as well as availability.

14. CEPA would like to know what provisions are being made within the legislative framework for mediation/ombudsman between a water user and water regulator.

2.4.2 Improved Legislative Framework

15. It is important that there are provisions in the legal framework that ensure that only legitimate persons/businesses are allocated water in the first instance. We do not wish to see a person/business being allocated a water licence at faulty levels for the purpose of financial gain by the act of trading.

16. Simplified Risk-Assessment process – what will that entail?

17. CEPA understands that there will need to be appropriate mechanisms, including competitive or market-based approaches in certain circumstances. However, some consideration and equality needs to be placed within that decision making process especially when many small producers would not have the economy of scale to bid exuberant amounts for a primary business input of water.

2.4.3 Greater Confidence and Security regarding access to water

18. CEPA welcomes the reforms which will improve confidence and security in water access through the long term renewable licenses and more information available on the water resource and water allocations that will allow users to better plan for the future. Water should be allocated to the most efficient water users.

2.4.4 Improved planning framework

19. When implementing measurement including metering as good business practice it is important that an audit takes place to ensure that water which is to be taken and is metered is actually used by the water license holder to ensure that water is not wasted for the fear that it will be taken away if unused. This will improve water efficiency and discourage dishonesty.

20. Local water advisory groups need to have a mixture of small and large water license users to clearly reflect local area needs and challenges faced within an area.

2.4.5 Recovery of over-allocated water, risk management and compensation

21. CEPA supports the reform which will allow access to more water during wetter periods, however, is concerned about possible reduced levels in dryer times where needed. Water requirements within a poultry operation are consistent throughout the year, therefore we would not like to see a restriction of allocated water to be imposed on the industry as this will impact on production operations.
3.1 Improved licensing

22. Please refer to comment 21 above.

3.1.2 Licence trading and transfer

23. CEPA supports the proposal that traded volumes and prices be made publicly available for permanent and temporary trades to ensure that there is transparency within the system.

3.1.3 Licence tenure

24. CEPA supports the proposal to retain the current legislative provision that leaves the tenure undefined but include in the regulations an extension of the term of a licence up to 40 years (instead of the current 10) to provide greater security of access to water.

25. The document states that “it is not proposed to extend licence tenure beyond 40 years because this may be interpreted as a property right in the license.” Poultry enterprises operate in excess of 40 year’s, therefore there needs to be some confidence in a water license being available after the initial 40 years. Provision may be made to review water allocation every 10 years. Water users who have complied with all regulations within the 40 year span (including the 10 year review) should be offered a re-allocation for a further 40 years. It is unacceptable NOT to extend the licence past the initial 40 year period. Should a water licence not be secured within a 10 year period reaching the 40 year water licence, business owners will be reluctant to invest capital into the industry if water security is not going to be there.

3.1.4 Variation of Existing water entitlements

26. CEPA supports clear and transparent rules in order to match water use with water availability to allow for seasonal conditions. However, as pointed out in point 25, the egg industry water usage is consistent throughout the year and needs to be maintained at that level and not decreased. It is important within the egg industry that a mechanism is in place to allow for short term water transfer license to occur.

3.3.6 Recovering over-allocated resources

27. CEPA would welcome the opportunity to comment on the proposed compensation framework in due course.

Conclusion

Thank you for the opportunity to comment on this paper. CEPA looks forward to commenting on any other papers that may be generated as part of this document in the future.

Please refer enquiries to:
Ms Lucy Radzikowska
Executive Officer
The Commercial Egg Producers Association of WA Inc.
PO BOX 6291
EAST PERTH WA 6892
28 December 2013

Policy Submissions – Water Reform
Policy and Innovation Directorate
Department of Water
PO Box K822
PERTH WA 6842

Dear Sir/Madam

SECURING WESTERN AUSTRALIA’S WATER FUTURE – A POSITION PAPER

Environmental Health Australia (Western Australia) Inc. (EHA (WA)) is the peak organisation in Western Australia which advocates for environmental health standards and represents the professional interests of Environmental Health Practitioners.

EHA (WA) is aware that many of our members have provided submissions directly to you through their respective authorities/employers. EHA (WA) fully supports and advocates for those issues raised by public health authorities in relation to your position paper.

In addition to those issues, EHA (WA) provides the following comment:

- Concern regarding the generic statement that dismisses ‘fracking’ (including hydraulic fracturing stimulation for unconventional gas and water injection activities outside of a water resource area) as being an issue for other legislation. This potential cause for groundwater contamination should be an overwhelming reason why ‘fracking’ should be considered/included in future management system. Once contamination occurs, there is no opportunity to ‘undo’ the damage. EHA (WA) is disappointed and concerned that such an issue is dismissed out of hand by the very Authority who has responsibility for ensuring WA’s water future.

- It is noted that the section on water quality is quite short and provides no detail. Although EHA (WA) can accept that water quality is primarily a health concern, preserving the quality should be a fundamental requirement of any proposed water legislation or Act.

- In relation to section 3.4 - Linked Policy Considerations – It should be mandatory that all water management practices and policies are to require public health assessment in addition to any other consideration.

Our Environment, Our Health, Our Future www.eh.org.au
• The section on water quality does not differentiate whether it is referring to drinking water or environmental/recreational waters. There is also no mention of responsibility for ongoing monitoring and who is responsible for actions/decisions resulting from unsatisfactory water quality results.

EHA (WA) would appreciate the opportunity to provide further comment on future drafts of this position paper or any potential legislative proposals.

Should you require any clarification or have additional enquiries, please do not hesitate to contact me direct on 0403 354 725.

Yours sincerely

[Signature]

Vic Andrich
President
Environmental Health Australia (WA) Inc.
SUBMISSION

Securing Western Australia’s Water Future

Position Paper- reforming water resource management

19 December 2013
Introduction

FIFWA is grateful for the opportunity to provide feedback to the Department of Water on its recently released Position Paper ‘Reforming Water Resource Management’. FIFWA is the industry association which represents almost all of the major companies and businesses that operate in the WA timber industry, including both the softwood (\textit{Pinus radiata} and \textit{Pinus pinaster}) and hardwood (\textit{Eucalyptus globulus}) plantation sectors. FIFWA has a long history of constructive collaboration with the Department of Water, particularly following the release of the draft “State Water Plan” in 2006.

FIFWA is also grateful for the detailed explanation of this latest position paper given recently to plantation industry representatives by Department staff members Tad Bagdon, Iqbal Samnakay and Phillip Kalaitzis. Mr Kalaitzis in particular has worked very closely with FIFWA staff for a long period of time to ensure the Department policies with regard to tree plantations are developed taking into account the science behind the water use by tree plantations as well as the views of the plantation industry.

General comments on the Position Paper

FIFWA and its members clearly understand the need for the Department to periodically review its policy’s regarding the management of water in this state, particularly considering the rapidly increasing demand for this precious and finite resource, coupled with the effects of a climate that has dried dramatically in the south-west of the state over the last 40 years, where the pressures on its use are greatest. \textbf{FIFWA strongly supports the Departments vision “For the people of Western Australia to benefit from secure access to water resources in the decades ahead; for our water management framework to maximise the productive value of water, minimise long term costs to water users, industry and government; and protect the water-dependent environment.”} Furthermore FIFWA fully supports the Departments primary objectives of;

- Increased security of access to enhance confidence in investment decisions by water users
- Improved clarity of rules and greater transparency of process
- Reduce the level of government intervention in water allocation by enabling the involvement of market-based mechanisms where appropriate
- Use appropriate policy and regulation to balance the needs of water users and the protection of water-dependent ecosystems.
Specific comments on the key aspects of the Position Paper:

1. **Improved licensing**

FIFWA supports the key elements of the proposed new licensing regime outlined in the Position Paper, i.e.

- a simplified licensing and permitting assessment process
- improvements to provisions for trading and transfers of licensed entitlements through the inclusion of generic trading rules in the legislation and a simplified risk-based assessment process for trades
- increased duration of licence tenure (up to a maximum of 40 years). This is an important consideration for the plantation industry if certain plantations are going to be required to have water licences in the future given that a standard softwood rotation is 30-35 years.
- Introduction of mechanisms that allow volumes of water taken under licence to be varied according to seasonal conditions. Again this is an important consideration for the plantation industry if certain plantations are going to be required to have water licences/access entitlements in the future. This is because plantations naturally regulate their water use according to seasonal conditions, and if rainfall decreases, water use and growth rates also decrease. A plantation grower does not have the luxury of turning on a tap if rainfall decreases. The industry supports the Departments intention that the exact mechanism for varying volumes of water taken under licence according to seasonal conditions will be “tailored to local circumstances and developed in consultation with local advisory groups, with reference to statutory water allocation plans and/or statutory allocation limits”. FIFWA and its members will be very keen to play a constructive role in the local advisory groups.

2. **Water Access Entitlement Framework**

FIFWA supports the key elements of this proposed regime undertaken through a statutory water allocation plan and outlined in the Position Paper, i.e.

- The introduction of water access entitlements to replace water licences and bring W.A. into line with most other Australian states and territories.
- For water access entitlements to constitute a share in a “consumptive pool” and for management of the consumptive pool to be based on an adaptive management approach with the size of the pool able to be changed in response to changes in climate or other factors. Again we make the point that plantations naturally regulate their water use both on a seasonal basis and also in response to longer term changes in climate. Changes in a consumptive pool for reasons other than a change in the climate (e.g. increased or decreased allocation to a water dependent environment) can obviously only be applied to a plantation at the end of a rotation. If a
The consumptive pool was reduced because of an increase in allocation to a water dependent environment and as a result it was determined that the plantation’s in the catchment had to reduce in size for the subsequent rotation. FIFWA and its members are keen to understand how will this be reconciled against the use of rainwater by other crops in the catchment including irrigated vineyards, orchards etc.

3. **Improved Planning Framework**

FIFWA supports the key aspects of the improved planning framework outlined in the Position Paper, i.e.

- The introduction of statutory allocation limits which are designed to give greater security to water users. We understand that in the short term statutory allocation limits are expected to predominate and once statutory water allocation plans are developed these statutory allocation limits will be included in the statutory water allocation plan. **We note that statutory allocation limits are proposed to be developed through a consultative process and FIFWA and its members are very keen to be involved in this process.**

- The gradual introduction of statutory allocation plans where;
  - Water resources are approaching or have reached full allocation
  - The water resource is extensive, both in area and in the volume of water available for consumption
  - The science of the resource is sufficiently understood including historical recharge and usage data
  - There are a relatively large number of users competing for access to the resource
  - Where the benefits of establishing a consumptive pool and the supporting systems clearly outweigh the costs.

We understand that the Gnangara groundwater area is likely to be one of the first areas to have a statutory water allocation plan developed. The area covered by the Gnangara mound is a very important supplier of softwood logs to a wide range of industries. FIFWA and some of its members would be very keen to be part of a local advisory group that assists in the development of this and subsequent plans where relevant.

- The increased requirement for metering to include all groundwater systems and for multi user surface water systems such as rivers and multi-user dams where there is a benefit for water management in doing so. **FIFWA clearly understands the need for the Department to improve the measurement of water usage given the increasing pressures on the resource. We remain committed to continue to work constructively and collaboratively with the Department and independent research providers such as the CSIRO to**
improve our prediction of water use by plantations across a range of situations, including age, species, sites etc.

- The establishment of local water advisory groups. As mentioned a number of times throughout this submission FIFWA and its members are very keen to become members of these groups where they are relevant to our industry.
- The allocation method for the release of unallocated water to become more flexible and not just on a first-in-first-served (FIFS) means as is currently the case. We agree that local advisory groups should play a (significant) role in determining suitable mechanisms.
- The need to develop a less cumbersome method for recouping entitlements in over-allocated systems. We are pleased that the Department intends to develop the specific mechanism for recovering over-allocated systems through a consultative process in the development of statutory water allocation limits and plans for each resource. Again FIFWA and its members are very keen to be involved in this process.
- The need to provide water users and the government with better clarity on risks and compensation for permanent changes to entitlements. However it is not clear from the Position Paper whether this process will involve consultation with water users and FIFWA seeks clarification from the Department on this.

Linked Policy Considerations

1. Environmental water

FIFWA supports the Department’s proposal to consolidate existing provisions and make it explicit that provision is made for management of environmental water in water resource management, where appropriate. However the Position Paper contains no information on how environmental water provisions will be determined and who will be involved in the decision making process. FIFWA strongly believes that the local advisory groups that are referred to in other sections of the Position Paper should have a significant role in the determination of environmental water provisions. Experience from other jurisdictions e.g. Murray Darling has clearly highlighted the need for policy makers to consult widely with water uses in determining environmental water provisions.

2. Water quality

FIFWA supports the Department’s proposal to consolidate existing provisions regarding water quality and make explicit that water quality requirements are to be taken into account in all applicable decision-making processes. FIFWA is aware that the Department understands the very important contribution plantations can make to water quality.
3. **Basic water**

   FIFWA supports the Departments aim to remove the inconsistency that currently exists between basic water for groundwater and surface water systems and to condition basic water so it reflects domestic and stock needs.

4. **Protection and management of public drinking water sources**

   FIFWA supports the Departments wish to consolidate and modernise the existing legislation to provide a single legislative framework for PDWS’s that applies in both metropolitan and regional areas.

5. **Protection and management of public water supply**

   FIFWA supports the Departments proposal to strengthen existing legislation to include “ensuring adequate and safe public water supply”.

6. **Managing at the state level**

   FIFWA supports the Departments proposal to simplify the process for proclaiming surface water and groundwater areas.

7. **Compliance and enforcement**

   FIFWA supports the Departments proposal to update and make clear the rules on offences and connected penalties in the Act.

8. **Drainage**

   FIFWA supports the Departments proposal to modernise the existing legislation to provide for a single legislative framework that applies in both metropolitan and regional areas.

9. **Injections**

   FIFWA supports the Departments proposal to extend the current legal framework to include injections of water or fluids into or through aquifers/underground water resources.
10. **Interception by plantations**

This section is obviously of greatest interest to FIFWA and its members. As noted earlier in this submission the Department and FIFWA have had a very constructive and collaborative approach to the development of water policies for plantations, particularly since the release of the draft “State Water Plan” in 2006. During this time the Department and FIFWA have developed the following broad policy position:

- Existing plantations do not need a water licence/access entitlement
- Plantations established prior to new legislation (2014?) do not need a water licence/access entitlement
- Water licences/access entitlements will not be required where plantations provide an environmental benefit and where existing systems are not fully or close to fully allocated.
- Where there is strong competition for water in a catchment and interception by plantations is deemed to be significant, plantations will have to compete for a water licence/access entitlement on the same basis as other users.
- The calculation of tree water use needs to consider the water use by the land use that preceded plantation establishment, rather than the total water use by the plantation.
- More research is required to quantify the change in water use that accompanies the change in land use that occurs when new plantations are established, which is typically on land that was pastured.

However there are still a number of areas regarding interception by plantations that still need clarification. These include:

- How second/subsequent rotations of existing plantations will be treated. **FIFWA strongly believes that given the outcome of policy development to date, it is logical to consider second and subsequent rotations as a continuation of an existing land use and therefore not requiring a licence/access entitlement.**

- How plantations are treated where there are seasonal (temporary) and permanent changes in allocations. **FIFWA’s position on this as expressed earlier in this submission is that water use by plantations is always subject to seasonal and longer term changes in climate by their very nature. Therefore FIFWA strongly believes that they should not be subject to any further reductions in line with reductions to metered uses resulting from changes in climate. However FIFWA accepts that where permanent reductions in entitlements are required as a result of other factors such as**
increased environmental allocations then plantations need to accept an equitable reduction in allocation, noting of course that this can obviously only occur at the end of a rotation. FIFWA and its members are committed to continue to work constructively and collaboratively with the Department to develop an equitable and robust policy to cover these considerations.

• If the use of water in the form of interception of rainfall by plantations is to be included in the development of statutory allocation limits and statutory allocation plans then there is clearly a need to also consider the rainfall interception by all irrigated crops, including grape-vines, olives, avocados and other fruit trees as well as oak and hazel nut trees in trufferies. There seems to be a widespread belief that water use by these crops is limited to the water that is applied to them via irrigation. This is clearly not the case and an olive grove or avocado plantation is likely to intercept a similar amount of rainfall as a tree plantation does. **FIFWA has a strong view that any consideration of water interception by plantations must be equitable and take into consideration water interception by other crops including ones that receive some of their water entitlement via irrigation.**

• Where plantations are required to hold a licence/access entitlement consideration needs to be given to who holds the licence/access entitlement, i.e. is it the landowner, lessee, plantation owner or plantation manager. **FIFWA and its members are yet to form a firm opinion of this but will give the matter close consideration in the New Year.**

FIFWA looks forward to continuing to work closely with the Department to continue to develop equitable and robust policies relating to the interception of water by plantations. For any queries relating to this submission please contact myself on 08 9472 3055 or via email m.haslam@fifwa.asn.au.

Sincerely,

Melissa Haslam
Executive Director.
Ref: CO/ymn/ KIC 2013 75
31 December 2013

Policy Submissions – Water Reform
Policy and Innovation Directorate
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Dear Sir

Kwinana Industries Council broadly supports the intent of the draft policy changes proposed by DoW in ‘Securing Western Australia’s water future: Position paper – reforming water resource management’, and provides commentary following a brief background into what KIC is.

The Kwinana Industries Council (KIC) is an incorporated business association with membership drawn from the Kwinana Industrial Area (KIA). The current KIC membership is 12 full members, who include all the major industries found within the KIA, and 28 associate members covering the support and service sectors. The KIC was established in 1991 with its primary goals being to:

- promote a positive image of Kwinana industries;
- work towards the long-term viability of Kwinana industry;
- coordinate a range of intra-industry activities including water quality, air quality, monitoring and emergency management;
- highlight the contribution Kwinana industry makes to community; and
- liaise effectively with local communities, Government and Government agencies.

The KIC is well recognised as being almost unique in Australia for what it represents, how it operates and for what it has achieved. It pursues its goals through a range of formal committees set up to provide input on a range of issues of common interest to the KIC member companies. Committee members are delegates with appropriate experience and authority drawn from the member companies. The output from the various committee activities is then used as the basis for communication to the KIC’s stakeholders such that Kwinana industry is seen as speaking with one voice.

The KIC seeks to achieve its goals by focusing on developing and employing leading edge technology; giving workplace health and safety top priority; taking a committed, responsible and pro-active approach to environmental protection; and forging partnerships with the local community and with government.
Broad statistics about the Kwinana Industrial Area (KIA)

- 75% of water for industrial processes comes from groundwater.
- 20% of water for industrial processes comes from recycled water.
- Industry consumes around 35GI pa.
- The KIA is around half full, meaning that incoming industries will place further demands on water supplies.
- The static water levels measured from bores is reducing.
- Groundwater is fully allocated in the northern part of the KIA.
- The saltwater wedge is moving inland thus taking out some existing extraction bores from production.
- Over extraction of groundwater in the vicinity of historic plumes can interfere with the management of the plumes, and can render existing production bores useless.
- The KIA employs 5000 workers directly and 26,000 indirectly, it produces $16Bn annually into the State economy (KIA Integrated Assessment, 2007).
- The KIA is the State’s premier industrial area.
- Kwinana industry has been reporting for several years that an availability problem is looming, and during this time industry has been actively engaged in water recycling and reuse strategies.
- Water unavailability is set to restrict industrial expansion.

In order for the benefits of industry to be retained, the businesses concerned must have a sustainable future. Such a future must allow for new investment in the KIA to be allowed to continue so that businesses can grow. At the same time, industry willingly acknowledges that it has a responsibility to the community to conserve the environment for current and future generations of Western Australians.

Availability of stable water supply at reasonable price point is a key requirement for industry. Without this it becomes problematic for existing industry to reinvest or expand, and it makes it very hard for potential incoming industries with a water demand to make the investment decision to establish in the KIA.

Water is a key enabler of industry, and supply uncertainty or unrealistic pricing will inevitably work against the health of the State economy. Thus, water supply policy must take this into account because failure to fully comprehend its ramifications could easily lead to the creation of policies that actually work against the development of the State.
For example, within the last two years a company which desired to establish itself in the KIA was refused a water extraction licence, access to scheme water, and access to KWRP water. It was because of an intervention by KIC that the issue was sorted out and the company was able to progress with its project. The company was ready to take the project to an alternative location (possibly offshore), because of the unavailability of process water. Such an outcome would not have been in the State’s interest had they been forced offshore.

The scenario above leads inevitably to the obvious question... “What happens when the next substantial company that requires access to process water comes along?”

This is a very important question because it is unlikely that neither the impact upon, nor potential for, ‘State development’ is included in the decision process for allocation of water rights or water supply.

DoW propose a key change in the nature of water access rights by moving from a fixed to a variable consumptive pool. A guaranteed minimum annual water supply volume is necessary in addition to the proposed water entitlements. Water is essential for production and security and a minimum water supply volume is a prerequisite for continued investment in the businesses.

It is not possible to reduce the production hours of a facility if it is a continuous operation simply because there is a nominated proportional reduction in the overall availability of ground water due to a lack of rainfall. It is important this point is understood.

There may be assumptions that industry can do better with water saving and reuse. In a broad context this is probably quite true, but it is a fact that industries within the KIA are well advanced in water recycling and overall volume reduction. It is wrong to assume that reductions of any significance in process water consumption can be achieved. This is because the efficiencies have already been made.

The proposed concept is of water entitlements being a shareholding in a variable resource which can change seasonally or from year to year dependent on rainfall. This concept if applied to the KIA may not provide sufficient security for industry. Thus, the Department is asked to consider some form of minimum amount that would be available, and this may require take or pay arrangement to enable it to be secured.

The trigger for reducing water allocations for groundwater resources will be based on a combination of:
- groundwater level,
- climate modelling,
- the nature of existing take and new take applications.

Based on the outcome of modelling, announcements will be made several months before commencement of a new ‘water year’ for the upcoming ‘water year’. Industry would benefit from access to the model which defines the sustainable consumptive pool shared to enable earlier prediction of upcoming reductions and improve internal monitoring. Longer lead times for likely/anticipated reductions in water allocation will allow the business to respond and minimise business disruption.
The following points are listed briefly as opposed to being expanded out.

- Improved metering of water use for all users over 500ML and statutory water allocation plans to improve understanding of water availability under the new planning framework are supported.

- Traded prices should not be made public at a trade level; however; that aggregated data within a water source region is acceptable.

- There is no objection to a change in the licencing policy instrument ie changing the basis of a water extraction licence from solely a licence to take water, to that of a licence to take water with an associate water access entitlement i.e. shares in the consumptive pool.

- The drawing of water is not well delineated. Is the extraction for the purpose of dewatering and reinjection or infiltration, or is it for water to be consumed, or a combination? Only net water consumption should be considered.

- There is a need to treat water according to the principle of “Fit for purpose”. There are varying qualities available for use. Is it of potable quality, or is it suitable only for process or mining uses? Is it recycled water?

- If water pricing is to be seriously considered, the pricing should be based on cost reflectivity:
  - Supply charge plus cost per kL?
  - Consider availability of water and link to cost to produce alternate water of similar quality i.e. desalinated water or KWRP water.

- All major consumers of water should be treated similarly.

- Environmental water should not be based on achieving a constant water table as this is not as what occurs in nature.

- Domestic ground water bores are not considered in any great detail in the paper, but if they are accessing the same water aquifer as industry, then perhaps they should be.

- Better water metering is supported, but it must reflect the situation- i.e. doesn’t need to be high quality if only for monitoring purposes. Consider that some extraction is pulsating and hence is difficult to measure.

- What is the relationship between State Agreements & Water Entitlements? Do the proposed water entitlements overrule existing State Agreements?

- What are the use it or lose it provisions? Does this make allowance for short term changes such as a downturn in industry production for market reasons? Sometimes an industry will go into care and maintenance until (for example) better market conditions re-establish and production is recommenced. Water entitlements will need to be safeguarded.
Water aggregators - can they buy up rights and then on sell the water to minor parties? It may be desirable to make the process simpler for minor users, but it could be restrictive to industrial expansion if water is not available because water aggregators have locked it all away.

Salt water wedge movements/ changes in conductivity of the resource is a current issue being experienced by some coastal industries. Can owners of land close to the coast set bores up outside of their property in better locations (hydraulically) so as to improve their management of the resource whilst meeting their extraction needs?

Plume contamination. In a general sense, what is expected of existing industry? In a specific sense, who is taking ownership of legacy plumes (eg the chlorophenol plume)? Is the same standard of expectation in terms of dealing with legacy issues being applied to all parties eg industry vs non-industry parties such as the State government?

Thank you for the opportunity to provide comment on the draft policy. KIC remains keen to participate in the process of policy development as the availability of low grade, affordable water for industrial processes is a key issue for industry.

Yours sincerely

CHRIS OUGHTON
Director

Ref: L/KIC/KIC Submissions/ 20131231 Water
19th December 2013

Water Reform Policy and Innovation Directorate  
Department of Water  
PO Box K822  
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SUBMISSION ON THE POSITION PAPER REFORMING WATER RESOURCE MANAGEMENT: SECURING WESTERN AUSTRALIA’S WATER FUTURE

The Urban Development Institute of Australia (WA) is pleased to make this submission to the Department of Water on Securing Western Australia’s Water Future: Position Paper on Reforming Water Resource Management.

UDIA (WA) is the peak body representing the urban development industry in Western Australia. UDIA is a membership organisation with members drawn from the development, planning, valuation, engineering, environmental, market research and urban design professions. Our membership also includes a number of key State Government agencies and Local Government Authorities from across the state. Nationally, UDIA represents the interests of thousands of members and includes all the major land development companies, both public and private, and specialist consultancy firms.

UDIA recognises that water is a very valuable and diminishing resource which requires careful management. In this submission we make the case for ensuring that there is a clear understanding of the term “public water supply” and that it is not taken simply to mean the allocation of water resources to the Water Corporation for public drinking water. Clarifying this matter is fundamental to UDIA’s response to the discussion paper. Public Water Supply should be defined to explicitly include water used to irrigate Public Open Space as well as for Public Drinking Water Supply.

UDIA supports the overarching elements in the framework, including the modernised licensing system, water access entitlements and the consolidation and modernisation of supporting legislation and policies. We are, however, concerned about some aspects which are detailed on the following pages. Our primary concern is that the land use strategic planning, monitoring and analysis which are required to make informed decisions about water allocations may not be in place in a timely way, potentially undermining the validity of the proposals. Certainty can only be achieved when decisions are evidence based and consistent. We recognise that is not easily achieved.

.../2.
**General Comments**

The introductory paragraph for the paper states: “This paper sets out a proposed legislative and policy framework to help deliver new water management solutions in Western Australia. It has been prepared to give water users and the community a clear understanding of the proposed reforms, their implementation, and benefits that can be expected”.

Whilst UDIA supports the overall direction of the paper we are concerned that it does not provide a clear understanding of the implementation of the proposed reforms. Similarly, there do not appear to be any clearly defined benefits for the water user. Feedback to UDIA is that most water users/licensees do not have strong objections to the system as it currently operates, with the exception being frustrations with:

- The artificial nature of sub-area boundaries and the inability to trade across them; and,
- An inability to prioritise access to water resources through strategic planning.

Neither of these issues are considered or addressed by the paper.

Industry also stated that there were relatively simple things that could be done to make the proposed changes more transparent. For example the table below (Fig 1) provides an overview of the proposed changes but it would be of benefit to understand where each item in the Position Paper sits by referencing the item number to the diagram. There is also some confusion that the diagram includes items in the Act however the Position Paper seems to expressly excludes the discussion in this feedback process (i.e. drainage).
It would also be useful to have the following table (Fig 2) referenced to the Water Reforms Information Sheets to assist industry to better understand the components of the proposed reforms.

**Fig 2**

By expanding some of the detail on these figures, they can be used to not only explain the process of reform but also serve to act as a checklist to ensure each of the major goals are achieved.

In the sections below we have cited a series of sections in the Paper and commented in each case

3.1 Improved Licensing

3.1.1. Simplified Licensing

The paper indicates that licensing will be simplified to allow for a reduced assessment process where circumstances allow. The criteria for simplification have not been developed but it is expected to include provisions for license renewals and amendments, construction and/or modifications to a bore and permits to interfere with the bed and banks of a watercourse.

In general, any measures to simplify and streamline the existing licensing processes, without a loss of technical rigor where it is necessary, should be supported.
3.1.2 License Trading and Transfer

The rules and processes for license trading and transfer will be simplified and trades will be made public. This is expected to increase trading activity in WA which is generally a positive change.

Criteria for low risk trades and transfers should be clearly defined to enable effective decision making by industry. It should not simply be a subjective, case by case approach.

Provision should be specifically made for trading to occur across existing sub-area boundaries where the boundaries have been administratively determined and are not reflective of the water resource catchment. Circumstances arise where there is availability on one side of an administrative boundary and not on the other and this should not be allowed to prevent reasonable use of the overall water resource.

3.1.3 License Tenure

The paper discusses having shorter license tenures (between five and ten years) to be applied in areas where there is a lack of knowledge about the water resource or where the resource is over-allocated. Further, it proposes to allow for water license tenures of up to 40 years to enable them to cover the lifespan of typical mining projects and pastoral leases or for use where the knowledge of a particular resource is robust.

Water licensing for the development industry serves two major purposes:

- Short term: works related to development such as dust control and dewatering
- Long Term: Public open space irrigation

Occasional, short term licensing should be considered in this review as the licensing is currently treated in the same manner as a long term use. Whilst water taken temporally for dewatering for urban development, usually during the installation of pipe infrastructure, was largely addressed by amendment of the Water and Irrigation Exemption Order 2010 under section 26C of the Rights in Water and Irrigation Act (1914), there are still a number of licenses that are unnecessarily required to go through the complex water licensing application process.

UDIA proposes that a simplified short duration licence (where the duration is weeks not years) is introduced. It would have a “sunset” clause enabling that water to be returned to the notional pool.

Developers who have projects spanning two or three decades currently lack surety as they can only obtain a license for 5-10 years (via a staging plan). Longer duration water licensing with be of significant benefit in this circumstance.
Public Open Space is vested to the Crown and managed by Local Authorities so long term water tenure is important for that purpose, however it may be more appropriate to have an in perpetuity arrangement as land use change for public open space is rare.

UDIA would like to see a process of considering land use planning when issuing water licenses to take regard of imminent urbanisation. Strategic work undertaken through the Department of Planning in identifying areas for urban investigation should provide an indication of where land use may change within the life of a proposed license and approval should only be given for the period in which that land use is likely to remain consistent with the original application. This will ensure flexibility to cater for new purposes in line with state planning.

For the purposes of urban development, surety of water during multi-staged developments is important and, for Public Open Space, there is an in-perpetuity requirement for the community benefit it delivers.

In the main, increased flexibility for the duration of tenure is likely to be a positive measure provided it is administered appropriately. There is a critical need for continued investigation to improve knowledge of water resources to ensure that licenses of less than ten years, where they are not the preferred outcome of industry, are limited. It will also be necessary to ensure that water resources are appropriately monitored and reviewed in areas where extended licenses are proposed to ensure that any long-term impacts are identified and managed.

### 3.1.4 Variation of Existing Water Entitlements

Public Open Space is developed to service the needs of a new community taking into consideration water availability at the time. Water Sensitive Urban Design, combined with hydro-zoning of grass and plants along with hardstand is being used to reduce the water required, however if further water restrictions are applied, landscaped areas may be lost.

Unlike crops which can grow and contract contingent upon water availability, the water needs of the public open space remain constant and cannot be varied without the loss of the amenity.

A lack of suitable Public Open Space has significant social consequences including reducing the mental and physical health of the community. Public Open Space serves a local or nearby community and so is a non-transferable asset; it cannot be relocated to an area which has an appropriate rainfall, as can be done with a crop.

The paper suggests that the licensed amount or ‘allowable take’ for all licenses will be able to be varied seasonally with “short notice”. It is noted that the paper identifies that variations of the allowable take will not be subject to compensation. As Public Open Space is vested to the Crown by the developer and managed
by the Local Authority, the destruction of that facility through water shortages will create a major community expense for the re-establishment process.

UDIA believes that a minimum allocation of water for Public Open Space must be agreed to ensure that Public Open Space is sustainable. Above that threshold developers will be able to investigate alternative supplies, including water trading. The notional figure should generally be 7,500 kl/Ha/pa and certainly not fall below 6750kl/Ha/pa.\(^1\)

3.2 Water Access Entitlement Framework

3.2.1 Introduction of Water Access Entitlements

Industry found the relationship between access entitlement and license tenure unclear. Our understanding is a person can have a water access entitlement which is perpetual and enables them to access water within a certain groundwater area (a consumptive pool). This access entitlement is accompanied by a license for a specific project or purpose with a maximum span of 40 years. This would mean that a person could have an access entitlement but not necessarily a license. UDIA believes that a practical example of this for sectors including: residential development, horticultural irrigation and mining would be helpful in clarifying how this system would operate.

3.2.2 Consumptive Pools

The paper proposes the creation of new perpetual water access entitlements to be implemented via statutory allocation plans. It is suggested that these entitlements could be traded, be the subject of a mortgage, and even be bequeathed. These plans would be expressed as a percentage of a ‘consumptive pool’ of water that will vary with seasonal, annual and inter-annual availability.

The paper notes that this process could be used to protect public drinking water supplies. UDIA believes that approach should be extended to protecting Public Water Supply, not just drinking water. In our view, water for Public Open Space should be protected from going below an agreed set threshold which is sufficient to sustain the asset.

Concern was also expressed that the creation of permanent entitlements to water could lead to a ‘closed shop’ where water resources in significant parts of the state are permanently controlled by a small number of individuals or organisations. This has potential implications for new and emerging industries which could be stifled by limited opportunities to gain access to water and the potentially high cost of permanent entitlements, as opposed to water licences which are likely to be traded at a lower cost in reflection of their time-limits. The practice may also restrict evolutionary land use changes such as the conversion of rural land

\(^1\) 6750kl/hectare/pa is the negotiated outcome for development in the North Western metropolitan corridor. The higher allowance is the more typical or minimum provision in a drying climate.
to urban. Arguably, a portion of any water allocation must measure the community benefit and so not be constrained by a ‘closed-shop’.

Industry requests further guidance about what circumstances would lead to these entitlements being applied in a particular area and what would happen should the circumstance in which these entitlements were made change.

3.2.3 Water Allocations
UDIA believes that an allocation threshold for sustaining Public Open Space should be put in place with that allocation protected as public water supply. It has been the experience of developers where the water resource is fully allocated that there is no opportunity for water for Public Open Space. As developed Public Open Space is a condition of many developments, a lack of allocation can lead to land shortage and chronic affordability issues.

3.2.4 Accessing the Water
Supported

3.3 Improved Planning Framework

3.3.1 Introduction of Statutory Allocation Limits
It appears that the current allocation system will largely continue unchanged, with the current administrative allocation limits (AAL’s) converted to statutory allocation limits (SAL’s) and formalised into statutory allocation plans (SAP’s) over time. The document, however, fails to make any clear statement of intent for implementation and so it is not clear whether the transition from AAL to SAL will occur as soon as the new Act is gazetted or if there will be some kind of formal review and/or adoption process. Similarly it is unclear whether existing administrative allocations plans (AAP’s) will be directly converted to SAP’s or require complete review and a re-write before they can be adopted as such.

Industry questioned whether a developer will be able to make a referral to the Department of Water and Minister, similar to an EPA referral, in order to request a groundwater area boundary or allocation be changed. Implementation is critical and the government will need to present a detailed delivery programme for SAP’s as well as identifying the anticipated status of existing AAL’s and AAP’s before the proposed framework can be supported.

UDIA noted that the statutory allocation limits included consideration of public interest and land use planning which may go some way to protecting water for Public Open Space.
3.3.2 Introduction of Statutory Allocation Plans

It is increasingly important that water be reserved for Public Open Space and statutory water plans are potentially an instrument to achieve that outcome.

3.3.3 Measurement Including Metering

This is supported as the current process lacks appropriate control.

3.3.4 Local Water Advisory Groups

The creation of local advisory groups is a key opportunity to ensure that water resource management appropriately reflects the requirements of local communities and industries. It is strongly recommended that these are established as soon as possible and should be formed in close partnership with key industry and community organisations. The key roles for these groups are identified as:

- Contribute to the development of local water allocation plans;
- Provide advice on local area management and allocation planning; and,
- Provide awareness of community views on water resource issues.

As an extension of these roles we suggest that the development of allocation plans should include consideration of strategic priorities for the region/local area with input from the local advisory group. It should be recognised that the allocation plans may need to evolve over time to reflect profound changes in land use.

When referring to Information Sheet 6: Advisory Bodies, UDIA questions the decision making governance process.

Under the new legislation the Minister will be able to establish a state-level independent water resources advisory body, which will be advisory only. The legislation will also allow for statutory local water committees which will provide advice to the Chief Executive Officer of the Department. Industry questions who will be the arbiter of decisions and what appeal rights will be in place. Further, they sought clarification regarding the criteria that will be used for the appointment to the local and state bodies.

The new arrangements need further clarification.

3.3.5 Allocation Mechanism for the Release of Unallocated Water

UDIA believes that, in addition to a minimum threshold allocation for Public Open Space, developers should be able to compete for unallocated water rather than a first in first served basis.
3.3.6 Recovering Over-Allocated Resources

Industry expressed concern that an allocation can be removed from an existing license holder in over-allocated areas and questioned whether this would only take place under a statutory allocation plan with community consultation. Whilst recognising the challenges of managing water resources in a drying climate, this may cause reduced confidence for existing license holders. UDIA reiterates that POS should have a minimum threshold allocation that is not subject to change.

3.3.7 Risk Assignment Framework and Compensation

Compensation is not a viable outcome for Public Open Space; it should always be protected from variations to water supply since it is a whole-of-community asset.

3.4 Linked Policy Considerations

UDIA questions how the linked policy considerations would be incorporated into the Act. Figure 1 of this submission shows that drainage is to be included into the new Act whereas the Position Paper states that “drainage reform is outside the scope of this reform package.” We are also uncertain as to how other linked policy considerations, such as Environmental Water, will be addressed. Does the Position Paper on Reforming Water Resource Management represent the first round of consultation in relation to the new Act with the linked policy considerations to be reviewed separately, or not at all?

Clarification of the process in relation to the linked items is necessary.

UDIA considers, however, that in the context of land development, drainage is already a significant issue in many parts of the south west and the Reform process should adopt over-arching provisions that can move to address these issue perhaps in the form of regulations.

3.4.1 Environmental Water

Supported.

3.4.2 Water Quality

Supported.

3.4.3 Basic Water

Supported.

3.4.4 Protection and Management of Public Drinking Water Sources

Supported.

3.4.5 Protection and Management of Public Water Supply

Public Water Supply and Public Drinking Water Supply are sometimes used interchangeably however Public Drinking Water Supply is a subcategory of Public Water Supply and that should be made clear in any review of the Act.
• Public Drinking Water Source Areas were declared under the Metropolitan Water Supply and Drainage Act in 1909 and the Country Areas Water Supply Act 1947.

• State Planning Policy 2.7 refers to Public Drinking Water Source protection.

• The Gnangera groundwater areas allocation plan describes a public water supply reserve as “a volume of ground water that has been reserved for town water supply purposes (drinking water for human consumption) and, where appropriate, to satisfy the water requirements for developments of state significance under State Agreements to which the Government Agreements Act 1979 applies.”

Historically Public Open Space was irrigated from shallow groundwater resources but, as these become fully allocated, there is a need to recognise water for this purpose in the allocations. Recent and continued reductions in lot sizes and increasing density is leading to a reduction in private garden irrigation demand and an increasing community need for high quality Public Open Space with its own irrigation demand.

Public water supply must be defined to explicitly include water used to irrigate Public Open Space as well as the usual Public Drinking Water Supply. The nomenclature of section 3.4.5 appears to allow for the inclusion of Public Open Space in the definition.

3.4.6 Managing at the State Level
Supported.

3.4.7 Compliance and Enforcement
Supported.

3.4.8 Drainage
UDIA recognises that drainage reform sits outside of this reform package as outlined in our comments in section 3.4.

Industry supports a complete review of the way drainage is currently undertaken, however any changes should not further impede development processes. Legislating to ensure drainage management issues are considered upfront in land use planning is supported however there is industry concern about the availability of sufficient resources to ensure that matters are addressed sufficiently ahead of the development front. Delays currently being experienced should not be exacerbated by well intentioned, but under resourced, legislation.

One of the major issues for industry is the transition from rural to urban drainage and the resulting change of ownership from the Water Corporation to the local authority. It is disappointing that the reform will not address this vital issue.
**3.4.9 Injections**

Supported.

Industry believes that investigation of a system of “credits” could be useful in encouraging appropriate aquifer recharge. There is currently little motivation for developers seeking to engage in water recycling through injection as there is no guarantee that their water allocation could be adjusted in recognition of the water added to the system.

There are many options in a credit based system in urban development beyond simply extracting close to source. Opportunities include recharging an over-allocated system with recycled water that originated in another aquifer. There is also development to development transfer within an aquifer.

This system should be considered to encourage greater private engagement with injections.

There should also be clear criteria about when an injection would be supported to assist business make informed decisions at feasibility stage.

**3.4.10 Interception by Plantations**

No comment

Thank you for the opportunity to provide these comments.

Yours sincerely

Debra Goostrey
Chief Executive Officer