Utilities-water service providers
Public submissions to Securing Western Australia’s water future: Position paper
Thank you for the invitation to comment.
Aqwest notes and fully supports the intention to maintain the current high priority given to public water supply in water planning.
Public drinking water supplies should always be the highest priority.

Regards and thanks.

Brad Bevis
Chief Executive Officer

Post: PO Box 400 Bunbury WA 6231 | Office: 5 MacKinnon Way Bunbury WA 6230 | www.aqwest.com.au | Fax: 08 9780 9509

This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify AQWEST. Please note that any views or opinions presented in this email are solely those of the author and do not necessarily represent those of AQWEST. Finally, the recipient should check this email and any attachments for the presence of viruses. AQWEST accepts no liability for any damage caused by any virus transmitted by this email.

Please consider the environment before printing this email
23 December 2013

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

Dear Sir

Securing WA’s Water Future

Harvey Water is represented on and represents Ord Irrigation and Gascoyne Water on the Horticultural and Agricultural Industry Reference Group (HAIRG) which has been debating the reforms presented in the Discussion Paper.

Most of the reforms are ones that Harvey Water agrees with and hopes to see implemented in the legislation and there is no point in repeating our views in this brief submission.

However there are two matters that we believe need attention. All members on the HAIRG, without exception, strongly believe that environmental water must be included in the consumptive pool like any other user/use. There has not been any evidence or information presented to HAIRG to say why this should not be so and yet it remains excluded. In fact common sense says that it should be treated the same as all other users. If the season or climate becomes drier, as all the scientific evidence says it will, then all the environment will inevitably take the hit from the effects. What logic is it that says if the majority of the landscape is drying out “naturally” then wetlands or rivers should remain as if there has been none or little change? As the effects become more severe and long lasting, hard decisions will need to be made about what priorities there are for water use, including for the environment. Excluding the environment from the consumptive pool wherein the majority of those hard decisions will land, is not reasonable or sensible and quite possibly will lead to dissension which would be unfortunate.

It seems that part of the current climate change effects is that there will be more rainfall in the lower latitudes such as the Kimberley. Do the regulators intend to introduce rules that will reduce the flows up there because otherwise the environment will change? If not, where is the consistent logic about this?

Further, it may be instructive to reflect that in southern Africa countries have made the joint decision that they will not attempt to manage the environment and the conditions in which their wildlife lives. This includes, for example, that if populations increase such that there is insufficient food for animals and they start dying from starvation, then so be it. Governments will not move to
provide obviously well meaning aid and support but let natural forces play out
with no artificial country borders to confuse the issues.

This approach reflects their experience with man's often fumbling attempts at
such management and the Law of Unintended Consequences.

The paper mentions the need to consider the effects of plantations that
intercept rainfall. The alumina industry is a major industry in the catchments
where most of our dams are located. Those mining companies are required
to revegetate their mined out areas according to standards that were
appropriate decades ago. Harvey Water believes as the revegetated areas
increase over time, the density of the plantings, while quite extraordinary,
even spectacular, in terms of the botanical results, also intercepts rainfall,
especially considering the use of contour ripping and planting which further
reduces the water production from those areas.

Harvey Water would be pleased to further discuss these issues should you
wish.

Yours sincerely

Geoff Calder
GENERAL MANAGER
20 December 2013

Policy submissions - Water Reform  
Policy and Innovation Directorate  
Department of Water  
PO Box K822

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

Securing Western Australia’s water future

Pacific Hydro welcomes the opportunity to provide comments to the Department of Water (DoW) regarding the Securing Western Australia’s water future position paper on reforming water resource management in the state.

In Western Australia, Pacific Hydro owns and operates the 30 MW Ord Hydro power station at Lake Argyle which generates around 220 GWh per year, supplying reliable, clean, base-load power to the nearby towns of Kununurra and Wyndham, the Lake Argyle Resort and the Argyle Diamond Mine (ADM). The Ord catchment and WA arrangements relating to water resource management and policy reform are of interest to us on the basis of owning and operating this asset.

Potential WA water reform impacts on the Ord Hydro

While the paper is focussed on addressing the drying climate conditions experienced in Perth and the use of catchment and artesian water sources, the RIWI Act mentioned is relevant in the framework in which the Ord Hydro operates and is relevant to DoW’s scope.

Water Corporation is licensed under DoW to enable Pacific Hydro to take (use) water from Lake Argyle. Horizon Power (who supplies electricity to residents of Kununurra and Wyndham) and ADM (a major employer in the region) are customers who would be impacted if water use was restricted by Water Corporation.

At present there appears to be no acknowledgment of the protection of existing contractual or legislative arrangements (eg our WSA/Ord Project Agreement Act). This is a critical issue for Pacific Hydro. We would like the opportunity to explore these issues with DoW to ensure that all existing arrangements are appropriately managed in the development of water resource management reforms.

Pacific Hydro understands the importance of the Lake Argyle water resource to the future development and sustainability of the East Kimberley including for example for projects such as the KAI Ord expansion. However, the present strategy for managing water in the region will see the Ord Hydro power station operating in a restricted generation mode every two years which is unlikely to deliver optimal outcomes for the region. This situation is already having, and will continue to have, significant implications for Pacific Hydro and our customers in the region (including ADM).

Pacific Hydro is also keen to discuss options with the appropriate WA authority to ensure ongoing reliability of supply for all users as irrigation demand grows as a result of agricultural development in the region. An option that we are particularly keen to discuss is the potential for a rise in the water levels at Lake Argyle, potentially delivered through raising the spillway levels. While we appreciate that this would be likely to have benefits to all water users in the
region, it would have immediate technical impacts for the Ord Hydro.

**General comments on WA water reform discussion paper**

Pacific Hydro is generally supportive of the direction of the discussion paper and on face value should deliver more efficient water management arrangements.

In our view, DoW’s initiatives should lead to more efficient water use resulting in a better outcome for the Ord Hydro through:

- statutory allocation limits;
- Push for monitoring (metering and other measurement) to be a condition (within 2-5 years) of all water licenses >500 ML/yr and other smaller multi-user surface water takes;
- Seasonal controls on allocations; and
- Recovery of over-allocated water

While the above points are all supported by Pacific Hydro, we would like to see the Department clarify the approach to the potential problem of over-allocation. It is not clear how over-allocated water recovery will flow through to other water users. For example, there is no discussion regarding whether over-allocation would lead to a new modelling exercise, or enable DoW to sell the allocation again. In addition, while the position paper suggests a “greater transparency” there is no identified process for stakeholders to challenge DoW’s assumptions that are, or will be, critical in setting statutory allocation limits for each resource.

**Summary**

While Pacific Hydro is supportive of the direction of DoW’s reform discussion paper, there are a number of matters that have not been raised in the position paper that must be addressed ahead of the development of a final reform package or legislation including:

- Acknowledging the protection of existing contractual/legislative arrangements (eg our WSA/Ord Project Agreement Act);
- Development of a clear process for stakeholders to dispute the hydrology modelling assumptions leading to the statutory allocation limits for each resource; and
- Clarification regarding how over-allocated water recovery flows through to other water users

In addition, Pacific Hydro is keen to seek closer consultation with the Department in relation to water supply and management options for the Lake Argyle/Ord region that deliver appropriate balance between existing and future arrangements.

Yours sincerely

Lane Crockett
Executive General Manager, Australia
Pacific Hydro Australia
Securing Western Australia’s water future
Water Corporation submission
Securing Western Australia’s water future

About Water Corporation

Water Corporation is the principal supplier of water and wastewater services in Western Australia. We deliver services to hundreds of thousands of homes, businesses and farms, and provide bulk water for irrigation.

We are owned by the Western Australian Government and accountable to the Minister for Water.

In 2012-13 we supplied 357 billion litres of high quality drinking water to our customers. Of this, 262 billion litres of water was drawn from surface and groundwater resources.

Our share of public water supply represents about 8% of state-wide licensed water use, as reported by Department of Water.

Our customers represent the community of Western Australia. We seek to deliver sustainable water services to help make Western Australia a great place to live and invest.

Overall comments

We understand the proposed water resources management framework and statutory reforms reflect the management of surface and groundwater resources in Western Australia.

Water Corporation supports the proposed reforms to water resource management legislation.

A modernised, statutory water resource management framework will help to ensure a more consistent and effective approach across water users and over time.

Through engagement with our customers we know that they value the management of water resources to protect the environment, public health outcomes and support the productive use of water.

Water use supports employment, economic growth, regional development, food security and a range of social and economic outcomes.

Water Corporation commends the consultative approach adopted by the Department of Water.

Areas for further consideration

We note the breadth of issues covered in the Position Paper. This submission highlights key areas where we believe further consideration would enhance the proposed legislative framework.

We welcome the opportunity to develop these ideas further through ongoing engagement.

For ease of reference, these issues are addressed and cross referenced in the order they appear in the Position Paper issued by the Department of Water in September 2013.

3.3.3 Measurement including metering

Metering is fundamental to water resource management. Without metering, it is not possible to accurately or effectively manage the water resource, abstraction or compliance.

Water Corporation meters bulk water abstractions from all sources. In addition, an individual water meter is a condition of most water services, with the exception of strata properties.

We recover the cost of installation, reading, maintenance and renewal of meters from our customers.
customers. The average residential property in Perth uses about 250 kilolitres of scheme water a year.

As noted in the Position Paper, the Department of Water Strategic Policy 5.03 "Metering the taking of water, 2009" broadly requires licensees to meter their abstraction if the annual allocation exceeds 500,000 kilolitres.

In essence, this means that a water user licensed by the Department of Water can take up to 2,000 times the amount of water consumed by the average residential property, before being metered. Most water licences are held by commercial users.

The above policy foreshadowed reductions in this threshold from 500,000 to 50,000 kilolitres from 1 July 2010. This change has not yet been implemented.

In contrast, it is noted that Queensland aims to achieve universal non-urban water metering and New South Wales aims to meter 95% of users. New South Wales is also implementing an expanded state-owned meter fleet and meter reading is a government responsibility.

Legislative reform will have limited impact where metering is not available, maintained and managed.

Metering thresholds should drive a range of outcomes from licence or entitlement tenure, security, compliance and enforcement.

Water Corporation believes that proposals in the Position Paper with regard to metering should be strengthened. Areas for further consideration include:

- Statutory provisions for metering, applied consistently to all users.
- Shortened transition periods to full compliance with the existing policy and the progressive reduction in threshold levels of abstraction.
- Compliance with the existing 2009 policy as a pre-requisite to apply for any new licence.
- A formal evaluation of the costs / benefits of different models of meter ownership and maintenance (including readings).
- Metering should be a statutory pre-requisite for trading and for holding a water access entitlement or a longer term (greater than 10 years) licence.
- Metering should drive enforcement outcomes. For example, licensees should be subject to enforcement actions only over meter thresholds applied to all other users of a resource.
- Significant penalties for non-compliance including failures to install, read, report or maintain meters, as well as any fraudulent activity.

It would improve accountability if information was publically available on the proportion of licences that are metered, actual and licensed use data, and non-compliance and enforcement activities.

Net public benefit
The provisions noted above are proposed for the bulk of water users. Water Corporation notes that there may be a limited number of instances where metering does not offer net public benefit or where alternative methods may be employed to estimate use.
3.3.4 Local water advisory groups

Water Corporation values and actively supports community consultation and engagement on water matters.

The Position Paper proposes a wide array of consultative and advisory mechanisms as part of the proposed water resource management framework.

Independent advisory body
The Position Paper outlines the intent for the new legislation to enable the convening of an independent body to provide advice to the Minister.

Local water resources management committees – statutory
Provisions to enable statutory local water resources management committees are proposed.

Local water resources management committees – non-statutory
There are also provisions outlined that foreshadow the formation of voluntary local advisory groups.

Among other functions, we understand that they may be engaged during the process of developing statutory water allocation plans. We understand from discussions with officers of the Department of Water that they would generally be relatively large in nature (20 to 100 participants) and predominantly comprise consumptive, private water users.

Balancing consultation with outcomes
In Western Australia, water resources are vested in the State. Government has a pivotal role to manage resources in the public interest. The need to consult and engage with the community should strengthen, and not devolve this responsibility.

The convening of a number of advisory bodies and statutory and non-statutory water resource management committees could be an expensive undertaking for the Government to manage and maintain.

It may also be difficult, and prohibitive in regards to both time and cost, for non-consumptive interests, community and public water supply representatives to participate in a large number of forums throughout the State.

Government may be best served by convening these groups on an ad hoc basis, without being constrained by statutory provisions.

Water Corporation does not support the delegation of Ministerial powers to independent advisory bodies or committees.

3.3.7 Risk assignment framework and compensation

Water resource knowledge in Western Australia varies considerably due to the large number of water resources (particularly groundwater resources) and the disparate nature and geography of these resources.

These issues inherent in water management in Western Australia are exacerbated by climate change. Changes in climate have adversely impacted water resource knowledge in much of the State. The extent of these impacts is not yet known.

In contrast, the National Water Initiative provisions regarding compensation for any permanent cuts to water entitlements, presume a high level of resource knowledge.

The capacity of any State to pay water users compensation for allocations / entitlements...
for which no consideration has been rendered needs to be assessed.

The Position Paper notes that Victoria, Tasmania, and Northern Territory do not pay compensation based on the allocation of risk for permanent cuts to water entitlements.

There is a risk that compensation provisions may embed unsustainable water allocations and/or entitlements.

Given the emergent nature of our understanding of water resources in Western Australia, lack of universal metering and drying climate, it may be appropriate to defer any statutory risk assignment provisions.

### 3.4.1 Environmental water

The Position Paper notes that there are a number of criteria to be considered to determine environmental water provision.

In practice, the broad range of criteria leads to considerable uncertainty as to how environmental water provisions are determined.

Water Corporation is concerned that environmental water provisions at times seek to 'claw back' public water supply allocations to support an environment that is simply not sustainable. This is particularly the case in areas that have been impacted by climate change.

Water Corporation supports embedding the criteria for determining environmental water provision in regulations that apply to water allocation and statutory water plans.

The regulations should provide explicit guidance as to how a changing climate impacts these provisions.

Any impact on existing water allocations should be applied to low priority water users in preference to high reliability public water supply.

### 3.4.4 Protection and management of public drinking water sources

The proposal to consolidate and modernise existing legislation to provide for a single legislative framework for public drinking water source areas is welcomed. In particular we support the standardisation of measures across metropolitan and regional areas.

Currently Statements of Planning Policy 2.2 Gnangara Groundwater Protection and 2.3 Jandakot Groundwater Protection are designed to support land development in these areas to be compatible with the provision of public water supply.

These statements are gazetted by the Western Australian Planning Commission further to section SAA of the Town Planning and Development Act 1928.

A statutory water policy or similar could outline these provisions to reflect the primary role of these statements to protect water quality for public water supply.

They could then be called up by respective statutory land planning documents and instruments.

### 3.4.5 Protection and management of public water supply

The Position Paper recognises the need for existing legislative provisions to be strengthened to ensure adequate and safe public water supply.

We support the proposals for the specification of a purpose for allocating water, assigning of
a priority for the purpose and the setting of a performance measure.

The Position Paper infers that these provisions could be applied to public water supply on a case by case basis – as water allocation and statutory water allocation plans are progressed.

Water Corporation strongly believes that the adequate and secure provision of water for public water supply should be an outcome of legislative reform.

Public water supply is of very high social and economic value. Consultation has indicated that the community's highest priority for water use is drinking water for essential uses.

Much work has been undertaken with our customers to improve the efficiency of public water supply usage. Water Corporation is able to demonstrate outcomes in this area.

In contrast, many other water users are not yet metered or able to demonstrate the efficient use of the resource.

In line with other state's National Water Initiative reforms, Water Corporation supports statutory recognition of public water supply as deserving of the highest level of reliability and priority in water plans.

This recognition should be a feature of the primary water resource management legislation.

For example, section 58 of the New South Wales Water Management Act 2000 prescribes priorities for water licences for water utilities, stock and domestic uses above all other licensed uses.

Further, this legislation also states that if a water allocation has to be diminished, that higher reliability and priority licences will be diminished at a lesser rate than lower priority uses.

### 3.4.9 Injections

We understand that the new legislation will seek to manage injections where there is a specific risk to a water resource, other users or the environment. Injections may also be managed under the proposed framework where it is linked to an abstraction licence.

As noted in the Position Paper, more work needs to be undertaken on the definitional aspects to provide clarity on the scope of reforms in this regard.

Water Corporation believes that there is considerable capacity for managed aquifer recharge and groundwater replenishment schemes to support water resource management and provide new water sources.

We look forward to working with the Department of Water to provide greater clarity on these schemes through the proposed legislative reforms.

### In closing

Water Corporation supports the proposed reforms to water resource management legislation.

We look forward to working with the Department of Water and stakeholders to further discuss and develop these areas to strengthen reform outcomes.