



Department of
Industry and Resources

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Enquiries: Mike Balfe - Ph 9222 0560

Email: mike.balfe@doir.wa.gov.au

Mineral House
100 Plain Street, East Perth
Western Australia 6004
ABN 69 410 335 356

Telephone +618 9222 3333
Facsimile +618 9222 3862
www.doir.wa.gov.au

Ms Meredith Blaise
Principal Policy Officer
Office of Water Strategy
PO Box 8440
PERTH WA BC 6849

STATE WATER PLAN – DRAFT WATER POLICY FRAMEWORK

Thank you for the opportunity to comment on the above draft framework. The Department of Industry and Resources (DoIR) which is represented on the State Water Plan Implementation Committee, has previously provided comments on earlier versions of the framework during the drafting process. DoIR now appreciates the opportunity to present a formal response.

As the Office of Water Strategy (OWS) and Department of Water (DoW) are well aware the resources sector, largely due to the capital intensive nature of its operations, depends on reliable access to secure water sources. Hence the development of a State Water Plan, with a cascading suite of subordinate plans to catchment or aquifer level - through a framework that will strategically manage the State's water resources - represents a critical component of natural resource management.

Draft Water Policy Framework: Vision and Objectives

DoIR notes that a key outcome of the State Water Plan will be the development of a strategic Water Policy Framework. The draft framework circulated for comment includes a suggested vision for water resource management in this State, importantly "underpinned by six overarching objectives" (p. 5).

Consistent with comments provided on 10 February 2006 on an initial draft of the framework, DoIR believes it is important that such objectives focus upon and incorporate the three key elements of sustainability, being the integration of economic, social and environmental factors; the triple bottom line approach. This is especially the case given the comment that certain objectives "may be enshrined in the proposed new water resources management legislation" (p.5)

Of the six draft objectives identified in the framework, DoIR notes the following:

"Develop water resources to support a diverse and vibrant economy" (p.6)

It is suggested the remaining 5 objectives essentially relate to the commendable aims of promoting responsible water planning and management, building knowledge and resource security, and focusing on environmental and community (or social) outcomes.

DoIR recommends that the proposed objectives be reviewed, or an extra objective added, that identifies the need for there to be a focus on sustainably developing the State's water resources to drive and sponsor economic development as noted above, and as discussed in DoIR's 10 February 2005 letter. This emphasis is deemed important given that the current wording of objectives might be viewed as only sponsoring a passive stance to development of the State's key natural resource; whether potable or non potable. DoIR would be please to work with DoW/OWS to draft such an objective, and puts forward the following revised wording as an initial suggestion:

"Sustainably develop water resources to drive local, regional and State development and the promotion of a diverse and vibrant economy"

The above is particularly important if objectives are to be included in the new water resources legislation planned for 2007-08 to replace the Rights in Water and Irrigation Act. DoIR notes for example that Queensland's (new) Water Plan actually *commences* with the following words:

"Water plays a vital role in Queensland's economic development..."
(Queensland Water Plan 2005-2010, Executive Summary, page 2)

Preparation of statutory plans is also a critical component of the National Water Initiative (NWI). While there appears to be flexibility for States in preparing their water plans, Schedule E of the NWI provides "guidelines" to assist. The strong environmental focus adopted by the NWI partly due to its Murray Darling Basin genesis, and its preparation largely in a (more understood) surface water context – a situation not reflective of this State's position - is noted. DoIR therefore reiterates the value in the State's Water Policy Framework ensuring there is a clearer linkage between economic development and water management and planning. For example, the definition provided in the NWI of the term "environmental and other public benefit outcomes" – a phrase liberally used in the document, including Schedule E - is extremely narrow. It does not, for example, refer in any way to economic benefits derived from water use.

Reference to economic objectives is also consistent with the State's goal of encouraging water trading to facilitate movement of that resource to its highest economic use.

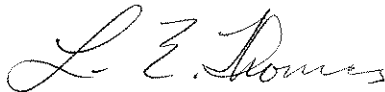
DoIR understands that certain other States have attempted to capture a triple bottom line approach in their statutory management and planning provisions, for example South Australia's Natural Resource Management Act 2004. Perhaps OWS/DoW could seek information as to that jurisdiction's success over the past two years in seeking to deliver a sustainable approach within a statutory context.

DoIR also suggests that the need to significantly enhance the State's knowledge of its water resources, especially from underground sources, could be emphasised, along with the link that emphasis would deliver in assisting reliability of access.

The proposal that allocations differ between a fixed amount and a share of the consumptive pool depending upon whether the water resource is undeveloped or developed, is noted (p. 18). It is anticipated that the mining industry in particular may challenge this proposal, wishing to retain access to a set volumetric allocation.

Finally, the reference to volumetric charging at p. 19 is queried given the suite of policy papers that will shortly be released by OWS/DOW propose this sensitive issue be deferred pending the outcome, and subsequent State consideration, of inquiries by the Australian Water Commission.

DoIR looks forward to working closely with the OWS and DoW in progressing Western Australia's State Water Plan. Please continue to liaise with Mr Ian Briggs (9222 3600) and Mr Mike Balfe (9222 0560) in relation to water policy reform matters.



Jim Limerick
DIRECTOR GENERAL

30 June 2006