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Minister for Training and Workforce Development;
Water; Industrial Relations

Our Ref: 74-75561

Commissioner Joanne Chong
National Water Reform 2024
Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2601

Dear Commissioner

Thank you for the opportunity to provide an additional submission to the Productivity Commission's *National Water Reform 2024 Interim report*.

Many of the drivers to update the National Water Initiative (NWI) as identified in the interim report, are directly relevant to WA, including climate change, Aboriginal and Torres Strait Islander water interests and water security.

The WA Government continues to manage the complex issues of climate change, drought and long-term declines in stream flows and groundwater levels across our State.

Southwest WA has undergone significant reductions in rainfall and dam inflows, which has led to a major shift away from reliance on dams and groundwater, to desalination and managed aquifer recharge.

Due to climate change, rainfall in Southwest WA has reduced around 20% since the 1970s. According to predictions, the drying trend will continue with winter rainfall forecast to decrease by 15% by 2030. The decline in rainfall means we are receiving 80% less streamflow (rainfall runoff) into Perth's dams.

Considering this context, our State's legislative and policy framework for water management has supported action to address some of the most significant climate challenges being experienced in Australia.

Western Australia has also implemented the first and only large-scale groundwater replenishment scheme in Australia that recycles treated wastewater into its public water supply for Perth (28 GL per year). This initiative has been possible due to the strong, adaptive water management framework that exists in this State.

The WA Government is developing water allocation plans with strong community involvement to address diminishing water availability driven by a drying climate that is placing water resource systems under stress. These water allocation plans, coupled with a strong statutory licensing framework, have enabled system-wide adjustments and reductions in annual water entitlements when required. The first such plan in Gngangara has been developed and accepted by water users and the Government.

The WA Government is also working to develop practice and behavioural improvement plans for managing water demand, such as the award-winning Waterwise plans developed for the Perth and Peel regions. These plans, supported by appropriate incentives, aim to reduce water demand over the coming years and drive strong water efficiency behaviours, particularly important in our drying climate.

The WA Government is making significant investments in water infrastructure to improve water services in Aboriginal communities, in partnership with Aboriginal communities. The 10-year (2023-2033) Aboriginal Communities Water Services program will ensure Aboriginal communities have access to reliable drinking water that meets Australian Drinking Water Guidelines and wastewater services that meet or exceed relevant standards under the National Agreement on Closing the Gap.

The WA Government supports the outcomes and objectives of the draft National Water Agreement. However, it does not support the Productivity Commission's suggestion that introducing flexibility into the guiding principles of the NWI will weaken the States' and Territories' commitment to good policy, represent an erosion of the authorising environment, or have negative implications for longer-term water security.

The WA position is that to best meet the outcomes and objectives of a new National Water Agreement, jurisdictions require the flexibility to develop management frameworks best suited to their local water resources and communities.

It is critical to recognise that different water resources (surface water and groundwater) require highly specialised management approaches with conditions and monitoring tailored to localised impacts.

A fit-for-purpose approach supported by strong regulatory and policy settings is needed to meet the particular challenges and circumstances of each area, including climate change, growing demand, community expectations and user requirements, is required. The NWI policy settings were driven by, and are better suited to, a highly regulated and over-allocated surface water system.

The report is critical of Western Australia for not implementing statutory-based water access entitlements for consumptive use. The NWI requires that these entitlements are separate from land, exclusive, mortgageable, tradeable, and provide a perpetual right to a share of a system's consumptive pool.

While a perpetual water access entitlement regime may be appropriate in circumstances such as the Murray Darling Basin, for which the NWI was developed, Western Australia is of the view that a strong water allocation planning approach with an accompanying licensing regime is the most appropriate management framework in this State. The benefits of perpetual access entitlements are more obvious for large surface water systems with many users. These benefits are much more difficult to deliver with groundwater systems that need to be managed at a local scale.

The Western Australian licensing framework continues to meet current challenges and is well supported by the community and stakeholders. For these reasons, Western Australia is seeking that the refreshed NWI focus on the outcomes and objectives to be achieved, while providing support for jurisdictions to employ fit-for-purpose approaches. The desire for such flexibility should not be characterised as a reluctance to address the challenges each jurisdiction is facing.

The Western Australian Government remains committed to a long-term journey of improvement in its water management and believes there is a very strong and legitimate foundation upon which to build.

Yours sincerely

HON SIMONE McGURK MLA
MINISTER FOR WATER

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