A framework for allocating and distributing wastewater and stormwater
Outline

- Why government is involved
- Current framework
- Potential issues and challenges
- Possible future direction
“Allocation”

- Used in WA to refer the limits placed on water resources available for consumptive use
- More generally, the allocation framework can also refer to the system of water entitlements
- Water resources legislation establishes entitlements to take surface and groundwater
Why establish water entitlements?

- Clarity
- Efficiency

Without entitlements water would go to whoever took it first:

- conflict between users
- system is biased against long term uses, including the environment.
Wastewater

- Water service providers control access to wastewater in their infrastructure
- Entitlement is made clear and exclusive by commercial contract
- Government normally does not need to intervene in commercial negotiations
Stormwater entitlements

1. Stormwater
2. Drain
3. Water licence
4. Contract with drainage provider
Features of the framework

- All water in the natural environment is treated under the same framework
- All water in infrastructure is treated under the same framework
- Volumes are only one consideration:
  - drilling a bore or modifying stream banks
  - Treatment (fit-for-purpose), infrastructure costs and avoided costs
  - Local context
Challenges

- Proponents seeking credit for stormwater
- Complexity of negotiating contracts
- Allocation of wastewater and stormwater discharged from infrastructure?
- Water quality
- Governance arrangements
When to intervene?

**COAG principles of best practice regulation**
- Make sure there is a clear case for action
- Consider non-regulatory and self regulatory approaches

**Regulatory Impact Assessment Guidelines for Western Australia**
- Existing regulation is poorly designed
- Is there a “Market failure”?
1. Stormwater credits

- Government supports the infiltration of stormwater
- Demand for groundwater

- The Managed Aquifer Recharge Policy requires the proponent to demonstrate the infiltration is genuinely additional
2. Negotiating contracts

- Wastewater and stormwater is a “free resource” - but the extra costs and conditions can be complex to determine
- Government intervention sometimes sought by proponents
- Allocation framework changes will not clarify other project arrangements
3. Discharge from infrastructure

- Wastewater or stormwater discharged to the environment from infrastructure may be used.
- Water licence can be made conditional on the discharge continuing.
- Discharge licence conditions.
- Onus is on licence applicant to demonstrate additionality.
- Onus is on DoW to ensure that it does not issue permanent licenses to temporary water.
Conclusion

- The framework for allocating wastewater and stormwater deals with most situations.
- All water entitlements can only be specified as well as our knowledge about the resource.
- Government investment in water resource information is increasing as water scarcity increases.
- Increasing water knowledge and water value may justify enhanced approaches in future.
Where to from here?

- Further investigation and discussion with stakeholders
- Partnerships for innovative approaches
- Further development of policy frameworks

THANK YOU