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Productivity Commission GPO Box 1428 Canberra City ACT 2601

Email: water.reform@pc.gov.au

Date: 19th October 2017

Re: Submission to the Draft National Water Reform Report

Dear Sir or Madam,

WWF-Australia welcomes the opportunity to provide the following comments regarding the draft National Water Reform Report, which the Productivity Commission released for public consultation in September 2017. WWF-Australia fully supports the Productivity Commissions key recommendation in the draft report that the National Water Initiative should be enhanced and updated to align with the recommendations under each chapter of the draft report. Of the recommendations under each chapter of the draft report, we are particularly supportive of:

- Increased monitoring of social and environmental benefits delivered under the NWI,
- Applying more rigor to new agricultural water infrastructure and,
- Incorporating extractive industries under the NWI

While we support the recommendations in the draft report, we believe that social, economic and environmental benefits delivered from implementing the national water reform agenda will be greatly strengthened by including the below recommendations in the final report.

Chapter 3 - Water entitlements and planning

In addition to the recommendations in the draft report, other measures to improve state and territories water planning frameworks that we recommend should be incorporated in the final report includes:

- The timeframe by which state and territory governments should incorporate extractive industries, climate change and Indigenous cultural values within their water planning instruments,
- Requiring state and territory governments to review and update their water entitlement compliance programs and,

 Requiring all consumptive water users to have tamper-proof meters that can upload usage data to web based systems in real time

Chapter 5 - Environmental management

To further enhance environmental outcomes, the final report should also recommend that state and territory water planning instruments include provisions to:

- Manage groundwater and overland flow
- Avoid, minimize and mitigate water quality degradation that occurs from using water for consumptive purposes and,
- Replicate natural seasonal flow regimes

Chapter 6 - Urban water

In addition to the priorities contained in the draft report, other measures to enhance the resilience of urban water supply that we recommend should be incorporated in the final report includes:

- The timeframe by which state and territory governments should develop and implement Integrated Water Cycle Management (IWCM) Plans,
- · Reducing urban demand through the introduction of public education programs and,
- Only considering new dams and desalination plants once opportunities to enhance urban water supply through demand management and waste water recycling have been exhausted

Chapter 7 – Water infrastructure for agriculture

Along with the priorities contained in the draft report, other measures that we recommend should be incorporated in the final report regarding new agricultural water infrastructure includes:

- Including the assessment of environmental impacts potentially caused by the use of water from new agricultural water infrastructure in the assessment of new dams,
- Ensuring the recommendations related to agricultural water infrastructure in the final report apply to water infrastructure projects funded under the National Water Infrastructure Fund (NWIDF) and the Northern Australia Infrastructure Fund (NAIF) and,

 Ensuring that all social, economic and environmental costs associated with the development, operation and ongoing maintenance of agricultural water infrastructure are internalized by the proposed water infrastructure project

Chapter 9 - Progressing reforms

Along with the recommendations in the draft report, other measures to progress the national water reform agenda that we recommend should be incorporated into the final report includes:

- · Reinstating national water reform as a COAG priority,
- Reintroducing financial incentives similar to the payments made to states and territories for achieving water reform milestones under the former National Competition Policy (NCP), which operated from 1995 to 2005 and,
- Requiring state and territory governments to publicly report on progress of implementing their National Water Initiatives commitments

Please do not hesitate to contact me should you require any further information or clarification regarding the abovementioned matters.

Yours sincerely,

Nigel Parratt

Water and Catchment Liaison Officer

WWF-Australia