

CONSULTATION DRAFT – FITZROY-DERBY WATER RESOURCES MANAGEMENT PLAN: POLICY AND GUIDANCE

Australian Energy Producers | 30 June 2026

Australian Energy Producers (AEP) welcomes the opportunity to provide feedback on the draft Fitzroy-Derby Water Resources Management Plan (the Plan). AEP is supportive of the Plan's objectives, including the protection of the Fitzroy River and its tributaries, the sustainable use of groundwater, and the development of culturally informed water management practices.

AEP's members include proponents holding petroleum titles within and adjacent to the Fitzroy-Derby Plan Area, including exploration and appraisal interests in the Canning Basin. As acknowledged in the Plan's accompanying *Methods* report, this Basin contains some of the largest onshore oil and gas resources in Australia,¹ and that has shaped interest in the Fitzroy River catchment.²

While petroleum operators require far less water than agricultural and pastoral users in the Plan Area, clear and predictable access to water is a prerequisite to the exploration, appraisal and development of new gas supply in the Basin, and, in turn, to Western Australia's (WA's) future domestic energy security.

The draft Plan risks imposing a significant and duplicative regulatory burden on petroleum proponents as it fails to consider the existing legislative framework that regulates petroleum activity, specifically, Traditional Owner Consultation and water resource management in the Plan Area.

To avoid this risk, AEP urges the Department of Water and Environmental Regulation (DWER) to account for and defer to existing petroleum-related legislation when finalising and implementing the Plan. The following points support this position.

The petroleum industry is already subject to a comprehensive approvals framework that regulates water resource management in the Plan Area

Petroleum activities in WA are governed by a layered approvals framework that protects water resources over project lifecycles. Beyond the *Rights in Water and Irrigation Act 1914*, operations are regulated under the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*, the *Environmental Protection Act 1986* (EP Act), the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) and the *Petroleum and Geothermal Energy Resources (Environment) Regulations 2012*. This integrated framework requires proponents to conduct environmental impact assessments, secure formal approvals, and implement water management strategies that reduce risks to as Low As Reasonably Practicable (ALARP). ALARP is recognised and accepted globally as a core environmental risk management principle.

The Plan's proposed local licensing framework, including Policies 2.1 – 2.7, would therefore duplicate compliance operations that are currently undertaken by the Department of Mines,

¹ Government of Western Australia: Department of Water and Environmental Regulation, *Consultation Draft: Fitzroy-Derby Water Resources Management Plan: Methods*, April 2026, p. 36.

² Government of Western Australia: Department of Water and Environmental Regulation, *Consultation Summary: Fitzroy-Derby Water Planning*, April 2026, p. 6.

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Petroleum and Exploration (DMPE), the Environmental Protection Authority (EPA) and the Department of Climate Change, Energy, the Environment and Water (DCCEEW). This includes the administration of Environment Plans (EPs), EP Act Part IV Referrals and federal EPBC Act Referrals that address prospective environmental risks to water resources, mitigation measures and aquifer safeguards. The Plan is therefore likely to impose additional and unnecessary administrative and financial costs on both proponents and DWER, extend assessment timeframes, and introduce a material risk of conflicting departmental conclusions.

AEP notes that inter-departmental coordination mechanisms exist to avoid this. Schedule 6 of the *Administrative Agreement* between DWER and DMPE provides a detailed procedural arrangement for the management of onshore petroleum impacts on sensitive water resources, mandating that DWER provides technical advice to DMPE during the assessment of EPs to ensure water values are protected.³ Other examples include the *Memorandum of Understanding* between DMPE and the EPA on the referral of petroleum proposals,⁴ and the *Bilateral Agreement* under section 45 of the EPBC Act.⁵ Leveraging these coordination frameworks, rather than enabling DWER to undertake overlapping assessments, would promote regulatory efficiency and environmental compliance in the Plan Area.

Native Title and heritage frameworks already require Traditional Owner Consultation

Petroleum industry engagement with Traditional Owners is a core component of project development. While the physical allocation of water resources is managed under separate state licensing statutes, the *Native Title Act 1993* (Cth) 'Future Acts' regime and the *Aboriginal Heritage Act 1972* (WA) require proponents to undertake consultation throughout project planning, approvals, and development phases. This includes prospective impacts on areas of cultural, spiritual and historical significance, including water resources. While DWER's proposed framework may address consultation gaps in other sectors, the petroleum industry is currently required to meet equivalent standards through these established statutory processes.

Imposing parallel consultation requirements for water licence applications and renewals in the Plan Area will establish an inherently duplicative regulatory framework. The recently completed *Native Title and Cultural Heritage Processes Review* (the 'Kelly Review') identified the duplicative and inconsistent nature of WA's current approvals environment, which, in part, has been exacerbated by resourcing constraints within the Prescribed Bodies Corporate (PBC) sector.⁶ AEP notes that imposing further consultation may compound pressure on both Traditional Owners and project proponents at a time when the State Government has committed to reducing it.⁷

In circumstances where land access or native title agreements are already in place, additional engagement linked to water licensing may also create uncertainty regarding the scope of existing agreements and introduce further negotiation processes.

³ Government of Western Australia: Department of Mines, Petroleum and Exploration and the Department of Water and Environmental Regulation, *Administrative Agreement between the Department of Mines, Petroleum and Exploration and the Department of Water and Environmental Regulation*, 3 April 2025, pp. 35 – 40.

⁴ Government of Western Australia: Environmental Protection Authority, *Memorandum of Understanding between the Department of Mines and Petroleum and the EPA in relation to the referral of Mineral and Petroleum Onshore and Offshore and Geothermal Proposals*, 29 July 2009.

⁵ Government of Western Australia: Environmental Protection Authority, *Bilateral agreement made under section 45 of the Environment Protection and Biodiversity Conservation Act 1999 (Cth) relating to environmental assessment*, 1 January 2015.

⁶ Glen Kelly and Stephanie Clark, National Native Title Tribunal: *Review of Native Title and Heritage Processes in Western Australia*, 9 February 2026.

⁷ See: Government of Western Australia: Department of the Premier and Cabinet, *Native Title and Aboriginal Cultural Heritage Processes Review: Government response to recommendations*, 8 June 2026.

The Plan is likely to impose a potentially unmanageable administrative burden on DWER

AEP is concerned about DWER's capacity to administer and enforce the regulatory framework proposed in the draft Plan. A recent June 2025 audit conducted by the Office of the Auditor General concluded that DWER 'does not effectively monitor or enforce the conditions on the more than 12,000 water licences' in WA.⁸

During the 2024-25 reporting period, DWER finalised 3,519 water licence applications, in addition to 1,027 bore construction licences and 478 permits to interfere with beds and banks.⁹ Superimposing the Plan's proposed assessment regime onto this already considerable workload will exacerbate systemic delays and further overextend DWER's resources. AEP notes DWER's current assessment framework has generated a significant backlog of water licence applications, costing the State Government an additional \$1.03 million over two years only to decrease this backlog by only 16 per cent.¹⁰ Implementation of the Plan in its current form will contribute to this backlog while increasing the public cost of rectifying it.

The draft Plan's policies would nevertheless introduce a suite of bespoke technical reviews (including site-specific hydrogeological assessments, flora and fauna surveys, and extensive evidence of cultural consultation) that would significantly increase DWER's monitoring and compliance burden. Overall, this Plan will establish a duplicative regulatory framework that the Department is not adequately resourced to manage or enforce.

Regulatory certainty for existing licence holders is a prerequisite to future investment and production

Petroleum projects are assessed, funded and approved in consideration of established and predictable regulatory frameworks. In most cases, Final Investment Decision (FID) is taken after proponents have invested significant time and capital to secure necessary approvals, licences and land access arrangements.

While existing licence holders in the Plan Area have invested, planned and operated according to established regulatory frameworks, the Plan does not specify how existing licences will be managed following the implementation of the Plan's policies. In a recent 2025 survey, AEP member Chief Executive Officers (CEOs) ranked regulatory and sovereign risk as the most important considerations when making investment decisions in Australia, reporting that these two risks have deteriorated the most over the last five years. Furthermore, 95 per cent of these respondents reported that investments had been directly impacted by a change in Government policy or regulation. Of these investments, almost half were significantly delayed, and a fifth did either not proceed or were relocated outside of Australia.¹¹

Introducing additional requirements, uncertainty regarding future licence renewals, or new approval pathways beyond those contemplated when investment decisions were made is likely to increase project risk, delay development, and, overall, erode investor confidence in WA's petroleum sector.

⁸ Office of the Auditor General, *Performance Audit: Regulation of Water Licences*, 11 June 2025, p. 9.

⁹ Government of Western Australia: Department of Water and Environmental Regulation, *Department of Water and Environmental Regulation Annual Report 2024-25*, 22 October 2025, pp. 61 – 62.

¹⁰ *Ibid.*, p. 62.

¹¹ Wood Mackenzie, *Australia's Natural Gas Investment Competitiveness: Prepared for Australian Energy Producers*, May 2025, pp. 3 – 4.

Water use by the petroleum industry is comparatively modest and structurally distinct

Water use associated with petroleum operations is modest and episodic compared to large-scale agricultural activity, which appears to be a primary focus of this Plan.¹² This is reflected in the Plan Area, where irrigated agriculture and horticulture represent the largest category of licensed water entitlements.¹³ As a general rule, approximately 1 Megalitre (ML) of water is required per onshore well for drilling in Australia.¹⁴ By contrast, the Department of Primary Industries and Regional Development's (DPIRD's) trial data indicates, as a general guide, that four 40-hectare pivots typically require 3,000 ML of groundwater per year.¹⁵ As the use of water in petroleum operations is also typically staged and time-limited, it presents a fundamentally different environmental risk profile from the sustained, high-volume abstraction around which this Plan's allocation limits and policies have been calibrated.

AEP believes the management of this distinct use profile in the Plan Area is best achieved through established and project-specific EPs rather than a duplicative regional licensing framework calibrated towards water-intensive industries. This would satisfy Plan's strategy of aligning water licensing with land use, environmental, heritage and other regulatory frameworks.¹⁶

¹² Government of Western Australia: Department of Water and Environmental Regulation, *Consultation Draft: Fitzroy-Derby Water Resources Management Plan: Policy and Guidance*, April 2026, p. 2.

¹³ Government of Western Australia: Department of Water and Environmental Regulation, *Consultation Draft: Fitzroy-Derby Water Resources Management Plan: Methods*, April 2026, p. 34.

¹⁴ See, Australian Petroleum Production and Exploration Association, *RE: National Water Reform 2020 (Submission 73)*, National Water Reform 2020 Productivity Commission, 21 August 2020, p. 13.

¹⁵ Government of Western Australia: Department of Water and Environmental Regulation, *Consultation Draft: Fitzroy-Derby Water Resources Management Plan: Methods*, April 2026, p. 35.

¹⁶ See Strategy N in Table 3, Government of Western Australia: Department of Water and Environmental Regulation, *Consultation Draft: Fitzroy-Derby Water Resources Management Plan: Policy and Guidance*, April 2026, p. 13.