

Secretary: *J. O'Leary*.....

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HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON
AGRICULTURE, FISHERIES
AND FORESTRY

House of Representatives Standing Committee on Agriculture Fisheries and Forestry

Inquiry into future water supplies for Australia's rural industries and communities

Supplementary Submission – WA Farmers Federation

In the twelve months since WAFarmers initial submission was lodged, water issues in Western Australia have escalated at a rapid rate. Another dry year (2002/03) and near record low dam levels to supply Perth has seen the State Government fast forward its planning processes in relation to water management issues.

Regrettably, much of this planning process is being undertaken in knee-jerk fashion as opposed to thorough investigation and considered stakeholder consultation.

Since our initial submission, WAFarmers has prepared submissions in response to the following State Government discussion documents.

September 2002

- Draft State Water Conservation Strategy for Western Australia

March 2003

- Discussion Paper -The Western Australian State Sustainability Strategy
- Draft Statewide Policy No. 9 - Water Licensing – Staged Developments
- Draft Statewide Policy No.10 - Use of Operating Strategies in the Water Licensing Process
- Draft Statewide Policy No.11 - Management of Unused Licensed Water Entitlements

April 2003

- Reserving and protecting water resources for future use in Western Australia

In addition, the State Government has more recently announced an *Inquiry into Water Services in Western Australia* to be undertaken by the Legislative Council Standing Committee on Public Administration and Finance. Written submissions have been called for by 24 September 2003 and the Committee is likely to hold public hearings at a later date.

The Draft State Water Strategy highlighted irrigated agriculture as major users of the States Water Resources (41%). The Government undertook an "extensive" public consultation process involving written submissions and public forums and concluded in a Water Symposium held at Parliament House in October 2002.

WAFarmers submission on the Draft strategy is attached for your information and is generally critical of the process undertaken by the State Government due to the limited recognition given to agriculture despite being clearly targeted for attention as a major water user.

There is also no recognition or commitment to resolve the long outstanding issue of property rights and water resource security within the State Government's forward planning processes.

Submissions undertaken in 2003 have largely emanated as a result of the outcomes of the Water Symposium and the then released document "A State Water Strategy for Western Australia".

The State Government has also implemented two of the recommendations from the State Water Strategy. "Proposals" to implement a schedule of Water Resource Management Charges on water users and the removal of 45 gigalitres from the South West Yarragadee aquifer to supplement metropolitan and some regional water supplies.

Farmers reliant of irrigation for their agricultural pursuits will bear the greatest burden from the proposed charges and the Yarragadee aquifer services the majority of the State's dairy, horticulture and viticulture industries and their associated communities in one of the most rapidly growing areas of the State.

Overall, the consultation process undertaken by the relevant Government agencies on both of these proposals and at a middle management level has been good. WAFarmers has certainly been given ample opportunities to provide input to both proposals. However, the initial timelines given by the State Government to conclude the process were well short of adequate to thoroughly investigate the proposals and have since been extended.

Past experience with senior Government bureaucrats in relation to property rights, specifically resolution to long outstanding land clearing issues, has left WAFarmers extremely sceptical of the commitment of the Government and its senior bureaucrats to negotiating an outcome, let alone resolving the property rights and water security issue.

Given this attitude, it is difficult to envisage the high quality consultative outcomes undertaken to date penetrating the "glass ceiling" and relevant Ministers being advised of the full implications of bureaucratic recommendations.

The State Government's Draft State Sustainability Strategy defines sustainability as:-

"Sustainability is meeting the needs of current and future generations through simultaneous environmental, social and economic improvement."

WAFarmers has recognised and supports this principal.

The Strategy reinforces this principal by stating that trade-offs between the elements of the triple bottom line are unacceptable. Unfortunately this commitment is not being reflected within Government Agencies where trade-offs are already being mooted to establish environmental priority in sustainability.

In summary, Western Australia's water issues are not as predominant as the Murray-Darling situation. Nevertheless, in relation to the State's farmers, the issues surrounding problems in the State are equally as relevant and are encompassed in the need for Federal Government leadership and joint Federal/State Government commitment to providing equitable solutions to the current impasse on property rights and water resource security.

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Draft State Water Conservation Strategy for Western Australia

SUBMISSION

To

Water and Rivers Commission

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The Western Australian Farmers Federation (Inc)

The Western Australian Farmers Federation (Inc) (WAFarmers) is WA's largest and most influential rural lobby and service organisation.

WAFarmers represents West Australian farmers from a range of primary industries including grain growers, meat and wool producers, horticulturalists, dairy farmers and beekeepers. WAFarmers has recently expanded its membership base to incorporate rural small business owners.

It is estimated that collectively our members are major contributors to the \$5 billion gross value of production that agriculture in its various forms contributes to Western Australia's economy.

Additionally, through differing forms of land tenure, our members own, control and capably manage many millions of hectares of the State's land mass and as such are responsible for maintaining the productive capacity and environmental well being of that land.

Property Rights

Access to water resources is a key component of WAFarmers policy on Property Rights, which is taken up in the National Farmers Federation Position Paper of May 2002 (Attached).

The basic principles of this policy are:-

"The property rights debate is not about the issue of compensation per se but recognition of an existing right to use or access a natural resource. It also implies a responsibility on the farmer or landholder to utilise the resource in a responsible manner and in accordance with principles agreed in a legitimate planning and consultative framework.

Governments must provide an adequate package of compensation and transition incentives:

- To offset any reduction in property values following the implementation of natural resource management controls where a landholders rights and legitimate and reasonable expectations have been diminished; and
- To encourage voluntary stewardship particularly for public good environmental outcomes."

The Western Australian Government's definition of sustainability fits well within the parameters of the WAFarmers position on property rights.

"Sustainability is the simultaneous achievement of environmental, economic and social goals."

WAFarmers, in line with the NFF principles, has developed a set of principles to begin addressing this issue (Attached). These principles have been circulated to the Minister for Environment and Heritage and the Minister for Agriculture and will be the subject of further discussion in the near future.

Draft State Water Conservation Strategy

WAFarmers commends the Government on the development of the Draft State Water Conservation Strategy (the Strategy).

In particular, it is pleasing to have the ongoing water conservation efforts of the State's farmers and rural communities acknowledged within the draft strategy (page 48).

"Increasing the reliability of water supplies and introducing measures to conserve existing supplies has long been a priority for rural communities. An acute awareness of the problems associated with water deficiency is reflected in the every day lifestyle of rural people, who are far more actively involved in conserving water than the average urban dweller. The profitability and sustainability of farming businesses are largely affected by the extent to which they are self sufficient in water supply."

WAFarmers members across all agricultural sectors appreciate the value of the States water supplies as the most vital ingredient to the successful management and future viability of their farming enterprises. However, in times of climatic stress such as that currently being experienced, it is a source of extreme frustration to our members when farm water supplies are threatened to bolster metropolitan and town demands.

On farm water supplies are dedicated to producing high quality, low cost food and fibre produce to Perth consumers and the contribution of agriculture to the State's economy is considerable.

Metropolitan water usage is largely categorised as "lifestyle" and is provided at a cost to the State's economy. This position represents a major equity imbalance and requires addressing.

Australian Bureau of Statistics data, 1999-2000 (current year adjusted), for WA agricultural production indicate:-

Total WA Sector;	Number of farmers	10,922
	Total Production Value	\$5,140m
	Export Value	\$4,366m
Irrigated Agriculture; -Dairy	Number of farmers	315
	Total Production Value	\$122m
	Export Value	\$ 63.4m

-Horticulture	Number of farmers	1,422
	Total Production Value	\$487m
	Export Value	\$220m

From comments made at one metropolitan Water Forum, this contribution to the State's economy is either not recognised or conveniently overlooked. For a Conservationist to imply that water allocations to irrigated agriculture could be cut back because farmers produce more than the State can consume displays a level of extreme ignorance and raises the question within the agricultural industry of the value of the existence of many of the self interested Conservation groups.

This level of disinformation clearly justifies the concerns WAFarmers has in relation to equal representation at Water Forums and the upcoming Water Symposium.

An equitable solution to the States water crisis will require co-operation between all parties and accordingly, ignorant and inflammatory remarks have no place in future negotiations.

WAFarmers trusts that during the course of the development of the Strategy that this issue will be resolved equitably.

Consultation Process

WAFarmers has been disappointed with the path taken by the Government in its public consultation process in relation to the Strategy.

Community water forums in regional areas were poorly targeted and appear to have avoided areas where water supply and security are contentious issues e.g. Dongara, Badgingarra and Manjimup. In addition, only one forum was held in the wheatbelt.

WAFarmers, in nominating three attendees to the Water Symposium was subsequently advised that it was restricted to one.

WAFarmers has sought increased representation and more information on the attendees for the Water Symposium, however, it again appears that farmers are being given limited opportunity to participate in the development of a strategy to manage a resource that their future viability is entirely dependant upon.

Attendance as community delegates is impractical. The majority of the State's farmers are being affected by one of the driest years on record. During periods such as this, their continued presence on their farms to manage crops and livestock is essential.

For the Government to expect farmers to "down tools" and travel hundreds of kilometres to attend forums is unrealistic and sadly reinforces the rural perception of a Government out of touch with the realities of rural communities.

Principles of Ecologically Sustainable Development

WAFarmers and its members have some difficulty with "the precautionary principle." and its solely environmental focus.

Farmers are continually advised/directed to take into account "the triple bottom line" i.e. economic, social and environmental, in every aspect of their farming operations. It appears that when Governments address regulatory aspects of agriculture, minimal consideration is given to the economic and social bottom lines of the farmers and communities affected by their regulations.

It is generally accepted that every dollar earned through agricultural pursuits has a multiplier effect of 8 within the surrounding community. Environmental restrictions on farming activities have a dramatic economic and social impact that reaches far beyond farm boundaries.

The precautionary principle should not be used in isolation. To do so, in fact, conflicts with the Government's own definition of sustainability, which incorporates all components of the triple bottom line.

Strategy Recommendations

Whilst all 38 recommendations have linkages and implications for rural water supplies, the key recommendations having direct impact on WAFarmers members and rural communities have been identified and comments are provided hereunder:-

Recommendation 1

That the government of Western Australia establish processes and allocates agency responsibility to ensure that investment in water efficiency is increased to levels that recognise the costs and benefits of water efficiency relative to the supply of water and the development of new resources. This will require, amongst other initiatives, the use of an integrated resource-planning framework within the management of water licensing.

WAFarmers encourages the Government and respective agencies to ensure that this framework is developed in full consultation with all agricultural sectors.

Figure 9 (page 34) provides a relationship flow chart for this process, however, the broad Community level needs to be defined to ensure equitable representation across all sectors. The potential also exists in this structure for considerable filtering of community input along the paths to Government. Assurances should be provided that this will not occur.

Recommendation 2

That the principles of integrated resource planning be integrated into the licensing and allocation process, with a requirement for license applicants to demonstrate that all options for source development and water resource use efficiency have been considered and costed and that an appropriate investment, implementation and assessment strategy has been developed for review by the regulatory agency.

If this provision is to be extended to farm water allocations it cannot be made retrospective, will need to be phased in and assistance provided to allow existing license holders to adapt and/or develop alternatives to current farm practices.

Recommendation 3

That, following appropriate review of proposed investment levels, that water service providers be enabled to pass through to customers the cost of investment in water efficiency and effluent reuse programs, subject to OWR/ERA evaluation and approval.

Redistribution of costs will need to be done on an equitable basis taking into account farm production and economic contribution versus lifestyle and economic cost. Recognition that farmers are price takers and thereby unable to pass on increased costs of production also requires consideration.

Recommendation 4

- *Public participation to determine the preferences of Western Australians for the allocation and use of water resources.*

Clarification is required that all Western Australians will participate and full consultation should be sought, not targeted to avoid problem areas as the recent Water Forums appear to have been.

Recommendation 5

That water use and wastewater reuse targets for different sectors be set for licensees, based on the results of the evaluation of water efficiency options and their potential.

Targets should be set in consultation with licensees, not for licensees.

Recommendation 6

The price setting process be undertaken by an independent economic regulator, so that the price of water, and the tariff structure, increasingly reflect marginal costs, including costs driven by, for example, peak demand and scarcity (ie drought).

WAFarmers supports the proposal for an independent economic regulator, however, given that agriculture has been headlined in the strategy as the State's largest water user, it is imperative that the regulator has considerable knowledge of agriculture and its economic constraints in relation redistribution of input costs.

Recommendation 18

Penalties be investigated for operating sprinkler systems during winter when soil moisture levels are adequate and particularly when it is raining.

WAFarmers fully supports this proposal but believes that sprinkler usage from June to August should be banned and hand watering only permitted. This action would achieve immediate and substantial water savings and make policing of the regulation easier.

The community should also be encouraged to report breaches for investigation by the appropriate authority.

Recommendation 19

That water resource allocation decisions take into account best water conservation practice and industry water use benchmarks.

Who determines the proposed water use benchmarks? WAFarmers believes that benchmarks should be determined by industry participants, based on Western Australian growing conditions and farming practices.

Recommendation 20

That agencies support the implementation of Waterwise on the Farm to provide technical assistance and support to farmers in the trailing and adoption of water efficient agricultural practices.

More detail on the NSW Waterwise on the Farm program would need to be provided before WAFarmers would be prepared to support this process. The general outline provided in the draft Strategy has merit and more information on the program will be sought from WAFarmers NSW counterparts on its effectiveness.

Recommendation 21

Encourage investment in agricultural water use efficiency by implementing a significant pilot of a water use efficiency program including elements such as loans, grants, demonstrations and metering in an area where there is a constraint due to full allocation or environmental factors. Transfer of water entitlements should also be facilitated in the pilot area.

WAFarmers supports the concept of this proposal. However, until such time as the pilot is concluded and results determined, areas outside of the pilot area should not be disadvantaged by changes in water allocation policies.

Nevertheless, the pilot program would provide the economic data required to demonstrate to farmers the benefits of changes in farming practices to improve water conservation.

Recommendation 22

Require all allocation licence applications and renewals to be accompanied by a water conservation plan that describes the operators plan towards achieving best practice irrigation and drainage design and operation. All licenced allocations would be conditional upon progress towards implementation of the plan.

WAFarmers is in the early stages of negotiating with Government agencies, predominantly the Department of Agriculture, the development of a Best Management Practice program which will encompass aspects of Quality Assurance programs, Environmental Management Systems, Worksafe practices and can also include water conservation plans.

It is envisaged that the end result of this process will be a document similar to Best Environmental Management Practices reference manual produced by the Potato Growers Association of WA (Inc).

Recommendation 31

That education and communication strategies be designed to support programs of investment in water efficiency and targeted to different water user groups, particularly high water users and evaluated for their effectiveness.

Recommendation 32

That the Department of Agriculture, in conjunction with the industry groups and WRC, expand programs providing information resources to the irrigated agriculture sector, particularly by providing support for the Waterwise on the Farm initiative.

I would appear that the draft Strategy recognises the importance of the support of industry groups in assisting in the communication process and subsequent acceptance and uptake of new initiatives by farmers.

On this basis, WAFarmers would be pleased to be part of the communication process. Our zone network would be of considerable assistance to Government agencies in the dissemination of information resources.

Recommendation 35

That existing research centres and organizations target research which will provide the best possible opportunity for timely reductions in water demand in constrained areas. Specifically, further research be commissioned on the use of improved control systems and other means of improving the efficiency of automatic reticulation systems.

From an agricultural perspective, WAFarmers would suggest that research activities not be restricted to reduction and control of water usage, but be extended further to alternative crops and cropping systems.

Recommendation 38

That the Government of Western Australia establish a Water Conservation Strategy Working Group and Water Conservation Strategy Forum to facilitate the implementation of the Water Conservation Strategy and employ appropriate representative and deliberative methods of public participation in the further development of the draft strategy.

WAFarmers notes that the proposed composition of the Water Conservation Strategy Forum includes "Representatives of irrigated agriculture industry."

WAFarmers, through its Dairy and Horticulture commodity sections, represents a considerable number of irrigated agriculture industry members and suggests that this representation is deserving of a position on the Forum.

Industry Comment

WAFarmers believes that the State Government needs to work closely with the Commonwealth Government to ensure that the State receives its full allocation of Commonwealth monies through programs such as the National Action Plan for Salinity and Natural Heritage Trust.

WAFarmers has provided a submission to the House of Representatives Standing Committee on Agriculture Fisheries and Forestry inquiry into future water supplies for Australia's rural industries and communities (Attached) and sought Commonwealth co-operation in addressing this issue.

WAFarmers Vasse zone has submitted comments on the Strategy under separate cover.

Harvey Water has provided a discussion paper on the Strategy and made a series of recommendations including the further evaluation of the Victorian State Government's "Water for Growth Initiative" and the formation of an Industry/Government Working party to further develop the processes to address water issues within irrigated agriculture.

WAFarmers supports the Harvey water proposal and considers that this approach would be appropriate across all agricultural sectors.

Comments on the Strategy and specific water related issues throughout WAFarmers zone network were sought and are provided hereunder.

- Scheme water arrived at Wialki several years ago. As soon as it arrived, the maintenance of the local catchment tank was discontinued with the Water Corporation declining responsibility for its upkeep due to funding constraints. Yet farmers have been criticised by Water Authorities for not maintaining catchments once they have accessed scheme supplies.
- Implement feasibility studies on the pumping of water from coastal aquifers to inland farming areas either to provide emergency standpipes or comprehensive farm water supply schemes.
- Tax incentives for businesses to conserve water and incentives for domestic and commercial rainwater storage.
- Incentives for the development of new technologies to source potable water supplies and alternatives to inefficient irrigation practices.
- Investigation into alternative areas for irrigated agriculture.
- All bores should be metered.
- Feasibility studies into the use of desalinated water from areas of the wheatbelt where rising water tables are causing severe salinity of soils.

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