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Cost recovery responses  
Department of Water and Environmental Regulation  
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wulura

To Whom it May Concern

In response to the proposal to introduce a licence renewal fee we have several objections.

1/ We carried the entire cost of applying for and constructing a dam to enable our business to expand into horticulture. This has enabled our business to employ between 10 and 20 people at all times over the last 20 years. Prior to the dams being built the Wulura property was owned and run by part time farmers. It would in total, have had a turnover of between \$100,000 and \$200,000 and would not have been profitable if the owners own labour had been charged out. These days we have a turnover of between 1.5 and 2 million dollars annually. This is entirely made possible by access to water.

We now grow wine grapes that are made into Margaret River appellation wines that are consumed by the tourist trade and domestically as well as being exported all over the world. The same applies to our production of Extra Virgin Olive oil which has gained a reputation nationally and internationally. This has allowed us to become a major employer and the downstream production and sale of our produce employs far more people in wineries, packaging, processing, transport and marketing. This also produces ongoing requirement of support facilities such as machinery, irrigation and general trades.

So my observation is that the use of this water is a benefit to the community of Busselton as much as it is of benefit to the owners of Wulura Farms and as such when you ask the question "is it fair that the tax payer should shoulder the cost of compliance" we say yes it is !!!

We firmly believe that the tax payer and the local community are winners in this situation.

2/ The figure of \$6800.00 is far too much to enable cost recovery of a rubber stamp renewal process and as such can only mean that it will include a vigorous examination of the properties management in regard to such factors as the effects on the environment, water use efficiency, the maximum use of the licence and any problems with the ongoing reporting of water use to name but a few.

While we understand the benefit of efficient use of such a valuable resource and the need to have this monitored, such a renewal process opens up the licence holder to being forced to operate in a manner that the Department considers fit at that time. This may not be a reasonable demand on the license holder at that time and could result in the loss of said licence and the destruction of the business.

This situation is possible in some situations under current legislation but the constant direct scrutiny is not there at this time and if implemented will result in not only the extra direct cost of the Licence renewal but also of what could be a very debilitating compliance cost for the license holder.

3/Market pressures have resulted in most horticultural businesses finding the going very tough over the last few years. Any extra costs will only add to the difficulty of maintaining the efficient running of a horticultural enterprise in this area. Once you have planted a long term horticultural crop you are then locked into its management for a long period. It is not possible to simply change the crop instantly when the market turns negative. As such we regularly need to ride out long periods of negative returns or abandon the initial investment. To plant a horticultural crop such as grape vines or fruit trees is a massive investment and the ongoing returns can at times fall into the negative for marketing or simple weather related reasons. These licences coming due at the wrong time could be the straw that breaks the camel's back.

4/ The lack of support and indeed, the over regulation of horticulture's lynch pin, that is water could contribute to many unintended consequences such as,

- a/ loss of employment
- b/ loss of tourist drawing power
- c/ loss of local investment , both domestic and foreign
- d/ loss of confidence.
- e/ reduction in real-estate values
- f/ the proliferation of unmanaged horticulture projects

5/ Many horticultural projects will have more than one licence for a single business. It would be a ridiculous outcome if two producers with the same production but one having three licences and the other having one licence were charged different fees based on how many licenses they held.

6/ Any negative hit on an already fragile industry could result in businesses either losing their water licence or closing their business and forgoing the licence to draw water from their dams for horticultural purposes. This could result in unmanaged and poorly maintained dams that may pose a far greater threat to the environment and safety of the region in general. This could be the worst of all outcomes and would result in considerable problems for the department and local shire.

7/ While this is portrayed as a cost recovery it will in effect be a tax on the producer. As I have indicated in my first point, water storage is of benefit to the entire community and yet the land owner is being asked to carry the entire load. This was not the case when we applied for and covered the requirements of the approval process that enabled the building of our water storage. As such this is in our eyes a retrospective tax.

In closing I suggest that the best outcome from this proposal would be the long term support and consideration of the health of our industry. Yes, we do need regulation that makes sure all growers are operating responsibly and that water is being used efficiently but we do not need a Government Department telling us how to run our businesses and charging us onerous fees for the privilege.

We suggest that this matter be reassessed at the first opportunity as the consequences of the proposal going ahead could far outweigh any benefit.

Thank you for the opportunity to lodge this submission.



Brad Harnett



Wulura Farms PTY LTD