



**Accolade  
Wines**

Cost recovery responses  
Department of Water and Environmental Regulation

[fees@dwer.wa.gov.au](mailto:fees@dwer.wa.gov.au)

## **COST RECOVERY DISCUSSION PAPER: SUBMISSION ON RENEWAL OF WATER LICENCE**

Thank you for the opportunity to provide comment on the Department's discussion paper on cost recovery for DWER, including costs associated with water licences. As the holder of an existing water licence holder, my comments below relate particularly to the proposal for cost recovery associated with the renewal of water licences.

The wine industry in Western Australia relies on the provision of clean, high quality water to protect the state's reputation as a source of premium wine and continue our strong record of export performance.

The wine industry is relatively capital intensive, and winemakers and viticulturists have to invest a significant amount of capital years before their first wines will be available for sale. In our case, those investments, including in self-supply dams and bores which we have built ourselves, have been made on the assumption that producers do not have to pay for the renewal of water licences.

It is therefore disappointing that fees for renewal are now being canvassed, particularly given that prior to the 2017 election now Premier Mark McGowan made a commitment that there would be no new taxes on West Australians under his government. The proposed fees represent a *de facto* tax on agricultural producers and other self-supply water users, particularly because a renewal of a water licence is usually a straight forward process that would incur relatively minor costs for the government.

Furthermore, given that there is no suggestion of a similar fee structure for garden bores used in metropolitan areas, the proposed scheme appears to place an unreasonable burden on regional water users.

The use in the discussion paper of existing fees on the mining and public water supply scheme sectors as a point of comparison is a concern, as these fees would be disproportionately high for the service provided in the renewal of our water licences. They are also unreasonably high for agricultural producers, including in the wine sector, who have much smaller profit margins than miners and who have to engage in highly competitive markets to sell their produce.

Given the uncertainty created by the pending *Water Resources Management Bill*, I believe it imprudent to consider another measure at this point in time which will increase the costs for self-supply water users.

The State Government has not appointed a Water Resources Council for WA and local Water Resources Management Committees to enable peak and local stakeholder input to water resource planning and management. The Minister for Water and Department ignore these provisions of the *Water Agencies (Powers) Act* and the *Rights in Water and Irrigation Act*. This is a denial of procedural fairness on matters that affect farmers using self-supply water.

We are not averse to paying a water licence fee but it must be fair and transparent. There should be further discussion and consultation with relevant stakeholders to better explain the proposed scheme and to consider its impact on self-supply users.

Please do not hesitate to contact me should you require additional information.

My colleagues at Moondah Brook Vineyard and Brookland Valley Vineyard share my concerns and are submitting similar letters.

Yours sincerely

John Smith-Wright  
Houghton Wines.  
City of Swan.



**Accolade  
Wines**

Cost recovery responses  
Department of Water and Environmental Regulation

[fees@dwer.wa.gov.au](mailto:fees@dwer.wa.gov.au)

## **COST RECOVERY DISCUSSION PAPER: SUBMISSION ON RENEWAL OF WATER LICENCE**

Thank you for the opportunity to provide comment on the Department's discussion paper on cost recovery for DWER, including costs associated with water licences. As the holder of an existing water licence holder, my comments below relate particularly to the proposal for cost recovery associated with the renewal of water licences.

The wine industry in Western Australia relies on the provision of clean, high quality water to protect the state's reputation as a source of premium wine and continue our strong record of export performance.

The wine industry is relatively capital intensive, and winemakers and viticulturists have to invest a significant amount of capital years before their first wines will be available for sale. In our case, those investments, including in self-supply dams and bores which we have built ourselves, have been made on the assumption that producers do not have to pay for the renewal of water licences.

It is therefore disappointing that fees for renewal are now being canvassed, particularly given that prior to the 2017 election now Premier Mark McGowan made a commitment that there would be no new taxes on West Australians under his government. The proposed fees represent a *de facto* tax on agricultural producers and other self-supply water users, particularly because a renewal of a water licence is usually a straight forward process that would incur relatively minor costs for the government.

Furthermore, given that there is no suggestion of a similar fee structure for garden bores used in metropolitan areas, the proposed scheme appears to place an unreasonable burden on regional water users.

The use in the discussion paper of existing fees on the mining and public water supply scheme sectors as a point of comparison is a concern, as these fees would be disproportionately high for the service provided in the renewal of our water licences. They are also unreasonably high for agricultural producers, including in the wine sector, who have much smaller profit margins than miners and who have to engage in highly competitive markets to sell their produce.

Given the uncertainty created by the pending *Water Resources Management Bill*, I believe it imprudent to consider another measure at this point in time which will increase the costs for self-supply water users.

The State Government has not appointed a Water Resources Council for WA and local Water Resources Management Committees to enable peak and local stakeholder input to water resource planning and management. The Minister for Water and Department ignore these provisions of the *Water Agencies (Powers) Act* and the *Rights in Water and Irrigation Act*. This is a denial of procedural fairness on matters that affect farmers using self-supply water.

We are not averse to paying a water licence fee but it must be fair and transparent. There should be further discussion and consultation with relevant stakeholders to better explain the proposed scheme and to consider its impact on self-supply users.

Please do not hesitate to contact me should you require additional information.

My colleagues at Houghton Wines and Brookland Valley Vineyard share my concerns and are submitting similar letters.

Yours sincerely,

Brad Turner  
Moondah Brook Vineyard,  
Shire of Gingin.