

Cost Recovery Responses  
Department of Water and Environmental Regulation  
Locked Bag 33  
Cloisters Square  
PERTH WA 6850

***RE: Discussion Paper on Cost Recovery for Department of Water and Environmental Regulation (August 2018).***

The Warren Donnelly Water Advisory Committee thanks you for the opportunity to comment on the Discussion Paper on cost recovery for clearing applications and water licensing.

Whilst there is understanding for some level of cost recovery in both of these areas to reduce the burden on taxpayers, we wish to raise some questions/issues regarding the proposed schedules on behalf of local irrigated agriculture:

Farmers are taxpayers and therefore already contributing

Additional imposed costs for agricultural production reduces export competitiveness

Any introduction of fees for water licenses should be consistent and applied to all users

How will delivery of service be improved, and how will this be measured?

The Shire of Manjimup covers an area of 7,028 square kilometers of which 82.7% is state forest, national park or reserve. Of the remaining 17.3% which is private freehold land, only 3% of the land is irrigated which generates around \$2-300 million dollars of revenue.

The Warren Donnelly Water Advisory Committee was initiated to address local stream disputes. The proclamation of the Warren & Donnelly River catchments was community driven to ensure good management of the water resources. It is not considered equitable for these areas to incur fees to capture water when other areas throughout the state did not have the foresight to consider such management of their local water resource, and will not be required to pay fees.

This Committee asks that the Department and the Minister consider the issues included here before further considering any introduction of cost recovery.

Kind regards,  
Members of the Warren Donnelly Water Advisory Committee  
John Omodei  
Diane Fry  
Bob Pessotto  
Cliff Winfield  
Harvey Giblett  
Travis Luzny  
Lynn Daubney  
Julian Sharp  
Bill Rice

## Attachment 1 – WDWAC Submission on cost recovery

- Regarding farmers already being taxpayers

The agricultural industry, in particular irrigated agriculture, provides local jobs enhancing local communities and supporting local economies. This all contributes to the income provided through various taxes to both State and Federal Governments.

Often these taxes are diverted to projects for which there is no benefit for the agricultural industry in regional areas, which is often overlooked when budget decisions are made by Govt.

- Regarding reduction of export competitiveness

Access to export markets by Western Australian primary producers is already limited by the high costs of production. Targeting low volume high quality ‘niche’ markets has been the best way to make this work.

The loading of additional fees reduces WA farmers’ capacity to grow and target export markets. The Government is trying to assist businesses to enter the international market on one hand, then considering additional costs that will hamper that ability on the other.

- Regarding fair and equitable application of any introduced fees

### Water

If water license fees are to be introduced with the aim of improving water management, then all water users should be charged consistently. This group recognises the value in managing water well, and puts forward a suggestion of a water license similar to that of a driver’s license, applicable to all water users. Tested benchmark costs of \$89.15 for a new Applicant Fee and \$299.00 for License Renewal for ten years (based on 5 year Driver’s License cost).

There is currently inconsistency in water licensing. Groundwater is managed differently to surface water, with larger users licensed while garden bores remain unlicensed. Similarly, surface water is licensed only in proclaimed areas, with other areas remaining unlicensed. Even in proclaimed areas, exemptions exist for stock & domestic, riparian and spring rights.

Specifically regarding surface water catchments, equity of the application of any fee needs to consider the environmental allocations of water and all water users (including those not currently licensed).

Within the Warren Donnelly, only a proportion of the total flows are currently used for irrigated agriculture. Environmental flows are maintained through the Department of Water and Environmental Regulations management of water. These environmental flows protect and enhance the social & community values, including protection of areas of National Park. When considering a fair and equitable arrangement for any fee structure, this water is ‘used’ by the general public. As such, a proportion of any cost recovery should be covered by this user group, the general taxpayer — which incidentally already includes the local irrigators.

Within proclaimed catchments dams are licensed unless they are exempt under domestic or spring rights. This presents a situation where one property will be required to pay for a license while the neighbouring property may not. There needs to be consistency in the management of water before fees could be introduced.

Under an equitable system, all users of water would be included in the fee structure to manage our water resources. This includes properties with spring rights, use for stock and domestic, properties outside of proclaimed surface water catchments, and the general public.

Identifying a risk matrix to scale cost is one option. However, in this structure the costs suggested seem extravagant.

In a sub catchment where water is already fully allocated, there is no need for a detailed assessment. No new licenses should be accepted, and as renewals arise there should already be sufficient information without requiring a further large scale investigation. Any changes that may be required would be as a result of climate, which should be addressed via local water allocation plans. These local plans will continue to evolve, identifying areas that may require further information to enhance the water available to ensure agricultural production in dry years – through such mechanisms as variable take.

The suggested fee structure also imposes a similar cost on individual farming businesses as for large scale irrigation schemes. This seems neither fair nor equitable, considering the large differences in volume.

As the suggestion stands, mining and public water supply (using approximately 56% of currently licensed water) would recover less than 5% of the estimated cost.

With smaller volume licenses (total of 16% of licensed volume), this puts a large burden on irrigated agriculture who hold a larger number of licenses.

In many situations, one farm business will hold multiple licenses relating to multiple properties. This exacerbates the costs involved, with little benefit to the business. Should fees in some format be introduced, can these licenses be combined into a single instrument?

- Clearing applications

The basis of the proposed fee structure for clearing applications is flawed. An assumption is made that in the south west of the state that land is largely cleared, while in the northern areas it is not.

Within the Shire of Manjimup only 17.3% is privately owned land, and less still is priority agricultural land. This would suggest that the complexity of clearing applications in this area is less than that put forward in the discussion paper.

Complexities of clearing applications are not based solely on location. Clearing of – for example – 24 trees would have minimal impact. Why does it become so complicated to administer?

- Regarding service delivery

#### Clearing applications

The discussion paper recognises that the Department of Water and Environmental Regulation have not met their published performance indicator on timelines of assessments since 2014/15. We put forward that before any fees are charged for this service that improvements are made so that performance indicators are met.