



## **SPEECH TO THE SENATE ABOUT WA LABOR'S ATTEMPT TO INTRODUCE UNFAIR WATER LICENCE FEES**

**By Senator Mathias Cormann on 11 September 2007**

**Senator CORMANN** (Western Australia) (10.28 p.m.)—Just over a week ago, I attended a meeting in Manjimup, together with the Liberal candidate for Forrest, Nola Marino, with about 100 farmers and landowners. Nola Marino is another one of those great Liberal Party candidates with a background in small business—she was a farmer in the Harvey area—and she will make a great contribution to this parliament after the upcoming election as the member for Forrest. The meeting was organised by the Manjimup and Pemberton landowners group and the office of the local state member of parliament, who also happens to be the state leader of the Western Australian Liberal Party, Paul Omodei. The reason I went along was to listen to the very serious concerns of farmers and landowners about the way the state Labor government in Western Australia has been implementing the introduction of water licence fees and the metering of dams.

By way of background, Manjimup is the largest shire in the south-west of Western Australia, covering an area in excess of 7,000 square kilometres. The area contains about 40 per cent of Western Australia's potable surface water and is responsible for in excess of \$150 million worth of agricultural production per annum. At the meeting, farmers and other landowners very strongly expressed their view that the way water licence fee arrangements were being implemented by the state Labor government was irrational, inequitable and unfair. Having listened very carefully to their case and assessed all of the information, I agree that what the state Labor government is doing is unfair to landowners in the south-west. There is also significant fear among farmers that this is only the start and that fees are likely to continue to rise rapidly on the basis of this irrational, unfair and inequitable starting formula. This of course would contribute to the increased input costs experienced by farmers.

The shire of Manjimup is the largest agricultural producer in the south-west and the fees could force farmers to move away from agricultural farming to farm plantation timbers, which would place even more pressure both on local water availability and on other regions to contribute to the state's food bowl. What is particularly concerning is that the state government, rather than taking political responsibility for the unfairness they are seeking to impose on farmers in the south-west of Western Australia, are attempting to blame the federal government for what they are doing. Somehow, it is all about the National Water Initiative. Even though they have had plans for years to introduce these fees, now that the National Water Initiative has come along they are blaming the federal government because that is politically convenient. I was able to assure the meeting that, while there is provision in the National Water Initiative for water licence fees to recover the cost of the water licensing process, there is no provision which would require the state government to implement those fees in a way that was irrational, unfair and inequitable.

Incidentally, most landowners at the meeting did not disagree with the proposition that a fee was going to be charged. They understand more than most that water is indeed a precious resource, and they are prepared to do their bit. However, they strongly disagree with the way the fee is being implemented by Labor in Western Australia and with the fact that it is targeted at them while leaving a large number of other water users essentially watching them from the sidelines as they are being asked to pay the lion's share. Indeed, the issue is not that water licence fees are being implemented but, rather, the inequity in the level of fees being imposed. Farmers who have used generational, strong water management processes are in effect being penalised by fees well above the average for other water users.

One farmer in particular became very emotional about it. He related the story of how his family had gone without for years to be able to invest in the construction of private dams on his property in order to add value to the property and, by catching rainfall, to make his contribution to the production of food for the people of Western Australia and Australia. Now he was being penalised and targeted by his state government. Where is the fairness in that? What about our principle of a fair go?

To give you a specific example of that unfairness, under the WA state government's plan, landowners in Manjimup and Pemberton who have been licensed for 40 gegalitres of water from their private dams will end up paying about \$6.40 per megalitre, while in the Ord River area the Ord River Co-operative, which has been licensed for 335 gegalitres of water, will pay only one \$3,000 water licence fee, translating to less than a cent per megalitre. Similarly, the fees levied on 'irrigators' in Harvey, where water is conveyed by either channel or pipe from public dams, appear incongruous when compared with fees imposed on farmers in Manjimup and Pemberton: 6c per megalitre in Harvey and more than a hundredfold greater, at \$6.40 per megalitre, for 'self-supply' farmers in Manjimup and Pemberton who have totally self-funded the dam infrastructure responsible for catching the rainwater. Farmers in Manjimup have put millions of dollars into infrastructure on their own properties at their personal expense in an effort to drought-proof their farms and conserve rainwater. However, no distinction is made between fees on public and private infrastructure. Again I ask: where is the fairness in that? Where is the commitment to a fair go?

The fees as implemented by Labor in Western Australia appear to go well beyond what is required for cost-recovery purposes. As such, there is a view that most of the new fees essentially are nothing more than a new tax rather than cost recovery. In line with advice received from the office of the Minister for the Environment and Water Resources prior to the meeting, I was able to advise landowners in Manjimup that the minister was well aware of their concerns and that he had asked the National Water Commission to consider the Western Australian licence fee arrangements. I also understand that the state government has been put on notice by a number of state members of parliament that a disallowance motion will be moved in the state upper house in the near future with the aim of forcing the state Labor government to go back to the drawing board and come up with a fee arrangement that is fairer and more equitable. I have since met with advisers in the minister's office and written to him urging him to consider very carefully what is happening in Western Australia. I look forward to the National Water Commission considering the Western Australian water licensing fee arrangements as a matter of urgency. Following on from that, I look forward to a statement in due course from the minister for the environment clarifying the Commonwealth's position in relation to the state government's approach to water licence fee arrangements in Western Australia.

Before concluding I would like to thank and congratulate Neil Bartholomaeus on the work he has done in supporting his community in their fight to achieve fairness and equity for farmers and landowners in the face of a state Labor government intent on getting away with picking off what they perceive to be a weak and politically convenient target. I would also like to thank our state leader, Paul Omodei, and my local state parliamentary colleagues who attended the meeting in Manjimup: upper house members Barry House, Robyn McSweeney and Nigel Hallett and the shadow minister for the environment, Steve Thomas. I thank them not only for their attendance at the meeting but for their ongoing commitment to helping resolve this issue in the interests of farmers and landowners in Manjimup and Pemberton. I also thank Kym De Campo for all her work behind the scenes in helping to make it all happen. Finally, a very special thankyou to our federal member for Forrest, Geoff Prosser, for his ongoing mentoring and advice not only on this important issue in his electorate but on many other issues as well.

Let me conclude. The easiest way to resolve this is for the state government to go back to the drawing board. We should not have to force them to do the right thing. We should not have to force them to come up with a water licensing fee arrangement that is fair, equitable and just—although that would be the easiest way. I call on the state government to reconsider the way they are approaching this, but in the absence of that I look forward to the conclusions of the National Water Commission and I look forward to coming up with a resolution that is going to be fair for the farmers and landowners of Manjimup and Pemberton.