

**ECONOMICS AND INDUSTRY STANDING COMMITTEE**

*Ninth Report — “Water Licensing and Services”*

**MR R.C. KUCERA (Yokine)** [10.40 am]: I present for tabling the ninth report of the Economics and Industry Standing Committee, entitled “Water Licensing and Services”.

[See paper 3651.]

**Mr R.C. KUCERA:** It is a fairly weighty tome, as members in the house can see. This report arose from a debate that was held on 24 October 2007 and as a result of directions from the Assembly. As a result of that debate, we were presented, as a committee, with seven terms of reference that relate largely to the current fee structures, the costs incurred, the imposts on irrigators of a licensing system, the full cost incurred by the Department of Water for administration of the current water licensing system and the extent to which the water licence administration fees meet cost-recovery requirements of the National Water Initiative. The whole inquiry essentially revolved around the views of various users of water throughout the state and the actions of the department in the establishment and imposition of fees.

As we all know, Australia is faced with the spectre of a drying climate and an ever-increasing demand for potable and commercial water. These pressures vary widely across Australia according to climatic conditions. To deal with this, the commonwealth, the states and the territories have entered into a broad agreement, which in fact started in 1994 and has now become known as the National Water Initiative. It flows from a 1994 Council of Australian Governments’ report aimed at developing a nationwide framework for the management of what is increasingly becoming one of our most precious resources: water. That agreement also signals a clear need to work towards a consistent, Australia-wide, sustainable model of best practice and governance in the planning, the management, the resourcing, the financing and the trading of this precious resource.

Western Australia has become a signatory to that agreement, and with regard to it has begun to develop—I stress that; it has begun to develop—a reform pathway that currently utilises existing legislation. In fact, the existing legislation goes back to 1914. Western Australia has used that state legislation and some of the existing management structures to push on with attempting to, I suppose, implement what has now become known as the National Water Initiative. A state water plan has been developed and a blueprint for reform is attached to it—it was issued in the past two years. They are being implemented in areas of the state that have been either proclaimed under the old legislation as management areas or recognised as requiring the development of management regimes. The plan recognises the need for reform, and it also proposes future legislation that in turn will reflect the intentions of the National Water Initiative. In doing so, it is intended that in the future each of those areas—for the sake of brevity I will call them consumptive pools or, if one likes, pools of water around the state, to use a pun—will eventually be identified, proclaimed and developed as statutory management areas. It is the intention of the National Water Initiative for that to occur, and the National Water Initiative is quite clear in its intentions when it states that.

The National Water Initiative is considered a best-practice framework that is based on the fundamental elements of planning. This, in turn, relies on a system of identification of ground and surface water resources and a commitment in each of those identified areas to undertake planning based on that information and, further—this is one of the key elements, and I think it is one of the issues that has caused much of the debate that has raged within the house and, indeed, across the state in the past two years—to engage with the community to ensure that water plans incorporate community values. Essentially, the NWI outlines eight key elements that form the basis of the agreed National Water Initiative, and the outcomes and the commitments to that action. The eight key elements are listed within the initiative. I will not go into those; I do not have the time to do it. However, what the National Water Initiative essentially says to the states and to Australia is that we need to implement firm transitional pathways as we move down the roadway of establishing these statutorily managed areas. That, in turn, will allow the users in those areas to properly manage their resource, and, in doing that, it needs to be appropriately measured and monitored. It then allows those areas to allocate water. There are many areas in this state where allocation has reached only minimal proportions in some instances. The Manjimup area is a classic example, where it is estimated that only 35 per cent of its available consumptive pool has been allocated. The overall thrust of the NWI then starts to move towards the trading of water entitlements and the trading of water itself, and that is another issue upon which I will touch in a moment.

Essentially, I will come back to the key theme of what I will say today and what the findings and the recommendations support. There is a requirement under the National Water Initiative, to which Western Australia is a signatory, to develop proper, planned water resource management. Once those plans are in place and properly recognised, and involve the area in which the water is being managed, there is the capacity to set and charge for licences and then charge for the management of the resource. That is the intention of the NWI. At the end of the day, it is anticipated that those charges will be subject to full cost recovery from the people who

are using that water. That sequence is envisaged by the National Water Initiative. It is replicated in the views that are expressed within the state water plan, and it is also stated in the reform blueprint that has been put forward by the state government.

**Mr D.T. Redman:** Can I ask a question?

**Mr R.C. KUCERA:** I prefer to go through my speech, but I am more than happy to talk to the member afterwards, outside the house, and go through it, unless he wants to put something on record.

**Mr D.T. Redman:** No.

**Mr R.C. KUCERA:** There are 45 findings in all within the report and some 25 recommendations. Within the report itself those findings are essentially separated into the chapters that deal with the terms of reference. There is a general acceptance that there needs to be a charging of fees for licences. First, I will go back one stage. There is a general acceptance right across the state—in fact, by all the people who presented to the committee—that water should be licensed. There is a limited acceptance at this stage of the way in which that has been implemented by the Department of Water. In fact, much of the debate and the submissions revolve around confusion and misconceptions that have arisen from the way in which the department has attempted to implement the fee structures and the charges that it has put in place.

The committee found that there is a need to put in place a whole model, not just parts of a model. The model is quite clearly mapped out for the transitional pathways. Before that modelling can start, however, there needs to be a clear identification of water pools, consumptive pools and the amount of water that is available. I had the opportunity late last year to visit Israel and to look at the situation there, as was described by the Deputy Speaker yesterday. There is a clearly planned use of water resources across that nation. What struck me most about it were the levels of research, monitoring and structured metering. It became clear during the course of the inquiry that there has in fact been a reduction in that activity in Western Australia, and the report clearly states that there has been a reduction in monitoring across the state. We spoke at length with Professor Imberger, the Director of the Centre for Water Research. It also became clear that the centre, which was set up in a blaze of publicity, is not being utilised to the degree that it should be. That is an issue that needs to be addressed within the overall framework.

I will now speak about fee structuring and the charges that have been imposed. The fee structure is very confusing. I might say that the subject matter of this report is extremely complex, and with the limited time frame available, the committee wrestled with the complexities of the ways in which fee structures are calculated and set for individual licences, and the ways in which it is envisaged that fees will be collected in future. It is obvious in situations in which management systems are in place—for example, Harvey Water—where there has been a clear identification of the water resource, the resource is metered and monitored, and the costs have been clearly established, that there is very little argument about fees being charged and costings being applied. However, the greatest opposition comes from those areas in which people have built their own infrastructures, are essentially self-supplied and have established their own water resources. In those cases there is great confusion about what the charges actually mean. This issue is covered within the report and I know that the member for Maylands wishes to speak about that later.

The fee structure is confusing. In the example of a motor vehicle licence, one applies for a licence and expects to be charged an application fee. When one receives a licence, one expects to pay an administration fee. The committee believes that the fee for a water licence should relate wholly and solely to the administration of that particular system of licensing. The licence recognises a person's right to be allocated water and to use water, in the same way that a driver's licence recognises a person's right to drive a car. That is the second element of what a charge ought to imply.

The third element has caused the most confusion, and it concerns the costs of management of the water resource. In many instances the committee encountered great confusion, many misconceptions and a belief that charges for water resource management had been included in the cost of licensing. The attachment of a volumetric measure to each licence has added to the confusion and the misconceptions. It became clear from the submissions made to the committee that the Department of Water needs to pay far more attention to the needs of its customers in certain areas when establishing these kinds of charges and fees, rather than merely considering what will make it easier for the department to do its job. It needs to address the needs of its customers as opposed to the needs of the department.

It is very easy for the Department of Water to administer resource management costs in areas in which there are irrigation cooperatives and those kinds of things. The difficulty arises with individual water supplies and providers. The committee is of the belief that the charges now being levied should be revisited as a matter of urgency. In fact, the committee believes that the Economic Regulation Authority should have been involved from the outset, rather than waiting two years. At the very least, it should become involved in the development

of the state water plan and the charges that may arise from that. The committee believes that the charges should be split into three separate areas: charges for applications for a licence; charges for administration of licences; and management resource fees, although the department should begin talking about the last fee grouping only after plans have been properly implemented for a given managed resource area.

Another difficulty is that the Department of Water carries out monitoring and metering of water supplies and the consumptive pool only within certain areas. In other areas the role is performed by the cooperatives. This results in a mix and match of costings. The committee could not stress enough to the Department of Water and others involved, including the Minister for Water Resources, the importance of establishing statutory management plans for given areas and involving the local people in the development of the planning process before the fees are set.

One of the terms of reference asked the committee to examine the matter of penalties, and whether penalties would be imposed if we did not go down the pathway of full cost recovery envisaged by the National Water Initiative. It is the committee's view and the view of the NWI that the risk of penalties is extremely low. In fact, the greater loss would be to our credibility as a state in managing what has become our most precious resource were we not to go down the path of establishing the full planning processes envisaged by the NWI. Other committee members wish to speak, but may I say that the report speaks for itself. We need to reflect the intentions of the NWI in the overall planning process. The committee believes that the issue of fee charging needs to be revisited.

The report includes a section that deals with the loss of amenity in situations in which the cost of potable water is viewed simply as a matter of the costs that are applied. There are two quite clear examples in which the loss of the use of a water body has come at great cost to the local community, particularly with regard to tourism. That also needs to be addressed.

This is one of the most complex inquiries I have been involved in since I entered Parliament, and I must pay tribute to the committee members for putting in an enormous effort, particularly during the Christmas and New Year period, and with particular regard to the time frame for the report. It is patently clear that there is enthusiasm for the development of a statewide system of water resource management, but it has to be underpinned by legislation. Plans need to be specifically designed for each local area—some of them are already in place and working well—and we need a licensing system that enshrines the right to be allocated the use of, or to trade in, this precious commodity. There is a great deal of enthusiasm for that, but because of the confusion and misconceptions within the community, the committee is of the view that this report should be used to put in place a clear transitional pathway to return to the original intentions of the NWI.

The committee gives enormous thanks to Dr Loraine Abernethie and her research assistant, Ms Vanessa Beckingham, for the enormous assistance they have given us. We were not able to travel to areas that committees normally travel to or to undertake the depth of research we wanted to, but this report is a clear pathway forward for this Parliament.

I thank Ms Farrah Martin for her administrative support. I also thank the committee members who are unanimous in commending the quality of the research and the report that has been prepared by these people. The management of this precious resource is probably one of most important issues confronting Western Australia. I hope that this report, with its 44 findings and 25 recommendations, provides a pathway forward that allows us to get back on track.

**MR A.J. SIMPSON (Serpentine-Jarrahdale)** [11.00 am]: As the member for Yokine said, the Economics and Industry Standing Committee's report speaks for itself. I acknowledge the work undertaken by the members of the committee—the member for Yokine, the member for Greenough, the member for Maylands and the member for Collie-Wellington—as well as by the committee staff, Dr Loraine Abernethie, Vanessa Beckingham and Farrah Martin. The work undertaken by the committee staff has been fantastic, and I thank them very much for their hard work. I suggested to them yesterday that when they have a glass of wine, they should add some water to it so that they can sample what we have been working towards.

The Economic and Industry Standing Committee's report speaks for itself, but I will touch on a few of the issues. The National Water Initiative does not fit our state. For example, the Murray-Darling basin traverses three states. Water trading does not occur at a great level in Western Australia. It is obvious that water cannot be traded between Pemberton and Esperance. The trading of water is successful only in certain areas. The member for Yokine referred to a few issues relating to that process.

The reason for this inquiry is that the 1914 Rights in Water and Irrigation Act states that water is owned by the Crown and, basically, that the government has the right to charge people for their water use. In the process of setting up water licensing, the Department of Water used the analogy of a bucket of water filled with all the water in Western Australia. Nobody knows how much water is available in Western Australia; we can make an

estimation only. However, everyone is tapping into that bucket of water and using the water for various reasons. A farm is not required to have a water licence and, therefore, does not have any difficulty watering its stock. A person irrigating a property that is less than half a hectare does not need a water licence. However, if water is being used to grow fruit and vegetables, a charge will be levied. It is interesting that that is what started this process. We have reached the situation in which people will be required to apply for a water licence.

This issue has not been assisted by a Department of Water advertisement in the *Collie Mail*. Unfortunately, the member for Collie-Wellington is unable to be in the house for this debate. I will read the advertisement that outlines the reason for water licence administration fees. It states —

**Your questions answered**

A drying climate combined with increased water use means we need to manage our water resources better. By introducing licence administration fees —

I advise members that currently bores must be licensed, but there is no charge for the water. The advertisement continues —

... the department aims to increase water security for all water users to ensure there is enough for everyone to share, now and in the future.

That is a great statement and it is what this is about. The advertisement explains the fees charged. It reads —

**Who does not pay for a water licence administration fee?**

Anyone who does not have a water licence and anyone with a water licence for 1500 kl or less.

The advertisement then explains who needs a water licence and who does not need a water licence. Those who do not need a licence are householders, and that includes all the domestic bores in Perth; anyone needing water for less than 0.2 hectare, or half an acre; anyone needing water for stock; and anyone collecting rainfall runoff into tanks or dams.

As members would be aware, if somebody dams a natural water course, they will be fined. Therefore, what the Department of Water is trying to do is not clear. The committee found a problem in determining who has to be licensed and who does not. The community must be properly educated about this issue, and the advertisement published by the Department of Water is not very clear.

I come back to the bucket of water into which everyone is tapping. The member for Yokine raised the point that everyone should pay a licence to use it. The report is self-explanatory regarding that process.

Another big issue that concerns me in this context is land ownership and water licences. If somebody were to buy a block of land of reasonable acreage that has a water licence, he must make sure that he has access to the water to that property. The water licence must be transferred into the purchaser's name. The day will come when a block of land does not have a water licence attached to it, because the previous owner of the land has decided to retain the water licence and trade it with a neighbour. Members will, in the future, be confronted by constituents saying that they have just bought a block of land and cannot get access to the water. It concerns me that land ownership and a water licence will not be linked together, because water is a commodity and can be traded. The committee's concern is highlighted in the report that one day these two things will be separated.

I come back to the bucket of water and ask who is taking water from it. In the south west there are thousands of acres of blue gum plantations. In some instances the dam on the next-door property dries up because of the plantation. The question is whether the plantation owner should pay for that water. The answer should be yes, because the trees are taking that water. However, we must take into consideration that plantations are keeping groundwater at a certain level to prevent it rising. If we take it one step further, as the Conservation Council of Western Australia suggested, and took into consideration all the bushland sites and said that those areas are sucking up water, we can ask: will a fee be paid for using that water? The answer could be that the rainfall runs off. Again, are we taking it too far? We must identify who in this state is using water and who pays.

We had an interesting meeting with fruit growers. If we were to ask a stone fruit grower how many kilolitres of water he uses to grow one kilo of fruit, the answer from a fruit grower in the hills would be four or five times higher than the figure given by a fruit grower in the south. In a fruit growing business plan, I need X kilolitres of water to grow so many kilos of fruit. If it is not feasible to undertake such a project, it should not be proceeded with.

The last issue I raise is the social cost to communities in the south west of the use of dams for recreation. The Harvey slalom whitewater course was closed a number of years ago when the new Harvey dam was built. That sport has lost its amenities. It is a social cost to a community, and that must also be taken into consideration.

This report does speak for itself. I am very happy with the outcome. I am excited about it because we have finally put something together. It could not have been done without Loraine's hard work in putting this report together. I encourage all members to read it. They will get inquiries about it.

**DR J.M. EDWARDS (Maylands)** [11.08 am]: I support this Economics and Industry Standing Committee's report and commend it to the house. It goes without saying that water is a contentious issue, and that point was driven home to us all the time in our investigations and deliberations. Western Australians recognise that climate change and the drying climate being experienced more in the south of the state is a real issue that is here to stay. In addition, in WA we have extra challenges facing water—our pace of development and associated population growth means that our water resources will continue to be challenged and open to inquiry. On top of that, no matter where one lives in the world, as people look to improve their quality of life, they will use more water; whether it is industrial processes that lead to that quality of life or in the way that people live, more water will be consumed.

Sustainable use of the water resource is essential. During this inquiry, the committee had the opportunity to briefly look at documents and to review the thinking on that issue. The framework that wrapped around all our deliberations and recommendations was this notion of sustainability and the need to ensure that we do what we can now to protect this resource so that it is there into the future for the people who follow us. As other members and the chair have said, the terms of reference of this inquiry were fairly narrow and the time frame we had in which to deliver a report by 28 February was really pretty short considering that we had Christmas and January in the middle of that. Nevertheless, we have taken the job very seriously. A lot of work has gone into this report. The report is over 200 pages in length and I commend it as a good read. I will say more about that in a minute.

Part of our deliberations involved looking at both the state water plan and the National Water Initiative. One of the good opportunities that were available to the committee was the chance to travel to Canberra to meet with the people who are working on the National Water Initiative. That served two good purposes. The first was that Western Australians sat across the table from those people, eyeballed them and told them in more detail the good things that we are doing in this state. It is important that we continue to make sure that it is not just an eastern states-focused initiative. It was also an opportunity for me to better understand what the National Water Initiative means, as well as the structure and thinking behind it and how it is working as it is being rolled out.

Members need to bear in mind that this report contains the unanimous recommendations of the members of this committee, who are from three different parties and who represent five very different electorates. Regional and rural, urban and outer metropolitan areas are represented on the committee. The committee was able to listen to the very diverse and sometimes very angry views that came before it and to come up with a set of recommendations that I believe outline a really straightforward way forward. We observed considerable angst in the community about the new water licensing fees. There was confusion about why they are being put in place, what they mean and what might happen in the future. We considered all those views, we sought further information and we formulated our findings.

Perhaps one of the more helpful elements of this report was our decision to put a framework around this whole question. The framework has three elements to it; they being the water licence administration fee, the water licence application fee and water resource management fees, which we believe will eventually be in place, but we add a lot of riders to this latter consideration. It helped us to consider those three elements when considering our terms of reference and when looking at the way forward. Frankly, it is unacceptable that people currently have licences, for which they do not pay anything, that allow them to take very large volumes of water. We all pay for a driver's licence. There are various ways in which we are licensed, for which we pay modest amounts. As others have said, and as was driven home to the committee, there are issues concerning communication about this whole process. We have constructive comments to make about that.

The National Water Initiative and the state water plan provide a very useful backdrop and framework. It is an obvious point but it still needs to be said in these sorts of reports that planning is critical. The statutory water management plans are essential to the way in which we move forward. However, the transition pathway is equally important. There is a lot of good guidance available. As members know, this is a huge state. For all issues, but particularly water, there are different situations and circumstances in different parts of the state. As a result, there are differing needs in different parts of the state. Although this report provides a snapshot of what is happening at this time and will play a very valuable role, we would be kidding ourselves if we thought that tension will not continue as we move forward. There will always be ongoing issues.

I will comment on a couple of the things that came up during our inquiry. Water trading is an absolutely fascinating issue. On an administrative level, we received advice on how costs should be determined and assigned. The committee is very clear about the need for an increased role for the Economic Regulation Authority right now for the water licence administration fee and into the future when we eventually have full water resource management fees. I have also been reassured by the role of the National Water Initiative.

However, despite that reassurance, we need to continue to make sure that it is not the east coast that, over time, gets more of the attention. I have also been favourably impressed by what people are doing at the local level and by the depth of local knowledge and local management. This is something that can and should be fostered through the statutory water management plans. One of the surprises for me of this whole inquiry has been the issue of plantations. We looked at that issue in its full context. We looked at the areas of the state in which trees play a very valuable role; for example, with water balance and salinity problems. Plantations in those areas are of great benefit. However, it became obvious that in other parts of the state, plantations use a lot of water, and we need more information about that use. Plantations need to be factored in, particularly in the statutory water management plans that will be developed over time.

This report has been done in a short time frame and perhaps not in the depth that we might want a parliamentary inquiry to go into. Nevertheless, this is a very sound document that provides constructive and valuable comment at this time and offers ways forward both immediately for the water licence administration fee and in the medium and long term for water resource management fees. I recommend this report to the house. As members have said, it has 44 findings and 25 recommendations. The report has been structured in such a way that reading just the findings and recommendations alone will give members a very good idea of what was presented to us, what we found and what we think is the way forward. I strongly thank and recommend our principal research officer, Dr Loraine Abernethie, and her assistant, our research officer, Ms Vanessa Beckingham, for all the work that they have done. I also thank the other members of the committee for their cooperation. We have had some very good, robust discussion. I thank the chair for his leadership. This is a great example of a contentious issue being referred to a committee whose members are from three different parties and from all over the state and who came together to produce a report. This document will certainly not make everyone happy and it will raise a few eyebrows, but, frankly, it is the considered view of members, which view was developed in very rational circumstances, and presents a fair way forward. I commend the report to the house.

**MR G. WOODHAMS (Greenough)** [11.18 am]: I first acknowledge the tremendous amount of work done by Dr Loraine Abernethie and Ms Vanessa Beckingham. Without their tireless work over summer, I do not believe that this report would have been in any shape or form to be delivered today. The committee was given a remarkably short time in which to undertake an investigation into a very complex set of circumstances, which members of the house will appreciate when they read this document. I acknowledge what the member for Maylands has said: this was really achieved through the cooperation of the members of the committee, who worked together to produce this document. I commend the report. The time line was difficult and we were able to do only some groundwork. Unfortunately, we were not able to travel as a group to some places. I think the report might have been enhanced had we been able to do that, but it was a matter of meeting deadlines.

I can remember some time towards the end of last year—before this report, might I suggest, was probably even thought of in this house—standing next to a blue gum plantation on a farmer's property. Obviously, in previous years a stream had flowed through the property at which time the farmer and his family would have been able to use the water for growing a horticultural crop. However, that blue gum plantation had effectively utilised all the water available so that the stream no longer flowed. One of the parts of the report and one of the very strong recommendations that I urge all members to read is that pertaining to plantations and their impact. A whole range of environmental, economic and social outcomes arise from blue gum plantations and other deliberately planted tree plantations for commercial operations, particularly in the south west, which this report addresses and we will need to give consideration to in this house going forward.

One of the things we needed to do with this inquiry was to negotiate the National Water Initiative and understand the implications of that for this state. We also had to consider the marriage of the National Water Initiative with our own state water plan and the results that come from that marriage. Understanding water issues in Western Australia is incredibly complex. Once again, I will reflect on something the Premier said, in fact, this morning when talking to the Pastoralists and Graziers Association's annual conference about Ord stage 2, which is something that we talked about in this house yesterday. Ord stage 2 is an immensely complex project directly impacted on by the issues addressed in this report, and we acknowledge that. However, we can contrast that scheme with water-use activities in the southern part of the state, such as the use of bores to effectively give people a livelihood. They are very different sets of circumstances, but ones that we must try to understand for licensing arrangements, if that is the way we will eventually travel; that is, how the cheese and the chalk, if we like, can be addressed in the same way. Understanding the issues involved in this inquiry was a real challenge.

I am glad that the member for Serpentine-Jarrahdale read out the advertisement, which I think was in the *Collie Mail*. It muddied the waters in some sense given what the committee was trying to achieve when the Department of Water lodged an advertisement, which in some ways might have confused people who might have wanted to make a submission or who had already made a submission. Would they be licensed; what sort of allocation of water would they be entitled to; would they be able to trade water licences? They were among all the questions we were asking and in the middle of our inquiry the department lodged an advertisement. It was most peculiar.

However, if members read the recommendations in this report, they will see how we have very constructively recommended that the Department of Water progress along certain lines.

As I say, if the Department of Water's role is to recommend licensing for a range of water uses across Western Australia, its role is pivotal. It therefore needs to do a far greater amount of consultation and planning and become far more involved to try to understand the needs of the myriad users: commercial users and those of us of this world for whom, quite simply, the requirement is potable water. However, for argument's sake, a mining operation east of Kalgoorlie that might be a huge user of water does not need potable water. We do not want a company pouring potable water onto a mining site. Nevertheless, those sorts of companies need access to vast volumes of water. Therein lies the issue of how they go about using it and their responsibilities. It is an immensely complex task.

Last week, I had the privilege to be in Northampton—it is always a privilege—but I had the great privilege of being there when the Minister for Water Resources was there to officially open a pipeline. I commend him for that. In that case, I acknowledge the fantastic work that the local Water Corporation office did under the management of its local area manager Hugh Lavery. The contractors working on that pipeline involved the local community, negotiated the process and produced something the community desperately needed. The community did not want its water trucked up from Geraldton any longer. That community now has its own water supply as a result of negotiations involving the Department of Water, the Water Corporation and other players. Perhaps, minister, that can be considered a model. I know that one size does not fit all, but perhaps in light of the cooperation achieved in that instance, it might need to be invested in and investigated further with all sorts of players in the water industry across Western Australia.

**Mr J.C. Kobelke:** I suggest there was fantastic community support for that and that is why it was done so quickly. There was another spin-off: as you well know, farmers in that area are doing it very tough, and it meant that a number of them were employed actually doing the work, so it gave them a form of income that they would not have had.

**Mr G. WOODHAMS:** As the minister points out, because of the very difficult drought circumstances, many local farmers who would have been forced to leave the land and find employment somewhere else were offered the opportunity to contribute locally and receive an income, which they could spend locally.

We drink water, we recreate in it and we use it to grow our produce; we use it in mining operations and in aquaculture. It is used for a fantastic range of activities. We need a far more intelligent approach going forward in this state. This document will contribute to that. Might I suggest that it is just a beginning. We were probably able to achieve only one-tenth of what we would have liked to do; however, we did what we did in the time we were given. The circumstances of people living in the city—drinking water, going to the local swimming pool or using a backyard bore to water their back garden—are remarkably different from the circumstances of people in rural Western Australia who see water rights as their only way forward to keep their businesses commercially viable.

The other point I would like to make in the time I have left is that we must negotiate if we are to tread the difficult path between the separation of land and water access rights. If the water rights attached to someone's property are to be removed to sell to someone else, some difficult legislative moments are ahead of us in achieving that process.

It was truly a pleasure working with the people on this committee and I commend the report to the house.