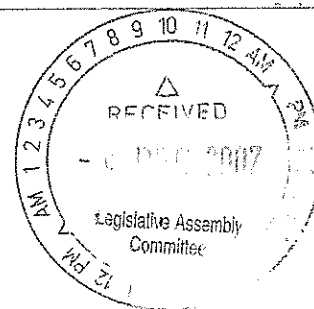


From:
To: <laeisc@parliament.wa.gov.au>
Date: Thursday, 6 December 2007 4:32 pm
Subject: Inquiry into Water Licensing and Services



We own and operate a production wine grape vineyard in Gingin WA.

Our property is 440 acres. We have calculated that we are using about 11% of the rain/water that lands on our property and consider that we are sustainable in terms of water usage. To be conservative with our water use, we have implemented what we believe to be worlds best practice in that we:

- a.. use moisture monitoring devices to be able to provide what water is needed, when it is needed,
- a.. have installed pressure compensating drippers through out the vineyard. Water is accurately dosed onto the vines and there is no wastage - unlike over east where flood irrigation and butterfly sprinklers are not uncommon, and
- b.. composting/mulching of vineyard to retain moisture and improve the efficiency of the vines,

The capital cost to set-up our own water supply was substantial. Upgrading power supply to the property to three phase, purchase of transformer to meet electricity demand, earthworks to build soaks, reticulation of water supply plus ongoing electricity and maintenance has been in the order of \$100,000+. We have already paid to get water and continue to pay to pump it. Our water is not free. It is expensive pump and we are very careful not to waste it. Our water is already expensive!

Wine grapes is a food production crop that has been struggling for the last 10 years with income from grapes below production costs. In our area, I have seen many growers either leave the industry or rely heavily on off farm full time work to continue with their vineyards. Typically as food producers, we are price takers, we do not set prices for our product and we are at the mercy of markets who decide what price they want to pay and whether they will take our grapes. We cannot increase our prices to cover increased costs. Our industry type means that we only have one crop a year. Providing the elements are not against us, we sell that crop and receive one payment that has to be budgeted to last 12 months. The imposition of the \$1400pa new water tax has hit us hard as it was not budgeted for. There is no contingency in the budget to pay for it especially with increased fuel/diesel prices.

With reducing income over the years, we have reduced capital expenditure and stopped employing full time workers. This has had direct impact on our community financially and additional financial imposts just exacerbate this problem.

The full cost of incurred by Dept. of Water for administration should be borne by new water lic. applicants or alternatively subsidised by the tax payer. If I am to buy a block of land, all development costs and government costs have been loaded onto the cost of the land are borne by the purchaser. The Developers or State Government do not charge a development fee on existing homeowners to pay for the new subdivision. I assume the Water Dept. has assessed that the existing water licenses are ok and that it is the future demand for water that needs to be addressed. Let the newcomers pay for the work that needs to be done to approve new licences. All the Dept costs to approve my license have already been paid. Why do I have to pay for the newcomers? The state government heavily subsidises public transport. Country people do not benefit from public transport yet revenue from country people is used to subsidise it. The government is happy to subsidise many aspects of society so why is the subsidy issue such a concern for what could be argued is a more important area (food production) that affects the entire poulation if subsidy is required.

Farmers are disadvantage in many areas by government eg roads, health, school, policing, amenities etc etc. The state government has already increased our off peak power electricity costs 25% this year and now wants to impose more costs on us. There are many incentives for us to stop food production and do better things with our land. Increased costs will be one of the main driving forces for us to pack up and leave and it is the government that seems to be forcing our hand.

Whilst I understand the benefits to all with a licencing system, if it is an administration fee then \$100 pa should be adequate to maintain record/administer an existing licence. Make new licences \$10,000 or more if need be. Don't confuse the cost of processing new applications with administering old ones especially in our circumstances where this fee is a rainfall tax.

Greg Page
Farmer/grower

CC:

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