



Your ref: PAL
Our ref: CEOW294/13
Enquiries: Paul Brown, 6364 6408

Hon Liz Behjat MLC
Chairman
Standing Committee on Public Administration Committee
Legislative Council
Parliament House
PERTH WA 6000

Dear Ms Behjat

INQUIRY INTO PASTORAL LEASES IN WESTERN AUSTRALIA

Thank you for your letter dated 13 August 2013 announcing the commencement of an inquiry into Pastoral Leases in Western Australia.

The Department of Water's (DoW) comments on the terms of reference included in your letter are as follows:

The management of the increase in the number of stock and environmental damage on pastoral land

In Western Australia, water contamination risks in public drinking water source areas (PDWSAs) are addressed through an integrated land-use planning and PDWSA protection program. The program is based on parliamentary committee reports, legislation, policies, strategies and drinking water source protection reports.

Public drinking water source areas (PDWSA) in remote areas are proclaimed under the *Country Areas Water Supply Act 1947*. PDWSA presently affect freehold, unallocated Crown and leasehold lands and are subject to government policy and legislation. Pastoral land (rangelands) is generally assigned for priority 1 (P1) source protection (with the objective of risk avoidance).

In a P1 PDWSA, low intensity grazing is an accepted land use. However, more intensive land uses, such as such horticulture, tourism facilities, aquaculture, agro-forestry plantations, feedlots, caravan parks, light industry, rural support and service industries, service stations and rural subdivisions are considered incompatible with the objectives of P1 source protection (based on contamination risk).

Any land uses and activities on pastoral land that is located within a PDWSA should be in accordance with the DoW's water quality protection note 25: *Land use compatibility in public drinking water source areas* or recommendations stated in the relevant drinking water source protection report (attachment 1). Development proposals for pastoral land that are inconsistent with protection note no. 25 or drinking water source protection report should be referred to the DoW regional office for advice.

Conditions in line with the Land Use Capability Table (LUCT) (WQPN no.25) and best management practices (e.g. other WQPNs) should be formulated when preparing pastoral lease agreements.

Water and intensification of stock numbers

The DoW takes into account the volume of water used for stock and domestic purposes (this is exempt from licensing so the volume is usually estimated) in the development of allocation plans. This allows the DoW to consider the impacts of all water use on the resource, dependent environmental values and other users.

The DoW water allocation plans include estimates of water use for stock and domestic on pastoral leases (based on existing carrying capacities assigned to individual pastoral leases). If stocking rates are expected to increase through the diversification process (if this is a generic change in lease conditions) then this would have expected impact on exempt water use and would need to be factored into allocation limit estimates.

Stock intensification is currently dealt with through diversification permits and water licences are required, so the licence instrument would adequately address increases in stock that represent 'intensification'.

If larger volumes are needed for more intensive stock or pastoral diversification a licence is required and the impacts of any abstraction are assessed using the *Rights in Water and Irrigation Act 1914* (standard 7(2) assessment). The DoW only assesses impacts of abstraction, not broader land use impacts, so Pastoral Lands Board approval for diversification is needed before licences associated with diversification are issued.

Where there has been a clear government priority for pastoral diversification (e.g. LaGrange, Pilbara use of excess dewatering) the DoW has provided support through clarifying water availability and licensing arrangements in allocation plans.

The DoW's Rural Water Planning section assists pastoralists in the development of water assets on stations. Farmers can apply through the Pastoral Water Grants Scheme for up to a maximum of \$20 000 every 10 years on a dollar for dollar basis. It is targeted at the development of new water supplies to reduce the risk of over grazing around established waters. It is not to fund the routine maintenance of established water supplies.

The adequacy of security of land tenure

The DoW tries to ensure that pastoral lease water supplies are not adversely affected when considering water licenses for mining companies. This aims to ensure that adequate water supplies are present to enable pastoral activities to be carried out. If evidence is provided that there may be adverse effects the mining company is required to either modify their take, find a new bore location or get agreement from the lessee.

The proposed pastoral lease 2015

Given that some areas will be excised from pastoral leases, this could potentially change the carrying capacity of some pastoral leases which would require adjustments to estimates of exempt water use.

There will be some areas excised where land use (and possibly water use) will intensify (town expansions, recreations and tourism, purposes other than conservation). However

any increases in water use for these purposes would be captured through other planning processes and licenced accordingly.

Any other matter

With pastoral reforms there has been discussion about allowing more activities without Pastoral Diversification Permits (PDP). The DoW supports the option to have low-risk or small-scale activities excluded from the PDP process. However, the DoW recognises that there may still be requirements for these activities to apply for regulatory approval which may be less efficient than the PDP process.

Although there is a perception that PDP represents a barrier to development, the DoW considers that the PDP provides an overarching planning mechanism to manage a range of regulatory approvals and address issues associated with new activities. The DoW has found the PDP useful to assist in early business development and planning, particularly for new industries or business where water is required.

As an example, the PDP is currently the primary approval with regards to Native Title notification. If more activities are permitted without a PDP then the DoW water licensing process would need to include the necessary Native Title notification.

Further work is required to identify the activities to be excluded from the PDP process and define a pathway for implementation without increasing red tape.

Yours sincerely



Maree De Lacey
DIRECTOR GENERAL

13 September 2013