

18 December 2012

**Submission by the Western Australian Regional Development Trust  
to the Hon Andrew Robb, Chairman of the Federal Coalition's  
Dams and Water Management Task Group (Task Group)**

**1 The Western Australian Regional Development Trust**

The Western Australian Regional Development Trust (Trust) [www.wardt.wa.gov.au](http://www.wardt.wa.gov.au) is an independent statutory authority established under the *Royalties for Regions Act 2009* (Act).

The Trust is tasked to perform a broad oversight role on the Western Australian Government's Royalties for Regions program (RforR) and to provide high level independent and impartial advice to the Minister for Regional Development and Lands (Minister).

The object of the Act is to promote and facilitate economic, business, and social development in regional Western Australia (WA) through the operation of the Royalties for Regions Fund (Fund). The Trust advises on the allocation of funds and on the management of the Fund.<sup>1</sup>

The Trust is independent and does not speak for or represent the Western Australian government.

The Trust supports a balanced approach to assessing regional development proposals, including consideration of economic, native title, environmental, social, and cultural issues. The Trust concerns itself with policies or processes that advance, impede, or affect regional development prospects and outcomes.

**2 The Dams and Water Management Task Group's Interim Report**

The Trust has read the Federal Coalition's Dams and Water Management Task Group's (Task Group) Interim Report (Interim Report).

The Interim Report is a result of a public process and lists 67 submissions, including from various governments. The Interim Report indicates that the Federal Coalition intend to provide a final report and detailed policy in 2013.

In the WA context, the Trust considers that there are some additional perspectives and comments that it would suggest for consideration by the Task Group. At its meeting of the 5<sup>th</sup> December 2012 the Trust therefore resolved to make a submission as input into the Task Group's final report.

This submission is not intended to be a comprehensive response to the Interim Report, or of the dams and water subject matter.

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<sup>1</sup> The annual budget of the Fund is appropriated as 25% of the forecast State royalties for the year. In 2011-12 the budget of the Fund was \$1.205 billion, and in 2012-13 it is \$1.2 billion.

### 3 Task Group summary of WA water projects

Dam/Project	Storage	Yield	Cost	Cost per ML	Description
	GL	GL	\$M	\$/ML	
Ord					
Ord-East Kimberley Expansion	Increase irrigation area to 28,000		415		Project aims to double the size of irrigated agricultural land in the East Kimberley
Moveable spillway crest extension	1000 extra storage		120 k feasibility study. 15 m project estimate		Modest proposal for moveable steel dam arm to capture additional metre. 1000 GL would be added with extra metre of dam.
Fitzroy River					
Dimond Gorge					Plan to use new dam to irrigate 22500 ha south and east of Broome to grow cotton
Transport Water from Fitzroy to Perth			Highest cost was \$20.5/kl via canal		In 2004 a panel of experts (Kimberley water for Perth, Appleyard et al. 2006) investigated transporting water from the Kimberley to Perth using canals, pipelines and ocean (supertankers and large synthetic bags towed by tugs).
Combined effect of Fitzroy(Dimond Gorge), Margaret (Margaret Gorge) and Leopold River (Barramundi Range) Dams,		2000 GL	Dimond Gorge \$200m, Margaret Gorge \$200m, Leopold Gorge \$1 billion + (figures from 1993)		At Fitzroy crossing the dams would control 76% of the catchment and at Willare, would only control 38% and would have a much less significant effect on floods at that location.
Margaret Gorge Dam			\$200m		Would harness 27% of the catchment above Fitzroy Crossing
Collie River					
Wellington Dam	176 existing		Desalting Project cost estimate \$80 million		Harvey Water Proposal to "desalt" dam to support increased irrigated agriculture. State Government considers important. Also undergoing project to strengthen dam wall.
Collie River Irrigation System Project (CRISP)	Up to 26 GL		\$160 million		Harvey Water proposal to expand irrigation foot print of its 450km Harvey Pipeline Project. Footprint would extend from Waroona beyond Bunbury in the South.
Brunswick River					
Brunswick Dam	34-100 staged project	15-20	\$150 million (capital cost)		Private proposal by Southern Cross Water and Infrastructure Corporation for a new potable water source for the S.E. Some community support but lacks state government interest.

\*State government advises of no current plans to construct new major dams in W.A., however, potential development of surface water sources in areas not affected by declining stream flow such as the Kimberley region remain a longer term option.

\*State government also identified need to better understand the hydrology of the Fitzroy River and Margaret River systems in the north.

#### **4 Purpose of development<sup>2</sup>**

The need for sustainable growth and development has to be defended and justified. There are opponents to both development and growth, and to dams and water projects.

The purpose of development is to help Australia and WA realise its potential, increase and grow its aggregate wealth, and enhance the well-being and opportunities of its people. Development must create growth opportunities, address market failure, and build regional capacity.

Development is first a response to the expressed needs and demands of the public, and to population growth. Second, development is a response to domestic and global competition. Third, development is a response to significant opportunities for wealth creation, jobs, greater security, and better living standards.

By 2030 there are expected to be over 3 billion people in the middle-income bracket in our Asia Pacific region.<sup>3</sup> The growth of China, India and other countries in our region, and the consequent growth of a massive new middle class, should in addition to mineral resources see a great and growing appetite for Australia's and WA's land and sea food, and our beverages; as well as regional tourism.

#### **5 Food and the north**

Food production processing and distribution is core business for regional communities and regional development.

The Trust is aware of some findings of the Commonwealth's Northern Australia Land and Water Taskforce 2010 report that indicate limited 'northern food bowl' opportunities, but it considers that report's estimate of available development opportunities in the north to be conservative, and further work would be helpful.

In this light, it is worth noting the broad federal, state and territory inter-governmental support for agricultural development in northern Australia:

Ministers agreed that the development of agriculture in northern Australia is a rapidly emerging policy priority across the north, supporting national and international food security and regional development more broadly.

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<sup>2</sup> [www.wardt.wa.gov.au](http://www.wardt.wa.gov.au) speech 6 June 2012 by the Chair of the Trust Andrew Murray: 'Mining Town to Major Australian City – Role of Regional Development' The Pilbara – Creating A Legacy: 2012 Pilbara Pulse Economic Summit Conference.

<sup>3</sup> Commonwealth Budget Strategy and Outlook Budget Paper No 1 2012-13, page 2-28.

Ministers agreed to commission further work on medium and long term opportunities for food and fibre production in the north and on key infrastructure priorities. The Food and Fibre Supply Chains Project will provide a greater understanding of supply chain issues and constraints in relation to development of irrigated agriculture, as well as providing a greater understanding of national and international markets for key commodities that might be produced in the north.<sup>4</sup>

There is active Commonwealth and State consideration of enhanced food production. The Commonwealth's National Food Plan Green Paper 2012 has drawn a response from the WA government promoting WA agricultural potential and prospects.

It is vital from a regional development perspective that the National Food Plan incorporates into its planning the sustainable food production development opportunities available in northern Australia.

Dams and water priorities and projects must feed into such Commonwealth and State planning.

To introduce new food production in new agricultural areas to take advantage of the substantial growth of the Asian markets, WA has to address capacity issues. These include:

- Additional human capacity is needed if land and sea food production is to increase significantly
- Additional capital (i.e. large and certain streams) is needed
- Investment in key enabling infrastructure is needed, such as air and sea ports
- Federal and State support for opening up new lands and water sources is needed
- Native title issues will arise and will need to be resolved
- Water rights and water markets need to be addressed
- Environmental regulation reform is needed

It is important to recognise that distance and infrastructure are often constraints on making new agricultural investment cost-effective and competitive. They are more likely to be cost-effective and competitive where they can use infrastructure already in place for communities industry and mining.

Government support and commitment is important. The State government made a conscious decision to 'invest in the future', which meant that in the case of the *Stage 2* expansion of the Kimberley Ord Irrigation project, there is an element of 'sunk costs' that the State does not plan to recover.

## **6 Trust interest in water**

Regional development cannot occur sustainably unless the basic development underpinnings are available of water, power, transportation, communications, and housing and social resources. Of these, water is often the biggest challenge to regional development.

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<sup>4</sup> Communique of the fifth meeting of the Northern Australian Ministerial Forum 22 November 2012.

The Trust has provided advice to the Minister recommending that water policy and projects be given greater emphasis in RforR on a focussed planned and strategic basis, and this advice has been adopted.

The Trust has also provided advice to the Minister recommending a small number of budget themes to concentrate on, amongst which were ‘regional land and food strategy and planning’. This advice has also been adopted.

In 2011 the Trust recommended that the Minister consider giving WA’s Department of Regional Development and Lands (RDL) a direction to develop an appropriate water strategy for RforR, with two primary goals.

The first goal is to supplement existing or planned water investment by WA’s Department of Water, the Western Australian Water Corporation (WaterCorp) and other agencies, or the private sector, in order to maximise productive outcomes in RforR projects. The second goal is to identify priority geographic areas where better water data and water investment could provide for or accelerate major regional development.

The Minister responded positively.

Further to the advice of the Trust, the 2011-12 RforR budget included expenditure on water and Natural Resource Management (NRM) initiatives. The four key themes of the NRM budget funding allocation of \$78.2 million over four years were:

- Regional water availability planning and investigation;
- Regional economic development – water opportunities;
- Gascoyne food bowl, including flood mitigation measures; and
- Regional natural resource management.

The following were among new water initiatives securing funding:

- Improving Water Quality in Remote Aboriginal Communities Initiative - \$12.2 million over three years.
- Combined Pilbara Water Projects - \$20.7 million over four years.

A potentially large water-related project that aligns to the Trust’s advice and that is under investigation by WA’s Regional Development Council<sup>5</sup> is the Peel Waste Water Pipeline Project to deliver waste water from the Gordon Road Waste Water Treatment Plant to the Alcoa Refinery and other potential industrial and agricultural users.

In addition, the Pilbara Water Opportunity Pilot Projects have highlighted the potential for a significant investment in irrigated agriculture within the Pilbara.

There are a number of major projects being considered by RDL and by other Western Australian Government agencies. These include:

- The West Kimberley and further extension of the Ord Irrigation Expansion project; and

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<sup>5</sup> The co-ordinating body for WA’s nine Regional Development Commissions.

- Intensive large-scale agriculture projects in WA's Gascoyne, Pilbara, Mid West and South West regions.<sup>6</sup>

Earlier in this submission, the Trust noted broad federal, state and territory inter-governmental support for agricultural development in northern Australia, as evidenced in the statements arising out of the Northern Australia Ministerial Forum.

Despite this support, there are contradictory policy signals.

In October 2011 the Federal Government and CHOGM agreed to the *Perth Declaration on Food Security Principles*. These principles recognise food demand exceeding supply, the need to feed the world, and the need to make agriculture and fisheries more productive and sustainable.

The policy announcement from the federal Minister for Regional Development following the November 2012 meeting of the Northern Australia Ministerial Forum quoted above, gives substance to the Perth Declaration by articulating firm support for northern agricultural development.

Yet the federal Minister for the Environment has also been quarantining large swathes of WA's land and seas from development.

In August 2011 the Federal Government effectively locked up one quarter of the Kimberley (half of Victoria)<sup>7</sup> through heritage listing.

While there are many sites within the Kimberley worthy of national heritage protection, this sweeping declaration of most of the west and north of the Kimberley as a national heritage place means that additional barriers have been created that impede and may stifle investment, development and economic growth.

By the Commonwealth's own assessment, small and large scale mining, large scale infrastructure, and broad scale agriculture are automatically assessed as having a medium to high risk of having a significant effect on natural heritage values and should be referred for further assessment (with open-ended and therefore costly timelines). Rangelands pastoral plans are potentially affected by introducing additional regulatory processes to those projects that seek to introduce additional economic diversification into existing pastoral leases.

## **7 Dams and water: some comments sparked by the Interim Report**

WA has land, including arable land, and is a vast under-developed State of great variety and resources (the size of Western Europe or five times the size of France) with just over two million people in it. Only of WA 7% is freehold. WA has an estimated 12 500 gigalitres (gl)<sup>8</sup> of unallocated surface and ground water. Since only 15% of WA has been water-mapped, this could be a conservative estimate.

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<sup>6</sup> These are four of the nine country regions in Western Australia, established under the *Regional Development Commissions Act 1993*.

<sup>7</sup> The Kimberley is 423 517 square kilometres in size, twice the size of the state of Victoria.

<sup>8</sup> This estimate is from the Department of Regional Development and Lands. A gigalitre is one billion litres.

There is identified potential for intensive new large-scale agriculture in the Gascoyne, Pilbara, Kimberley, Mid West and South West regions of WA.

WA's Department of Agriculture and Food (DAFWA) has submitted a response to the funding applications for consideration under the RforR program. These include recommending investigation of:

- Pilbara mine dewatering opportunities
- Mosaic irrigation agricultural development in the Fitzroy River basin
- East Kimberley Cockatoo sands irrigation
- Market, supply chain and industry alliances to exploit the synergies from irrigation development

RDL has commenced development of a series of Regional Economic Diversity papers. The first of these will be 'Land for Food' anticipated to be the identification of land areas or precincts with prospects for food production, so that these areas can be strategically managed for future agricultural purposes through tenure planning and pastoral diversification.

### **7.1 Kimberley: the Ord Irrigation Project**

All going well, by 2020 the Ord Irrigation Scheme could be approximately an 80 000 ha system.<sup>9</sup> For that to occur, the storage of the Ord River Dam (Lake Argyle) will need to be increased, just as it was in 1996 when the hydro-electric plant was built. (In 1996 a concrete plug was inserted into the first spillway, and this increased the storage of the dam from around 6 500gl to around 10 700gl.).

On existing data, increased storage capacity is possible. Note that in March 2011 the Argyle Dam had an historic high storage of 21 000gl because at that time the water going over the first spillway was 9m deep.

The first priority is therefore to take Argyle Dam to its maximum potential.

The Ord Project is currently funding pre-feasibility work to assess some key parameters around this, because this extra storage will be required if Cockatoo Sands and the Northern Territory lands are to be developed.

With the *Ord Stage 2* expansion of the Kimberley Ord Irrigation project to about 22 000ha reaching operational status, the available water under the current allocation cap has been committed. The cap is a product of the requirement for environmental flows, providing water for *Ord Stage 1*, and the operational requirements of the privately owned hydro-electric plant operating as part of the scheme and subject to a State Agreement.

Consideration of expansion to an *Ord Stage 3*, flowing into the Northern Territory and other lands within WA, has necessitated a review of ways to sustainably increase available water. Construction of a movable arm on the spillway crest has been identified as one way of providing more water with relatively low investment.

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<sup>9</sup> The existing Ord Stage 1 consists of an area of approximately 13,000 hectares of irrigated farmland on the Ivanhoe and Packsaddle Plains, serviced by the Diversion Dam and the Ord River Dam.

As consideration of *Ord Stage 3* is now being undertaken the spillway option is receiving serious attention.

Before the construction of the Lake Argyle Dam, the Ord River would frequently dry out. As a by-product the dam created valuable wetlands and improved annual river flows. In light of this, the cap or limit on the amount of water available for commercial purposes, and the current environmental flow requirements, should be reviewed.

A review of water use efficiency is a third aspect that could be investigated.

## **7.2 Kimberley: the Fitzroy River system**

### *Kimberley to Perth transport was rejected*

Perth is supplied by water stored in dams, ground-water extraction from aquifers, and desalination. There has been great concern at less rainfall and at demand stress on the aquifers. Consequently, serious consideration was given to a canal bringing water to Perth from the north.

The ambitious plan to transport water from the Kimberley's Fitzroy River to Perth was investigated in detail in 2005 by a panel of experts. They concluded this option would be five times more expensive than desalination and was likely to double the annual household water bill.<sup>10</sup> This resulted in an increased focus on desalination by the State government.

Also of assistance in potentially supplementing Perth's water needs is the possibility of injecting treated waste-water into the aquifer. Over 45gl of waste water is generated from greater Perth, which is harvested, treated and then wasted by flushing it out to sea.

This possible waste water re-use for aquifer recharge and Peel region agricultural and industrial use offers the State the opportunity to make considerable strategic and economic gains with a highly-prized resource presently wasted to sea, with therefore the probability of solid public support for its better productive use. It also has the virtue of possibly freeing up existing water usage for other purposes.

### *Combined Fitzroy River (Dimond Gorge), Margaret River (Margaret Gorge) and Leopold River (Barramundi Range) dams*

There is the potential for large-scale agriculture to be developed in the Fitzroy valley in the Kimberley.

One proposition is that an already-identified dam site on Margaret River (that feeds into the Fitzroy River) is a good one both in terms of water supply and engineering construction, and that the soils and topography downstream would support intensive agriculture over a very large area.

Not much work has been done to back up this concept. There are some dated estimates in a report from 1993.

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<sup>10</sup> Options for bringing water to Perth from the Kimberley, an Independent Review, WA Department of Premier and Cabinet, 2006, Page 8

Discouraging factors are not just the potential cost, (as estimated in the above table), and potential native title and environmental hurdles, but a low appetite for new dams. For example WA's WaterCorp is investing heavily in new water recycling initiatives and in desalination and the revitalisation of ground water options, and has effectively ruled new dams out.<sup>11</sup>

Any such Fitzroy system dam/s will require environmental, and heritage assessment, soil and topography studies, water rights negotiations, land tenure decisions etcetera. Cultural and native title negotiation will be needed.

It will probably be easier to get dam/s in the Fitzroy catchment up if the Ord Scheme is close to fully mature, rather than the 20% capacity it is today (otherwise [the argument might go] why start another project when the Ord can still be expanded?).

### *Dimond and Margaret Gorge*

The potential for mosaic irrigated agricultural development in this region has been identified by DAFWA and others and further investigation into the hydrology of this river system seems sensible.

### **7.3 Kimberley: Broome**

The State Government is also investigating the potential to develop irrigated precincts near the coast to the south west of Broome, where significant ground water resources could be developed.

### **7.4 Pilbara opportunities**

In the Pilbara region, agricultural production has traditionally been limited to pastoral cattle production.

#### *Mine water recycling*

Surplus water from the forthcoming expansion at Rio Tinto's Marandoo iron ore mine situated on its Hamersley pastoral lease in the Pilbara will be used through an irrigated agriculture scheme known as the Hamersley Agricultural Project (HAP). Rio Tinto is developing a 1600 hectare hay crop enterprise using underground water from mine dewatering.

HAP is a high profile example of the potential of sharing water resources. Water used in the mineral processing is treated and used for irrigation to produce animal feed.

Based on the high water needs of mining and the reality that untreated water from the processing is a waste product requiring storage and disposal, further consideration of the potential of this by-product is warranted.

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<sup>11</sup> Water Forever, Whatever the Weather, A Ten-year plan for Western Australia, June 2012, Water Corporation of WA, Page 2.

### *Pilbara Water opportunities*

- RforR has funded nine pilot water projects through Pilbara Water Opportunities (PWO), worth \$2.5 million, to test the feasibility of plans to make the best use of water resources. Pilot projects are an appropriate response to testing such developments, as not all of the agronomic, hydrological or economic aspects of the enterprise are yet proven in the Pilbara region.
- The PWO projects were focused on mine dewatering opportunities and the results of the pilots have been evaluated for their potential to develop permanent new agriculture precinct opportunities in the Pilbara, thus providing an alternative industry to mining. The results of these pilots have provided valuable information that the pastoral and agricultural industries can use to explore future opportunities to significantly expand the sites and utilise investment funding from a range of sources.
- RDL and DAFWA are developing initiatives that will provide a pathway for increased agricultural development in the Pilbara, particularly in the Central and Eastern Pilbara using excess mine dewater and potential groundwater resources. RDL and DAFWA are working together to identify and remove regulatory barriers reducing agronomic and economic uncertainty to realise the potential of significant volumes of surplus mine dewater in the Pilbara.

Other opportunities in the Pilbara hinterland would involve exploiting the extensive underground water sources of the Canning Basin in the coastal East Pilbara.

## **7.5 The Gascoyne artesian basin**

### *Carnarvon flood mitigation measures*

Carnarvon and the horticultural areas surrounding it have experienced extensive flooding, the latest being in 2010. Measures to mitigate future flooding are well advanced and consist of a series of levee banks to protect the area and the main arterial road from the south (the North West Highway). DAFWA is investigating the potential for the development of a further 400 hectares of agricultural land offered by the works.

### *Artesian Basin*

Significant action has been taken by Federal and State governments in the Gascoyne region to cap some of the many artesian bores in this region. This has resulted in improved water pressure and potential water availability that warrants further investigation. There have been some encouraging test results at Callagiddy and Wooramel pastoral stations.

The coastal floodplain around Carnarvon is host to an important and diversified horticultural industry, producing \$70 million in gross agricultural production per year. The industry is based on efficient use of irrigation water from the adjacent Gascoyne River, both from surface flow and the associated ground water aquifer.

However the potential for the Gascoyne is far greater than a few hundred extra hectares and the Gascoyne Regional Development Commission is actively investigating a very substantial expansion of agriculture in the Gascoyne artesian basin.

## **7.6 South West: Collie River**

### *Wellington Dam*

Investigation of the desalination of Wellington Dam has been underway since July 2010. This was an election commitment by the current government and several grants of RforR funds have been made available to progress this. The lead on this project is being taken by the South West Development Commission.

The progress so far includes the Collie River Salinity Recovery Project (CRSRP), and the Collie Kemerton Water Management Project (CKWMP) (Draft Report November 2012).

There are preparations for a further submission for RforR funding to start major work on this project with Harvey Water as the entity owning and operating the facilities.

### *Collie River Irrigation System Project (CRISP)*

Another Harvey Water proposal developed in 2008<sup>12</sup> constitutes an expansion of the existing irrigated area.

### *Brunswick Dam*

The proposed Brunswick Dam is a private sector proposal which gained little interest when first put to the former WA government. A review in the light of changed circumstances may be beneficial.

## **7.7 Water Efficiency/recycling opportunities**

The WA WaterCorp<sup>13</sup> is placing a high priority on:

- Increasing the percentage of wastewater recycled, and on working with the community to reduce their water use by 15 per cent by 2030;
- The Australian Government Water for the Future program which aims to save 6 billion litres of water across the State in addition to the Target 60 campaign, which is estimated to have saved Perth nearly 22 billion litres of water. Similar programs are planned for select regional areas, including a concentrated effort to help non-residential customers save water.
- They are committed to recycling 30 per cent of all wastewater they manage by 2030.

## **7.8 Rangelands Reform**

The State Government's Rangelands Reform Program, led by RDL, has been initiated to address underlying tenure impediments in the rangelands, to free up tenure to increase investment, economic diversity and employment. New lease tenure options are being

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<sup>12</sup> Harvey Water, Report for the Collie River Irrigation System Planning, Interim Engineering Report, September 2008.

<sup>13</sup> Water Forever, Whatever the Weather, A Ten-year plan for Western Australia, June 2012, Water Corporation of WA, Page 2.

developed for Crown land in order to expand the range of economic development opportunities that can be done on the rangelands.

Where good quality land and water are available, this could enable pastoral lessees and others to develop new agricultural enterprises or more intensive pastoral enterprises, based on feed-lotting rather than extensive rangelands grazing.

## **8 Key propositions in the Interim Report:**

The Task Group has made some key propositions.

*Proposition:* Consultation to identify opportunities for multi-purpose dams and water projects.

*Comment:* Supported. It is important to honour existing commitments; and for new projects, to develop a process and criteria with the States/Territories for prioritising dam and water projects.

*Proposition:* Recognition of the enormous unrealised potential of northern WA.

*Comment:* Supported. The opportunities offered by high rainfall in the north of the State have been recognised for some time. The original Ord Irrigation Scheme and the recent *Stage 2* expansion of it are responses to this.

The Interim Report's focus on "using water where it falls" is useful. This does offer the opportunity to move away from the investigation of expensive long-distance water transport infrastructure to identification of northern land areas or precincts with adequate rainfall or proximity to already captured water (including aquifers) and/or potential for water capture.

However, in WA there is no option but to keep investing in water transportation, particularly the maintenance and possible extension of the extensive pipeline network to the east<sup>14</sup> and south<sup>15</sup> of the State.

Investment in water mapping of identified strategic areas is essential.

*Proposition:* Develop innovative techniques to: cut evaporation rate, reduce salinity, minor dam wall raising, managed aquifer recharge, stormwater harvesting, off-stream storage projects, new irrigation technology and new water management.

*Comment:* Supported. WA's WaterCorp's approach is consistent with this emphasis on supporting innovation and research into improving current water management practises and achieving efficiencies such as those detailed above. The Greater Perth waste water re-use prospect represents a major opportunity.

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<sup>14</sup> Western Australia's Goldfields Water Supply Scheme was commissioned in 1903 and is a pipeline and dam network that delivers potable water 530 kilometres from just west of Perth to the Eastern Goldfields, particularly Coolgardie and Kalgoorlie.

<sup>15</sup> Such as the Wheatbelt Supply Scheme, the Great Southern Towns Water Supply Scheme, and the Bridgetown Water Supply Scheme.

*Proposition:* Establishment of a Water Project Development Fund to advance some projects. This is a key component of the Task Group’s findings and the suggested use of the fund includes: new dams, updating and adaption of old dams, irrigation systems, research and development to improve water use efficiency.

*Comment:* Supported. While WaterCorp currently has no appetite for new dams, that should not be assumed to be the final word on the matter. It should be noted that WaterCorp is tasked to focus on drinking water and not the provision of non-potable water for regional development purposes.

The State government’s position on dams at this point is unclear.

Creation of a Commonwealth special purpose fund would indicate a level of commitment and offer potentially easier access to a Federal funding contribution for WA water and dam projects.

*Proposition:* CSIRO assessment of soil suitability. The assessment as part of the Northern Australia Land and Water Science Review “...concluded that crop production in northern Australia is limited by water availability not soil.”<sup>16</sup>

*Comment:* Supported. Early investigations into RDLs Land for Food initiative has indicated that soil suitability will be a key component in identification of potential ‘Land for Food’ precincts. The Interim Report details CSIRO findings that in vast areas of northern Australian the soil is suitable for agriculture and is encouraging.

However the CSIRO Report’s assessment that there is limited water could be contested in strategic areas after further research and water mapping. WA has an estimated 12 500 gl of unallocated surface and ground water. Since only 15% of WA has been water-mapped, this could be a conservative estimate.

## **9 Conclusion**

It is the opinion of the Trust that after identifying worthwhile dam and water projects for consideration, the most important task for the Task Group is to develop a process of prioritising dam and water projects, on clear criteria.

Tight revenue prospects at the Federal and State levels make prioritisation even more important.

Consideration of major dams and water projects require a longer-term time horizon because of the process needed to bring projects to fruition, the related economic and social infrastructure required, financing issues, the number of Federal, State, Local Government and other entities involved, and regulatory and native title considerations.

In WA, apart from the efforts of DAFWA and other agencies, at present RDL is working through the WA Government and through its links to the Northern Australia Ministerial

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<sup>16</sup>The Coalition’s Dams and Water Management Task Group, Interim Report, Page 15.

Forum to promote sustainable agricultural development where significant sources of available water and suitable land coexist.

The Trust is not in a position to provide a list of WA priorities – that is properly the role of the WA Government.

However, it is the view of the Trust that with respect to WA and as a general proposition there is a need for the Commonwealth to:

- Develop a process and criteria with the States/Territories for prioritising dam and water projects, and then facilitating their development;
- Assist with the strategic water mapping of WA;
- Help fund and support the assessment of new agricultural lands and dams in WA;
- Review regulatory requirements such as the *Environment Protection and Biodiversity Conservation Act 1999*; and
- Review the 2011 heritage listing of the Kimberley.