



July 6, 2011

Mr. Mick Geaney
Assistant Director, Licensing
Economic Regulation Authority
PO Box 8469
PERTH BC WA 6849

Dear Mr. Geaney,

The Western Australian Farmers Federation (Inc.) (WAFarmers) thanks you for the opportunity to comment on the application by the Water Corporation to amend their operating licence; Water Operating Licence 32.

As background, WAFarmers is the State's largest and most influential rural lobby and service organisation. WAFarmers represents approximately 4,000 Western Australian farmers from a range of primary industries including grain growers, meat and wool producers, horticulturalists, dairy farmers, commercial egg producers, pastoralists and beekeepers.

Collectively our members are major contributors to the \$5.5 billion gross value of production that agriculture in its various forms contributes annually to Western Australia's economy. Additionally, through differing forms of land tenure, our members own, control and capably manage many millions of hectares of the State's land mass and as such are responsible for maintaining the productive capacity and environmental well being of that land.

In this submission, WAFarmers highlights that the Water Corporation's application has not provided any evidence of the benefits that will be delivered to their farmland and rural water customers through their requested amendment, nor have they demonstrated a consultation process with their stakeholders that has delivered broad scale support for the amendments.

In preparing this submission, WAFarmers surveyed of a number of its members who are likely to be affected by any change to Water Operating Licence 32, and found that almost none were aware of the Water Corporation's application. Those that were aware, had been advised by 'third parties' and were not supportive of the amendment. WAFarmers believes that consultation by the Water Corporation on this issue has been inadequate, and that this will not change during the very limited timeframe which the Economic Regulation Authority has to assess the application.

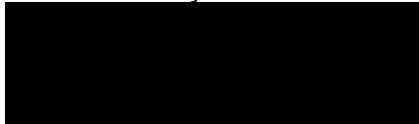
Further, WAFarmers notes the Water Corporation, in its application, acknowledges it has a poor understanding of the structure and transfer of land within farm businesses in its farmland and rural water customer base. Given the complex structure of the landholdings of farm businesses, WAFarmers expresses concern that the Water Corporation's application seeks to remove the existing consideration of 'property size' without the impact of that change being tested and evaluated.

WAFarmers believes that the Economic Regulation Authority must seek further information on the overall impact on these businesses of the proposed changes, prior to consideration of the application. In this review it must ensure that no Water Corporation customers will be negatively impacted by the proposed changes in minimum water supply conditions. WAFarmers makes this request as we believe that the proposed changes will reduce the amount of water to farmland and rural water customers in an overall sense, and therefore have an impact financially on their livestock and crop enterprises. WAFarmers believes that the Economic Regulation Authority has a responsibility to review this impact, not only in the current year, but also to consider the impact on the future expansion plans of these businesses.

It is for these factors, that WAFarmers does not support the Water Corporation's current application.

WAFarmers thanks you for your consideration of this submission. Should you wish to further discuss the issues raised in this submission, please do not hesitate to contact myself or WAFarmers Director of Policy, Alan Hill on 9486 2100.

Yours sincerely



Mike Norton
President