

# Pastoral Water and Diversification Permits

## POSITION STATEMENT

### KEY MESSAGES

Developing the Pilbara in line with the Federal Government's vision for Northern Australia will require significant encouragement of private investment to establish new industries and service new markets.

Pastoral water and diversification permits represent critical infrastructure necessary to attract private investment, and key enablers in the establishment of a stronger agricultural and pastoral industries in the Pilbara.

### COMMITMENTS SOUGHT

That a commitment be made to:

- ✓ Expedite the processing of pastoral water and diversification permits in order to accelerate and de-risk investment decisions within the pastoral industry; and
- ✓ Work proactively across agencies to clarify water availability for investment purposes (e.g. centre pivots) and to extend the scope of permitted purposes for diversification permits.

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### BACKGROUND INFORMATION

The Northern Australia White Paper establishes a goal of reducing barriers to better use of land and water resources in order to diversify the northern economy. The Federal Government specifically outlines its support for pastoral release reforms, and encourages all jurisdictions to assist businesses diversify their business beyond the pastoral-purposes such as grazing to use for horticulture or tourism.

This is a vision supported by the State Government. The Pilbara Hinterland Agricultural Development Initiative (PHADI) examines irrigated agriculture as a driver of major capital investment and broadening of the economic base. Through Royalties for Regions funding, practical research through pilot site trials will support the use of irrigated crops for fodder, food and fuel production, and investigate key constraints such as land tenure, supply chain sophistication and economic viability.

Through the Pilbara Development Commission's Investment Blueprint, a further commitment has been made by the State Government to diversify the Pilbara economy through agriculture, aquaculture, energy and tourism. Limited availability of or delays in receiving pastoral water and diversification

permits are a 'coal-face' indicator of the challenges that still face efforts to make these Federal and State visions a reality.

The case study of the Kimberley Agricultural Investment (KAI), subsidiary of Chinese company Shanghai Zhongfu, offers a tangible example of the growth potential in this space. The purchase of Carlton Hill Station on the Ord River will allow the planting of chia, sorghum, maize and quinoa, and KAI's CEO Jian Zhong Yin is of the view that the diversification of pastoral operations will help accomplish the economic potential of northern Australian through what he describes as integrated business opportunities.

With the rise in population in Asia coinciding with a rise in the middle class - especially in China - the production of high quality and safe food products has the potential of being a major driver of future economy growth in the north. Just as high demand for iron ore and natural gas has led to major capital investment in the resources industry in the north, the rise in population and the middle class will drive future investments so long as critical water and other permits are made readily available to businesses in the north.

### IN BRIEF

- ✓ Both Federal and State Government have recognised the critical importance of water resources in unlocking the development a diverse export economy in the Pilbara
- ✓ Reliable access to water and diversification permits will de-risk investments, supporting a robust and diverse regional economy.