

Cynulliad Cenedlaethol Cymru | National Assembly for Wales
Y Pwyllgor Newid Hinsawdd, Amgylchedd a Materion Gwledig | Climate Change, Environment and Rural Affairs Committee
Ymchwiliad i ddyfodol Polisiâu Amaethyddol a Datblygu Gwledig yng Nghymru | Inquiry into the Future of Agricultural and Rural Development Policies in Wales
AAB 19
Ymateb gan Dwr Cymru
Evidence from Welsh Water

Dŵr Cymru Welsh Water Evidence to the NaFW Committee on Climate Change, Environment and Rural Affairs' Inquiry into the Future of Agricultural and Rural Development Policies in Wales

Dŵr Cymru Welsh Water welcomes the opportunity to submit evidence to this inquiry. Our answers to your three questions are as follows.

- *What are the fundamental outcomes we want to see from agricultural, land management and rural development policies?*

1. The fundamental outcome that Dŵr Cymru would want to see is the joining up of Welsh agricultural and land management policy with that for water and aquatic ecosystems. This would then explicitly recognise the intrinsic link between land management and water quality. This should be reinforced through measures – incentives and enforcement - to encourage land managers to understand their responsibilities for the protection of this vital natural resource.

2. The water and sewerage services that Dŵr Cymru provides are essential to the health and well-being of our customers, as well as to the Welsh economy. Our drinking water supplies are sourced from 120 predominantly rural catchments covering almost 11,000km², so agriculture is the major influence on the raw water we abstract.

3. Dŵr Cymru recognises the significant contribution that agriculture makes to Wales. As well as the commodities produced, agriculture is part of Welsh culture and identity and shapes much of our iconic landscape. But farmers also have a role in environmental stewardship, a role that is vital to the protection of Wales' air, soil and – of most direct importance to Dŵr Cymru – Wales' water resources.

4. Many agricultural practices, such as stock management, or the use of chemicals including pesticides, fertilisers etc. pose a serious risk to raw water quality and, in turn, to public health (e.g. through cryptosporidium¹) if they are not properly managed. The impacts of poor land management are a recurrent theme in Natural Resources Wales' (NRW) recent State of Natural Resources Report² published under the Environment (Wales) Act 2016, which confirms that in 2015 there were 139 recorded water pollution incidents attributed to agricultural premises.

¹ <http://dwi.defra.gov.uk/consumers/advice-leaflets/crypto.pdf>

² <https://naturalresources.wales/media/679414/chapter-6-assessing-sm-achievement-final-for-publication.pdf>

5. Our own monitoring shows that, for example, levels of pesticides in our raw water catchments are increasing, which hampers our ability to meet the stringent legal standards that apply to public drinking water supplies. For example, last year we lost a groundwater source for 9 weeks following aerial spraying of a herbicide commonly used to control bracken.

6. Dŵr Cymru increasingly views our work in catchments as our first line of defence. Depending on the predominant types of agriculture and hydrological characteristics, the risks may differ between catchments, but the target of supporting the provision of safe, wholesome and resilient drinking water should be consistently applied across all the 120 catchments from which we source our supplies.

7. On the sewerage side of our business, we are continuing to invest in improvements: for example additional treatment to reduce the phosphorus in effluent is being installed at some works as part of our current (2015-2020) circa £60 million programme to help Wales meet the European Water Framework Directive (WFD)³. The value of our investment – paid for by our customers – is undermined if little is done to reduce other pressures including, for example, phosphorus or pesticide pollution from farming.

8. An agricultural regime that explicitly recognised the relationship between farming practice and water quality would support the delivery of other priority outcomes of the Welsh Assembly. A good example is biodiversity. Through its Environment (Wales) Act 2016 the Welsh Assembly signaled very clearly that it wants to reverse biodiversity decline. High quality rivers and lakes provide the best habitats for freshwater flora and fauna.

- *What lessons can we learn from current and previous policies? What about policies elsewhere?*

9. Current policies have generally failed to deliver adequate protection of the water environment from poor agricultural practices. This is evidenced by data in the NRW's WFD River Basin Management Plans⁴.

10. Dŵr Cymru acknowledges that tackling pollution from farms, particularly diffuse sources, may present the regulator particular challenges. But that should not mean that regulators all but disengage with the farming sector. The Water Strategy for Wales⁵ makes clear that the Welsh Government wants diffuse pollution from all sources to be effectively controlled, something Dŵr Cymru very much supports.

11. From Dŵr Cymru's perspective, there needs to be a more equitable application of the polluter pays principle through robust, even-handed enforcement. As Wales' main environmental regulator, NRW needs to be a visible and credible enforcement agency – and needs to be adequately resourced to perform that role. Action in the short-term could deliver

³ http://eur-lex.europa.eu/resource.html?uri=cellar:5c835afb-2ec6-4577-bdf8-756d3d694eeb.0004.02/DOC_1&format=PDF

⁴ <https://naturalresources.wales/water/quality/river-basin-management-plans-published/?lang=en>

⁵ <http://gov.wales/docs/desh/publications/150521-water-strategy-for-wales-en.pdf>

financial savings in the longer term: for example, more proactive enforcement (e.g. checking that silage and slurry stores meet legal requirements) would prevent many pollution incidents⁶, helping NRW make savings in the considerable budget it must spend on responding to incidents. This would also be in line with the Welsh Government's Water Strategy for Wales which advocates pollution prevention rather than cure.

12. Current policies generally do not differentiate between catchments that are the sources of drinking water supplies and those that are not. Dŵr Cymru thinks this is a missed opportunity to target effort and financial incentives to those areas where they could provide the widest societal benefits.

13. The WFD adopted in 2000 established the overarching goal of bringing all surface water bodies and groundwaters up to good status. Importantly, it also recognised that drinking water sources warrant additional protection: amongst other things, Member States are required to identify them and to "*ensure the necessary protection for the bodies of water identified with the aim of avoiding deterioration in their quality in order to reduce the level of purification treatment required in the production of drinking water. Member States may establish safeguard zones for those bodies of water.*" Here in Wales we have only one, non-statutory WFD safeguard zone: assuming that the Directive continues to apply after Brexit, we believe there is a good case for more of these designations, supported by robust enforcement by NRW.

14. There are lessons to be learnt from elsewhere. In Germany there seems to be a greater willingness to accept the societal benefits of ensuring that farming practices are sympathetic to the protection of drinking water sources⁷. We understand that 14% of the land area of Germany is designated as water protection areas to contribute to the precautionary protection of drinking water resources.

15. Dŵr Cymru is a long standing advocate of General Binding Rules covering farming, along the lines of the well-established regime in Scotland (e.g. requiring buffer stripes next to watercourses). But again they would need to be properly enforced.

- *To what extent should Wales develop its own agricultural, land management and rural development policies or should it be part of a broader UK-wide policy and financial framework?*

16. The key point from Dŵr Cymru's perspective is the need to reduce the adverse impact that some farms make on the aquatic environment, whether that be through UK wide or Wales wide policies. We would strongly urge the joining of agricultural and water policy under any future regimes.

17. In general, the water industry wants the current level of environmental protection maintained after Brexit, including by bringing of relevant EU environmental law into domestic

⁶ NRW statistics show that between 1 April 2013 and 20 January 2016, 248 slurry pollution incidents were recorded, an average of 1.6 a week.

⁷ https://www.dvgw.de/fileadmin/dvgw/wasser/organisation/branchenbild_engl_2015_langfassung.pdf

legislation. In particular, we would want laws and policies that promote holistic water planning: the WFD is a good model for this approach.

18. Subject to that caveat, Brexit could offer an opportunity to develop smart regulation, tailored toward tackling the pressures here in Wales and that rewards sustainable behaviours. This could build on the distinctly Welsh environmental agenda emerging through the Welsh Government's Water Strategy for Wales and legislation passed by the National Assembly, notably the Well-being of Future Generations (Wales) Act 2015 and Environment (Wales) Act 2016.

19. For example, the Area Statements being produced by NRW under the 2016 Act could be a vehicle to identify catchments that are the source of public water supplies, so that local policies are tailored to reducing local threats. The Statements could also be an opportunity to highlight agricultural land that could have an attenuation role in reducing downstream flood risk. They could also show catchments where agriculture is the main reason why water bodies are not meeting good status under the WFD, so measures could be targeted accordingly. (Dŵr Cymru already works with NRW to determine where we may be the main impact under WFD so that we may prioritise remedial action and investment.)

20. Providing greater protection of water sources very much accords with the resilience agenda that underpins the 2015 Act. The Public Services Boards could provide a mechanism to promote a greater recognition amongst relevant governmental organisations of the location of these key ecosystem services and facilitate suitable protection (e.g. through town and country planning levers).

21. At its best, the freedom offered by Brexit could enable a "brand Wales" to emerge, based on the sustainable stewardship of our natural resources, including our water environment and the biodiversity it supports.

22. As a major abstractor and discharger, Dŵr Cymru would have a key role in this. But we cannot do it alone. Amongst others, the agriculture sector would need to do its fair share: its long term future is, after all, also dependent on a resilient water environment.

23. Dŵr Cymru is keen to work with agriculture. For example, our award winning Weed Wiper trial⁸, designed to reduce levels of the grassland herbicide, MCPA, in the Teifi and Wye river catchments has been a great success. The use of weed wipers to manage grassland weeds (e.g. rushes) is more beneficial as it is applied directly to the plant, uses less chemicals and dramatically reduces spray drift, so reducing the volumes of chemicals reaching the rivers from which we abstract. This initiative is a form of Payment for Ecosystem Service (PES) as Dŵr Cymru paid for equipment for the farming community to use.

24. It follows that Dŵr Cymru agrees with the Welsh Government⁹ there may be a role for PES as a way of rewarding land managers who adopt specific, sustainable practices. But PES must not be allowed to undermine the polluter pays principle, nor (unintentionally) incentivise poor practice. We are working with NRW and the Welsh Government, as well as

⁸ <http://www.dwrcymru.com/en/WaterSource/MCPA-Weedwiper.aspx>

⁹ <http://gov.wales/docs/desh/publications/150521-water-strategy-for-wales-en.pdf>

with representatives of agriculture, to build on the success of Weed Wiper: we are planning to launch our 'PestSmart' initiative on 28 November.

25. Unlike some aspects of current farming subsidies, future financial support from Government should be tied to the provision of public goods – ecosystem services - that go beyond basic farming practice. Well targeted support can offer benefits both to the farmer and the wider public: examples might include incentivising better use of manures to reduce farmers' bills for artificial fertilisers, while reducing nutrient inputs to rivers and lakes; or buffers along watercourses to reduce soil loss for farmers and riverine sedimentation and pollution. Flood attenuation is another service that could be rewarded. Given the wider societal benefits of protecting and improving the aquatic environment (such as tourism, biodiversity and fisheries as well resilient water supplies) Dŵr Cymru believes that any new system must incentivise farming for water and the protection of the aquatic environment.