

REF: #20392823

30 November 2018

Mr Paul Kelly  
Executive Director, Regulation and Inquiries  
Economic Regulation Authority  
PO Box 8469  
PERTH BC WA 6849

Dear Mr Kelly

#### **INQUIRY INTO REFORM OF BUSINESS LICENSING IN WESTERN AUSTRALIA**

Thank you for the opportunity to comment on the Economic Regulation Authority's (ERA's) Draft Report on the inquiry into reform of business licensing in Western Australia. Water Corporation also welcomes the ERA's open and inclusive approach to seeking feedback, including the format and content of information sessions.

Overall, we support the ERA's draft recommendations for business licensing reform, particularly the introduction of a governance framework. We believe the intent of the reform is consistent with the State Government's focus on improving accountability and efficiency in the public sector.

Water Corporation is the recipient of licensing and permit services from four public sector entities (Department of Biodiversity, Conservation and Attractions; Department of Mines, Industry Regulation and Safety; Economic Regulation Authority; and Department of Water and Environmental Regulation) totalling an average of 150 individual licences and permits every year. As a Government Trading Enterprise, we are regulated in the context of a requirement to act commercially, while aligning to Government priorities.

It is essential each licence category creates tangible public or environmental benefit, without unintentionally becoming overly prescriptive. Hence, we support the Regulatory Impact Assessment (RIA) process and would encourage it to be applied to the ERA's business licensing reform to ensure it carefully considers business, consumer and economic impacts and minimises the potential for unnecessary red tape.



We also support ERA's recommendation to assess licensing schemes that have not been reviewed in recent years. In particular, we note that many of the water licences are issued under old legislation (e.g. Water 5C licences under *Rights in Water and Irrigation Act 1914*). We would hope Water Resource Management legislation reform will assist with achieving better regulatory outcomes by consolidating the relevant legislation and licencing requirements.

We believe there are more opportunities to streamline the compliance requirements by adopting a risk-based approach to licensing and reporting; reviewing instances of duplication between regulators; and minimising regulatory 'layers' (i.e. licences, codes, policy and guidelines) wherever feasible.

Finally, we believe the reform presents a good opportunity to deliver better public services to customers, by ensuring that cost recovery for licensing processes is accompanied by a commitment by the relevant regulator to defined levels of service.

We would welcome an opportunity to meet with the ERA to discuss our specific concerns and observations in more detail, if needed. In the meantime, if you would like to discuss this submission please contact Sergey Volotovskiy, Manager External Policy, on [sergey.volotovskiy@watercorporation.com.au](mailto:sergey.volotovskiy@watercorporation.com.au) or (08) 9420 3867.

Yours sincerely

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Sue Murphy

CHIEF EXECUTIVE OFFICER