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9th June 2009

Inquiry into Water Resource Management Charges
Economic Regulation Authority
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Fax: (08) 9213 1999

We are a self-supply water user in agriculture in the Warren and Donnelly River catchments where 40 gegalitres (5%) of the 742 gegalitres mean annual outflow is allocated to surface water licences and the balance is water for the environment flowing into the Southern Ocean. This water balance is the reverse of that applying in the public water supply and irrigation catchments of the Darling Ranges. Our dams and similar dams in the Warren and Donnelly catchments have been privately funded; there have been no public subsidies as for water for agriculture at the Ord River, Harvey irrigation district and Carnarvon.

It is irrational and improper that this Inquiry is being conducted before the *Water Resources Management Bill* - redefining Crown water resources and the extent of regulation, and determining the scope of potential fees and charges - is public, debated or enacted by State Parliament. Highly relevant matters for us include: will the *Water Resources Management Act* extend licensing from in-stream dams to include dams capturing springs and overland flow or runoff; will the *Act* include a requirement for a water licence for water accessed by tree plantations; will the requirement for a water licence for tree plantations apply to both existing and new tree plantations if the same approach is to apply to both existing and new dams on springs and capturing runoff; will the *Act* require mandatory metering and collection of water metering charges; will the *Act* extend water licensing statewide beyond the proclaimed Warren and Donnelly catchments (Manjimup and Pemberton areas) to include Bridgetown, Nannup, Frankland, Boyup Brook, Denmark, Mount Barker, Albany, Williams, Kojonup and many other farming areas that are not proclaimed areas? Outcomes on these matters raise vital equity considerations related to anti-competitive costs imposed by government. There is also the potential for gross anomaly where 150,000 garden bores in Perth using 120 gegalitres of water may not be included in any water licence fees and charges system applied to food producers in regional WA. The Inquiry should be halted until these matters are resolved by State Parliament and the *Water Resources Management Act* is enacted.

Brief submission on potential fees and charges raised in the *Issues Paper* for the Inquiry:

1. Water is vital to all communities and most economic activity in regional WA. In general, water is owned by the Crown and the Government should fund resource management and planning from the General Fund derived from State and Commonwealth taxes we pay. Specific charges imposed on water licence holders for 'water resource management' (including planning) are opposed.
2. Where an allocation of water is sought, an 'Application Assessment Fee' could be required which reflects the complexity of Department of Water assessment for the particular dam or bore and water resource; with the applicant to receive a quote for assessment related to hours of service and fee per hour, and be able to appeal to a senior officer of the Department if the quote is unacceptable.

3. Upon allocation of water, a 'Water Licence Fee' could be required which reflects cost recovery of administration of a licensing database. The licence holder could opt to pay either annually or 10 years in advance (analogous to a drivers licence). The Drivers licence fee is an established benchmark for administration of a licensing database and is either \$36.60 annually or \$116 for five years in advance. A 'Water Licence Fee' at a higher cost than a Drivers licence fee is opposed.
4. A 'Licence Renewal Fee' at end of licence duration (usually 10 years) could be required; this would re-present the 'Water Licence Fee' (analogous to the renewal of a Drivers licence). If a relevant Statutory Water Management Plan identified a particular water resource was over-allocated because of diminished resource, a re-assessment could be required and be subject to the same transparent fee process as an initial application.

Given the diversity of water resource regions, infrastructure and uses in WA, it is vital the Economic Regulation Authority conduct hearings in major water resource regions during the course of the Inquiry.

Yours sincerely

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