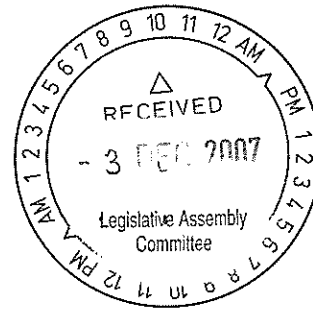


**SCOTT RIVER GROWERS GROUP,  
MARGARET RIVER REGION, INC.**

P O BOX 155  
NANNUP WA 6275  
PHONE: 08 9758 2238  
FAX: 08 9758 2308



**Economics and Industry Standing Committee: Inquiry into Water Licensing Services**

Dear Mr Kucera,

We refer to the Economics and Industry Standing Committee inquiry into water licenses for which submissions are required by 7<sup>th</sup> December 2007. The Scott River Growers Group are keen to make a submission into the inquiry; however, we wish to express our serious concern that the Minister for Water Resources, Hon John Kobelke MLA, may pre-empt the inquiry by introducing amendments to the *Rights in Irrigation Amendment Regulations 2007* that were disallowed in the Legislative Council on 22 November 2007.

The Legislative Assembly established the Economics and Standing Committee Inquiry into Water Licensing and Services on the 24<sup>th</sup> October 2007 in the clear knowledge the *Rights in Water and Irrigation Amendment Regulations 2007* were subject to three disallowance motions in the Legislative Council. The fees embodied in the new amendments were the subject of public controversy since the release of the *Draft Blueprint for Water Reform in Western Australia Discussion paper* of July 2006.

The Scott River growers Group welcomed this inquiry by the standing committee for a detailed and independent examination of the issues associated with water licensing in Western Australia and the seven terms of reference of your inquiry are comprehensive in this context.

We were extremely dismayed during the week of the 19th of November 2007, when we learnt that the Minister for Water Resources planned to replace the disallowed *Rights to Water and Irrigation Amendment Regulations 2007* with a revised eight classes fee schedule which did not alleviate the flaws that were subject to controversy in the previously disallowed *Rights in Water and Irrigation Amendment Regulations 2007*.

The actions by the minister would pre-empt your committee's inquiry and deter people from making submissions. In doing so it would make the outcomes of your inquiry redundant and be a waste of Parliamentary and taxpayers money.

Our previous submission details the flaws of the disallowed Rights in water and Irrigation regulations 2007, which will not be alleviated by the eight classes fee schedule.

We urge you to strongly recommend to the Minister that he be dissuaded from introducing license administration fees until the Economics and Industry Standing Committee into Water Licensing and Services has reported to Parliament.

Yours Sincerely,

Barbara Dunnet  
Chairman, Scott River Growers Group

**SCOTT RIVER GROWERS GROUP  
MARGARET RIVER REGION, INC.**

**P O BOX 155  
NANNUP WA 6275  
PHONE: 08 9758 2238  
FAX: 08 9758 2308**

**DIS-ALLOWANCE MOTION – WATER MANAGEMENT CHARGES**

**We urge you to support a disallowance motion for the regulating of water charges in proclaimed areas prior to the amendment to the State water Regulations**

1. The supporting regulations for the new scheduled fees for water licensing and administration have been rushed and are not transparent and have not been treated to the rigor of due process.
2. There has been no public consultation process for private water users. There is no will for the Minister to come to the region to discuss the issue. This is a key requirement of the NWI process and there appears to be a Government Department, which is acting inappropriately.
3. There is no distinction between the lodgment of the fees on public and private infrastructure. Private water suppliers have put millions of dollars into infrastructure whereas taxpayers have paid for public infrastructure.
4. The proposed fees are discriminatory in that they are not applicable to all bore or dam owners. Metropolitan and non-commercial users are exempt.
5. Private water users are treated very differently to public water suppliers in that co-ops and public water suppliers have fees for bulk water, which can be shared amongst the users. Private water suppliers must pay the single fee themselves. E.g. cost of water is \$101 a meg at Scott River and \$6meg at Harvey.
6. Appeals should not be factored into these charges.
7. The fees are too high. There is a will to pay something such as the annual drivers license fee but not a fee for volume, especially when volumetric charges are proposed further down the track. The proposed fees are higher than any other State of Australia.
8. The proposed fees are a fee for service and to date no service exists. In reality they are a tax on water.
9. 71%(\$4.1million) of the annual \$5.8million in fees for water license administration and assessment of applications and renewal of licenses, is to be collected annually. In reality licenses are only reviewed every 10 years so where is the money going to be used?
10. There were 1140 applications for bore and dam licenses in 2005-06 in WA. At an average of 14 hours of assessment of an application, by assigning \$29.73/hour DoW internal cost of assessment, the actual cost would be \$474,490. Renewal of water licenses, as stated is every 10years. Why then is the DoW raising \$4.1 million annually for the assessment of applications and renewal processes?
10. Where is the remaining 29% of the fees going?
11. The DoW has made much of the water licenses being tradable assets, and often uses this to justify the high license fees. In “self supply areas” it is generally impractical and in

reality is more suited to co-operatives such as in Harvey. On the Scott Coastal Plains there is not enough water to even develop the agricultural potential let alone trade any water. The creation of the artificial water shortage is putting the State in jeopardy as far as "future food" is concerned.

12. Local management of water is where fees should be used as they currently, already manage their own water. Warren Lefroy, Capel and Scott River are proposed or already established. Farmers on the Scott Coastal Plains are already metered and read their own meters.

### **SUGGESTED FEE STRUCTURE**

- Application Assessment Fee which reflects the complexity of Department of Water assessment required for the particular dam or bore and water resource; applicant to receive a quote in hours and fee per hour, and be able to appeal to a senior officer of the Department if the quote is unacceptable. The basis of the Application Assessment Fee that would be gazetted annually and adjusted for consumer price index would be the hourly rate, noting the Department of Water hourly rate for cost recovery is \$29.73 per Table 4 in the attached document 'Licence admin fees - how was fee determined'. (the same hourly rate approach could apply to transfer, trades and agreements to Take Water (5C) services).
- Licence Fee, duration (10 years) of licence fee which reflects annual administration costs only, for either dam or bore. This should be a 'flat' fee because there is no rationale in the present classes distinction on Compliance, appeals to State Administrative Tribunal, Community Input and Licensing Support (database administration). The licence holder could opt to pay either annually or 10 years in advance (analogous to a drivers licence). In our view, unless and until there are performance indicators and greater justification for Compliance, State Administrative Tribunal and Community Input as components of the Licence Fee, the fee should only cost recover Licensing Support (database administration).
- Renewal Fee at end of licence, this would re-present the Licence Fee (analogous the renewal of a drivers licence). If a relevant Statutory Water Management Plan identified a particular water resource was nearing full allocation, or was fully allocated, a re-assessment could be invoked and be subject to the same transparent fee process as an initial application.

Barbara Dunnet  
Chairperson  
Scott River Growers Group