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Shire of Merredin



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WLS SUB 33.



Our Ref: W 13 02
 Your Ref: 7651 V1

2 January 2008

Dr Lorraine Abernethie
 Economics and Industry Standing Committee
 Parliament House
 PERTH WA 6000

Dear Dr Abernethie

Re: PARLIAMENTARY INQUIRY – WATER LICENSING AND SERVICES

I refer to your letter dated 16 November 2007 and advise that Council was unable to make a submission prior to 7 December 2007 as there was insufficient time for Council to consider the issue. Most Council's meet on a four week meeting cycle and a minimum of 6 weeks should be allowed when asking Councils to make submissions to Inquiries.

Our submission deals with the perhaps unconsidered effect of water licensing.

Fact Sheet 6 Water Licensing and Administration Fees, updated 26 September 2007, indicates "Water resources are owned by the Crown, and the Crown is responsible for the managing it to make sure that there is enough to share".

The Shire of Merredin, along with a number of other wheatbelt towns, is being affected by the rising levels of saline ground water. This saline ground water has the potential to damage buildings, roads and other infrastructure.

In the Dames & Moore report "Economics of Predicted Rising Ground Water and Salinity in the Merredin Townsite", March 2001, it was estimated that approximately \$348,100/pa was the cost of damage due to the predicted rising ground water levels.

Implementation of an array of technologies to control ground water rising has a present value of \$4,565,000.

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Whilst we acknowledge the Shire of Merredin is not located in a ground water area proclaimed under the *Rights in Water and Irrigations Act* we consider the issue is if the water owned by the Crown is causing damage to property then the Crown has obligations to compensate the owners of properties that have been damaged by their resource.

The Shire of Merredin does acknowledge that Government programs such as the Rural Liquid Assets Projects (a joint initiative with the Department of Agriculture and Food) have attempted to deal with the issue in either further research into the extent and nature of the problem, strategies to deal with the problem and opportunities to use the saline ground water for environmental and economic benefit to rural communities.

These programs have not dealt with the issue of the damage that has been caused or will continue to be caused by rising ground water salinity.

The effect of applying licence fees to bores that pump this saline ground water is that an additional expense will be incurred in an attempt to save our towns.

It is also our view, that if a licence fee is charged then the damage caused by the resource, that we are forced to pay for, creates an obligation on the Government to compensate the damage caused by their resource.

An innovative approach would be to allow this saline ground water to be desalinated and in the case of Merredin to be added to the Perth-Kalgoorlie pipeline. The effect of this is increasing the water availability in the system providing economic benefit, employment and reducing the damage caused by this resource.

The second alternative is that this water is considered a new and alternate resource that could be used by industries relocating from an area of high demand, high usage and low availability. This will reduce the pressure on those water resources in these areas.

Thirdly, water licences in areas such as Merredin could be waived as an incentive to encourage industries to relocate to use this new water resource.

If you have any further queries please do not hesitate to contact me on 08 9041 6111.

Yours faithfully



FB LUDOVICO
Chief Executive Officer