

Ref: 34265  
Enquiries: Emille Van Heyningen 9405 5468

31 July 2019

Hon Adele Farina MLC  
Chair  
Standing Committee on Public Administration  
Legislative Council  
Parliament House, GPO Box A11  
PERTH WA 6837

Dear Ms. Farina

**Submission to Standing Committee on Public Administration Inquiry into Private Property Rights**

I wish to advise that at its meeting of 30 July 2019, the Wanneroo City Council resolved to make this submission to the above Inquiry, requesting that the Inquiry consider property rights associated with government issued groundwater licenses, and the disparity which currently exists between compensation rights in this State and the Eastern States.

This submission relates to points (c) and (d) of the Inquiry's Terms of Reference:

*"(c) recognises the property rights of government-issued licences and authorities including commercial fishing;*

*(d) asserts that fair and reasonable compensation must be paid to the owner of private property if the value of the property is diminished by a government encumbrance or resumption in order to derive a public benefit;"*

For several years now, the Department of Water and Environmental Regulation (DWER) has been preparing a proposed revised Gngangara Groundwater Areas Allocation Plan (GGAAP), which is expected to be released for comment later this year. In January 2019, the Minister for Agriculture and Food, in announcing her response to the recommendations of a North Wanneroo Agriculture and Water Taskforce she had established, advised that the draft GGAAP could be expected to include a proposed 10% reduction in water licences for growers.

In this regard, the Taskforce recommended that if water licenses are to be reduced, the State Government should consider an 'adjustment package' for growers, including the making of 'ex gratia' payments (ie. payments which are not legally required to be made). In response to this particular part of the recommended adjustment package, the Minister advised that she cannot support ex gratia payments, where reduction of water licences is due to climate change.

The reason why the above payments were referred to as ex gratia is because in Western Australia, there is no legal obligation on the State Government to compensate growers when government reduces water licences. This can be compared to the Eastern States, particularly the Murray-Darling Basin, where over recent years, governments involved have resolved to reduce growers' water allocations (usually for environmental reasons), and have paid compensation to growers for the reduced water allocations.

Government purchase of water entitlements in such cases is considered to be consistent with the Standing Committee on Public Administration's assertion (as stated in point d) of the Inquiry's Terms of Reference)

*"that fair and reasonable compensation must be paid to the owner of private property if the value of the property is diminished by a government encumbrance or resumption in order to derive a public benefit"*. This assertion is strongly supported by the City of Wanneroo. The City of Wanneroo considers the current practice in Western Australia of not paying such compensation is inconsistent with that assertion.

The City of Wanneroo therefore requests the Standing Committee on Public Administration Inquiry into Private Property Rights to formally consider this matter.

Should you have any queries regarding the above information, please do not hesitate to contact me.

Yours sincerely



Daniel Simms  
**CHIEF EXECUTIVE OFFICER**