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MANJIMUP WA 6258

Inquiry into Water Resource Management Charges

Economic Regulation Authority

Email: watercharges@era.wa.gov.au

Fax: (08) 92131999

We are a self-supply water user in horticulture. 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 bores and in-stream dams to include a requirement for a water licence for water accessed by tree plantations that use more water than vegetables, vines and orchards; will the requirement for a water licence for tree plantations apply to both existing and new tree plantations if fees and charges are to apply to both existing and new bores and dams; will the Act require mandatory metering and collection of water metering charges; will the Act provide the opportunity for development and administration of Statutory Water Management Plans by self-supply water users in the water resource region; will the Act provide increased security of Water Access Entitlements, in the context of any cost of fees and charges associated with Entitlements? There is also the potential for gross anomaly where 150,000 garden bores in Perth using 120 gigalitres of water may not be included in any water licence fees and charges system applied to food producers in the outer metropolitan area of Perth and 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. Apart from the fact that water is

vital to life and that management of water resources should be a core function of Government, there is demonstrable diversity between water resource regions and uses in WA such that the extent and process of management remains to be determined by Statutory Water Management Plans for each water resource region. There is no 'formula' for water resource management charges that can be applied rationally and equitably across all water resource and use regions.

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 bore or dam 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

Kim Edwards