



WALGA

31 August 2009

Our Ref:
Your Ref:

Inquiry into Water Resource Management and Planning Charges
Economic Regulation Authority
GPO Box 8469
Perth Business Centre
PERTH WA 6849

Dear Sir

Inquiry into Water Resource Management and Planning Charges

Thank you for the opportunity to provide comments on behalf of Local Governments in Western Australia in response to the Discussion Paper released as part of the Authority's inquiry into Water Resource Management and Planning Charges.

Many Local Governments are significant users of ground and surface water for maintaining the amenity of public open space and sports grounds and are therefore potentially impacted by the introduction of charges to recover the water resource management and planning activity costs of the Department of Water.

The inquiry Discussion Paper uses public parks as an example of a public good. Although in the case of neighbourhood parks, the beneficiaries of this asset are predominantly local, in the case of regional sporting grounds and foreshore or coastal reserves, the beneficiaries are likely to live across the metropolitan area of Perth and beyond. We would support the conclusion in the Discussion Paper, that if the costs are incurred to provide a public good, the costs should be borne by the general community. Therefore we would strongly urge that the Economic Regulation Authority recommend to Government that water drawn from ground or surface resources used for public benefit should not be subject to licensing fees.

There currently exist many precedents for this approach to cost recovery for the provision of public goods. For example, private property developers pay fees (Planning and Development (Local Government Planning Fees) Regulations, 2000) to recover the planning costs incurred by Local Governments. However, State Government developments (eg hospitals, schools etc) are referred to Local Government through the Department of Planning and therefore are not subject to normal Local Government Planning Fees.

Local Government House
15 Altona Street
West Perth WA 6005
PO Box 1544
West Perth WA 6872

Telephone: (08) 9213 2000
Facsimile: (08) 9322 2611
Email: info@walga.asn.au
Website: www.walga.asn.au



Any water licence fees payable by Local Governments would need to be recouped via rates or a specific purpose levy on ratepayers, as the users of public open space would, by definition, be difficult to identify and charge. Consequently, imposition of a water licence fee would effectively be a State tax being collected by Local Governments.

Local Governments have invested heavily and worked closely with the Department of Water and Department of Sport and Recreation to achieve improved water use efficiency for the public good. These local initiatives will potentially be slowed to the extent the limited financial resources are reallocated from activities such as water source development and irrigation system improvements to meet any licensing fees.

If you require further information or wish to discuss this submission further please contact Ian Duncan, Economist on 9213 2040 or jduncan@walga.asn.au.

Yours sincerely

Ricky Burges
Chief Executive Officer