

WATER LICENSING FEES

4779. Hon Nigel Hallett to the Leader of the House representing the Minister for Water Resources

In answers to question Nos 2090 and 2092 in regard to water licence administration fees to be introduced from July 2007, the Minister said the fees are based on recovering the \$5.8 million cost of administering water licences and advised of the percent proportion for the administrative functions. The Minister said the proportions were based on calculations within the discussion papers attached to the State Water Strategy Water Reform Program. Making the assumption this refers to table seven page 35 in A draft Blueprint for Water Reform in Western Australia (July 2006) which shows proposed fees for 18 674 licences to raise required annual revenue of \$5 786 905, I ask -

- (1) In regard to the answer that licensing and renewal is 71 percent of \$5.8 million, can the Minister confirm that in principle a licensing application fee should not normally exceed a fee for renewal of a licence at the end of the licence duration?
- (2) In regard to the answer that licensing and renewal is 71 percent of \$5.8 million or \$4 108 702, how can licensing and renewal administration constitute 71 percent of \$5.8 million when there is now a licence application fee of \$200, which if applied to the existing 18 674 ten year duration licences renewed at the end of 10 years would raise \$373 480 annually, which constitutes 6.45 percent of \$5 786 905 not 71 per cent?
- (3) In regard to the answer that licensing and renewal is 71 percent of \$5.8 million, if the \$200 application fee doesn't full cost recover licensing application and renewal costs, why doesn't it?
- (4) In regard to answer that licensing and renewal is 71 percent of \$5.8 million, if the \$200 application fee doesn't recover licensing application and renewal costs, what rationale is the Minister applying to instead distribute the balance of the 64.55 percent licensing application and renewal costs into the annual fees of \$200, \$325, \$600, \$1200, \$1800, \$2400 and \$3000 applied each year for 10 year duration licences?
- (5) In regard to answer that checking compliance with licence conditions is 14 percent of \$5.8 million does the Minister believe it is fair businesses pay \$810 166 annually for enforcement of the *Rights in Water and Irrigation Act 1914* when businesses do not have to pay fees for checking compliance with the *Occupational Safety and Health Act 1984*, and the *Minimum Conditions of Employment Act 1993* applying to the same businesses?
- (6) In regard to answer that maintaining licensing database is 7 percent of \$5.8 million or \$405 083, will the Minister acknowledge that applying a fee of \$222 for a ten year duration water licence, equivalent to a drivers licence fee, will raise an amount of \$414 562 exceeding what is required to maintain a licensing database?
- (7) In regard to answer that maintaining licensing database is 7 percent of \$5.8 million, is the Minister aware that 17 of the 71 public submissions in 2006 on the draft Blueprint for Water Reform suggested a water licence fee of \$222 for a ten year duration water licence, equivalent to a drivers licence fee in cost?
- (8) In regard to answer that management of appeals is 4 percent of \$5.8 million or \$231 476, does the Minister believe it is fair businesses pay \$231 476 annually so the Department of Water can respond to appeals before the State Administrative Tribunal when there has been only one decision of the Tribunal during 2001 to 2007 related to the *Rights in Water and Irrigation Act*?
- (9) In regard to answer that management of appeals is 4 percent of \$5.8 million; will the Minister advise if it is the Governments intention to introduce fees on businesses in relation to all statutes relevant to both the State Administrative Tribunal and businesses, to fund the cost of Government Agencies responding to appeals against their decisions?
- (10) In regard to answer that community awareness is 4 percent of \$5.8 million or \$231 476, will the Minister itemise costs for 2005-06 for the management and support of each of the ten Water Resources Advisory Committees?

Hon KIM CHANCE replied:

The Minister for Water Resources has provided the following response:

- (1) There will be no application fee for the renewal of a water licence. The application fee only applies to new applications for water licences or amendments to existing licences, not to renew existing water licences.

- (2) As above, application fees are not charged for the renewal of water licences.
- (3) Answered in Question 1. The fees have been calculated to recover the \$5.8M in costs associated with administering 13,500 licences (based on 2005/2006 figures and recurrent funding). The Government has just announced an amendment to Class 1 fee band from 0 kilolitres to 1,1501 kilolitres per annum. This has resulted in 2,700 licence holders, general stock and domestic use, avoiding the \$200 annual fee. This change to the licence administration fee structure will result in a reduction in revenue of \$540,000.
- (4) The annual fee structure was determined from the amount of effort required to administer licences with different water entitlements. It is more complex and time consuming to manage a water licence with a large water entitlement than a smaller one and the range of fees reflects this.
- (5) The range of processes applied in administering a water licence which includes checking compliance with licence conditions, maintaining licensing databases, managing appeals and community awareness are complex and exhaustive and are not undertaken in the manner of straight forward functions like other Government agencies such as the issue of a driver's licence. These functions directly relate to the creation and protection of water user's valuable entitlement.
- (6) Answered in Question 5.
- (7) To compare water administration fees to a driver's licence fee is not appropriate considering the different numbers involved and that once a driver's licence is issued no further administration is undertaken. Once a water licence is issued several processes occur as mentioned in the answer to Question 5, including compliance checking against licence conditions and is not equitable to charge the same fee to licences with different water entitlements.
- (8) The Government considers that the management of appeals by the Department of Water (DoW) is a function of administering water licences and is a cost incurred over and above that applied by the State Administrative Tribunal. While the Tribunal has only handed down one decision there are several cases pending and others have withdrawn, all at cost to the DoW.
- (9) There is no intention at this time to introduce fees to other statutes.
- (10) The management and support of the Water Resource Advisory Committees are not costed to individual committees at this time.