

WATER LICENCES - FEES

2090. Mr P.D. Omodei to the Minister for Water Resources

The 2006-2007 Budget papers for *Appropriations and Forward Estimates* state the 2005-2006 budget appropriation for 'Water licensing and regulation' was \$18.645 million and for 2006-2007 is \$21.544 million. The 2006-2007 Budget papers state, as a Key Efficiency Indicator, the average cost per gigalitre of water licensed was \$6,164 for 2005-2006 and the target is \$6,340 for 2006-2007, and I ask -

- (1) Can the Minister explain why the proposed charges for water licence fees, to be introduced on 1 July 2007 are, in many instances, more than the \$6.34 per megalitre total cost of water licensing and regulation?
- (2) Can the Minister explain why the water licence fees to be introduced on 1 July 2007 are not based on the approximately \$6 per megalitre cost of water licence administration?
- (3) Given the 2006-2007 Budget papers state the average cost per gigalitre of water licensed in 2006-2007 is targeted to be \$6,340, can the Minister advise what is the proportion and value of the \$6,340 per gigalitre being applied to -
 - (a) licence application;
 - (b) licence renewal;
 - (c) checking compliance with licence conditions;
 - (d) maintaining licensing databases;
 - (e) management of appeals; and
 - (f) community awareness?

Mr J.C. KOBELKE replied:

- (1) The use of this averaged cost of water per gigalitre is not appropriate to the water licence administration fee because if applied it would raise more money than the actual costs of administering water licences. Using the suggested cost of \$6 per megalitre may reduce the annual fee to some but would see the larger water users, such as irrigation cooperatives, paying far greater than that proposed and this would be disproportionate to the cost of administering the licences.
- (2) The water licence administration fee is based on recovering the \$5.8M cost of administering water licences and is based on a seven tier structure that reflects the amount of effort required in administering licences. A water licence with a large entitlement requires more effort and time than one with a lesser water entitlement.
- (3) The effort required for each of the functions undertaken in administering water licences will vary from year to year as demands dictate, and are dependent on the complexity of the licensing situation. In the initial calculations within the discussion papers attached to the State Water Strategy Water Reform Program, the proportion for the administrative functions were as follows:
 - (a)-(b) Licensing and renewal is 71%.
 - (c) checking compliance with licence conditions is 14%.
 - (d) maintaining licensing database is 7%.
 - (e) management of appeals is 4%.
 - (f) community awareness is 4%.