

Shire of Toodyay Submission
Based on Guidance by Council Forum on 9 Oct 2018

DISCUSSION PAPER ON COST RECOVERY FOR THE DEPARTMENT OF WATER AND ENVIRONMENTAL REGULATION

Native vegetation clearing fees

- ☐ Would a strategic approach to clearing, through a strategic purpose permit, benefit you?

The concept of a strategic purpose permit concept could benefit the Shire. It is seen as a logical approach to clearing in circumstances where clearing small areas over a larger is desirable to avoid the whole clearing of an area

- ☐ Is the 'purpose component' reasonable to apply considering the added complexity of assessing this type of clearing permit?

This is not seen as reasonable because it appears that an applicant is being penalised for producing a better overall outcome. Assuming Local Government has financial capacity to pay more is wrong. Like all of the community Local Government is under financial stress and has no additional capacity to pay.

It could be argued that a purpose component application that preserves vegetation should be rewarded with reduced fees to encourage such applications where there are clear benefits demonstrated. Where an application applies to clear a whole area and it is determined that part must be left uncleared there is no additional fee.

- ☐ Is the proposed fee structure fair and does it adequately reflect differences in the financial capacity of clearing permit applicants?

The proposed fee structure is not seen as fair and equitable to Local Government. It is seen as another case of cost shifting. Given, as stated in the Workshop, 54% of your clients are a combination of both state government and local government it appears the biggest impact will be on these sectors. With no prospect of LG on shifting additional costs without raising rates this will mean a reduction in available funds to spend elsewhere or the ratepayers paying more.

- ☐ What is the likely impact on your business or industry of the proposed fee structure?

Any impact on our budget would be dependent on how many applications are applied for each year but based on the increases proposed the increase from the current \$50-\$200 fee if multiplied it will be significant. Additionally as this Shire is located in the intensive area the fees are higher again.

Water licence and permit fees

- ☐ Do you consider it reasonable for taxpayers to pay 100 per cent of the cost of assessing water licence and permit applications and if so, why?

This is a simplistic question to a complex issue. It is thought that improvements in process and efficiency may be able to reduce costs over time especially as there are known factors and risks involved. Concerns have been raised over the current process being very clunky and cumbersome. If it was streamlined, could immediate efficiencies and cost savings could be gained? Additionally over time as information is collected and processes are improved could this lead to greater cost savings? Once an overall picture is developed with detailed information on each resource applications would surely be easier to assess.

- ☐ If water licence and permit assessment fees were introduced, what do you consider to be an appropriate fee for a water licence or permit application?

As a nonuser of this system it is difficult to respond to this question but given the current fees are acknowledged as inadequate there is room for some increases. These should be determined by their impact on applicants to some degree. The scale of the proposed increases are of significant concern to the industry and some of the issues that have caused the suggested need for such

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increases need to be addressed first. Additionally having fees go from nothing to those proposed is a significant impost to carry immediately.

It is suggested that the current unofficial water allocation trading system should be looked into and changes made. There are concerns that there are water allocations being held to on sell are creating a situation where some resources are over allocated creating a need for higher fees based on risk and giving such allocations a value to the holder to sell. This creates a false picture. These need to be audited and taken out of the market and added back into the resource allocation to reduce the risk.

☐ Would you consider a risk-based model for determining water licence and permit application fees to be appropriate? If not, what basis could the department use to structure fees?

Having a risk based structure penalises an applicant for needing to draw a water allocation from a resource already heavily allocated. If there is no choice would it be better to spread the cost over the system. Additionally, as indicated above, other factors need to be taken into consideration first.

☐ What would be the likely impact on your business or industry if water licence and permit fees were introduced?

As the Shire is in not in an area where this applies this is not an impact. There are however local governments in the Perth metropolitan area where there is a need to have multiple applications and allocations in relation to watering parks and reserves where this will have a significant impact.

☐ If water licence and permit assessment fees were introduced, how could the collection of fees be timed to better support your business or industry? For example, would you benefit from paying fees up front, at the end of a licence assessment or annualised over the term of the licence?

If we were involved and fees were introduced a phased in system over a number of years is preferable with fees annualised over the term of the license to spread costs would be preferred.

General Comments

The Shire reiterates it has significant concerns over the proposed model of fee increases and the cost shift to Local Government this represents. While it is acknowledged that the current fees may be too low, the scale and immediacy of the increases are strongly opposed. It is believed improvements in process and efficiency should first be explored and any increases determined need to be phased in over a number of years. Three to five years would be reasonable. The average cost of \$10 000 assessment per application for clearing is of great concern. It is believed this should not be this high. Could this be better explained and ways of lowering this be looked at. The water assessment fees cost structure should be similarly looked at.

Concerns are also raised in relation to the doubling of proposed fees for clearing depending on where an application applies. The rationale for this is noted but this compounds the immediate impact of any rises based on location. It is recommended these changes be also phased in.

As over half the applications come from State and local government combined the proposed financial load on these sectors this represents needs greater consideration in terms of its ongoing impact. While the concept of user pay sounds good in principle in this case it could have perverse consequences and is seen as Government taxing Government. Who bears the cost of the additional costs for Government Departments, the tax payer? There was no suggestion that local government would receive additional grants to offset additional costs so the ratepayer would eventually bear the cost or services would be reduced.

If these fees are introduced given the above could rebates be provided to Local Government to reduce the cost shift component?

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In relation to clearing, the Shire would like to make a suggestion that may help with efficiencies and costings. Given the routine nature of roadside clearing and the potential this has to add time into processes could this aspect be reviewed with a view to modifying the exemption guidelines. Given most of these applications relate to safety and can be easily quantified could an exemption be looked at that would allow a 4m section to be cleared from the verge each side unless specific circumstances exist. This would reduce the financial burden on Council, speed things up and release more department time.

As local government has little capacity to pass any fee increases on it is suggested they be treated differently if these changes were to proceed.

There are also concerns that this model, if successful, will be transferred onto other fees currently covered by government revenue which will cause additional impact.

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On Behalf of the Shire of Toodyay
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