



Your ref:  
Our ref: CEO216/20  
Enquiries: Zoe Moon  
Phone: 08 9688 6000  
Email: [wedgeandgrey@dbca.wa.gov.au](mailto:wedgeandgrey@dbca.wa.gov.au)

Mr Brad Glew  
Wedge Island Protection Association  
PO Box 152  
NORTH BEACH WA 6920

Dear Mr Glew

## LICENCE FEE DETERMINATION AND REQUEST FOR LICENCE FEE RELIEF

Thank you for your letters dated 26 March and 1 April 2020 regarding your concerns around the management of Wedge during the COVID-19 pandemic and the licence costs associated with the management of Wedge and Grey reserves.

The Department of Biodiversity, Conservation and Attractions (DBCA) understands that the COVID-19 pandemic is having a significant impact across the community.

### Licence fee relief

I note your concerns regarding COVID-19 including potential impacts on licensees and your request seeking relief of shack licence costs. I am not aware of any State Government advice that would support DBCA waiving licence fees for shack owners at Wedge, however, I am sympathetic to individuals' needs at this time. In response, I am prepared to consider providing licensees who are experiencing financial hardship due to COVID-19 up to six months additional time to pay their fees.

I confirm that invoices for the second installment of the 2019/20 licence cost will be issued in May 2020. I encourage those licensees who can pay their invoices by the due date to please do so. At this stage, the first installment for the 2020/21 licence cost will be issued on 1 November 2020.

I encourage those individuals that may be experiencing financial hardship due to COVID-19 to put a request in writing to the following email address: [wedgeandgrey@dbca.wa.gov.au](mailto:wedgeandgrey@dbca.wa.gov.au), requesting a payment extension.

### Process for licence fee determination

I can confirm the costs related to the management of Wedge and Grey reserves are in accordance with DBCA's commitments outlined in the fact sheet '*Licence term and costs*'. DBCA is aware of its responsibilities in relation to State Government guidelines for cost recovery and does not recover costs in excess of 100 per cent.

I can also confirm that the annual licence fee amount along with any proposed changes to the licence fee is provided to the Department of Treasury annually for endorsement by the State Government's Expenditure Review Committee and Cabinet.

The financial management mechanism used by DBCA for licence fees has been to create a specific purpose account (trust account) for the receipting of the fees and the incurring of associated expenditure. The benefit of a special purpose account is that funds can only be expended for the purpose for which they were received, with each trust account also having its own discrete account number. In the case that more revenue is received in a particular year than is expended, the unspent portion of the revenue is carried over in the balance of the account. This mechanism provides capacity for larger capital items or other significant costs to be carried out in a year where the annual expenditure might exceed the annual revenue received. An example of this would be where significant costs are incurred for shack removals or road maintenance in any given year.

I note that the quarterly reports provided recently to your association may have led to some confusion, in that the 'annual budget' amount shown in the table does not represent the annual receipts for that year, but instead also includes the balance carried forward from previous years. To provide more clarity in the future, I have asked that the quarterly report to you be amended so that annual receipts will be shown separately from the balance carried forward, with the budgeted expenditure being funded from the total available funds. If for some reason the budget expenditure is unable to be incurred in that year, the unspent portion will be carried over and represented in the balance carried forward for the account.

As part of recent licence negotiations, I note that the fact sheet *'Licence Term and Cost'* was endorsed by your association and the Grey Conservation and Community Association (GCCA). This fact sheet provided the total licence cost for 2019/20 and an estimated cost for 2020/21 and 2021/22 to provide transparency to licensees when renewing their licences. DBCA remains committed to providing transparent quarterly expenditure updates and these have been provided to your association and GCCA. These reports provide an overview of expenditure items such as salaries, fleet, services and contracts, etc. and are not designed to be a line by line financial report. Going forward, they will also include information on annual receipts, so it is clear what revenue has been generated year to date from licence fees.

I note your request for the development of an annual agreement to document who is responsible for what, in relation to management of the Wedge Reserve, however, I do not consider that this is necessary. DBCA has clear management responsibility, including all expenditure relating to the management of Wedge and Grey reserves. Although some expenditure items such as the engagement of a coastal engineer is discussed with your association and GCCA, it is not appropriate for the associations to manage expenditure on a daily basis. DBCA is not required to provide third parties with staff timesheets, job description forms, classification levels or justification for staff training. I can confirm that there are many individual staff across DBCA that contribute to the management of Wedge and Grey reserves, many of which are not cost recovered through the existing licence fees collected. I confirm that there is a total of nine individual staff that charge a portion of their salary to the Wedge and Grey trust account including rangers, administration, operations and management positions. This equates to five full time equivalent positions.

As an example, DBCA's Moora District employs 12 rangers/trainee rangers including Aboriginal rangers. These staff work across all areas of DBCA responsibility, including Wedge and Grey reserves. A seven day a week presence/response is required for Wedge and Grey and a flexible model where all staff can work within the reserves is much more efficient than restricting the works program to the two individual rangers that are paid for from licence fees. There is also an expectation that all DBCA staff are involved in fire management and this will continue into the future.

The engagement of contractors to undertake works at Wedge and Grey is essential to maintaining human health and safety. The scope of works is developed in line with licence conditions and fact sheets and consultation with associations is undertaken for major works. The preparation of tender documents, requests for quote and assessment of these submissions is carried out in accordance with DBCA's procurement policies and the Department of Finance guidelines. Due to confidentiality and provisions within this policy the involvement of external associations, organisations and persons is restricted until the documents are released to the public. Releasing the details of tenders prior to release could provide individuals with a competitive advantage.

### **Removal of derelict shacks**

I confirm that the removal of shacks from the reserve that are currently in DBCA's possession will be undertaken in accordance with the fact sheets and DBCA's risk management processes. I consider that the costs associated with the removal of these shacks is a direct management cost associated with shacks in these reserves and that this will continue to be covered by licence fees.

### **Road maintenance and waste transfer station**

Road maintenance at Wedge and Grey is an essential requirement to managing the reserves. Maintaining tracks and roads is the responsibility of DBCA and reasonable standards, access and conditions must be maintained. If the shacks were not located at Wedge and Grey, it is unlikely this work would need to be done by DBCA. I consider that it is reasonable to apply a cost recovery approach to road maintenance and upgrades as they relate specifically to Wedge and Grey. This principle also applies to the costs associated with the management of the Wedge and Grey transfer stations and this will continue to be a cost associated with shack management.

### **Tank stands**

In reference to tank stands, you are aware an extension to the due date for the removal has been extended to 31 May 2021. DBCA trusts that this variation will provide licensees with a reasonable timeframe in which to complete the required work.

### **Meetings schedule**

DBCA is happy to maintain ongoing communications with your association and to schedule non-face to face meetings via phone, email and/or teleconferencing. I understand that an initial suggestion of deferral of meetings was in response to a request from your association.

DBCA remains committed to working with your association and GCCA into the future.

Thank you for raising these matters with me. Should you have any questions, please contact DBCA's Senior Project Officer – Wedge and Grey, Ms Zoe Moon on 9688 6000 or email [wedgeandgrey@dbca.wa.gov.au](mailto:wedgeandgrey@dbca.wa.gov.au).

Yours sincerely



Mark Webb  
DIRECTOR GENERAL

1 May 2020