25 May 2020

Mark Webb Director General Department of Biodiversity, Conservation and Attractions 17 Dick Perry Avenue KENSINGTON WA 6151

mark.webb@dbca.wa.gov.au

By Email

Dear Mr Webb

WEDGE ISLAND PROTECTION ASSOCIATION - LICENCE AGREEMENT & FEES

- 1. We act for the Wedge Island Protection Association (**WIPA**) and refer to your letter dated 1 May 2020 (**Your Letter**).
- 2. At this stage, we do not propose to discuss the substantive parts of Your Letter; however reserve the right to deal with same at a later date.
- Our client instructs that its members will make payment of the second instalment of the 2019/2020 licence fee (pursuant to its obligation under clause 2.1 of the licence agreements) by 31 May 2020 (Licence Fee).
- 4. Those members who cannot pay the Licence Fee will contact the Department of Biodiversity, Conservation and Attractions (**DBCA**) (in accordance with the DBCA's financial hardship COVID-19 policy) and make arrangements, as may be appropriate, to that member's personal financial circumstances.
- 5. If any member fails to pay their Licence Fee on time, we would be obliged if you could please notify us before any adverse steps are taken, so as to give our client the opportunity to liaise with the licence holder. We are sure that you would agree these are extraordinary times, so we would be obliged if you could extend this courtesy to our client.
- 6. For the avoidance of doubt, whilst our licence holders will make payment of the balance of the Licence Fee, it is our client's position that the making of the payment in no way amounts to an acknowledgement and/or acceptance of that fee by our client and/or its members. Our client's position remains that the Licence Fee is required to be justified by the DBCA, pursuant to principles of cost recovery and to-date that has not occurred.
- 7. In the event that the Licence Fee for the first year of the licence agreements exceeds what was actually spent by the DBCA in managing the shacks and shack users, our client and its members, expect that any overpayment will be credited towards the licence fees for the second and third years.
- 8. Our client and its members do not consider the accumulation of unspent portions of the Licence Fee for future capital expenditure, as justification for the Licence Fee. Such justification should be conducted in line with cost recovery principles, and include evidence of all funds spent by the DBCA in managing the shacks and shack users.

Further Negotiations

- 9. By reason of the above, our client invites the DBCA to engage in further discussions and negotiations with its members, in respect to the proposed licence fees for the second and third years of the licence agreements.
- 10. It remains our client's desire to continue to work amicably with the DBCA to resolve these issues and we envisage that our client will engage in correspondence with the DBCA in this regard shortly.
- 11. Our client otherwise reserves its rights.
- 12. If you have any queries in relation to the above, please contact Tim Kennedy on (08) 6467 7889.

Yours sincerely

Mason Ledger

Tim Kennedy Partner Mason Ledger

CC: Client