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Drew Collins
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By email: drewcollins@netspeed.com.au

Dear Drew

Re: Discussion Paper: A Nutrient Offset Contributions Scheme for the Swan Canning Catchment

Thank you for meeting last week with the Urban Development Institute of Australia (WA) to present the above discussion paper. Our members were pleased to have the opportunity to comment on the proposed scheme and I trust you found the feedback useful.

Following is a summary of the UDIA (WA) position on the nutrient offsets contribution scheme:

General

While the objective of the scheme is to offset residual loads of nutrients from selected activities entering the Swan Canning catchment so as to improve regional water quality outcomes, the program unfairly targets new residential development, despite agriculture being a higher contributor of nitrogen and phosphorous. UDIA does not support the approach taken by the discussion paper as new residential development is simply an easy target for implementation of the scheme, as the offset calculation will be imposed as part of the subdivision application process.

New residential development is likely to be a minor contributor to nutrient loads into the Swan Canning and for this reason desired improved regional water quality outcomes will not be achieved. Reasons include:

- New residential development is but a small proportion of the Perth Metropolitan Area
- It is likely to comprise smaller lots with water sensitive planting and native species that do not require fertilising
- It is likely to be located further from the rivers
- In contrast, the larger lots in established areas around the river with lawns and exotic plantings will be higher contributors of nutrients than new residential development

UDIA members developing new residential areas in the affected areas undertake extensive community education on managing water sensitive gardens and encourage behaviour change away from the use of fertilisers. UDIA is opposed to the new residential areas being unfairly hit with the offset scheme where the impact of this development is minimal compared to other contributors.

In the interest of equity, the nutrient offsets scheme should be applied to all contributors at the same time, this includes new and existing residential, agriculture, and point sources such as wastewater treatment plants and feed lots. UDIA cannot support the scheme's proposal that developers be the first to pay for offsets with other contributors being introduced to the scheme over time. This is inequitable and illogical and simply the easy option. It does not provide a long term solution as a different collection methodology will need to be devised for the other sectors. Our view is that the nutrient offset contribution scheme be applied to all contributors once the legislative framework to allow this to happen is in place.

Collection Mechanism

The discussion paper proposes that any nutrient offset contributions from existing urban areas be collected by the Water Corporation. UDIA has reservations about this approach as the level of transparency required of Water Corporation is not reflected in its current practices. Industry would require certainty that nutrient contributions were hypothecated for expenditure on the specific purpose for which they were raised. It is also important that legislation be put in place so that nutrient offset contributions from rural landholdings are collected at the same time as contributions from urban areas.

Funding Mechanism

The discussion paper recommends the Swan River Trust as the most suitable body to manage the proposed Nutrient Management Fund, from which strategic investments will be made to maximise water quality benefits. The SRT will be advised by the Department of Water and the Department of Environment and Conservation during assessment of Nutrient Management Plans. It is UDIA's view that the SRT should not be charged with this responsibility without guaranteed support from the state government. Currently, a lack of adequate resourcing is impacting on development timeframes which blows out costs to developers and inevitably to the purchaser. The nutrient offset contribution scheme will further stretch the limited resources of the SRT and the advisory agencies.

I trust you will give these comments due consideration in further development of the scheme. The contribution will add yet another cost to those choosing to locate in new urban areas and will impact on housing affordability for those who can least afford it and who are likely making the least contribution to nutrients in the Swan Canning system.

Yours sincerely



Debra Goostrey
Chief Executive Officer