

Dr Judy Edwards; Mr Tony McRae; Mr Paul Omodei; Mrs Cheryl Edwardes; Mr Jeremy Edwards; Mr Martin Whitely; Mr John Hyde; Chairman

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**Division 41: Environmental Protection, \$26 232 000 -**

Ms Guise, Chairman.

Dr Edwards, Minister for the Environment and Heritage.

Mr R. Sippe, Director, Policy and Coordination, Department of Environmental Protection.

Mr. R.F. Payne, Chief Executive Office, Water and Rivers Commission; Acting Chief Executive Officer, Department of Environmental Protection.

Mr. G.S. Ticehurst, Manager, Finance and Administration, Department of Environmental Protection.

Mr McRAE: In addition to the evidence and concerns raised during the course of my inquiry into the Bellevue site, some general community concern was expressed about the management and identification of contaminated sites in Western Australia. Clear direction has been required on legislative arrangements for management of contaminated sites. Page 674 of the *Budget Statements* concerns the commitment by the Department of Environmental Protection to implement contaminated sites legislation. What budget resources and priorities are being allocated to this task?

Dr EDWARDS: Quite a lot of time is being allocated to the task. The previous Government worked on draft contaminated sites legislation. We are holding ongoing discussions with agencies, with which I am sure the previous minister also held discussions. As government changes, there is a sense of needing to go over old ground and of bringing people forward to new ground that had often been arrived at previously. I believe we are nearing the end of those discussions. There is more agreement now than there was a number of months ago. The Labor Party made a number of election commitments about contaminated sites, so those had to be worked through to see how they could best be incorporated into the legislation. Our commitments involved giving the public greater access to the contaminated sites database than was originally proposed. Although there is no written allocation for that issue in this budget, I have discussed the issue with the Treasurer and Treasury. That whole issue will be built into the bilateral discussions that will start almost immediately.

I envisage that contaminated sites legislation will be introduced by early next year. That will take some time to go through. Discussions will be held with stakeholders before the Bill is introduced into Parliament. This Government will move forward with many of the parts of the legislation that the previous Government had worked on, but with one change, which will free up public access to the database.

Mr McRAE: I ask a supplementary question. Part of the second dot point on page 674 states that -

within the constraint of non-retrospectivity, introduces the principle of "polluter pays", thereby reducing the State's liability.

To what extent does the Government propose to apply the principle of polluter pays? What other options were examined?

Dr EDWARDS: That is a good question. The fundamental principle underlying it is that if a person abided by the standards of the day, but contamination occurred, we must all cop it down the track. If a person negligently and knowingly goes against the standards of the day, the legislation will have the ability to retrospectively make the polluter pay. The fundamental principle is that there is a measure of protection for people who try to do the right thing. Sites must still be cleaned up. The real difficulty for government comes when there are so-called orphan sites. These sites are contaminated and must be cleaned up for both health and environmental reasons, but there are arguments about who picks up the cost. Government picks up the cost for a number of orphan sites.

Mr OMODEI: I presume that the Government will abide by the same polluter-pays principle. Most polluted sites belong to the Government.

Dr EDWARDS: I do not think that is true. For example, with water contamination, many point sources are contaminated despite people complying with the standard of the day. We will face issues down the track. It will become a bigger issue as ground water becomes more important. This Government recognises, as yours did, that if the Government has caused pollution, it must pay for the clean-up.

Mr McRAE: Did the Government examine any alternatives to the polluter-pays principle, such as universal bonds?

Dr EDWARDS: Draft contaminated sites legislation was first introduced in about 1995. Hon Peter Foss, who was the minister at that time, said that it was urgent. The previous minister had a number of goes at trying to put it forward. It is the sort of legislation that is not warmly embraced by every member of the community. Some people do not like the notion at all. There are a number of contaminated sites in this State and we need the framework of that legislation. Our election commitment was based on the principle of polluter pays when a

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polluter has knowingly polluted. It is retrospective to that extent. However, beyond that, I did not want to reinvent the wheel or to go through a whole lot of other options and models. I am keen to move on. I believe we are nearly there.

Mr McRAE: Thank you.

Mrs EDWARDES: Outputs are listed on page 667 of the *Budget Statements*. I am sure that the area I am interested in is covered by one of the outputs somewhere along the line and that the minister will be able to point me in the right direction. The minister mentioned contaminated sites legislation, but did not mention the other two Bills also being prepared, which involve amendments to the Environmental Protection Act 1986 and legislation concerning waste management. I ask the minister to also bring the committee up to date on the Government's progress on signing the bilateral agreement on the commonwealth Environment Protection and Biodiversity Conservation Act 1999. How is the process operating? Have there been any hiccups along the way?

Dr EDWARDS: I will answer part of that question and then ask Mr Rob Sippe to discuss the bilateral agreement. When the Labor Party came to government, legislation to amend the Environmental Protection Act was at draft 19. There have been a couple of drafts since then. Discussions have been held with different departments about some aspects of that amendment Bill, but I believe we are near the end of that process. Cabinet has discussed the Bill. The Government is in the processing of drafting the waste management Bill and is building on work done by the previous Government, which released the discussion paper. We have taken the feedback from the discussion paper into account and have moved on from that. I want to reorganise the waste management area. I embrace the notion of a waste management council. I will probably move to create that council ahead of the legislation. Amendments to the Environmental Protection Act are needed to create the head of power for the bilateral agreement.

Mrs EDWARDES: Will that be done as a separate Bill?

Dr EDWARDS: No, it will be done as part of the same amendment. That is being written into the amendment Bill that is in train.

Mrs EDWARDES: Have you reached agreement with the federal Government on a couple of the issues that were outstanding when the coalition lost government?

Dr EDWARDS: We have had some interesting meetings with the federal Government on the bilateral agreement. It was suggested at the first meeting that environmental protection was not done as well in Western Australia as anywhere else in the country, but we quickly reassured the federal minister that that was entirely inaccurate.

Mrs EDWARDES: I think he was just testing you; he has held us in high regard.

Dr EDWARDS: There are a couple of minor sticking points, but I think we have made good progress. The Government embraces the notion of the bilateral agreement. We do not want a duplication of processes between the State and federal Governments. I ask Rob Sippe to comment on the final clarifications.

Mr SIPPE: There is only one thing that I can add to those comments which is that one outstanding point remains in the negotiation of a bilateral agreement and it does not concern resourcing, which was one of the sticking points in the previous round. The Commonwealth has agreed to the Western Australian resourcing clause, but in so doing, it wants access to Western Australian data for nothing. While I guess we are open to negotiation on that point, we are unwilling to sign a blank cheque by handing all the information that we have, in whatever form it wants, to the Commonwealth without considering the true cost of providing that information, because it could be a liability for the State. The resourcing clause that was negotiated was fair. It was a government policy position that had been through Cabinet and distributed publicly through the Internet. That was exactly the way we should proceed. The Commonwealth wants a change to that. At this stage, we are still negotiating that point.

Mr EDWARDS: I refer to page 665 of the *Budget Statements*. Remembering that the budget figures were adjusted to allow accurate comparisons between last year's figures and this year's figures as they apply to the new departmental structures, why do the forward estimates for the next three years suffer such a huge drop of almost \$4 million for next year and more than \$3 million for the following two years when dot point one of "Significant Issues and Trends" details significant increases in the department's statutory workload?

[4.30 pm]

Dr EDWARDS: This budget and, to some extent, last year's budget are inflated because unfunded moneys have been spent and then refunded. This budget contains \$2.7 million for the handling of the fire at the Waste Control Pty Ltd site in Bellevue. When that fire happened, I told the Department of Environmental Protection that it had to immediately tackle the issue and spend money, and that it would be reimbursed afterwards. Costs in previous

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years included the clean-up of Vela-Luka Park, and money is now included in the budget to pay back the agency. Changes will occur with the new department. I will make sure that these activities are not underfunded and that people have sufficient resources to carry out their tasks.

Mr PAYNE: When a “one-off” event occurs for which we do not have funding, we rely on the good graces of Treasury to step into the breach, as it did in this case.

Mr WHITELY: The minister has probably stated that the Environmental Protection Authority has been strengthened and has a greater degree of independence. Pages 670 and 671 detail the budget for environmental impact services. I cannot find any detail regarding funding arrangements for the EPA. How is it being funded to ensure greater independence?

Dr EDWARDS: Environmental Protection Authority expenditure for the year 2000-01 was \$567 000, and the budget estimate for 2001-02 is \$623 000.

Mr HYDE: I draw the minister’s attention to the major policy decisions listed on page 666, which indicate the provision of a 2001-02 budget estimate of \$312 000 for the continuation of the operation of regional offices. The member for Eyre wants me to ask whether, given the recent withdrawal of staff from Kalgoorlie, this funding presents opportunities for reinstating staff at the Kalgoorlie office.

Mrs EDWARDES: Further, the budget contains no forward funding for those offices. Are you closing all regional offices?

Dr EDWARDS: We recently advertised for staff for the Kalgoorlie office. The member for Kingsley would be aware of the great difficulties the Department of Environmental Protection has had in attracting and keeping staff in that office. At the beginning of the year the department advertised a position in that office, but it was not able to even interview the applicant because the application did not contain the criteria essential for an interview. The Water and Rivers Commission has a greater regional presence than the Department of Environmental Protection. The amalgamation of the two departments will provide more regional offices and capabilities. That is one of the very positive aspects that will flow from it. We recognised during the budget process that money was needed to attract people to regional areas and to fill those offices. The acting chief executive officer will expand on that.

Mr PAYNE: We expect there will be opportunities to “round robin” savings. Amalgamations of offices in Karratha, Kwinana and other places will free up money that will flow on to areas such as Kalgoorlie. The budget papers do not show any forward estimates; however, money will come from the rationalisation of the two regional empires of the departments.

Mr HYDE: Thank you.

Mrs EDWARDES: I also refer to the major policy decisions on page 666. Can the minister identify what programs and/or services are to be cut to meet the priority and assurance dividend? I know the figure for the parity and wages policy relates to the increases in the enterprise bargaining agreements, but what exactly will the department be aligned with?

Dr EDWARDS: Roger Payne will talk about parity and wages, and I will then provide some information on the priority and assurance dividend.

Mr PAYNE: It will cost \$500 000 to equalise or bring up to parity the two pre-existing parts of the organisation. We will consider whether it is possible within government policy to get an accelerated productivity dividend. The parity policy will require juggling of the amalgamation savings and costs. I am hoping to balance those in the short term; however, I probably will not succeed and remain a little in the red, although I see considerable savings in the long term.

Dr EDWARDS: The priority and assurance dividend and the travel, advertising and consultancy expenditure reduction has been spread across all divisions of the Department of Environmental Protection in a way that will maintain services to the public. The cuts are geared towards internal operations. For example, corporate services intends to reduce office floor space, reduce the human resources department by one person, and abolish the position of accommodation officer. Other areas also intend to cut some of the activity that has been occurring. For example, the DEP will reduce its involvement in the Bush Forever program; however, the Department of Conservation and Land Management will step up its involvement in that area. Certain cuts were put forward but, as we did with the machinery of government deliberations, we looked at picking up services and priorities across the whole of the portfolio, which has resulted in some movement of activity from one department to another.

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The amalgamation of the Department of Environmental Protection and the Water and Rivers Commission will mean that some cuts in activities in the old departments are picked up with increased activity by the new department.

Mr EDWARDS: I refer to page 671. The number of completed project audits is projected to drop from 316 to 214. The explanation for that reads -

Calculation measure revised in 2000-01 and data available for one year.

What does the explanation mean?

Mr PAYNE: The short answer is that it is a change in the definition of what we do. The earlier numbers included much tedious detail. We have amalgamated those into more succinct groupings. We have cut down on tedious detail and tried to apply more focused auditing. It is a change in definition rather than the economy of work.

Dr EDWARDS: Also, the amalgamation of the departments will prevent scenarios as related by the Geraldton office of the Department of Environmental Protection whereby an auditing officer from the DEP would go to a premise one day and someone from the Water and Rivers Commission would visit it the next. We will make sure that one person does one combined audit on the one date. It will be better for us and for businesses.

Mr HYDE: I refer to the major initiatives highlighted on page 670, particularly those relating to progress on environmental protection policies. Could the minister expand on the budget provisions for this initiative?

[4.40 pm]

Dr EDWARDS: Environmental protection policies are done under the Act and they must be reviewed after a certain time. A number of EPPs is in existence at any one time. The EPPs in progress now are for Cockburn Sound and the coastal zone. The Cockburn Sound Management Council and the EPA recently jointly released two documents as their first big step towards that EPP. With that one there will be both an environmental protection plan from the Environmental Protection Authority and an environmental management plan from the Cockburn Sound Management Council. The Minister for Planning and Infrastructure has started a review of coastal planning so that we will hold off on doing any work until we have that review and the Cockburn Sound management EPP. A number of other EPPs are in the pipeline; for example, a revised draft of the western swamp tortoise EPP - which I am sure the member for Kingsley will remember - was recently forwarded to my office, and I am in the process of sending that out for what I hope is the final round of stakeholder consultation.

Mrs EDWARDES: I'm glad you're the minister!

Dr EDWARDS: Good luck!

Mr SIPPE: Some of the EPPs that are moving towards completion this financial year are the Swan coastal plain wetlands EPP, the state air EPP, the Kalgoorlie sulphur dioxide EPP, and the minister has already mentioned the Cockburn Sound EPP. We are not guaranteeing that all the EPPs will reach the gazettal stage this year, because during the negotiation of these complex and legally enforceable documents, we encounter the odd pitfall along the way. We will make progress on the EPPs that I have already mentioned.

Mr HYDE: Given the outlined commitment to the Cockburn Sound EPP, does the budget provide for the finalisation of the environmental quality criteria for Perth's coastal waters?

Dr EDWARDS: My understanding is that the money is there.

Mr SIPPE: The money is there.

Mr HYDE: Does the commitment outlined in the minister's statement on the western swamp tortoise EPP - I do not think that stole my thunder - fully cover the Government's election commitment?

Dr EDWARDS: I believe that it does.

Mrs EDWARDES: I draw the minister's attention to Bush Forever. I could not locate it in the *Budget Statements*. The Government is obviously doing many things but they are not spelt out, and that is the point that the member for Perth raised earlier.

Dr EDWARDS: I have made that comment in the past.

Mrs EDWARDES: It is hard to find the line item, but with regard to Bush Forever, I have written to the minister about the Hepburn Heights conservation area. A Western Power substation and a fire station are designated in

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that Bush Forever site 303. Although there are no plans to proceed immediately with the Western Power substation, the Fire and Emergency Services Authority is proceeding with its fire station. Yesterday, pamphlets put out by the Premier were delivered to homes stating that the Government was keeping its promise of building a fire station in Hepburn Heights. All hell will break loose this week because it looks like that conservation bush will be lost. I urge the minister to ensure that this site will not be lost. In the election campaign, the Labor Party promised to establish a memorandum of understanding between government departments and agencies to ensure that those bodies would not develop Bush Forever sites, but that such areas would be protected. I ask the minister to follow through on that commitment.

Dr EDWARDS: I do not have the details of that particular site, and I do not have a copy of your correspondence with me.

Mr SIPPE: The member for Kingsley's letter is with the department, and it is drafting a response.

Dr EDWARDS: I will follow that up with some urgency. We have established a high level working group to look at the implementation of the Government's commitment to the Bush Forever plan; however, I will follow that up later this afternoon.

Mrs EDWARDES: It is important that government departments and agencies which have Bush Forever sites provide a strong commitment, thus becoming a role model for the community.

Dr EDWARDS: I agree.

The CHAIRMAN: Given that that information was not related to a specific line item, nor designated as supplementary information, I understand it to be a nice arrangement between the minister and the member for Kingsley?

Dr EDWARDS: Yes.

Mr EDWARDS: Under the heading "Total Cost of Output" on page 676, the budget estimate for the total cost of output for the current year is \$6.017 million. If the amount allocated to Perth's air quality management plan and the carryover of money from industry funding of the North West Shelf project are removed, ongoing funding will drop to \$4.149 million. What justification can the minister give for this 12.9 per cent reduction in funding?

Dr EDWARDS: A huge number of recommendations and tasks must be carried out with regard to the Perth air quality management plan. During this financial year, we will be working on seven different projects that deal with the Perth air quality management plan and these deal with the regulation of fuel standards, and the evaluation of compressed natural gas and liquefied petroleum gas fuel sources. We will begin trialling vehicle emission testing, and we will look at the reduction of industrial emissions of volatile organic compounds and oxides of nitrogen, both of which are precursors to smog. We are also continuing with programs that look at travel behaviour, such as Travelsmart, and there are also a couple of other initiatives which we will be considering.

Mr TICEHURST: The reduction is due to a decline in trust revenues that were associated with the Commonwealth-funded air toxics program. Those funds are not continuing in the out-years; it was a specific program that was funded in the earlier years.

Dr EDWARDS: That was a finite project.

Mrs EDWARDES: I refer the minister to the five outputs on page 667. Will the minister provide a breakdown of the figures for those five outputs by way of supplementary information?

Dr EDWARDS: Yes.

Mrs EDWARDES: I refer the minister to page 679 which deals with full-time equivalents. The FTEs for last year and this year are listed as 234. My notes from last year indicate that last year's figure was 260.3, which comprised 219.7 for the delivery of services, and 40.6 for corporate support. I ask the minister to double check that figure, and provide by way of supplementary information an explanation for the reduction, and whether there been any transferred functions which are reflected in those figures, which might account for the difference in last year's figure.

Dr EDWARDS: As the member for Kingsley suggested, we will need to take that as a supplementary question. What exactly did the member for Kingsley want clarified?

Mrs EDWARDES: I thought that last year's FTE levels were 260.3 but in the *Budget Statements* they are documented as 234.

[4.50 pm]

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Dr EDWARDS: I will double check on that and provide the information.

Mrs EDWARDES: I refer to the first line item under “Net Appropriation Determination” on page 684. Page 31 of the *Budget Statements* gives details of the out years, which are not contained on the later page. Page 31 shows that the grants from industries will be going down. This year’s figure is \$3.311 million, 2002-03 shows a decrease to \$1.835 million, in 2003-04 the figure will be down to \$485 000, and in 2004-05 there will be a decrease to \$430 000. Is there any explanation for the reduction in grants from industries.

Dr EDWARDS: We will provide, as supplementary information, an explanation for the reduction in the item “Grants from Industries”, under “Net Appropriation Determination”.