

Division 41: Office of Water Regulation, \$3 198 000 -

Mr McRae, Chairman.

Dr Edwards, Minister for the Environment and Heritage.

Mr P. Kelly, Executive Director.

Dr B.R. Martin, Coordinator of Water Services.

Mr EDWARDS: I refer to dot point three of significant issues and trends on page 675. Could the minister briefly explain the practicalities of reporting and how audits will be policed, and what staff and funding resources will be available?

Dr EDWARDS: I will refer that to Mr Martin.

Dr MARTIN: Under the legislation we have the authority to issue licences and to set conditions in licences. They are applied to the provision of any water service, such as water supply, sewerage, drainage or irrigation. The audit is an important part of that process. Under the legislation, an audit is conducted every two years or a longer time, as I may determine. At the moment they are being done about every two years. An audit is conducted so that we can be assured that the information that is reported to us under the licence is well founded. It goes to the basis on which the reported information is put together, and is a detailed engineering-cum-financial analysis of the statistical methods used. For water quality standards, an audit would relate to where samples are taken, how frequently the samples are taken, how they are treated, how they are put together, how the analyses are done, and how the information is assembled.

[11.40 am]

The audit gives us an assurance that the reports that are provided as part of the licence conditions are verifiable.

Mr EDWARDS: At page 681, dot point 5, reference is made to the state water conservation strategy. I note that it says "develop a state water conservation strategy which will provide". Is that being prepared this year or has it been prepared; if not, when is it expected to be completed?

Dr EDWARDS: The state water conservation strategy is being prepared. The Institute for Sustainable Futures has done some work for us and a paper. That work has come back to Government for more comment and then it will go back to the institute. In addition, a task force of senior officers, including people from the Department of the Premier and Cabinet, is looking at the state water conservation strategy. At this stage it is our intention that that will come out in July for further discussion, and then that and a number of other issues will feed into some community forums to talk about water conservation. The culmination of all that will be the summit to be held later this year, I think in October. Basically, within the state water conservation strategy, which has funding from the Office of Water Regulation, the Water and Rivers Commission and the Water Corporation, we are looking at what we do; for example, what do we do in households, do we need a target for per capita consumption, what do we do with irrigation, are we wasting water etc. We are looking across the whole gamut on the demand side and how we need to be smarter with conservation.

Mr EDWARDS: At page 686, under "Details of Controlled Grants and Subsidies", reference is made to the local government sewerage subsidy scheme. There has been a substantial decrease - I think I am right in saying of some \$24 million - for the next financial year. How will this decrease impact on local government authorities?

Mr MARTIN: There is a marked reduction there. Under the scheme, local governments have a program which relates to their interest payments and capital works undertaken in the past. A number of schemes are terminating just because the capital repayments have been concluded. We have got to the point at which only one local government is still accessing that scheme. I will check that with Mr Kelly?

Mr KELLY: About four or five local governments remain that are receiving subsidies. As the CEO indicated, the subsidies are an interest component only. The loan terms for the other local authorities that had loans for sewerage schemes have terminated. I think they were for about a 20 or 25-year period and they are at the end of their life and the loan has been fully repaid. The subsidies are continuing to be paid to those local authorities that still have an existing loan to assist in their interest payments.

The appropriation was recommended.