

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

Division 44: Water and Rivers Commission, \$58 425 000 -

Ms Guise, Chairman.

Dr Edwards, Minister for Water Resources.

Mr R.F. Payne, Chief Executive Officer, Water and Rivers Commission.

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

Mr WHITELY: On page 724, one of the major initiatives listed for 2001-02 is support for a range of engineering projects to determine the efficiency and effectiveness of drainage and pumping in various parts of Western Australia. What amount of the Government's four-year, \$10 million commitment to salinity control has been committed to this initiative this financial year, and how will the Government involve the community in what is potentially a contentious area of salinity management?

Dr EDWARDS: The member for Roleystone is right when he says that this area is contentious. The whole issue of drainage and engineering works is very contentious. The contentious aspects relate to what is done with the saline water when it is diverted from one place to another. Recognising that it is contentious, and that various people say drainage is effective, but refer to particular local sites and then transfer those results to all areas across the wheatbelt, the Government made an election commitment to undertake some pilot projects that would then be evaluated to obtain more information about the effectiveness of engineering options. In this budget, \$1 million has been allocated to the Water and Rivers Commission to begin that process, and money is also allocated in the forward estimates.

To involve the community, the Government has written to all the stakeholders asking them to nominate a person who can serve on a committee overseeing the projects. I will ask Mr Payne to expand on that.

Mr PAYNE: As part of this exercise, the Water and Rivers Commission is trying to reach a point at which the community understands what will work and what will not, taking account of the geology, landscape and all the issues that need to be incorporated. One of the keys is to create an engineering evaluation advisory committee. It is not possible to consult with everybody, but the community is being asked to nominate people. When the minister is comfortable that the project can proceed, that committee will be in place, and will be used to debate the test areas and the methods that are tried out, and then feed the results back into the community. The other issue is that \$1 million has been allocated this year for the drainage evaluation process, and we are making sure that we do not commit entirely until we are aware of the clear position of the Commonwealth on the National Action Plan - Salinity and Water Quality. That is controlling the timing of the project, but we are very conscious that the clock is ticking.

Mrs EDWARDES: I refer to the output and appropriation summary on page 712. Will the minister provide, by way of supplementary information, a breakdown of the figures for outputs 1 to 7? I refer the minister specifically to output 4. There seems to have been a significant reduction in rural water supply assistance, and again it does not appear that very much is going into the out years, although the budget papers are deceptive in those areas. Has the commitment to rural water supply been reduced?

Dr EDWARDS: I am happy to provide the supplementary information requested by the member about the breakdown of outputs 1 to 7 under "Output and Appropriation Summary" on page 712. The member will notice that in the 2000-01 budget, the allocation for rural water supplies was increased, and it is being moved back to the previous level of allocation. In addition, some of the water programs under the Office of Water Regulation will be transferred to the Water and Rivers Commission, so there will be a greater focus on that whole area within this agency.

Mr OMODEI: With regard to the plan to transfer farm water supply assistance from the Office of Water Regulation, I notice that the budget contains reductions in the out years of the forward estimates. Similarly, there is nothing in the out years for rural water supply assistance. In most areas of Western Australia, particularly those assisted by the farm water plan, the rainfall has been significantly reduced this year. Even in my area in the lower south west, rainfall has been about half its normal level. In view of this, is this reduction not a short-sighted measure? In the end - although this is a Water Corporation issues - if problems with water supply are experienced in the metropolitan and regional areas, investing money in the farm water plan in country Western Australia would be an exercise in saving money and water for other use.

Dr EDWARDS: It is a bit difficult to answer that question, because part of it belongs in the next division. However, I will provide some information. The farm water grants were reviewed, and that review has been accepted by the Government, which is moving forward with its implementation. More information can be provided when advisers from the Office of Water Regulation are present for the next division. A range of

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agencies provide water and cover this area, ranging from the Water Corporation, which has its own program of grants, through the Department of Agriculture, the Water and Rivers Commission, to the Office of Water Regulation.

Mr PAYNE: In terms of the exceptional circumstances, a committee has been established under the auspices of the Department of Agriculture, and the Water and Rivers Commission is part of that. At the moment we are keeping a watching eye on the rainfall in rural areas. Depending on the trends, a submission may be made to the minister and to Cabinet for supplementary funding to assist with declared water-shortage areas in the State. At this point, the rainfall is showing a positive trend.

[5.00 pm]

Mr McRAE: My question relates to rural water supply. That is why I was interested in what the trends were showing for this spring in particular because the winter rains all but failed. It seems that the rural water supply program detailed on page 718 will have a high priority in forward years. One of the major initiatives for 2001-02 on page 720 is to give priority to the full implementation of changes arising out of the review of the farm water plan in 2000-01. What is the detail of the priority and what will the forward program entail?

Dr EDWARDS: One of the issues when the Machinery of Government Taskforce dealt with this whole area was where this area would end up. In my meetings with the people working on the farm water plan, I was impressed with the review they had carried out and the fact they were looking beyond merely water and at two aspects. They were looking at catchments and the emerging problem of salinity and they were also looking at the social and community aspects of water and the fact that if life is really difficult on a rural property during the middle of a drought and an economic downturn, if there is a little water to enable people to have a rudimentary garden, they will have a better quality of life. I was impressed that they were looking at a broader range of issues than the narrow economic water focus. For those reasons I was very keen that the agency effectively come back to the Water and Rivers Commission. We are implementing the recommendations of the review.

Mr PAYNE: To some extent with the recent on-again, off-again tendencies about exceptional circumstances, the review has been overtaken a little bit. I said earlier that a committee was looking at how it is trending. For example, the committee is watching zone 6 carefully to see whether zone 6 needs to be assisted. It is on the borderline at the moment. If it needs to be assisted through the exceptional circumstances committee, there will be some component of the water planning moneys being requested from Treasury.

Mr EDWARDS: I refer to page 711 and the first dot point of the significant issues and trends. Broadly speaking, which areas are close to full utilisation of levels of sustainability? What is the level of utilisation of the metropolitan aquifers, both shallow and artesian? How much money is being budgeted for ground water exploration? Where will the exploration take place and when is it scheduled? Does it include drilling? Is any offshore drilling adjoining the metropolitan area proposed?

Dr EDWARDS: In Western Australia we have managed our water resources very well. My understanding is that only around five per cent of areas have any difficulty at all. I will ask the chief executive officer to outline which areas are close to allocation.

Mr PAYNE: State-wide, only about 20 per cent of what we have to allocate is allocated. The areas that are close to the limit are north of Perth in the Gingin and Dandaragan area. That has basically gone from being 30 per cent allocated to having requests for almost 100 per cent allocation in a few months of last year.

Mr OMODEI: Does that involve surface aquifers?

Mr PAYNE: It involves shallow aquifers but there is some complication with deeper aquifers because they are interconnected in some places. One small area, the Cockleshell Gully area in the south, is right on the limit, but its use is not up to the allocation. We are readjusting the allocation so that we can get it back into line. Overall, less than one per cent of the State is close to the limit of allocation. Places like Dandaragan and Gingin require a lot of management because they are areas where we are bringing in new water resource management committees to make people understand how water is allocated and why it should not go past the sustainable limit. Some pockets within the sub-areas of the Wanneroo area are also very close to the limit. Those are the two main areas where we will be implementing water resource management committees to manage the policy of how water is allocated in detail when the allocation is close to the limit.

The Water and Rivers Commission is carrying out very limited exploration. It has scoped many of the resources around the State. At some time we must stop and leave it to business proponents to do the detailed scoping so that we are not undertaking investigations for people. I am not sure of the exact amount of money spent on drilling, but my guess would be that it is less than \$500 000, following the policy of not doing "what ifs" for everybody.

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I am not aware that we are undertaking any offshore exploration. On occasions when oil and gas proponents do drilling they are required to give us water information from the drilling exercise. We get their intersections of water from the exercise. We are not doing anything offshore, but if any proponent was, it would be obliged to give us any information.

Mr HYDE: Is water being resourced from under the seabed anywhere around Australia?

Mr PAYNE: I am not sure of any areas where it is being done, although it is technically possible. The issue is to make sure the hydraulic gradient is maintained so that fresh water is pushing salt water away. As soon as a bore is sunk, the gradients could be realigned and the bore exposed to sucking in seawater. I am not aware of anybody doing it at the moment.

Mr OMODEI: Supplementary to my previous question about the use of water and the state of the ground water supply, are the deaths of tuart trees on the Old Coast Road in the coastal area related to the level of ground water or salinity encroachment?

Mr PAYNE: I am not sure that I am exactly right, but my understanding is that the deaths are largely due to disease. The ground water would be lower than normal but within the limits of natural cycles over a period. A lower ground water would put a tree under greater stress and make it more vulnerable to disease, so a combination of both effects the trees.

Dr EDWARDS: The member for Dawesville raised the question with me last week, and we are following it up. Stressed trees are more vulnerable to disease.

Mr OMODEI: The third output refers to regulation, licensing and community awareness. On page 718 a major initiative for 2000-01 is looking at the issuing and maintaining of approximately 23 800 surface and ground water licences and undertaking compliance surveillance. I notice the number of full-time equivalents has increased. Is it intended that the Government license backyard bores and have a fee attached to the licences? Is it also intended that the Water and Rivers Commission charge for licences for surface water dams?

[5.10 pm]

Dr EDWARDS: No, there is no intention of licensing them. We intend to introduce a regulation, that is currently being drafted, that will oblige backyard domestic bore owners to not use their bores between 9.00 am and 6.00 pm. Bore owners are generally supportive of that move. About two-thirds agree that if they have a bore, it should be used after 6.00 pm and before 9.00 am. Bore owners will not be caught by the same number of restrictions as those on scheme water. There is no intention to license them, as there is no need to. If they were to be licensed, the administrative burden would be so great that it would not be practical. We went through the debate on surface water last year when the Rights in Water and Irrigation Amendment Bill was debated. We are not about to make further changes.

Mrs EDWARDES: I refer to page 712. A priority and assurance dividend is listed under "Major Policy Decisions". Which programs and services will be cut to meet the dividend? The figures shown for the parity and wages policy appear to deduct money from our very loyal, hard-working and committed public servants. What do the figures represent? Is money going to be taken from public servants?

Dr EDWARDS: Over the weekend I attended a cheque presentation. The State was given \$1.2 million from the British Government, but it was a virtual presentation. The money was transferred electronically. It caused a bit of a stir.

Mrs EDWARDES: I am sure that all public servants will be delighted with the minister's answer.

Dr EDWARDS: They will get virtual pay packets!

Mr HYDE: Will they be paid in pounds sterling?

Dr EDWARDS: They would be pleased with that. I ask Mr Payne to answer the question about the parity and wages policy. One of us will then answer the question about the priority and assurance dividend.

Mr PAYNE: I am sorry but I have gone blank on the parity and wages policy.

Mrs EDWARDES: The information can be supplied by way of supplementary.

Mr PAYNE: It reflects the fact that the Water and Rivers Commission was the better paid of the marriage partners.

Mrs EDWARDES: They were the leaders, and now it is going to be taken off them.

Mr PAYNE: I hope everybody got value for money. There is an adjustment process. In working through the amalgamations, I hope there will be some evening out other than is implied by the forward estimates.

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Mrs EDWARDES: Will the minister provide a detailed answer indicating to what the figures relate?

Dr EDWARDS: I am happy to provide further information with respect to the parity and wages policy and the figures in the *Budget Statements* on page 712 to show exactly what they mean. With respect to the priority and assurance dividend, I have some information but it is better to provide it as supplementary information. The priority and assurance dividends is one area being looked at where cutbacks are proposed. They have been looked at in such a way that service delivery is not affected and the cutbacks are to the way in which people do their work and the savings that can be gleaned. As there will be an amalgamation of the two departments, there is an opportunity with areas such as corporate services to stop potential duplication and to effect some savings.

Dr WOOLLARD: I refer to the output measures on page 716. Acceptable standards exist for water quality. Two such standards are the World Health Organisation guidelines and the National Health and Medical Research Council guidelines. Perth's water supply has previously met guidelines of the World Health Organisation. When the standards fell, it met the criteria set out by the National Health and Medical Research Council. Will the minister give an undertaking to provide an assessment of quality in respect of the NH&MRC guidelines, rather than subjective statements, in the next report of the Water and Rivers Commission?

Dr EDWARDS: A state water quality committee reports to the Minister for Health. The quality of drinking water is monitored and regulated by the Minister for Health. The member would be better served by addressing the question to that minister. The State abided by a 1987 standard for the quality of drinking water. In 1996, a new standard was introduced, which the State has not met. It is my understanding that the Water Corporation, in conjunction with a committee from the Department of Health, is working toward that standard. I reassure everybody that the quality of our drinking water is perfectly adequate. It is better than that of a lot of other cities in Australia.

Dr WOOLLARD: I want to know why there is a subjective evaluation in the document.

Dr EDWARDS: It is referring to a different type of water quality. This is environmental water quality. Will the member give me the exact reference?

Dr WOOLLARD: Page 716 refers to the "results of a survey of stakeholders to determine the level of satisfaction with the quality of water resource management plans".

Dr EDWARDS: Water resource management plans are a different entity. Cabinet recently decided that Western Australia would take part in a national water quality program. Work on water quality is occurring at a number of levels. Water resource management plans dictate how the resource is managed. I ask Mr Payne to clarify that.

Mr PAYNE: Water resource management plans are created in consultation with the community and users to devise ways of managing the natural resource and the quality of water that comes out of the natural system, which, in some instances, becomes the responsibility of the Water Corporation. The Water Corporation becomes responsible for improving the quality to that of drinking water. Water quality management plans take water to an adequate level for the uses that are derived from the "wholesale" end of the business. The reference is to how well our water resource management plans are being accepted and implemented by the community. The measure is relevant.

Dr WOOLLARD: What about the quality?

Mr PAYNE: The quality of the water is determined on its use. Raw water is used in farming, or it may go into a stream or dam, and is subsequently treated by the Water Corporation. We are talking about raw water quality as distinct from the finished water quality that comes out of a tap, which is the responsibility of the Water Corporation. It would be inefficient for the department to improve the quality of water in the countryside to a higher level rather than have it downgraded through storage in a dam and then improved. The quality aspect of water resource management is a balancing act.

Mr OMODEI: I refer to page 714. The first output refers to water allocation policies. The Government has developed a coherent policy framework for implementing water reform and improving the management of water resources. The second dot point mentions water law reform, particularly policies for trading and dealing with increased demand. Is tradeable water attached to a property or can it be traded separately? I see some problems arising with a person or a corporation moving into a district, buying water allocations and tying up water for one property and limiting production on the surrounding land.

[5.20 pm]

Dr EDWARDS: I ask Mr Payne to answer that. It is an entitlement that is separate from the land. Water entitlements can be traded separately. Obviously that entitlement only comes into being in a scenario in which the water is totally allocated and trading is needed to manage the water. Clearly, when using water like that, one

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must make sure that it is being used well. This is no different from what the previous Government introduced; we are building on that legislation, which we supported.

Mr PAYNE: In drafting the water law reform, we created a flexible arrangement. We separated the water from the land in title separation, but we preserved the position whereby Western Australia could make its own choices about if and when it decides to trade. That decision is entirely up to Western Australians. The important point is that that can go forward either as an administrative process or as a trading process. Through the Water and Rivers Commission, the State can make its choice as to when it switches over. There are pluses and minuses in both situations.

Most of the State is in transition. We are moving towards a system whereby water is fully allocated; therefore, by forcing water users to trade among themselves within the allowable amount, trading becomes a more useful tool to prevent water users from using the environmental water. We are in the process of consulting over our trading policy, so that when we want to use it, it will be available. In addition, recognising that areas are moving up to the limit - although we are not trading at the moment - we are working out how to decide who should get the water and how to prevent speculation. How should that be done in an open and transparent way? We propose to shift from a first come, first served basis, to a system of merit selection based on transparent criteria so that the people who try to speculate before trading begins are managed. That will be done for the first time in the Dandaragan and Gingin areas.

Mr OMODEI: Does that refer mainly to ground water?

Mr PAYNE: Yes.

Mr OMODEI: Would it be applied to surface water as well?

Mr PAYNE: Absolutely, as a general principle. We recognise that water is an asset of the State and we must watch out for people who speculate. Traditionally, we have managed speculation by putting development conditions on licences so that the water users get the water in phases. If they did not do what they said they would do with the water they received in phase one, they would not get the water in phase two.

Dr EDWARDS: Recently, a scenario was drawn to my attention in which a person who used a lot of water was worried that other people could take it away from him. In that case, he has been urged to get a licence so that his water usage is clarified and written down.

Mr HYDE: If there are no further questions to my right, I am happy to put four more questions on notice.