

Division 63: Environment and Conservation, \$216 766 000 -

Hon Giz Watson, Chairperson.

Hon Sally Talbot, Parliamentary Secretary to the Minister for the Environment.

Mr K. McNamara, Director General.

Mr K. Taylor, Acting Deputy Director General.

Dr J. Byrne, Chief Finance Officer.

Mr R. Atkins, Director, Environmental Regulation.

Mr R. Sippe, Director, Strategic Policy.

Mr A. Walker, Director, Regional Services.

Mr P. Sharp, Acting Director, Parks and Visitor Services.

Mr S. Dawson, Chief of Staff to the Minister for the Environment.

The CHAIRPERSON: On behalf of the Legislative Council Standing Committee on Estimates and Financial Operations, I welcome you to today's hearing. This hearing is being held in public, although there is discretion available to the committee to hear evidence in private, either of its own motion or at the request of witnesses. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session before answering the question.

Government agencies and departments have an important role and duty in assisting Parliament to scrutinise the budget papers on behalf of the people of Western Australia. The committee values that assistance.

It will greatly assist Hansard if when referring to the *Budget Statements* volumes or the consolidated account estimates, members give the page number, item, program, amount and so on in preface to their questions. If supplementary information is to be provided, I ask your cooperation in ensuring that it is delivered to the committee's clerk within five working days of receipt of the questions. An example of the required Hansard style for the documents has been provided to advisers. The committee reminds agency representatives to respond to questions in a succinct manner and to limit the extent of personal observations.

At this time, I would ask each of the witnesses whether they have read, understood and completed the "Information for Witnesses" form.

The Witnesses: Yes.

The CHAIRPERSON: Do all witnesses fully understand the meaning and effect of the provisions of that document?

The Witnesses: Yes.

The CHAIRPERSON: Before I call for questions, I note that there were two sets of questions asked by Hon Nigel Hallett and Hon Barbara Scott. The answers are now tabled for members' information.

I will take the first question from Hon Paul Llewellyn.

Hon PAUL LLEWELLYN: I refer to the service and appropriation summary at page 1095 of the *Budget Statements*. Service 11 refers to the funding of environmental impact assessments of development proposals and planning schemes. I note that the funding allocation is to increase from \$6.699 million in 2006-07 to \$6.883 million in 2007-08. When the expected inflation rate of three per cent is taken into account, there is no increase in funding in real terms. How does this compare with the expected change in workload from 2006-07 to 2007-08?

Hon SALLY TALBOT: I refer that question to the director general.

Mr K. McNamara: The 2007-08 figure of \$6.883 million is the estimate. If that is compared with the 2006-07 budget, it is an increase of \$700 000. The estimated actual for 2006-07 is \$6.699 million. The cost pressure increase has been applied against the budgeted figure rather than the estimated outturn.

[7.10 pm]

Hon PAUL LLEWELLYN: Could the director general talk about the increase and expected changes in workloads as a result? That was the question. There seems to be a small increase in funding, but what is the outlook for the expected growth in workload?

Hon SALLY TALBOT: I will ask the director general to respond initially to the detail of that question, and then I will refer the question to Kim Taylor.

Mr K. McNamara: My initial comment is that the extra workload, with the strong economic growth that we are experiencing, has been recognised over recent years, particularly through the Keating major projects review process. Extra resources have been allocated to the environmental impact assessment part of the department over the past couple of years, and they have taken effect before this year. Also, the input to the Environmental Protection Authority environmental impact assessment function is derived not only from the EPA services unit part of the department, but also quite broadly across the department. I now ask Mr Taylor to further explain.

Mr K. Taylor: I was going to comment, as the director general has, that the government provided additional resources two or three years ago because of strong economic growth. We are continuing to review that level of resourcing, and if we feel there is continued or further growth in the workload, we would make a submission if we considered there was a need for further resources in that area.

Hon PAUL LLEWELLYN: I am looking at the same page, but I am now looking at the service and appropriation summary for service 7, "Regulation of Discharges to the Environment". What targets have been established for the departmental inspections of regulated premises, and is the department meeting those targets? The budget papers indicate that actual expenditure on the regulation of discharges to the environment in 2006-07 is \$13.968 million. That was substantially less than the budgeted expenditure in 2006-07 of \$16.202 million. Why was there underspending of more than \$2 million last year, and has this compromised the department's ability to meet its inspection responsibilities?

Hon SALLY TALBOT: I will ask the director general to make some initial comments and then refer the question to Robert Atkins.

Mr K. McNamara: One part of the answer is that in previous years, the regulation of discharges to the environment service also included the native vegetation clearing function of the former Department of Environment, but that function has now been transferred to the nature conservation service of the department. It is not an underspend; it reflects a change in the placement of that expenditure, which is in the order of \$2.5 million per annum.

In terms of the budget for this area, the government has approved increasing licence fees so that industry contributes the full cost of the necessary regulation of discharges. The revenue of \$8 million in the past financial year will increase by \$2 million in 2007-08 with the increases that have been approved in this budget and by a further \$2 million in the following year to take that revenue up to \$12 million and to fully fund what we regard as the necessary level of carriage of our responsibility to regulate those discharges. In terms of meeting the department's targets for inspections of licensed premises, Mr Atkins, the director of environmental regulation, is better placed to provide that information.

Mr R. Atkins: The target for this financial year is 290 premises to be inspected. As at the end of April, 160 had been inspected. We are looking at an achievement of a little over 30 per cent of the set targets. At this stage, the targets will remain in place for the next financial year until additional resources are taken on as a result of the increase in revenue.

Hon PAUL LLEWELLYN: The tenth dot point on page 1094 refers to staff recruitment. Given the current mining boom - this is almost rhetorical - is there a problem attracting staff to the department, particularly in the area of industry regulation? What strategies are proposed to deal with this problem, and has sufficient funding been allocated to implement those strategies?

Hon SALLY TALBOT: Can the member repeat the first part of the question?

Hon PAUL LLEWELLYN: This dot point refers to the staff recruitment and retention challenges in a buoyant economy. Given that there is currently a mining boom, is there a problem attracting staff to the department, particularly in the area of industry regulation? What strategies are proposed to deal with this problem, and has sufficient funding been allocated to implement those strategies?

Hon SALLY TALBOT: I will ask the director general to comment.

Mr K. McNamara: Staff attraction and retention is challenging many government departments in the current economic circumstances, as is widely known and widely publicised. It is not so much a difficulty for the department to attract staff, and certainly not into the more junior levels. The challenge is more of retaining staff who, after some years of experience, are well placed to take up alternative employment in the resources industry with better pay and conditions. Many staff, of course, choose not to do so; they are very committed to their careers in the Department of Environment and Conservation and wish to remain there. Attracting staff is more of a challenge in the middle to more senior levels, which is where we are after experienced people, rather than at the initial intake end of new graduates. The department is working on a wide range of fronts. Frankly, the main thing that government departments like our department can do is offer rewarding and attractive careers and careers which offer a lot of opportunity for progression and movement around the state and for working in a

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wide variety of fields and which are supported by good mentoring programs, a strong graduate recruit program that takes in more than 30 staff each year with solid training, strong scholarship programs, Aboriginal employment programs, and initiatives such as the one we put in place last year whereby we have an annual exchange of four or five staff with the United States. Those sorts of programs help to create an attractive workplace in which people who are already committed to working in the environment will choose to make their careers, but it is challenging in the current economic boom.

Hon PAUL LLEWELLYN: The specific question I asked was about the industry regulation sector particularly. I know that the department would have a general problem because industry is attracting staff across the board. However, in the regulatory arena there is obviously a drain of corporate intelligence from the department at the highest level to industry, yet there is recruitment of people with less experience. There is a widening gap between the capacity of industry and its understanding of the regulatory framework, because it is harvesting experienced staff, and the capacities within the regulatory agency. Can the director general talk about that, particularly in relation to industry regulation?

Hon SALLY TALBOT: I think the honourable member is absolutely right. The problem that the director general has just identified is at its most acute in the area of industry regulation and environmental approval. That has just been outlined by the director general.

[7.20 pm]

Hon PAUL LLEWELLYN: The parliamentary secretary dealt with the strategies to deal with the problem. I then asked whether sufficient funding had been allocated to implement those strategies. Is monetary support needed to attract and keep senior level staff in the industry regulation sector? How is the government travelling with regard to keeping industry regulation standards in place?

Hon SALLY TALBOT: I will ask Mr Robert Atkins to respond to that question.

Mr R. Atkins: The issue is not funding. Industry can always outbid government to attract employees based on salaries. Therefore, we must look at other ways of attracting experienced people to the department. One way to do that is to offer more flexible working conditions for experienced staff. We accept that it is sometimes better to have staff working on a part-time basis rather than full time to retain their experience. We are looking at workplace conditions rather than salary packages because industry can always up the ante on salaries. We have had some experience of that over the past 12 or 18 months when we have been outbid by companies in a bidding war. We are looking at offering better working conditions and flexible and family friendly working environments. We are often looking for people who have school-aged children and who are looking for either shorter or more flexible working hours to fit in with their family duties.

Hon PAUL LLEWELLYN: The department cannot buy itself out of that one!

Mr R. Atkins: It cannot.

Hon PAUL LLEWELLYN: I again refer to page 1095 of the *Budget Statements* regarding the funding of climate change initiatives. The budget paper identifies 12 services that have been delivered in the portfolio, and it also outlines the funding allocated to those services. Which of those services include climate change initiatives? In future budgets, will there be a separate line item related to climate change so that government spending in this area is more transparent? Can we unpack where the climate change initiatives are buried in this budget? How will that be identified in the future?

Hon SALLY TALBOT: As Hon Paul Llewellyn would know, early last month the Premier announced a funding package of \$101 million across government over five years to address climate change. The Department of Environment and Conservation will receive \$45 million of that funding. The state government has also committed an extra \$8.6 million over the next five years for climate change research and adaptation. That includes enabling the Indian Ocean Climate Initiative to continue its research. As the honourable member knows very well, the IOCI is a climate research partnership between the state government, the Bureau of Meteorology and the Commonwealth Scientific and Industrial Research Organisation. The climate change funding package links with and builds on the state government's earlier \$21 million initiative to set up the Western Australian Marine Science Institution. We are looking at a climate change package that is not just a whole-of-government approach but is a whole-of-government approach associated with a community response. The Department of Environment and Conservation is planning to contribute to that in a variety of ways. The member will have noticed that in the past couple of weeks we have launched the "Act Now for the Future" advertising campaign, which will be administered by the Department of Environment and Conservation. DEC also administers the energy innovation fund on which \$30.65 million is planned to be spent over the next five years to support technological breakthroughs and large-scale reductions in greenhouse gases. The department will coordinate a whole-of-government response to climate change through a new office of climate change. This is the Carpenter

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government's single most important initiative on climate change. It is a major funding package. It is now very clear that Western Australians, and people who live much further away, expect their governments to show real leadership on this issue. A global approach is needed, and the Carpenter government is doing its part to establish that. People also want industry to play its role and, most importantly, they want to know what they can do personally. They want to know what they as individuals can do and what their families and communities can do. I am advised that in the future the plan is to have a separate service listed under the heading of climate change, which I think goes to the heart of the honourable member's question.

Hon PAUL LLEWELLYN: I saw one of the fabulous advertisements for the public awareness campaigns "Act Now for Tomorrow" -

Hon SALLY TALBOT: It is "Act Now for the Future".

Hon PAUL LLEWELLYN: It was something like that.

Hon SALLY TALBOT: We obviously did not test it on the member.

Hon PAUL LLEWELLYN: It will get \$60 000 next year.

Hon SIMON O'BRIEN: It is failing in its purpose.

Hon PAUL LLEWELLYN: Obviously I did not get the message.

Hon SIMON O'BRIEN: Dumb it down a bit - sorry!

Hon PAUL LLEWELLYN: The point I want to make is that spending \$20 million a year is not a substantial contribution to climate change. The "Act Now for the Future" campaign has been allocated \$60 000 for next year, which is an election year, and then \$100 000 in 2009 and 2011. Obviously the climate problem will become simpler. Why is the budget being reduced and not increased?

Hon SALLY TALBOT: I think that is a slightly gratuitous point for the member to make. He would complain long and loudly if we were not spending \$20 million on this package. I will ask Mr Rob Sippe to provide the member with a detailed response. The funding for the "Act Now for the Future" campaign is aimed at advertising for the first couple of years. Obviously that budget will be reviewed down the track. However, in the first couple of years that money is earmarked for advertising.

Mr R. Sippe: There are set-up costs in the initial stages of the campaign in the preparation of advertising material as well as the whole-of-government web portal that is being established. Naturally, the set-up costs are one-off costs and the ongoing funding will be used to maintain those initiatives. I will reinforce the parliamentary secretary's comments and add that nothing precludes us from going back to maintain that program. It has an evaluation side to it. If that evaluation shows that we are making real progress, we will revisit those budget figures.

Hon SIMON O'BRIEN: I refer to the "Capital Works Program" on page 1114 of the *Budget Statements*. The conservation land acquisition is only a small item under "New Works". Is the government acquiring, or has it acquired, any land such as wetlands or other land under the conservation acquisition program for purposes related to the building of the southern suburbs railway?

Hon SALLY TALBOT: I will ask the director general to respond.

Mr K. McNamara: We have an active program of purchasing land for the conservation reserve system across the state by the targets and criteria prescribed for that reserve system. They include freehold purchases on the swan coastal plain and in the south west when we have the funds and when the priorities present themselves. However, our department is not purchasing or funding the purchase of any areas of wetland in relation to the particular project that the member asked about in the question.

[7.30 pm]

Hon SIMON O'BRIEN: Do I have time to ask a couple of quick questions?

The CHAIRPERSON: Yes.

Hon SIMON O'BRIEN: In that case, rather than bounce backwards and forwards, I will stay on capital works. Is the firefighting fleet replacement program purely for the departmental firefighting officers, or is it related to other services, such as volunteer services with the brigades and that sort of thing?

Hon SALLY TALBOT: I refer that question to Alan Walker.

Mr A. Walker: The equipment that has been acquired for fire suppression and other fire management purposes will largely be utilised by departmental staff. However, when we undertake wildfire suppression these days, it is a collaborative effort between departmental resources, the Fire and Emergency Services Authority, shires and

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local fire brigades, including volunteer brigades. There has been a sharing of equipment and common training with the types of equipment that are now being standardised for use across all firefighting and fire combat agencies. Therefore, it is developing to be more of a collaborative effort than it once was.

Hon SIMON O'BRIEN: This is another quick question, but I appreciate that it may need to be taken on notice. Again, I refer to the new works listed on page 1114. The park improvement program has an allocation of \$7.2 million. I was wondering whether we could have a breakdown of which parks will be enjoying the benefit of those improvements and for what amounts. I appreciate that the parliamentary secretary may have to take the question on notice.

Hon SALLY TALBOT: I will refer that to the director general and then to Peter Sharp.

Mr K. McNamara: That program funds works across the entire state annually. For example, in the past year and going into the next financial year, there is a major visitor centre at the Nambung National Park near Cervantes that we will see the benefit of in the coming months. That is a \$6 million project over several years. About \$2 million of that \$7.2 million or \$8 million that is available is used generally for maintenance of existing visitor facilities in the parks right across the state, and the remainder is used generally for the creation of new visitor facilities. However, the director of parks and visitor services would have some examples of the spread of those funds.

Mr P. Sharp: With regard to the funding for the capital works, there will be an expenditure of \$1.175 million in the Kimberley region. For example, we will be expending \$500 000 in Purnululu National Park for roadworks and reconstruction of accessways. We will be expending about \$75 000 there for road safety repairs. We will be spending about \$100 000 in the King Leopold Ranges Conservation Park, and another \$60 000 in Purnululu on walk trails. I could keep going through these. However, if the member likes, I will perhaps give him a summary of expenditure in the key regions, because we spend across the state with a reasonable spread. In the Pilbara, we will be expending about \$500 000.

Hon SIMON O'BRIEN: Through you, Madam Chair, would it be possible to receive the schedule as supplementary information to save reading the minutiae into the record?

Hon SALLY TALBOT: We would be very happy to provide that information to the member as supplementary information.

[Supplementary Information No HI.]

The CHAIRPERSON: Does the member have a further question?

Hon SIMON O'BRIEN: Yes. I want to flick back to service 1 on page 1098. I just use that as the reference point to comply with the rules. In the last financial year, there was a cane toad initiative. People often grin when cane toad initiatives are mentioned. However, the fact is that it is a very serious matter. Firstly, what is the allocation for this financial year and, if the parliamentary secretary is able to tell me, for other out years for the cane toad initiative or whatever program is in place to tackle the cane toads? Secondly, what is actually being done? I wonder whether the parliamentary secretary can give a brief description of the nature and the scale of the operation that is underway to try to do something about that approaching menace.

Hon SALLY TALBOT: The honourable member would probably know already, given his interest in these matters, that the Western Australian government is the first state government in Australia to fight this invasion before it actually gets here. We have allocated more than \$10 million since December 2004, so we are into real innovation in trying to keep this pest away from our state boundaries. We are looking at a cooperative program involving a couple of departments. Obviously, there is the Department of Environment and Conservation. There is also the Department of Agriculture and Food, and there are two community-based organisations - the Stop The Toad Foundation and Kimberley Toadbusters. The government is currently looking at future funding assistance options for both of those community-based groups. To be frank, the chances of our being successful in stopping the cane toads crossing over the border from the Northern Territory are slender. They have been confirmed as being as far west as Dick Creek in the Northern Territory. That is about a hundred kilometres from the WA border. However, given the way that cane toads reproduce - I am sure that the honourable member will be interested in knowing that a female cane toad produces 30 000 eggs in one pop -

Hon SIMON O'BRIEN: That is just irresponsible of them to do that.

Hon SALLY TALBOT: Indeed it is. I am sure we would welcome any suggestions from the honourable member about how we might curtail that rapid rate of expanding population. Of course, it is not just to do with the way they reproduce in such concentrated numbers; it is also to do with the fact that they breed in areas that flood, and are then carried on the back of the waves and spread themselves along the floodwaters. Therefore, this is very difficult stuff. As I said, they are already confirmed as being in the Northern Territory, about 100 kilometres from the Western Australian border. However, we are very conscious of the fact that it is

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possible that there are undiscovered populations further west than we have been able to document so far. Nevertheless, we will continue to direct every effort at delaying the official reaching of the WA border by the cane toads. I understand that we currently allocate \$900 000 per annum. I know that there is an ongoing review of funding to those two community groups I mentioned earlier. I will hand over to the director general, who will be able to dot a few i's and cross some t's.

Hon SIMON O'BRIEN: I will just add to the question before the answer is given. As the centre of the fight is 100 kilometres east of our border, are we projecting people into the Northern Territory to be on the ground? Perhaps the parliamentary secretary could let me know, because that is slightly problematic.

Hon SALLY TALBOT: Indeed, we are. As Hon Simon O'Brien would know, it is not usual practice for a state government department to do that. Not only do we have officers from the department working over the border, but also we have people associated with both of those community groups working in the Northern Territory. I will now hand over to the director general.

[7.40 pm]

Mr K. McNamara: The \$900 000 per annum is the core allocation by the department to the front-line fight against cane toads, and that is spent on field operations, Kununurra border checkpoint surveillance and associated projects. In addition, we have \$350 000 set aside to contribute to the WA Institute for Medical Research. Professor Grant Morahan is looking at some genomic research that will assist in the search for biological control agents against cane toads. We are contributing to studies by the University of Sydney, together with the Australian Research Council, to the tune of \$60 000. There is also \$4.3 million complemented by \$2.7 million of commonwealth funding under the Natural Heritage Trust to survey the biodiversity of our Kimberley islands so that we understand what we have on the islands, and what we have on the islands that we do not have on the mainland. I think a very important strategy in the future will be to protect the integrity of those islands against cane toads reaching them. The Northern Territory has had to take some native species from the mainland to islands because of the effect cane toads are having on them on the mainland.

Hon BARBARA SCOTT: I thank the department for the answer to my question on notice and seek some clarification. The first dot point on page 1093 of the *Budget Statements* relates to how the department is increasing community awareness and what is the cost of the program to increase the level of awareness about climate change. I notice that most of the education programs are to be delivered to households through the Department of Planning and Infrastructure. Can someone tell me whether any of the funds that are allocated to raising the level of awareness in the community are being directed to school programs for children?

Hon SALLY TALBOT: I thank Hon Barbara Scott. I will hand over to Mr Sippe for a detailed answer, but I am sure the member will be aware that we are indeed involving schools very much in the whole climate change package. I think we are planning to increase solar schools; we currently have about 100 schools that are solar powered. We are planning to treble that, so we will get to about 300 schools on the solar power program. I will hand over to Rob Sippe for a more detailed response.

Mr R. Sippe: There are three components to the community awareness side of the climate change budget - the solar schools program; the public awareness and education campaign; and the one that has been mentioned in response to an earlier question by the committee, which is the education program the Department of Planning and Infrastructure will be rolling out. On top of that we have a range of schools programs that the department already runs, and we will be looking to graft onto those aspects of climate change - for example, Ribbons of Blue, Waste Wise and a range of those things that are already in schools and running. We will be adding aspects of climate change to those programs. We understand also that Scitech, through private sponsorship, is looking at a schools-based program for climate change. We are a bit concerned that, if anything, the field will get a bit too congested rather than nothing being done. I think there will be a lot of action on climate change in schools in the out years.

Hon BARBARA SCOTT: Thanks for that. By way of comment, we were sitting through the education hearings this morning and talking about the level 3 status of schoolteachers. I have an outstanding teacher in my electorate who founded the Ribbons of Blue program and who is still struggling to achieve level 3 status. Maybe the department can push his cause through that program.

Hon SALLY TALBOT: I am sure that has been noted where it needs to be noted.

Hon BARBARA SCOTT: Good. I want to refer now to the third dot point on page 1099 that refers to major initiatives for this year. I am not sure whether this question is relevant, but the dot point refers to a new agreement for a cooperative program of natural resource management funding replacing the National Action Plan for Salinity and Water Quality and also the second phase of the Natural Heritage Trust will be negotiated with the commonwealth government. Can the parliamentary secretary explain what the second phase of the

Natural Heritage Trust involves, and does the department through this initiative capture any of the issues around the art on the Burrup Peninsula in a natural heritage environment?

Hon SALLY TALBOT: I will ask the director general to respond to Hon Barbara Scott's question.

Mr K. McNamara: The state government has had a partnership with the commonwealth government under the Natural Heritage Trust since the trust was introduced in 1997 and also with the National Action Plan for Salinity and Water Quality since it was introduced several years after that. There is joint investment with the commonwealth in regional delivery as well as some statewide strategic delivery of a wide range of natural resource projects. The commonwealth government in its recent budget committed to the NHT continuing for a further five years, I think, post-June 2008, and the state government is engaged in discussions with the commonwealth about that renewal of the program. The Minister for Agriculture and Food, and Forestry, is the designated lead minister for natural resource management and salinity and for those negotiations with the commonwealth, but our department is certainly working closely with his and other departments as we move to the next phase of the NHT.

In respect of the Burrup, the Natural Heritage Trust is a program that deals with the natural environment, the biodiversity of the country, land and water quality and so on. It is not a program through which the commonwealth invests in Indigenous heritage value protection.

Hon PAUL LLEWELLYN: Under the major policy decisions on page 1095 of the *Budget Statements*, funding is allocated to the low-emission energy development fund. What will the funds be spent on and are they directed primarily towards subsidising existing low emissions technology or towards research and development? The item is in the tables at the top of the page.

Hon SALLY TALBOT: The energy innovation fund will support technology breakthroughs and large-scale reductions in greenhouse gas emissions. The governance agreement to manage the fund will be agreed by the Premier and the Ministers for Energy and Climate Change. There will be an independent expert advisory body, which will be appointed to assess applications and to advise those two ministers on recommended projects. The criteria that will govern the allocation of the fund will be investment in projects that are designated innovative greenhouse technologies that are in keeping with the state's strategic objectives and, indeed, with market advantages.

We in Western Australia have some unique opportunities in niche markets in clean energy and greenhouse technologies and services. I know this is a subject that is very close to the honourable member's heart. They will be an important part of the state's strategy for diversification. Those key technologies, as the honourable member would be very much aware, include bioenergy, wave, geothermal, solar thermal and geosequestration. We will be looking for matching investments to the fund from industry and, of course, from the commonwealth government.

[7.50 pm]

Hon PAUL LLEWELLYN: The amount of \$8.6 million for the low-emissions technology fund will not go a long way to sponsoring many large-scale projects, given the huge capital cost associated with them. Will the money be spent on grants or on development and research? To get any leverage, the capital costs of these projects will far exceed that sort of money.

Hon SALLY TALBOT: That point is not lost on the state government. As Hon Paul Llewellyn just heard me say very clearly, the state government will be looking for matching funds from both industry and the commonwealth government. I have already made the point in responding to questions about the government's climate change initiative that we are looking here for a response that obviously goes beyond a state government response. It is entirely appropriate that we should be providing funds to encourage investment in this crucial area from industry and from our commonwealth counterparts. I will ask Rob Sippe if he would like to add more detail to that response.

Mr R. Sippe: The only thing I will add to the fairly full answer by the parliamentary secretary is that this will be a capital grants based program, so almost the entire amount of \$36.5 million over next year and the out years' budget allocations will be for capital grants. There will be a very small amount for one program manager, which will be the only other cost associated with it. The Ministers for Energy and for the Environment will be the decision makers, and they will be supported by an expert technical advisory group on the selection of appropriate technology to support that capital grants program. We think the potential for leveraging funds is very high in this area. We anticipate anything up to a three to one leveraging of those funds. That will grow that pot to a fairly sizeable amount.

Hon SIMON O'BRIEN: I refer to page 1118 and donations listed under "Income" on page 1116. There was an anticipated \$5 million worth of donations in the 2006-07 financial year, but nothing realised, and nothing is

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projected for the 2007-08 financial year. Why were we suddenly expecting \$5 million in donations, why did it not materialise, and why are we no longer expecting \$5 million per annum in donations?

Hon SALLY TALBOT: That is an excellent question. From 2007-08 onwards this item has been included with "Other revenue".

Hon SIMON O'BRIEN: I am looking at "Income" on page 1116. The \$5 million, which was budgeted for 2006-07 - apart from that, there is no figure showing it has been received - has found its way into the bottom line, "Other revenue", a couple of lines further down. Is that the case?

Hon SALLY TALBOT: The director general can give the member a fuller response.

Mr K. McNamara: The \$5 million entry on page 1116 is for 2006-07 only. The Department of Environment and Conservation was formed only at the start of 2006-07, and the budget figures there show how the budgets were set up for the former Department of Environment and the Department of Conservation and Land Management as separate entries. The special purpose grant revenues that the former Department of Environment receives for the 2007-08 figures and the out years are shown in among other revenues, rather than as a standalone entry simply reflecting the history of the former departments.

Hon SIMON O'BRIEN: How much does the department receive in donations, and in, general terms, where do they come from?

Mr K. McNamara: Most of the income that we receive is from licence fees, the waste management and recycling account, sale of goods and services, compensation for bauxite mining in the state forest, recreation income, park entry and camping fees and the like and a wide range of grants, particularly from the commonwealth government through, for example, the Natural Heritage Trust for various biodiversity conservation programs, research programs and the like. Those revenues total \$70 million for 2007-08, as shown on page 1116. The amount of straight donations, as distinct from grants for projects and so on, is quite a small part of that. I do not think it would be more than a few thousand or tens of thousands of dollars.

Hon SIMON O'BRIEN: Does that come from donation boxes at the entrances to parks and that sort of thing?

Mr K. McNamara: The money collected at entrances to parks and so on, some of which are staffed and some of which contain donation boxes, is counted in our recreation income, which is about \$9.5 million. I think we still have, for example, a wishing well at Yanchep National Park. There are miscellaneous donations of relatively small amounts.

Hon BARBARA SCOTT: I refer to "Major Initiatives 2007-08" at page 1112 of the *Budget Statements*. One of the major initiatives for 2007-08 is to complete the strategic assessment of the IP 14 land at the Kwinana industrial area. Is it possible to have a brief outline of what that strategic assessment involves and whether it takes into consideration the assessment or the environmental impact assessment on Cockburn Sound for the use of that land for the proposed IP?

Hon SALLY TALBOT: I will ask Kim Taylor to respond to that question.

Mr K. Taylor: This assessment is being carried out by the Environmental Protection Authority at the initiation of LandCorp, which is responsible for developing the land. The strategic assessment will be primarily on the biological values of the land, particularly wetlands and vegetation communities that need to be protected as development is permitted on the land. It will not look at industries that have been established there or at potential impacts in areas off Cockburn Sound. They will be looked at when specific industries are proposed for the site. At this stage it is looking at general biological and wetland values that will need to be protected.

[8.00 pm]

Hon SIMON O'BRIEN: I might be looking at the wrong part for this inquiry, but I think "Service 6: Air Quality Management Plans and Air Quality Monitoring" is listed on page 1106. I do not know whether the subject belongs here or somewhere else but I am guessing it belongs here. I refer to the department's involvement with the Canning Vale Regional Resource Recovery Centre, if I have got my Rs and Cs in the correct order. An issue has arisen there locally about the emission of odours. I understand that the DEC has been asked to assist and is providing some services, even after-hours services, to help assess whether there is a problem, the nature of the problem and the seriousness of it. Can the parliamentary secretary or her advisers tell the committee what the DEC is doing with that site, and what capacity is provided under either this service or another service to check for this sort of odour? I hope I have defined the question clearly enough - if not, I can come back to it - but if the parliamentary secretary would take that up, I would appreciate her advice.

Hon SALLY TALBOT: Hon Simon O'Brien has made it crystal clear! I should say at the outset that the government wants this facility to work. The member would be aware, because he has just given a bit of the background, that the South Metropolitan Regional Council voluntarily stopped receiving waste at this site on

27 March this year. The council has now completed upgrades to the waste composting facilities, with the aim of reducing those odours. The facility has now been opened again and has recommenced waste acceptance. The council advised the department on 9 May 2007 that the facility has reached about 50 per cent capacity, and it is progressively gearing up again to full capacity. The council has said that it will consider increasing to full capacity when the department has advised the council that the upgrades to the facility have been completed to a satisfactory extent, and when it receives advice from the health department on the health risks. On 10 and 28 May 2007, a DEC inspector conducted an audit of the upgrades carried out at the facility.

Hon SIMON O'BRIEN: So, very recently.

Hon SALLY TALBOT: Yes. The department is currently awaiting further information to ensure that those works are being carried out satisfactorily. The department has issued two local residents with vacuum air collection cylinders to sample the odours. The sample result from one of those residents has been sent to the health department for advice, and the department is currently awaiting a response from the health department. I will ask Mr Atkins whether he would like to add anything to that answer.

Mr R. Atkins: I can add to that. The department's role in this matter is in regulating licensed premises. The facility is licensed under part 5 of the act -

Hon SIMON O'BRIEN: Is that another service?

Mr R. Atkins: Yes. The member is off by one. It is actually regulated under service 7, which is the regulation of discharges to the environment. However, service 6 is relevant, because our air quality expertise sits in that service, and the air quality scientists are providing advice to us, and assessing the monitoring reports and the information provided by the Southern Metropolitan Regional Council. It is a regulatory function rather than a research and development function. Since the monitoring and inspections that were mentioned by the parliamentary secretary, the department has responded to further odour complaints from local residents. The department was able, the day before yesterday, to confirm one of those complaints, not at the complainant's residence, but at the boundary of the premises, which will give some idea of the transient nature of the odour and the way in which the odour moves around when it is present. We are in the process of putting a DEC inspector in the area each night of the week for several nights in a row to try to plot at first hand what is going on as part of assessing the performance of the upgrades of the system. We have insisted that the Southern Metropolitan Regional Council retain the services of an odour air quality expert from the eastern states to both monitor the improvements and provide advice on how well those improvements are working. The bio-filter system that is used to scrub the odours is proving to be a fairly complex piece of equipment to keep running, because it is a biological system, and the gases that come off a composting facility are fairly harsh on the way in which the system operates, so it is causing some difficulties.

Hon SIMON O'BRIEN: Could the parliamentary secretary describe the equipment that the two householders have been issued with? Is it like a jar with a vacuum on it or something, and the householder takes an air sample, or is it more sophisticated than that? I want to get an idea of what sort of technology is available. To pay at least lip-service to the committee chair, I also want to know what the cost of that equipment is.

Mr R. Atkins: That was actually a pretty good description! It looks like a barbeque gas cylinder and is about the size of a gas lamp cylinder. It is made of stainless steel, and it has a gauge on it, and a tube and a tap. It is vacuum-emptied in the manufacturer's laboratory, so it comes evacuated. It is quite simple to operate. If a person can smell an odour that is unpleasant, he simply turns the valve, and it draws the air straight in. That is why it is actually quite a useful tool for community representatives, because it does not require any sophisticated skills to use. The warning is, of course, that the person has to be confident of the sorts of circumstances under which he is opening the cylinder, because if the person just rushes outside when he smells something and opens the tap, he may be drawing in a neighbour's barbecue gases, or smells from an incinerator or something. Therefore, we have issued logbooks as well and have asked people to describe the circumstances, such as the wind direction, the strength of the smell and those sorts of things, so that we can gauge whether what is being detected is right or not. Once the cylinder has been held open a set period of time, the person just has to shut it off, and we collect it. We then send it as is to the laboratory, and the laboratory opens it and passes the gas through a gas measuring device, which measures a range of what is called volatile organic chemicals. It is not good for measuring everything. It does not measure acid gases. However, it does measure organic chemicals quite well. The turnover rate is about \$600 or \$700 for every sample that is processed, so the cylinders are quite expensive to operate, but I do not know the actual capital cost of the cylinders themselves.

Hon SIMON O'BRIEN: It sounds as though it would cost more to analyse the sample than it would to purchase the unit.

Mr R. Atkins: We would get that cost back over time, of course, because the cylinders are reusable. Once the cylinder has been used once, it can be cleaned out in the laboratory, re-evacuated and put back into circulation.

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We have a supply of them - I think about 20 or 30. We are using them successfully at Wagerup. We will be using them at Midland. We are obviously using them in this circumstance as well.

Hon SIMON O'BRIEN: Are there any similar waste recycling establishments run by other regional councils that the department is involved in monitoring, either as a normal business routine or because it has been called in specially?

Hon SALLY TALBOT: I understand that there are no other similar facilities, but I will ask Mr Atkins to elaborate on that, and possible future facilities.

[8.10 pm]

Mr R. Atkins: This is the only facility of this type in Western Australia that is a closed composting facility. There are other composting facilities in the outer metropolitan area, and south of Perth towards Mandurah, such as the one associated with the piggery that is just north east of Mandurah, but they are open, so they are not causing odour problems, because they have buffers. A similar municipal composting facility is planned for Mindarie, but that is in the tendering phase. I understand that the owners of Mindarie Regional Council are looking very carefully at what is happening at the Southern Metropolitan Regional Council. There are similar composting facilities in the eastern states in New South Wales and Queensland. ‘

Hon SIMON O'BRIEN: I am not sure whether my next question relates to service 1 or service 12. Service 1 relates to nature conservation and service 12 relates to the EPA.

Hon SALLY TALBOT: If the member gives us the question, perhaps we will decide. ‘

Hon SIMON O'BRIEN: That might be best. What operation is the DEC - I do not know whether this is the right agency - carrying out with the replanting or reinstitution of seagrass meadows in Cockburn Sound, or anywhere else where they occur, what resources are being put into such a project and what sort of results are we getting?

Hon SALLY TALBOT: We can elaborate to an extent by way of an answer to that question. When the proponents put forward a plan, one of the requirements that are made of them is that they undertake such measures that the honourable member referred to in his question. However, I will ask Mr Kim Taylor to provide the member with a more detailed response.

Mr K. Taylor: In brief, as the parliamentary secretary said, conditions have been placed on proponents, particularly in relation to Cockburn Cement's shell sand dredging project in Cockburn Sound, to rehabilitate the seagrass meadows. They are required to undertake rehabilitation of certain areas and to report to us periodically as part of the conditions of approval of that project.

The CHAIRPERSON: What is the success rate?

Mr K. Taylor: I will take that on notice. I do not have that information at hand.

[*Supplementary Information No H2.*]

Hon SALLY TALBOT: I point out that the Cockburn Sound Management Council produces an annual report card that is tabled in Parliament.

Hon SIMON O'BRIEN: I will continue the dialogue as the Chairperson pinched my next question. That is the Chair's prerogative. The reason I sounded hesitant is that duties and names of government agencies seem to be changing a lot lately, in not only this area but also other government agencies, and it has become unclear where responsibilities lie. Would it be correct to say that with the seagrass question and the Cockburn Cement operation, which is as good an example as any, that most of the work and expense that goes with it is borne by the company involved in the activity and that DEC's involvement is really more of a monitoring role?

Hon SALLY TALBOT: I could not put that more succinctly. The DEC has a monitoring role and it is not responsible for carrying out the program.

Hon SIMON O'BRIEN: What about providing assessments ahead of projects in the sound?

Hon SALLY TALBOT: The projects of that kind would go through the environmental approvals process under the auspices of the EPA.

Hon BARBARA SCOTT: The second last dot point under "Major Initiatives For 2007-08" on page 1107 reads -

Review of the Interim Odour Guidelines for industry.

It may be obscure, but there has been a recent issue with the monitoring of the odour from the waste water treatment plant in Woodman Point. There has been a review of that and odour control is being carried out. In

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the review of the interim odour guidelines that the agency is conducting, is there any ability within the department to put constraints on the Water Corporation to hasten its management practices of odour control?

Hon SALLY TALBOT: Is the member talking about the Woodman Point waste water treatment plant?

Hon BARBARA SCOTT: Yes, but I am speaking in reference to the *Budget Statements* at page 1107, where it states that the agency will carry out a review of the interim odour guidelines for industry as a major initiative for 2007-08. In that review of the interim odour guidelines, does the department have the ability to look at the odour controls that the Water Corporation is putting on the waste water plant and speeding up the spending of money to contain the odours?

Hon SALLY TALBOT: When I was preparing for this session I was hoping I would be able to use the phrase "ground truthing of odour". My chance is here.

Hon BARBARA SCOTT: I have a large document on a recent review.

Hon SALLY TALBOT: I will make specific points about the Woodman Point waste water treatment plant and hand over to Robert Atkins for more detailed comments on the points the member raised.

The state government obviously is committed to making sure that people who live within smelling distance of a facility of this kind do not have their way of life adversely impacted upon by an unreasonable level of odour. We are very conscious that this particular waste water treatment plant was the subject of advice from the EPA. It said that the Water Corporation should implement stage 1 of its odour controls that it estimated would halve the current odour levels. The instruction from the EPA was that should happen as soon as possible, but no later than the end of 2008. In the same advice the EPA said that the current buffer should remain until the stage 1 controls had been implemented. Following this, further emissions estimates, modelling and ground truthing of odour should be undertaken to determine the extent of odour impact and a long-term buffer should be reconsidered. I understand that the member is making a more general point on the projected achievements or expectations for the next financial year.

Hon BARBARA SCOTT: My question is a more specific request; that is, can the department place any constraints on government to get the Water Corporation to do what is required? It knows what has to be done, but it says it does not have the budget. I know there are issues around the Water Corporation being told what it should be doing and it not wanting to do it. The environmental department should have some clout in saying what should be done.

Hon SALLY TALBOT: I understand the question. I will ask Mr Atkins to give a detailed answer. The reality is that we cannot direct the Water Corporation to spend its budget allocation. I will ask Mr Atkins to provide a detailed response.

[8.20 pm]

Mr R. Atkins: The program outlined by the parliamentary secretary that the Water Corporation is required to undertake as a result of the Environmental Protection Authority assessment is locked in through the works approval that is issued under part 5 of the act. That is the primary regulatory tool for ensuring that the Water Corporation meets its commitments. Once the works approval has been issued, and has that timetable in it, it is possible under the act to amend works approvals through application by either the Water Corporation or the department, if it thinks things need to be sped up. The works approval is the regulatory tool for that. That whole exercise is separate from the review of the interim odour guidelines for industry. The review of the interim odour guidelines for industry arises from situations such as the one to which the member referred - the one she mentioned in relation to the waste composting facilities. There are a number of other situations, particularly in the metropolitan area, where the primary sources of complaints about industry relate to odour. There are no firm guidelines and standards for what is a reasonable odour and what is an unreasonable odour. No standard method has been adopted by the department for monitoring or measuring odour. We rely on several sets of guidelines used by other jurisdictions.

The initiative to review the interim odour guidelines for industry is to go back over what we are currently using and develop a more comprehensive odour monitoring framework for the department as a regulatory tool, which will include specific training for Department of Environment and Conservation officers to undertake the monitoring. The experience that we have over the time that we have been using the interim guidelines is that the so-called sniff test is the best tool for determining whether an odour is unreasonable, rather than trying to measure odour as a concentration of milligrams per kilogram or something like that. The reason for that is that odours are made up of a complexity of chemicals so it is not possible to do analytical laboratory tests to come up with an odour impact. It is really a coalition of the effects of a range of compounds that varies from source to source. In summary, we are looking to the review to come up with a framework that has a personal monitoring regime using trained staff. Although people tend to snigger at the sniff test, it is an internationally recognised way of doing it, so long as people are trained in the right way.

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Hon SALLY TALBOT: I will make one further point by way of elaboration. I place on the record that the Minister for the Environment has advised the Minister for Water Resources that he would not support any requests for deferment of these works.

Hon BARBARA SCOTT: I thank the parliamentary secretary for the explanation. One of the complaints I have had about that whole issue is that the works approval was given to the Water Corporation before the modelling was conducted, which seemed to me to be the wrong way around for the local residents.

The CHAIRPERSON: Does the parliamentary secretary wish to respond to that?

Hon SALLY TALBOT: I am not sure that I can hear a question there. I will take it as a comment.

Hon BARBARA SCOTT: Fine, I think it was explained in the last response. It did seem curious to me that the works approval could be given before the modelling assessment was completed. Residents were told that that would be done afterwards.

Mr R. Atkins: I cannot offer a comment on that because I do not know the details.

The CHAIRPERSON: I will take the liberty of asking a question from the chair. I refer to the second last dot point, under "Significant Issues and Trends" on page 1093, relating to the need to establish comprehensive, adequate and representative conservation reserve systems, both terrestrial and marine. At the current rate of progress in establishing a comprehensive, adequate and representative conservation reserve system in the marine environment, when might that target actually be met? Will it be this century or next?

Hon SALLY TALBOT: Thank you, Madam Chair. I will ask the director general to respond.

Mr K. McNamara: It is early in the century, so I can confidently say that it will take place this century, I would think, and I will not be around to account for it! Since 2001, the government has created a number of new marine parks and has significantly expanded the Ningaloo Marine Park. Currently, following the planning and public consultation processes, the government is getting close to finalising the creation of the Walpole-Nornalup Inlet Marine Park, the Geographe Bay-Cape Leeuwin-Cape Naturaliste-Hardy Inlet Marine Park, and a new marine park in the Dampier Archipelago, as well as another reserve immediately to the west of the Dampier Archipelago. In addition, the government has embarked upon a regional marine planning process on the south coast, looking at the entire area from the cape across to the South Australian border. That process will also identify candidate areas for future marine park status. There is an active program. Three new marine parks are expected to be created in the coming months and programs are underway to identify further areas.

The CHAIRPERSON: By way of supplementary, and perhaps on notice, is it possible to indicate the expected gazettal dates of the parks you mentioned? I can take that on notice if necessary.

Hon SALLY TALBOT: The director general would be quite happy to answer the question now, if that suits your purposes.

Mr K. McNamara: It is always difficult to put a precise date on such things, because the legislation, the Conservation and Land Management Act, clearly requires that the Minister for the Environment consult his ministerial colleagues responsible for resources and fisheries, and obtain concurrence for the establishment of those new marine parks. The indicative management planning processes are complete, and the Minister for the Environment is currently working towards achieving those concurrences. I cannot put a time frame on the outcome of that process, but the expectation is that the creation of the three new marine parks referred to is a matter of only a few months away in one or two cases and before the end of the year, I would think, for all three.

Hon BRUCE DONALDSON: Would the proposed marine parks be along the lines of the Jurien Bay Marine Park, which is a multi-use park, rather than all the fish being locked away?

Hon SALLY TALBOT: The answer is yes.

The CHAIRPERSON: We will have to finish this session. I thank the parliamentary secretary and members of the department for their attendance tonight. If members have any further questions, could they please hand them up?

Meeting suspended from 8.29 to 8.35 pm