

# **STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS**

**2017–18 ANNUAL REPORT HEARINGS**



**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
TUESDAY, 13 NOVEMBER 2018**

**SESSION FOUR  
DEPARTMENT OF WATER AND ENVIRONMENTAL REGULATION**

## **Members**

**Hon Alanna Clohesy (Chair)  
Hon Tjorn Sibma (Deputy Chair)  
Hon Diane Evers  
Hon Aaron Stonehouse  
Hon Colin Tincknell**

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**Hearing commenced at 2.18 pm**

**Mr MIKE ROWE**

**Director General, examined:**

**Hon STEPHEN DAWSON**

**Minister representing the Minister for Water; and Minister for Environment, examined:**

**Mr GEOFFREY GILBERT**

**Executive Director, Corporate Services, examined:**

**Mr WAYNE MILLEN**

**Chief Financial Officer, examined:**

**Mr PAUL BROWN**

**Executive Director, Regional Delivery, examined:**

**Ms KELLY FAULKNER**

**Executive Director, Regulatory Services, examined:**

**Ms SARAH McEVOY**

**Executive Director, Strategic Policy, examined:**

**Mr ANTHONY SUTTON**

**Executive Director, EPA Services, examined:**

**Mr STUART COWIE**

**Executive Director, examined:**

**The CHAIR:** Welcome to today's hearing with the Department of Water and Environmental Regulation. I will go around and ask you to state your name, your position, and whether you have signed the "Information for Witnesses" document. We have the Water Regulation witnesses at the table at the moment and we will try and group the questions in relation to that. Then I will ask you to step back and have Environmental Regulation. It will be roughly half and half but we will see how we go.

[Witnesses introduced.]

**The CHAIR:** It is essential that all your testimony before the committee is complete and truthful to the best of your knowledge. This hearing is being recorded by Hansard and a transcript of your evidence will be provided to you. It is also being broadcast live on the Parliament's website. The hearing is being held in public, although there is discretion available to the committee to hear evidence in private. If for some reason you wish to make a confidential statement during today's proceedings, please request that the evidence be taken in closed session before answering the question. Agencies have an important role and duty in assisting the Parliament to review agency outcomes and the committee values your assistance with this.

Minister, do you have a brief opening statement?

**Hon STEPHEN DAWSON:** I do not, thank you.

**Hon DIANE EVERS:** I am looking at your key effectiveness indicators on page 29 and the priority of growth areas that have a water supply planning strategy. I note that further on in the report, it gives reasons for the target being 94 per cent and the actual being only 75 per cent, one of which is the southern forests irrigation scheme having been handed over to DPIRD. By handing that over, does that let go of all the responsibilities to have that water supply planning strategy, or is there anything to follow up?

<021> D/4 [2:22:54 PM](#)

**Hon STEPHEN DAWSON:** I will ask the director general to reply to that one.

**Mr Rowe:** Thank you for the question. No, it does not mean that we do not retain some responsibility for contributing to the scheme. When we handed responsibility of the southern forests irrigation scheme to the Department of Primary Industries and Regional Development, that was for, I guess, the kind of industry development component of that work. What the department did retain was responsibility for doing the detailed planning around the water availability and doing the science and the modelling associated with the development of that scheme and the proposal for that scheme to proceed. We are very close to finalising that work now—in the coming months. You might be aware that we have been consulting recently with the community about the findings of our science, and that extended to both briefings to the Southern Forests Irrigation Co-operative itself and the Warren–Donnelly advisory committee and, more recently, a series of targeted workshops with stakeholders in that region.

**Hon DIANE EVERS:** It seems to me that would be that water supply planning strategy. I do not understand the terminology, possibly.

**Mr Rowe:** Okay. That performance indicator covers a whole variety of the work that we do in the organisation across a whole range of water allocation planning activities. That can range from something as significant as an entire region. It could be talking, for example, about work that we might be doing in the Gnamptara plan area. It might also talk about quite localised water allocation planning work that we could be doing in relation to, say, the southern forests region or, say, some work around Kwinana. The diversity of planning activities that we do are captured under that indicator in its entirety, irrespective of the scope and the scale of the work that we are doing, but we do a variety of work across the state.

**Hon DIANE EVERS:** I am referring to page 41 of the annual report, “Evaluating allocation plans”. This is probably one you will take on notice, but I was just wondering if it is possible for you to provide a map of Western Australia which shows the water allocation by region and by sustainable limits. Would you have that information?

**Mr Rowe:** We would. Just to be clear, so I am clear about your question, you want to know by allocation area the allocation limit that we have established through the planning process and then the extent of use—the amount that is actually licensed for use?

**Hon DIANE EVERS:** It would be good to say what is the maximum allocation, how much has been allocated and how much is used. I know that can be a variable number.

**Mr Rowe:** We should be able to do that on notice.

**Hon DIANE EVERS:** That would be excellent; thank you.

**The CHAIR:** Minister?

**Hon STEPHEN DAWSON:** That is fine. The department has indicated they can provide it, so I am happy to take it as supplementary.

*[Supplementary Information No D1.]*

**Hon DIANE EVERS:** Page 59 of the annual report talks about exempting water use measurement. What is that policy that says that some water use measurement does not have to occur and how many licensees would be exempt from this requirement?

**Mr Rowe:** I will answer that in general terms and I will ask Paul Brown to give a bit more detail about that. The department has, over the course of the last few years, really tightened up our requirements for measurement of licensed allocations. Basically, page 59 describes the fact that new regulations now apply to require people with a licence above a certain volume to make sure that they are metered and to install meters at their own cost. However, meters do not make sense in every instance, particularly in some surface water situations where it is very difficult to meter surface water use. In that instance, the regulations provide people the ability to apply, for an exemption, to us and we can potentially grant the exemption depending on whether they can provide us a reasonable alternative to estimate the use rather than meter it. I do not know whether we have got an answer on how many exemptions we have given necessarily, but Paul may be able to answer that question for you.

**Mr Brown:** The regulations have indicated that, up until 31 March this year, everyone getting more than 500 000 kilolitres will have to be metered. Then it is not until 2020 that those people between 10 000 and 500 000 gegalitres will be metered. It is principally the exemptions associated with people with dams where it is not that easy to meter; therefore, they have alternatives in terms of the volumes in the dams and calculation of their volumes in the dam. That is what it principally relates to. It does not mean they do not calculate how much water they are using or is being used; it is a matter of they cannot put a meter on their use.

**Hon DIANE EVERS:** That is for surface water. But of the other ones, of the bores, you are saying that anything over 10 000 will be required to have a meter from 2020; was that it?

**Mr Brown:** That is right. We are slowly implementing that from the largest licensees through to those closer to 10 000.

**Hon DIANE EVERS:** Is this in preparation? We know how in the budget this year there are licence fees for mining and public water supply. We are going through the process of looking at agricultural uses now. Does that mean that there is a suggestion that you may be having fees applied for all those bores over 10 000, and is there ever a chance that that fee might be related to the amount of water rather than just this low, medium and high risk?

**Mr Rowe:** Just to be clear, the metering obligation is nothing to do with the imposition or introduction of fees; it is about good water resource management outcomes and making sure that people are compliant with their allocation and the conditions that we place on them. Certainly, the fee structure that has been introduced in relation to public water supply and in relation to the mining sector has, at its core, basically a risk assessment, which does look at the size of their allocation as opposed to their use—so, the size of the allocation that they are licensed for—and the extent to which the area that they are extracting the water is allocated or not. That gives us a proxy for the level of effort associated with assessing that licence. It is absolutely not the case that this metering regulation is in any way, shape or form related to the imposition of fees, because, to the extent that future fees may have an element associated with the risk management framework similar to the ones that are already in place, the size of the licence may play a part in determining what the fee is, but it is not about the amount of water that people are using. We want to be very clear that it is not a volumetric fee, because there has been a degree of confusion in the community in the past that somehow we are imposing fees based on the volume of their water. It is not about that.

<022> O/I [2:29:43 PM](#)

[2.30 pm]

**Hon DIANE EVERS:** But you just said that it could be related to the size—I mean, the ability to take such a quantity, not so much a metered use.

**Mr Rowe:** That is right; by proxy. In essence when we are talking about the risk of the abstraction in a particular area, it is partly dependent on the size of the licence. Very large licences tend to take us longer to assess, given the nature of their complexity, and they become more complicated if they are areas that are close to full allocation as well because we need to make sure that the impact that those people may have is not going to extend either to the environment or to other users. So both size and the degree of allocation play into our risk assessment framework.

**Hon DIANE EVERS:** Coming back then to those low, medium and high risks and the figures from last year's work, the system that you put in place, where a lot that you thought were going to be high risk turned out to be medium or low, really changed the figure as to what the dollars are per item assessed. What that raises for me is the question of that figure; because of that variability, due to so many different factors, how relevant is that figure of dollars per assessment? Because we are going to be using that to possibly charge people in the future for those assessments, yet it is a figure that fluctuates with so many different variables, it is not really relevant?

**Mr Rowe:** That is a very good question. I am very pleased to try to clarify that just to avoid any confusion, because the way that the efficiency indicators are determined in the budget papers is that generally we have to apportion the full cost of our business across the suite of indicators that we have. It may be that there are cost elements associated with all the performance indicators that do not directly relate to the delivery of that service, but we are obligated to try to find a home, if you will, for our expenditure across the nine services and the associated indicators that we have. So it is not the case that the numbers in this document would necessarily reflect the level of cost recovery that we would be endeavouring to get through the fee structures that we would be putting in place. In an ideal world there would be absolute coherence between those, but, in fact, it is not that simple when it comes to accounting through the annual reporting process.

**Hon DIANE EVERS:** So you would have another way of determining what that actual cost is per assessment of it?

**Mr Rowe:** That is right.

**Hon DIANE EVERS:** Averaging it across the —

**Mr Rowe:** Correct; that is right. In the instance of the fees that have been introduced for both mining and public water supply, those fees have been based on estimates of costs associated with previous years' work, but much more closely aligned to the cost of the business itself, so to the part of the organisation which is delivering that service; not in the same way as it is characterised in here.

**Hon DIANE EVERS:** Okay, because that is one of the things we are looking at. It is just that some of the figures we get given in here do not really match up to anything useful. Thank you.

**The CHAIR:** They do for the budget purpose but not for agency reporting purposes.

**Hon DIANE EVERS:** Yes.

**Hon Dr STEVE THOMAS:** That is timely because I would like to continue from the question of Hon Diane Evers in relation to page 158 and, I guess, the average cost of assessing water licence applications. We have just had some conversation to say that this number, as derived, is not specifically related to the work in that particular area—this may need to be provided as additional information—but can we get a breakdown of precisely what or how that number is calculated?

**Hon STEPHEN DAWSON:** Madam Chair, the director general has indicated that we can provide that. We will provide it by way of supplementary.

*[Supplementary Information No D2.]*

**Hon Dr STEVE THOMAS:** At the same time, can we get an indication perhaps of the work hours required and what those work hours relate to when assessing those licence applications? I am assuming—I am fairly certain—that DWER, the old department of water, did not send out someone to inspect farm dams or farm bores specifically, so most of this work will, I assume, be desktop, and that is not necessarily a criticism, but that is, I think, just from an practicality sense. So what sort of level of desktop work is required to process one of these applications? If we could get some indication of the type of work that is done. That, again, may be just a part of additional information; I do not know whether you will have that at your fingertips. But it would relate to how the ERA might assess the licence fees that are put forward by a department, particularly in relation to cost recovery, which is, I understand, what the government said during its budget presentation last year.

**Hon STEPHEN DAWSON:** Perhaps the director general might want to talk through the process now, but certainly to give a level of detail, we would have to provide it by way of supplementary. Is there someone present who can answer that? Mr Brown might talk about the process.

**Mr Rowe:** Perhaps Mr Brown could talk through the process from the time of lodgement and then typically what would happen with a licence assessment, to give an indication of the sort of work that happens.

**Mr Brown:** The department in the last few years has put online our licence assessment for water licences. The applicant puts their application online and they have a whole bunch of questions which they go through. About 65 per cent of people do it online and the rest do it by hard copy and then we load it. We have a number of checks to make sure that that person owns that land, and there are a whole lot of things to do with deceased estates, so there is some checking about the ownership of that property by that person. Then we do an assessment, and there is a section in the act, 7.2, that goes through the assessment criteria that we need to look at.

The issue in Western Australia is that most of the resources are getting close to fully allocated, so when you do an assessment it is about: can you take that water, and does that take-in water impact the people around you? Does it impact the environment? So there is quite a bit of desktop around that. Usually if it is a big volume, the proponent will get their own hydrogeologist to do some assessment of how much water they can take and from where, and whether that aquifer or water source can take that water. So we go through those with our own hydrogeologist. Then we make sure, if it is over 100 000 kilolitres, that it is advertised and then the public can make comment on it. We would do an assessment based against the comments that have come in and our assessment. It depends on how big the resource is; usually for surface resources we will go and visit, but for ground resources, we do not usually visit—we do a desktop. Then we would put out a letter to the proponent, saying, “This is our assessment. These are the conditions.” They have a comment period for that. We negotiate through that comment period and then put out the licence. So that is the sequence of events.

**Hon Dr STEVE THOMAS:** Can I confirm then that you suggested that for a significant number or for the majority of surface water assessments there is some form of onsite visit; is that what you are suggesting?

**Mr Brown:** Quite a bit, because most of the surface water areas are fully allocated in the south west, be it Manjimup, Busselton or Margaret River. So where the siting of that dam and lots of other things are quite important to that assessment, we have made a tool through which, for every single

catchment in the south west, we add the extra dams and the locations of those dams. We run that model through that new licence, so there is quite a bit of work to be done with a licence.

**Hon Dr STEVE THOMAS:** But as you accumulate that knowledge base, you do not need to, I would assume, reinvent the wheel for every application that comes in? So within a catchment you would have a database that says, “This catchment is X percentage or X litres allocated; this is the unallocated available take.” I would have thought that as time went by that should become, I guess, a simpler measurement. Does it get easier over time because you start to accumulate this mass of knowledge?

**Mr Brown:** It does accumulate over time, so yes is the answer. But when we have a catchment, we do not want all the dams in on one farm, so there is a bit of work to do about distribution of the take points, be they dams or bores. There is a little bit of work even in new licences with well-understood systems. So, yes, it does get easier, because we have the systems. We have done it before in that catchment, but there are still some individual things we need to check over.

**Hon Dr STEVE THOMAS:** Minister—maybe somebody else, though—where are we in terms of the time frame of the general policy? Understanding, of course, that the mining and large water providers are now in a separate category, for other landholders, what is the time frame for consultation and decision now in relation to cost recovery for those licences?

<023> R/2 [2:39:40 PM](#)

[2.40 pm]

**Hon STEPHEN DAWSON:** If I can ask the director general to provide a response to that.

**Mr Rowe:** Thank you, minister. The government issued a discussion paper and ran a series of workshops about the proposed introduction—about the possible introduction, really, of any additional water fees, over and above those which have already been gazetted for the public water supply and mining sectors. There was a series of workshops held across the state. About 320 or so people participated in those workshops. Written submissions on the discussion paper close this week and we will be analysing those submissions and providing advice to the relevant minister. He will make a determination as to whether or not he wants to go ahead and proceed with additional water licence fees; and, if so, what that might look like. That will be done through the budget process, if anything is to occur, but that decision has not been made.

**Hon Dr STEVE THOMAS:** Largely, an announcement would be a budget announcement?

**Hon STEPHEN DAWSON:** If the minister wanted to proceed, then it would fall under future budgetary considerations, yes.

**Hon DIANE EVERS:** Unused allocations. If somebody has an allocation, they do not have an ability to store it, and they have not taken their full allocation for ever, would there be some consideration of reclaiming that so that it could be redistributed to others?

**Hon STEPHEN DAWSON:** I will ask Mr Rowe if he can comment on that one.

**Mr Rowe:** Yes, that is a longstanding policy position for us. Typically, we try to ensure that people's use is tied to their allocations. If people are not using their allocations for an extended period of time, we will look to reduce their entitlements.

**Hon DIANE EVERS:** Is it possible people could let you know that there are issues—of concerns like this, will they know that —

**Mr Rowe:** Do you mean third parties?

**Hon DIANE EVERS:** Yes.

**Mr Rowe:** Yes.

**Hon DIANE EVERS:** The other one is that we say that many of the areas are already fully allocated, but I am seeing cases where we are starting to allocate water from the forest area, a lease that went through recently and of the southern forests irrigation scheme. Who has the rights to the water that is flowing out of the forests? Is there a way we are going to determine this, or is it just first in, best dressed?

**Hon STEPHEN DAWSON:** I can ask Mr Rowe again to comment on that.

**Mr Rowe:** Under the Rights in Water and Irrigation Act, water is vested in the Crown and our agency is responsible for making decisions about the allocation of that water for people to use. It is not that any one individual owns the water necessarily in a statutory sense. That is why we have an act that allows for that water to be allocated to people who apply for a licence in order to be able to use it.

**Hon DIANE EVERS:** So it is basically who comes in first and says, "I've got a use for this, can I have it?" Would they then be allowed to sell that water?

**Mr Rowe:** Potentially, yes. Water can be traded between licensees.

**The CHAIR:** We might take this opportunity to ask the environmental regulation component of the department to come forward. We are going to start off with some sort of corporate style questions first.

**Hon AARON STONEHOUSE:** Just looking at the Auditor General report that is included around page 96. I am looking at page 96 specifically. The Auditor General provides a qualified opinion on controls, noting a significant weakness for general computing controls. My question is: what are you doing to improve the quality of controls for your computing systems?

**Hon STEPHEN DAWSON:** I am very happy to ask the director general to make a comment.

**Mr Rowe:** Thank you for that question. No-one enjoys getting a qualified opinion, and I certainly did not; however, you never waste a good crisis. I am not suggesting that this is a crisis, because in this instance, to be clear, what the Auditor General found was that there were several controls that we did not have in place. There was the risk that someone could have accessed our systems externally. There is no evidence to suggest that it happened, which is fantastic. We did take immediate action upon finding out that this had occurred, and in fact we have gone a long way to addressing the concerns that the Auditor General has found. For example, as part of the machinery-of-government changes, when the three agencies came together, there was a portion of the former Department of Environment Regulation that had significantly unsafe passwords, for example, which is one of the issues that the Auditor General found. We have done extensive work recently, and I am now very happy to report that we have zero weak passwords across the business, and that there is a system in place to ensure that that does not happen again, and that we are well on track to addressing all of the issues that the Auditor General has found. I am quietly confident, with the support of our executive director of corporate services and our chief digital officer, that issues will be resolved and more than that, that we will in time become an exemplar public agency for addressing cyber security risks.

**Hon STEPHEN DAWSON:** There is an Office of Digital Government across government. We have been working with them in relation to this issue to make sure that we are amongst the best.

**Hon AARON STONEHOUSE:** That is good to hear. I do not suppose you have a time frame for when you think you will be up to scratch?

**Mr Rowe:** The Auditor General has given us a comprehensive list of things that we need to address. Some of these short term ones that are most urgent will absolutely be done, some of them have



already been done. But the list is very comprehensive. Some of the issues will take longer. Whilst I would hope that most of them will be addressed by the time the audit comes around in March of next year, there are some longer term systemic things that will take longer than that, perhaps the year after. Within two years we should have addressed absolutely everything that we are required to do, but the most high priority issues will absolutely be resolved by the time the Auditor returns next year. I meet personally with the chief digital officer and with the executive director of corporate services every Friday and we go through progress against work, and we report to the minister every six weeks on what we are doing.

**Hon AARON STONEHOUSE:** You mentioned machinery-of-government changes there; I hope I do not step on you with this question. In relation to agencies affected by machinery-of-government changes, the Auditor General noted that progress with amalgamating systems of various constituent entities is slow, with most departments continuing to operate on several financial, human resources and administrative systems. This is impacting a realisation of cost savings that can be achieved by rationalising systems. I have got a couple of questions around that. How many financial, human resource and administrative systems are currently being used by the department? Is there a plan to rationalise the number of systems currently used by the department; and, if so, can you just give us a bit of an outline of that plan?

**Mr Rowe:** It is one of the things that I am proudest of in our agency; we do only have one financial, one HR and one IT system and we were able to achieve a combined integrated system and have all of our stuff on a new HR and finance system by 1 July. By the time the agency came into effect, that work had been done during the course of about the six-week period from the time the machinery-of-government changes were announced on 27 April. By 1 July we had those systems in place. I am very proud of that work. It was an incredible feat. Then over time we have moved ourselves off the former predecessor agencies as well. Even though we had a combined HR and finance system in place, there was still residual legacy systems. For example, the systems that the former Department of Environment Regulation uses for administering native vegetation controls and industry regulation was still housed with the now Department of Biodiversity, Conservation and Attractions. We took our time to make sure that we could transfer those systems to our servers without interruption, and carefully. In terms of the Auditor General's comments about finance and HR systems, we were absolutely on the same system by 1 July. I cannot remember exactly that date, but it did not take us too long to have everything out of the predecessor agencies and on our servers in our control.

<024> B/C [2:49:08 PM](#)

**The CHAIR:** That is perfect.

[2.50 pm]

**Hon STEPHEN DAWSON:** Mr Gilbert, do you want to add to that?

**Mr Gilbert:** Yes, as the director general said, the HR and payroll system were 1 July last year. The rest of the systems we migrated did a lift and shift from the Department of Biodiversity, Conservation and Attraction—those legacy business systems—onto our domain from 1 July this year, so that was achieved within that 12-month period. So now we are completely operating on one domain, and the other aspect of that was the former Office of the Environmental Protection Authority outsourced some of its IT and server-related systems to a third party. We have brought that in-house and it is all delivered by public servants now.

**Hon TJORN SIBMA:** I was planning on asking some questions around the experience of amalgamating the entity, but I think they have been sufficiently dealt with today. I am interested in the external work pressures the agency faces and how you respond to those, and in particular on page 84, noting “EPA assessments on the rise”, and generally this is a problem the state wants to

have because it is indicative of future expansion and investment. What I am unclear about is how the agency is responding to resource the expansion in the number of assessments, and in particular the self-reporting complexity of those assessments. I do not see in this report how the agency is responding to the pressure. I would just be grateful for —

**Hon STEPHEN DAWSON:** I might kick off on this, honourable member. The number of EPA assessments has increased from an average of about 138 assessments a year in the period from 2013–14 to 2016–17 to up to 224 assessments last financial year, so it is an almost doubling, essentially. I was very pleased to be able to announce last month a significant financial boost for the EPA. That was an additional \$3.3 million in funding, and that was essentially to help tackle that steep increase in the workload of the EPA and particular proposals that required assessment. The money will be used for additional resources in the Environmental Protection Authority services division within the department, which supports the EPA and is responsible for carrying out environmental assessments of significant proposals such as mining, oil and gas infrastructure, processing plants, as well as irrigated agriculture across the state. That will equate to about an extra 14 staff in that division, so a significant boost for the agency. That is recognising that our workload has increased significantly over the past 12 months, two years.

**Hon TJORN SIBMA:** Is the \$3.3 million or thereabouts tied to the 14 additional FTE for the current financial year or across the estimates?

**Hon STEPHEN DAWSON:** It is across two financial years.

**Hon TJORN SIBMA:** Across two financial years; okay. I will go back slightly. Obviously, there has been an expansion in the number and that is the challenge the government is dealing with.

**Hon STEPHEN DAWSON:** It is a great challenge, member.

**Hon TJORN SIBMA:** Yes. Indeed, I am in violent agreement with you, minister.

**Hon STEPHEN DAWSON:** It just shows the economy is turning.

**Hon TJORN SIBMA:** The other issue is obviously the complexity in the assessments that are undertaken. How does that translate into the actual time period from assessment processes being initiated to being resolved? That is the metric I am actually interested in as well, as much as the volume. It is the time value of money, which everyone is waiting on. Can you provide a price on that?

**Hon STEPHEN DAWSON:** I will ask Mr Sutton to make a comment on that.

**Mr Sutton:** Generally speaking, when this report was released—just before then—it was about 24 months for a public environmental review, which is the maximum, if you like, assessment that you can have. What we are aiming for for new funds is to bring that down to 18 months. Where you have a complex project, one of the advantages of the new agency is that you do have a whole series of people from water, compliance, policy, environmental regulation to be part of that process as well. Where you have a complex project, you can bring a team of people together to deal with it in a more intense way. In the past, we did not have that option of doing that. We are hoping to be able to reduce the time frame, but have that team approach to it as well.

**Hon STEPHEN DAWSON:** What we had previously with three different agencies was the need for three different agencies to interact and, obviously, government agencies do not always play fair, but certainly one of the major and positive benefits from the amalgamation has been having everybody in under the same roof. It has allowed us to streamline processes and to create teams working on projects. Along with the extra resources, it will ensure that we can decrease the project times moving forward.

**Hon TJORN SIBMA:** Am I therefore to assume that from here on in, an internal or an externally reported key performance indicator might be around the timeliness of the resolution of individual approvals?

**Hon STEPHEN DAWSON:** We certainly report that already. It is certainly something that we will keep an eye on to make sure that we are actually getting the benefits from that extra funding that we have received recently.

**Hon TJORN SIBMA:** This is an open-ended question. The claim, which I have no reason to disagree with, is an increase in the complexity of these issues. Can I understand whether or not there is a common thread to that complexity? Why is the approvals process slightly more complex now than it may have been three or four or five years ago?

**Hon STEPHEN DAWSON:** I will ask Mr Sutton to comment, but I make the point that we are seeing new fledgling industries in operation in Western Australia—so, lithium for example. We have just been through Albemarle's environmental approval—a significant new industry in the state.

**Hon Dr STEVE THOMAS:** Well done.

**Hon STEPHEN DAWSON:** It is an exciting industry. It has multiple benefits, including for the environment, but it is new, so some new types of assessment have had to be undertaken, but I will certainly ask Mr Sutton if he can elaborate on that.

**Mr Sutton:** It is definitely that recent, and in particular, in addition to lithium, you have got other rare earths. You have got potash being now sought after across the state, and irrigated agriculture is something that has, I guess, more recently come to the fore as well. As part of that process, it is not only what new industries you might have, but you have more intensive industries, so if you take the Pilbara, more and more iron ore mines, more lithium mines. In doing the assessment, you have to consider not only the single mine in itself, but the cumulative impact across that entire area. That is becoming more and more difficult from an air quality perspective, water resource perspective and biodiversity as well.

**Hon STEPHEN DAWSON:** I guess the other complexity or a complicating factor is our intersection with the EPBC, the federal laws. Federal governments, as state governments do, can make changes, can decide what is a threatened ecological community, and can then put a focus on various species. For example, banksia woodlands has been a focus of theirs in the past year and a bit, a little bit longer. That federal overlay adds a complexity to the workload that we are undertaking as well.

**Hon DIANE EVERS:** Following on from that, having just talked about water and cost recovery for licences there, what is the possibility, or is there any situation where we currently recover some of the costs for the EPA assessments?

**Hon STEPHEN DAWSON:** I have been given two years of funding boost for the EPA. During that time we will look at potential cost recovery for some projects under part IV of the act. Work will take place over the next while. It will probably take a good kind of 12 to 18 months longer for us to consult, to look at how we might do it, but certainly it is a consideration of government.

**Hon DIANE EVERS:** There is already something similar in that you are keeping track of the cost per assessment. Can we have some idea of what it costs?

**Hon STEPHEN DAWSON:** We do not really, do we?

**Mr Sutton:** We have some idea. As the minister mentioned before, there are 14 additional people, and one of those people is actually to look at doing that sort of time-and-motion study over the next 18 months of what time is spent on which part of the process and what that actually means in true costs. There are 18 months to do that.

**Hon STEPHEN DAWSON:** That work needs to be undertaken to work out what it costs for us to assess and how we might look at cost recovery. Certainly, it has been an issue raised with me since I have become the minister by industry groups and by the significant players of industry in Western Australia about how they might contribute. Some of them are open to contributing to help get more bums on seats or get assessments done quicker, but certainly for the next two years, we have extra resource there and we will look at the future after that.

<025> M/L [2:59:29 PM](#)

[3.00 pm]

**Hon DIANE EVERS:** On page 63 there is mention of the department operating in that work of fixed air quality monitoring stations. I am just wondering whether there is any expectation to expand that network; if so, where would they be rolled out and how would you do it?

**Mr Rowe:** I will provide an initial response, and we may have to come back to you with some detailed advice, because unfortunately the person who is in charge of that area is travelling back from the eastern states. In a general sense we have an air quality monitoring network across the state. You might have seen recently in the government's response to the Port Hedland dust task force report that the government will be resuming responsibility for air quality monitoring around Port Hedland, for example, so we will be expanding the government-owned network in the area and taking it back from industry and expanding it. That is specific to that area. We keep an active look at what our air monitoring requirements are across the state in those air sheds that are significant. But if I can take the question on notice, we can give you some more specific answers.

*[Supplementary Information No D3.]*

**Hon DIANE EVERS:** I have another question on waste diversion from landfill. We are not doing so well in terms of recycling. I would like to point out that from the key effectiveness indicators in terms of construction waste it seems like we are meeting our targets and then some, but with municipal solid waste, what is the hope for there? I heard that some councils were saying, "If they cannot do it right, we will take their bins away." It did not seem to make any sense at all, and I hope that is not the solution.

**Hon STEPHEN DAWSON:** If I can respond. I certainly do not support people's bins being taken away. There is a great deal of work happening in the department at the moment in the waste space. I have made a priority of mine as Minister for Environment to help tackle the issues around waste. Obviously, from 1 July this year we had our single-use plastic bag ban in place. We are working on the container deposit scheme at the moment. Hopefully, we will have some legislation—touch wood—introduced into the Parliament at the very least by the end of this year with the scheme to be in operation in 2020. A container deposit scheme and a cash for cans scheme would significantly increase our recycling rates. It is obviously only in relation to those receptacles, those bottles and cans that would be captured by the scheme. We have also put out a draft waste strategy, so that is being worked on by the Waste Authority. It has been out for consultation for 28 days. That closed in the last week. Hopefully, in the not-too-distant future we will have a new waste strategy out there that sets the scene for the next 10, 12 or so years to help tackle these issues. As you said, C and D waste is a good story, but there is more to be done in that space, and certainly there will be some announcements over coming weeks and months in relation to how we might meet the targets that have been established that are set out in previous documents, including the waste strategy. It is an area of keen interest of mine. I am working in close collaboration with other ministers who have responsibility for things like roads, for example, to see what we might be able to do using C and D material in road base, and there is other work happening across government, which falls outside the scope of this annual report, so I will not tell you what it is today. Suffice to say, there will be

some announcements made over coming weeks and months in relation to meeting those targets. But waste strategy, I think, is the key document that outlines the future and what we might do and how we might achieve what we need to achieve to increase our recycling rates.

**Hon DIANE EVERS:** My only concern there is are you suggesting municipal waste to energy or is that not looked at?

**Hon STEPHEN DAWSON:** Member, you would be aware of the waste hierarchy, and certainly waste to energy is on the hierarchy, but there are more important things, including reusing, reducing and recycling. You would also be aware that there are a number of waste-to-energy proposals that have been signed off by a number of local government authorities and regional councils. They will continue to go through the processes that they would go through otherwise, but they are on the cards and councils have signed agreements previously in relation to those. The EPA is currently doing some work for me in relation to residual waste, because we need to work out exactly, if those types of facilities are to go in, what exactly should be going into them. I am very clear that we should not be sending every single bit of waste to those facilities and that we should be recycling the things that can be recycled. In relation to the container deposit scheme, when that is in place, the cans and bottles that are collected through those schemes will need to be recycled and that will come out in the consultation. That will come out once we have the legislation in Parliament.

**Hon DIANE EVERS:** Will you be working with industry to try to develop those businesses that can make use of that recycled material?

**Hon STEPHEN DAWSON:** Absolutely, and just in terms of the work and the road, I guess, that we are on and have been on properly over the last 15 to 18 months on the CDS, you would be aware that New South Wales has had a CDS in place for probably 14 to 15 months, maybe. How long have they been in place?

**Ms McEvoy:** Since 1 December.

**Hon STEPHEN DAWSON:** Since 1 December, it feels longer. There you go; it is not even a year. Certainly, they had some significant teething problems with their container deposit scheme, with people dumping and a range things, such as not having the collection facilities in place. Industry said strongly to me, "Do not rush it." So, what we have done is we have had an advisory group and technical working groups established to make sure that we learn from the mistakes of New South Wales. But more importantly, we had all the key players in the tent at the table designing the scheme with us so that we could mitigate any problems associated with it. We have learnt from New South Wales. We have also learned from Queensland. Queensland established their CDS on 1 November this year, so we have watched from afar. Our offices from our department here have kept in touch with both Queensland offices and New South Wales offices in relation to the rollout of their scheme. We are focused on making sure we have the best possible scheme in Western Australia, and certainly from my perspective as a regional MP, I am very focused—I appreciate Hon Dr Steve Thomas and Hon Darren West would also share this view, as would you, honourable member, given you are a regional member here—on making sure that regional communities should also benefit. I am very focused on making sure that regional communities can benefit from a scheme and that regional communities can expect their waste to be recycled, as anybody else around the state would. There is a great deal of work happening in the space of the moment.

**Hon Dr STEVE THOMAS:** Apologies that we have to jump around a little bit, because were a bit short time here this afternoon. Your operational structure on page 10 lists the legislation administered by the minister and the department. The Waste Avoidance and Resource Recovery Act 2007 is obviously on that list. Can you tell me what reviews have been completed on that piece of legislation, since it was introduced in 2007, preferably.

**The CHAIR:** That is a big ask. I am sure someone is able to answer it.

**Hon STEPHEN DAWSON:** I will ask Ms McEvoy whether she can provide some comment on that one.

**Ms McEvoy:** There is a statutory requirement for reviewing the act. There was a review that was completed in 2015. It was commenced within five years of the commencement of the legislation in 2008. There is another review that has just commenced and that will be kind of an ongoing review over the next few months. We just commenced it very, very recently.

**Hon Dr STEVE THOMAS:** Given that the first review commenced in 2015 and was reported in 2017, it was presumably laid on the table.

**Hon STEPHEN DAWSON:** No, sorry.

**Hon Dr STEVE THOMAS:** Sorry, 2013 and 2015.

**Hon STEPHEN DAWSON:** It started in 2013. It was required to commence five years after the operation of the act, so it did. We commenced it in 2013. It reported in 2015.

**Hon Dr STEVE THOMAS:** It took two years though and the second one is required. The act says on the fifth anniversary of its commencement and then five-yearly intervals, so I would imagine that we would be very, very close then to the tabling of the next one if it is a 2007 act.

**Ms McEvoy:** It commenced in 2008, so the date that the reviews start from is 1 July 2008, and the next one is due to commence this year.

**Hon Dr STEVE THOMAS:** So it was due to start, the tenth, in 2018 and it was due to report 12 months after that, so it is going to be pretty tight if the last one took two years.

**Hon STEPHEN DAWSON:** I cannot comment on the last one and how long it took; that was undertaken by the previous government. But certainly the current one is on my watch as minister, so I certainly will make sure that we are doing all we can to meet the time lines that are established in acts. Can I say though that in relation to that act our container deposit scheme will be an amendment to the Waste Avoidance and Resource Recovery Act. Lots of work is happening, but I cannot comment on the past; all I can comment on is where we are at now.

<026> K/L [3:09:35 PM](#)

[3.10 pm]

**Hon Dr STEVE THOMAS:** I remind you that the statutory-required review is pretty close.

**The CHAIR:** Member, you have four minutes. I would advise you to focus.

**Hon Dr STEVE THOMAS:** We are going to jump very quickly, Madam Chair.

I refer to “Contaminated sites” on page 65. I note the Auditor General’s report of some months ago was reasonably scathing, I thought, on unallocated crown land in particular. I note there is 1 446 “investigation required” sites out of 3 784—about 38 per cent. Do we have a time frame? Your department does not do the investigations but you are responsible for overseeing the fact that they are done. Do we have any time frames or how are we going to manage that process and how long will it take?

**Hon STEPHEN DAWSON:** I might have to take that one on notice. The Contaminated Sites Committee investigate and they take up to two years, I think, for each of their investigations, is my understanding.

**Mr Rowe:** That is only with appeals.

**Hon STEPHEN DAWSON:** Only with appeals; all right. We will have to take that information on notice because we have not got that person with us this afternoon.

*[Supplementary Information No D4.]*

**Hon Dr STEVE THOMAS:** I could jump in; I will try to make this very quick, Madam Chair. On the same page we talk about one of my favourite topics—it is not arum lilies today!—but per- and poly-fluoroalkyl substances. The department, it says, is obviously preparing a coordinated response and took part in the national environmental management plan process. Where are we in the definition of PFAS as a contaminant and is there an intent by the department to quantify PFAS as a contaminant; and, if so, how long might that take?

**Hon STEPHEN DAWSON:** I will ask the director general to make a comment on that, but certainly the issue is a live issue in front of Australian environment ministers, or the MEM council. We are due to meet again early in December, 7 December, I believe, in Canberra. There is an item on the agenda relating to PFAS, but certainly I can ask the director general to elaborate.

**Mr Rowe:** Thank you for the question. Just so that I am clear: it is in relation to, say, for example, the category 63, table 6, where we need a standard —

**Hon Dr STEVE THOMAS:** It could be that or you could use the Contaminated Sites Act, whichever one is decided as the appropriate place to house a level 4 PFAS. Maybe you might even have some indication of where it would likely be housed but, wherever that is, where are we in the process of deciding?

**Mr Rowe:** We are reliant on the commonwealth government, primarily through the federal Department of Agriculture and Water Resources, to be doing the associated modelling and technical work. Even though all jurisdictions are involved with that process, they are leading a lot of the science around determining things like fresh water quality standards, which then have a bearing ultimately on what the soil reuse criteria might be for PFAS in Australia that is agreed through the NEMP process. I think that is some time off. At this stage the latest advice I have is it is unlikely that we will have a number determined through that process until sometime next year.

**Hon Dr STEVE THOMAS:** We are obviously a fair way away. Thank you for that.

**The CHAIR:** One more.

**Hon Dr STEVE THOMAS:** On page 74 is another of my favourite topics, the Environmental Protection Amendment Regulations —

**Hon STEPHEN DAWSON:** Not arum lilies!

**Hon Dr STEVE THOMAS:** Not arum lilies. We did arum lilies last time. You can thank the President of the house for that.

**The CHAIR:** One more; quickly.

**Hon Dr STEVE THOMAS:** I refer to the Environmental Protection Amendment Regulations' classification of uncontaminated fill. I understand that the fact sheets are now online. Minister, are you intending to have a public campaign to make people aware that they are online and how might you be doing that?

**Hon STEPHEN DAWSON:** The short answer is that we have not worked out exactly how we are going to communicate them. There is a communications plan being worked out. I am not sure it is the kind of thing that the general population necessarily needs to know about, but certainly players in the industry who do need to know are aware of it. I will ask Ms McEvoy if she can add to that.

**Ms McEvoy:** We have advised all category 63 licence holders and all the people who provided comments on the regulations of the fact that the fact sheets have been published, and also the people who were part of the post-consultation phase, which you are aware of. That is kind of a

pretty comprehensive list of people—in the hundreds. We are also making sure that whenever we have correspondence or emails or anything that relates to these kind of subjects, we are drawing the attention of people who would be interested in that stuff to them. There are quite a few people who have been told.

**The CHAIR:** On behalf of the committee, I thank you for your attendance today. The committee will forward the transcript of evidence, which highlights any questions taken on notice and any additional questions that members may have, after Monday, 26 November 2018. Responses to these questions will be requested within 10 working days of receipt of the questions. If you are unable to meet this due date, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why you cannot meet the due date. Members, if you have any unasked questions, please lodge them via the electronic lodgement system on POWAnet by five o'clock on Wednesday, 21 November. Once again, thank you for your attendance today.

**Hearing concluded at 3.15 pm**

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