

**Division 72: Water, \$75 941 000 —**

Mr A.P. O’Gorman, Chairman.

Mr W.R. Marmion, Minister for Water.

Ms M. De Lacey, Acting Director General.

Mr G.J. Davis, Executive Director, Science and Planning.

Ms M. Leybourne, Executive Director, Policy and Innovation.

Ms L. Western, Acting Executive Director, Regional Delivery and Regulation.

Mr G. R. Nordsvan, Acting Manager, Financial Services.

[Witnesses introduced.]

**The CHAIRMAN:** Member for Cockburn.

**Mr F.M. LOGAN:** I draw the minister’s attention to major spending changes on page 848. Will the minister explain the reason for the organisational restructure and voluntary severance?

**Mr W.R. MARMION:** Which line item?

**Mr F.M. LOGAN:** The third line item under “Major Spending Changes”. What will happen there; how many jobs will be lost? Obviously it is a voluntary severance. Can the minister give a detailed breakdown of the efficiency dividend on the last line item and how he expects to find those savings?

**Mr W.R. MARMION:** I will ask the acting managing director to give the detail on the voluntary severance program.

**Mr F.M. LOGAN:** Before the minister hands over for the detail, can he explain the reason for the organisational restructure and for letting people go?

**Mr W.R. MARMION:** The FTEs in the Department of Water have been reduced with our restructuring, so there is a voluntary severance program to enable the operations to be more efficient. It is as simple as that.

**Mr F.M. LOGAN:** The minister was going to refer to Ms De Lacey for the number of FTEs.

**Mr W.R. MARMION:** I will refer to Ms De Lacey for the detail.

**Ms M. De Lacey:** We have reduced from an approved FTE of 580 to 501 this financial year, and we will go down to 486 next financial year and from then on. The majority of those have been voluntary severances. The remainder have been through targeting positions that are already vacant or positions where there are contracts et cetera. The overall strategy has been to target positions, particularly administration positions, and to protect positions that are essential to the agency’s delivery functions, except where there is a specific argument for individuals. In doing that, we have been able to redirect 50 per cent of the resources into priority areas for the agency.

**Mr F.M. LOGAN:** I asked the minister to give us a breakdown of how the efficiency dividend will be achieved. Before he answers that, his department will be cutting 94 jobs out of its operations over the next two years—the next financial year and the financial year after, I presume—from 580 to 500 and then to 486. Is work drying up? Is there less work to do, so the department is getting rid of 94 people?

**Mr W.R. MARMION:** We have restructured the department.

**Mr F.M. LOGAN:** Why?

**Mr W.R. MARMION:** To make it more efficient.

**Mr F.M. LOGAN:** That is just a glib statement. Is there less work now?

**Mr W.R. MARMION:** We are working more efficiently; we are streamlining operations and functions and getting rid of tasks we do not have to do and getting rid of red tape and making things more streamlined for the customers of the Department of Water. We will expect a better service from the department even with the reduced numbers.

**Mr F.M. LOGAN:** That will be better: fewer people; a better response! The minister has not explained the efficiency dividend; I am still waiting for that answer. Is he honestly telling this house that, with the size of the economic boom that is taking place in this state at the moment and the number of applications for mining leases, the actual amount of work that is being done by the Department of Water is less now than it was before the boom and, therefore, he can do it with fewer people?

Chairman; Mr Fran Logan; Mr Bill Marmion; Dr Graham Jacobs; Mr Chris Tallentire; Mrs Liza Harvey; Mr Murray Cowper

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**Dr G.G. JACOBS:** You do not understand efficiency do you?

**Mr F.M. LOGAN:** I know very well about efficiency—a lot more than you useless idiots. You would not know if it bit you on the nose!

**The CHAIRMAN:** Members!

**Mr D.A. TEMPLEMAN:** You are no longer the minister; he is the one who has to answer the question.

**The CHAIRMAN:** Members! It does not help when you start arguing with each other on the same side of the chamber. The minister is the only person being asked a question and the minister is the only one to answer.

**Mr F.M. LOGAN:** A copper and a doctor trying to tell us about efficiencies—what a joke!

**The CHAIRMAN:** Member! I will start calling people to order.

**Mr F.M. LOGAN:** Go and get another burger, mate!

**Mr W.R. MARMION:** Relax; relax, member!

**Mr F.M. LOGAN:** I have worked in industry, though, unlike you.

**The CHAIRMAN:** Member for Murray–Wellington, if we keep getting interjections, I will have to start calling people to order.

**Mr W.R. MARMION:** A lot of the redundancies are in the administration area. The inefficiencies were identified before my time as minister and we are acting on those. There are more staff in the licensing area, so we can deliver better outcomes for industry and for customers. In terms of specifically answering the member's other questions about the efficiency dividend on page 848, everyone knows there is a two per cent efficiency dividend this year, and one per cent in each of the following years. We have not determined the actual savings. That will be worked on over the coming weeks and I do not expect any reductions in service delivery. I imagine that by 1 July we will have worked out in what areas we can get further efficiencies.

**Mr F.M. LOGAN:** I refer to the heading on page 849, "Significant Issues Impacting the Agency". The third dot point reads —

Over the past 30 years the amount of water licensed to public water supply, agriculture, mining and industry has more than tripled ...

Has the Department of Water or the ministerial office done any work at all on the transportation of water from the Kimberley to the rest of the state or to Perth?

**Mr W.R. MARMION:** Can the minister clarify his question; was it over the past 10 or 20 years?

**Mr F.M. LOGAN:** No, only over the last financial year. Has any work been done or do you intend to do any work?

**Mr W.R. MARMION:** The department looks at all options of water supply. In the past, water supply from the Kimberley has been looked at. Whether the department has looked at it in the past 12 months—we get questions from the general public regularly about bringing down water from the Kimberley. Whether answering those questions means that that counts as the department looking at the matter again—is the member referring to a specific study or costing?

**Mr F.M. LOGAN:** Yes, has the department been asked to do any work on that project in the past 12 months or any work at all?

**Mr W.R. MARMION:** I will defer that question to the acting director general.

**Ms M. De Lacey:** I do not believe we have been specifically asked to look at re-costing the bringing down of water from the Kimberley, but as part of the new structure of the water supply planning branch we will look at the supply–demand balance and options for meeting future state demand; that means looking at basically everything. We are asked regularly about the issue of bringing down water from the Kimberley; that means we look back on previous research in order to be able to answer those questions.

**Mr F.M. LOGAN:** I am not suggesting that the department does not get asked questions all the time about the Kimberley pipeline, but has the department been given an allocated amount to carry out that inquiry or has it been asked from within government to carry out an inquiry?

**Mr W.R. MARMION:** In the past 12 months we have not done any specific analysis or gone through—

**Mr F.M. LOGAN:** And the minister is not looking to do that?

**Mr W.R. MARMION:** Not in the past 12 months.

Chairman; Mr Fran Logan; Mr Bill Marmion; Dr Graham Jacobs; Mr Chris Tallentire; Mrs Liza Harvey; Mr Murray Cowper

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**Mr C.J. TALLENTIRE:** I refer to the line item on page 852, “Employees (Full Time Equivalents)”. I have a fairly general question but one I think the minister will be able to respond to quite quickly. I am aware that the department has had an acting director general for nearly two years. Why has it taken so long to appoint a permanent director general?

**Mr W.R. MARMION:** These things have to go through cabinet. I envisage that any day now there may be an answer.

**Mrs L.M. HARVEY:** The last dot point on page 849 refers to \$35.3 million going into expanding the state’s knowledge of groundwater sources. Can the minister advise what kind of management program we might have in place to look at measuring our groundwater resources?

**Mr W.R. MARMION:** That is a good question. The groundwater allocation is very important to working out the supply for Western Australia moving forward in not only the metropolitan area, but also the regional areas. A total of \$25.3 million has been allocated for a four-year groundwater investigation program. This comprises \$12.5 million from the royalties for regions Pilbara Cities initiative for the west Canning Basin near Sandfire, and the Pilbara climate assessment. There is also \$12.8 million from the royalties for regions and national resource management initiative for seven groundwater investigations in the regions across the state. These regions include the Dampier Peninsula, the Hamersley Ranges—the Bungaroo resource—the south coast, the south west, Scott River, the Murchison and also the midlands. I am conscious of the time so I will cut my answer short for members opposite. The state groundwater investigation program has been allocated \$3 million, and \$7 million has been allocated to the Perth region confined aquifer capacity project. I will cut my answer short member.

**Mr F.M. LOGAN:** Further to the question asked by the member for Harvey, can the minister advise the house when the Gngangara sustainability strategy will be released.

**Mr W.R. MARMION:** I cannot give an exact time for its release, but a lot of the recommendations in the strategy, of which people have seen previous draft reiterations, are pretty well in train. One of the most important things about the sustainability strategy, as the member quite rightly pointed out, is the stress on the aquifer and the fact that we have brought on stage 2 of the Binningup or the Southern Seawater Desalination Plant, which will bring on another 50 gegalitres in December this year. This means that we will have another 150 gegalitres of desalination water provided we get some rain and there is water in the dams. There is a real opportunity this year, with a normal rainfall, that we can start to decrease the take on the Gngangara mound, which is what the strategy is all about. The other important initiative that will happen in parallel to that strategy—certainly the Water Corporation anyway will be decommissioning some of the bores that go into the superficial aquifer and replacing those with bores that go further down into the Leederville aquifer. In parallel with the desalination water, we will be able to drop off the draw and make sure—I might be predicting this to happen in about 10 years’ time—the bores in the Gngangara mound, from the point of view of the Water Corporation, will be drawing from the Leederville and the Yarragadee rather than the superficial aquifer. I guess that still raises the question of other bores from the growers et cetera.

**Mr F.M. LOGAN:** The critical thing with the Gngangara sustainability strategy, apart from the issues the minister just raised about the bores and the declining holding capacity of the Gngangara mound, is the fact that there are other elements that hang off it that need to be finalised. For example, the Yanchep National Park strategy, and the town planning scheme for Wanneroo and Joondalup. A lot of things hang off the Gngangara sustainability strategy from a planning perspective and from an environmental perspective which —

[8.50 pm]

**Mr M.J. COWPER:** What is the question?

**Mr F.M. LOGAN:** I call a point of order.

**The CHAIRMAN:** Just ask the question.

**Mr F.M. LOGAN:** A number of things hang off it. We are nearly coming up to the third anniversary of the release of the draft report. It is not just about the aquifer itself, it is about a whole series of other things. When will it be released?

**Mr W.R. MARMION:** As I said, I cannot give the member a time frame. The strategy impacts a number of departments. When it has gone through cabinet, it will be released.

**Mr C.J. TALLENTIRE:** I refer to “Outcomes and Key Effectiveness Indicators” on page 850. The second line item is, “Proportion of water resources with licensed allocations that are within the allocation limit”. There is a succession of indicators of 85 per cent. Can the minister tell me how he can be confident about the accuracy of that assessment that licences are within allocation limits? To what extent does metering take place?

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**Mr W.R. MARMION:** There are two questions. I will defer to Mr Davis for one of the questions.

**Mr G.J. Davis:** In terms of the 85 per cent proportion of water resources with licensed allocations being within the allocation limit, we have quite a few hundred different areas that we classify as a water resource. Of those, 70 or 80 exceed or equal the allocation limit. We are very confident with the number.

**Mr C.J. TALLENTIRE:** I am wondering how the department can be confident about the figures if there is no actual metering taking place, or perhaps it is taking place.

**Mr W.R. MARMION:** I defer to Mr Davis.

**Mr G.J. Davis:** In some areas, metering takes place, but in other areas we do a lot of monitoring as well. We have quite an extensive monitoring network around the state. There is a bit of both.

**Mr C.J. TALLENTIRE:** I would like to hear about the minister's plans to increase the extent of monitoring so that we can have greater accuracy about our knowledge of groundwater resource usage.

**Mr W.R. MARMION:** I will give a brief intro. We went through a program some years back of metering some of the bigger bores. That program was funded primarily by the commonwealth. That funding has dried up. My understanding is the major users are metered anyway. This will be confirmed, and more detail provided, by Mr Davis. Mr Davis will be able to advise what percentage, but I think around 80 per cent of water usage is metered. Mr Davis might be able to provide more detail.

**Mr G.J. Davis:** I am not sure of the actual number. All major use over about 500 000 kilolitres is metered.

**Mr C.J. TALLENTIRE:** We already have information here that says we have licensing arrangements for 2 340 gegalitres a year. As a percentage of that total amount of licensed water, how much is metered?

**Mr W.R. MARMION:** We will take that as a supplementary question.

**The CHAIRMAN:** Can I have clarification of what supplementary information the minister will provide?

**Mr C.J. TALLENTIRE:** Would you like me to restate the question?

**Mr W.R. MARMION:** Yes, I would.

**Mr C.J. TALLENTIRE:** The total licensed amount of water is 2 340 gegalitres a year. I would like to know what percentage of that is metered.

**Mr W.R. MARMION:** Yes.

*[Supplementary Information No A37.]*

**Mr F.M. LOGAN:** I draw the minister's attention to service 1, "Urban Water Management and Industry Services", on page 851 and to the boxed area of the service costs. In the first instance, the total cost of service has shrunk from 2010–11 to the estimated actual of 2011–12, and then again to the forthcoming financial year.

**Mr W.R. MARMION:** Yes.

**Mr F.M. LOGAN:** The total number of employees has dropped from an actual figure of 185 in 2010–11 to 177 in 2012–13. I refer to the efficiency indicators about the average cost per drinking water source protection plan. If we look at the 2010 actual and compare it with last year's budget figure of \$577 737 and the estimated actual, we see that the difference between the minister's budget and the actual is 36 per cent more. The minister budgeted \$577 000; it costs \$785 000 per plan. Going back to the very first question I put to the minister, would he not say that is a reflection of the fact he is trying to do more with fewer people and it is costing more?

**Mr W.R. MARMION:** There are some anomalies in these indicators —

**Mr F.M. LOGAN:** I should think so—it is a 36 per cent increase!

**Mr W.R. MARMION:** Protection plans can be small or big; some are quite complicated. It depends on that. I understand that Mr Nordsvan can explain some of the intricacies around the production of these performance indicators.

**Mr G. R. Nordsvan:** The budget figure for 2011–12 of \$577 737 relates to a total estimated cost of \$5.8 million with 10 plans being prepared. Our estimated actual is a \$6.2 million cost, and only eight plans prepared. The average cost has increased because there are two fewer plans being prepared or estimated in 2011–12.

**Dr G.G. JACOBS:** There is probably quite a simple answer to my question, but I will be very interested in it. I refer to the income statement on page 855. The third line item under "Income" is "Grants and subsidies". In 2011–12, the estimated actual is \$22.265 million. The budget estimate for 2012–13 is \$4.244 million. There is a fair disparity. I wonder if the minister could explain that to me, please.

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**Mr W.R. MARMION:** That is a good question. The short answer is that the number of externally funded programs will be finalised in 2011–12. These include the Bureau of Meteorology’s modernisation and extension funding program, which was \$0.9 million; the Gascoyne irrigation pipeline, which was a big program of \$6.6 million; and a specific one-off funding program from industry and commercial organisations of \$1.1 million. In addition, a number of other programs are winding down with smaller amounts being received in 2012–13 only. This includes raising the national water standards funding for various funding projects, for which there is \$1.1 million in 2011–12 and only \$0.05 million in future years. A specific one-off funding program from industry and commercial organisations was for \$1.1 million in 2011–12 and only \$0.02 million in future years. Natural resource management funding was \$0.4 million in 2011–12 and is \$0.2 million in 2012–13. Basically, there is a reduction in some of the externally funded programs.

[9.00 pm]

**Mr F.M. LOGAN:** I refer to the heading “Receipts” and the line item “Regulatory fees and fines” halfway down page 858 in the cashflow statement. The minister will know the answer to this question, because I have given him enough heads-up on it. Why has he deceitfully included the rainwater tanks in the out years by basically manipulating the out years of the budget?

**The CHAIRMAN:** Time is up.

**The appropriation was recommended.**