

Chairman; Mr Dave Kelly; Ms Mia Davies; Ms Simone McGurk; Mr Chris Tallentire; Mr Chris Hatton; Mr Vincent Catania; Mr Brendon Grylls

Division 60: Water, \$79 700 000 —

Ms W.M. Duncan, Chairman.

Ms M. Davies, Minister for Water.

Mr M. Rowe, Acting Director General.

Ms L.M. Candy, Manager, Financial Services.

Mr G. Claydon, Executive Director, Science and Planning.

Mr P. Brown, Executive Director, Regional Delivery and Regulation.

Mr S. Skevington, Project Director, Water for Food.

Mr T. Bagdon, Executive Director, Policy and Innovation.

Mr J.A. Nyman, Senior Policy Adviser, Office of the Minister for Water.

Dr D.A. Nevin, Principal Policy Adviser, Office of the Minister for Water.

The CHAIRMAN: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day.

It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. It will greatly assist Hansard if members can give these details in preface to their question.

The minister may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information she agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 3 June 2016. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office.

[Witnesses introduced.]

The CHAIRMAN: Are there any questions? Member for Bassendean.

Mr D.J. KELLY: I refer to the first dot point under the significant issues impacting the agency on page 654. There is reference there to the department's scientific assessment of global climate models. Does the government believe that the state, and the south west in particular, will experience significant climate change in the next 10 to 20 years; and, if so, what does the government believe that impact will be and what level of threat does that pose, for example, to drinking water in the south west?

Ms M.J. DAVIES: The department uses a range of climate models and information from organisations such as the Bureau of Meteorology and CSIRO. I am sure that Mike, as the acting director general, can provide further information on how we monitor what is occurring. It is generally accepted, and certainly from a Western Australian point of view we accept, that there is a significant drying of the climate in the south west corner of Western Australia. This government since 2008, and certainly the previous government, started making decisions around potable water to ensure that we had a variety of sources and a diversification of that source in anticipation that that climate would continue to dry. That has included the desalination plants and the decision to go forward with the groundwater replenishment, which deals with not only the potable water, but also some of the more sensitive sites from an environmental point of view. We have steadily reduced, I guess, the pressure, or we are in the process of reducing the pressure, on our aquifers, so there has been a decrease over the last 10 years of our take from some of those aquifers, and we have particularly shifted away from superficial aquifers. Certainly, all of our planning encompasses the most up-to-date climate modelling. That is generally accepted, particularly in the south west of the state, but we are also starting to see more variability in the north of the state, with drier summers and wetter winters. Sorry, I might have that the wrong way around. But there is definitely more variability in some of the events in the north as well.

Mr D.J. KELLY: There is a figure of a 15 per cent reduction in rainfall in the south west in the last 20 years. Does the department or the government have a view about that trend? Does the government believe that the reduction in rainfall is going to continue at the same pace or at a slower pace?

Ms M.J. DAVIES: I will hand to Mike Rowe, as the acting director general, but certainly all the modelling that I see assumes that there will be a continuing decrease in rainfall and a further drying of the climate.

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Mr M. Rowe: Yes, the department does assume that there will be increased drying, particularly in the south west of the state, as the minister said. As the minister said, there is increased variability in the north and the north west of the state. Greg Claydon, who is our executive director of science and planning, is very well across the climate science. His team, including two climate specialists, keeps a constant eye on the science that is emerging in terms of climate projections. We do rely on the Bureau of Meteorology and others to inform our work and our projections in that space. We have done a lot of work, particularly with the south west water service providers—the Water Corporation, Busselton Water and Aqwest—to look at future supply and demand projections for south west towns, so we are well aware of where the likely pressure points are and we are actively working with them to plan for various scenarios. I am not sure whether Greg can add anything to the detail of what we anticipate to occur in the medium term.

Mr G. Claydon: As has been said, we have been working very closely with the Bureau of Meteorology and the CSIRO in looking at future climate forecasts and future climate scenarios. Work has also been done with the global climate models coming out from the Intergovernmental Panel on Climate Change. All of those indicate for the south west of Western Australia a drying trend for the rest of this century. The work that we look at is the scenarios under those various climate models, and we take those into account in our planning work.

Mr D.J. KELLY: Is Mr Claydon able to give us an outline of the various scenarios that have been examined? Sorry, I am not sure whether Mr Claydon heard my question.

The CHAIRMAN: How are people finding the sound level? It is a bit low, is it not, or is it just me? Hopefully, we will see an improvement; otherwise, can people please speak up. Member for Bassendean, can you please repeat what you asked.

Mr D.J. KELLY: Part of that answer was that the department works with a number of scenarios. I am just wondering whether Mr Claydon can go through what some of those scenarios are. I am obviously not referring to those that the department does not think are likely, but to the ones that it thinks are possibly facing us in this state.

Ms M.J. DAVIES: Just to clarify, is the member asking whether we are anticipating potentially a no-flow event? In other words, are they the kinds of things that are being considered; that is, is a no-rainfall event one of the scenarios that we might look at from a departmental point of view?

Mr D.J. KELLY: That is what I am asking. Which scenarios does the department think are likely?

Ms M.J. DAVIES: I will pass to the director general.

Mr M. Rowe: I will start on that one and will probably pass it to Greg. We look at a variety of climate models. We are looking at three main scenarios when we come to our water allocation planning work. In reality, even the wettest scenario appears to us to be drier than what it is today. If the member can imagine going forward, our science and the available models are suggesting that we are in for a drier future, and we are actively working with others to plan for that scenario going forward. Greg may have some more detail on the three scenarios, how they are constructed and what that might mean in practice. We do need to look at all those different scenarios. We obviously cannot predict the future entirely, so we keep those three scenarios in mind when we are doing our detailed water allocation planning and other demand and supply planning projections for water supplies across the state.

[7.10 pm]

Mr G. Claydon: We work with the Bureau of Meteorology and the CSIRO on the information. As an example, the member mentioned before the reduction in average rainfall over a period of time. The historical records indicate that from 1900 to 1975, average rainfall at the Perth Airport site was around 850 millimetres. For the 25 years from 1976 to 2000, it was more like 740 or 750 millimetres. In the last 15 years or so, it has been around 665 millimetres. Using the Intergovernmental Panel on Climate Change scenarios going forward, the average sorts of levels could be down to 650 millimetres by 2050 and lower than that, even less than 600 millimetres, by 2100—the end of this century. There is a downward trend forecast to continue based on these climate models.

Mr D.J. KELLY: I appreciate the considerable work that has been done, started probably by this side of the house, on alternative drinking water sources for Perth and other regional centres, but a continuing decline in rainfall and a drying climate are potentially catastrophic in a whole range of other ways—affecting wetlands for example. I wonder why the government is not more vocal, given some of the scenarios that the department is considering, on action on climate change. We hear almost nothing from the government other than “Don’t use so much drinking water.” There is almost nothing on climate change from the current government. Why is that?

Ms M.J. DAVIES: The work that we do in terms of the changing climate is embedded in everything that the Department of Water does. There is investment we make in understanding our aquifers and there has been significant investment particularly in the Perth confined aquifers. There are also the groundwater investigations we have done across the state. That not only informs us on how we might address or utilise groundwater replenishment and wastewater recycling, but also gives us a better understanding of the impact of these events, such as less rainfall, on the sensitive wetland sites we have and how we manage that better. A significant amount of investment has been made by the Department of Water. Climate change is certainly front of mind for everyone who works in the department. From our perspective, we work with it every day. I am not quite sure what the member means by “vocal”, but from our perspective we are assisting —

Mr D.J. KELLY: Can I put it this way then —

The CHAIRMAN: Order, member! Allow the minister to finish, please.

Ms M.J. DAVIES: Any participant in any of the allocation planning processes the department undertakes with prescribed areas or any licence holder would be very aware that that is subject to being varied according to the changing climate. Anyone who is a licence holder or who has an interaction with the department will be very aware of the work that we do.

Mr D.J. KELLY: I think it is fair to characterise the response as mitigation rather than actually trying to take action to prevent or slow climate change itself.

Ms M.J. DAVIES: I do not think the member is suggesting that the Department of Water can be responsible for preventing climate change by itself; from that perspective, I am asking—

Mr D.J. KELLY: No-one is going to do it by themselves, minister.

The CHAIRMAN: Order!

Ms M.J. DAVIES: From the perspective of what we are here to do this evening, which is talk about the budget estimates, I have outlined that the department is highly conscious of the impact of a drying climate and looking to mitigate where it can the risks to this very precious resource. I certainly do not think is up to the Department of Water to lead the charge and be responsible for that 100 per cent, but we are doing our bit from the perspective of managing what is a very scarce resource in Western Australia.

Ms S.F. McGURK: I refer to water and advice on page 656 of budget paper No 2. Has the department reduced or limited its monitoring of groundwater around the state; and, if it has, where?

Ms M.J. DAVIES: I will make a general statement and then I will pass to Mike. We have certainly made significant investments in monitoring and understanding our groundwater resources. Regarding changes in what has been spent or the number of monitoring sites, I will have to defer to the department, but certainly a significant amount has been invested through the Perth confined aquifer study and a number of others around the state.

Mr M. Rowe: The department maintains a very active measurement network across the state for both service and groundwater. There are in the order of 3 200 measurement and monitoring sites, many of which have been maintained for many years, and they have been invested in and funded by successive governments over a very long time. We have an active and ongoing capital works program that continues into the future to ensure that we are monitoring and measuring the resource. From time to time we review the priority of where the measurement should continue or where for whatever reason it is deemed no longer to be required. We have a very active program within the agency of keeping that exercise under review. I could not say this evening exactly where in the state we might have diminished that exercise over time, but in practice we have an ongoing investment program. That is in the measurement network alone. The minister also referred to an active investigations program. We have invested many, many millions of dollars now over a long time in better understanding our resources through things like groundwater drilling and monitoring, and the associated modelling that goes with that, and that program continues as well. The money invested into groundwater investigations in Western Australia has been of the order of \$69 million or thereabouts since about 2011–12. That is in addition to the monitoring and measuring network that we maintain across the state. I have about 50 or so full-time equivalents who are dedicated to that measurement function. As I said, successive governments have seen fit to ensure that we have an excellent understanding of Western Australia’s resource. We prioritise that effort according to various criteria and factors. We will often look to where there are significant emerging pressures so that we ensure that we have the best understanding of those resources that might be experiencing strong demand, and we have been able to flex that measurement program over time to reflect changing priorities.

Ms S.F. McGURK: Can the minister assure us that there has been a reduction in the monitoring of groundwater?

Ms M.J. DAVIES: Not to my understanding, but I am happy to provide supplementary information referring to historical figures. From what the acting director general has just said, I understand that we obviously shift those monitoring networks according to priorities and there has also been significant expenditure through programs like royalties for regions that we have added to over time. We can take a supplementary question and provide information on where the monitoring sites are and additional ones that have been provided, if that is what the member would like.

Ms S.F. MCGURK: I thank the minister; that might be useful. Could it perhaps be over the last three years?

Ms M.J. DAVIES: We will provide where monitoring sites have been over the last three years.

[*Supplementary Information No A89.*]

Mr C.J. TALLENTIRE: I refer to page 654 of budget paper No 2 and the fifth dot point referring to funding from royalties for regions for the regional estuaries initiative. I note that it states that the department is going to lead the way in helping improve the health of WA's estuaries. Does that mean that the Department of Water will be the lead agency in the management of those estuaries and their catchments, and that in effect the Department of Water is taking on something that I think is long overdue—that is, putting itself in the role of being the lead agency for catchment management?

[7.20 pm]

Ms M.J. DAVIES: That dot point refers specifically to the Regional Estuaries Initiative, which is being funded through royalties for regions, and it will be responsible for the administration of that funding program. We will work with the catchment groups and the key stakeholders in those six estuaries that have been identified as most at risk and take the lead role in making sure that those funds are administered and delivered in partnership with groups on the ground. Does that answer the member's question?

Mr C.J. TALLENTIRE: I think the minister is contradicting the first sentence. The budget states —

Initiatives to improve the health of Western Australia's estuaries are being led by the Department.

To me, that suggests that the Department of Water will take on this much-needed role of catchment manager, but now the minister is telling me that that will not be the case.

Ms M.J. DAVIES: I am saying that that is for the Regional Estuaries Initiative; additional funding is in the budget to address some of the challenges in that catchment. Certainly, I have no problem with the department playing a key role, and we have done that in other areas, such as the Vasse–Wonnerup Estuary, for which I chaired a task force. We have key stakeholders sitting around the table taking responsibility for the parts of the catchment for which they have responsibility. It is a coordination role, and I am very happy for the department to be part of that. Certainly, this additional funding puts the department in a key position to work very closely with all the key stakeholders.

Mr C.J. TALLENTIRE: Does the minister accept that for an effective administrative structure, we need an agency—it almost does not matter which one—to take on the leadership role so that the responsibility for what goes on in an estuary and its catchment is not something that gets confused or left to different bodies without anyone being accountable? Does the minister accept that we need a single agency to take charge of things?

Ms M.J. DAVIES: I know that we have had this debate in this place around whether statutory authorities are needed to control particularly complex areas. I think that we have good results without having a lead agency or a statutory authority. In particular, the Vasse Taskforce is an example of that. It requires everyone coming to the table and sitting down and accepting that they have various responsibilities. The Department of Water cannot be responsible, for instance, for areas outside its legislated remit, but it can certainly play a coordinating role in this aspect. With that funding from royalties for regions in those six areas, there will be many willing partners to try to address some of those longstanding challenges.

The CHAIRMAN: We now go to the member for Balcatta.

Mr C.D. HATTON: I might pass on that. I was going to ask about the drying climate, but I think most of that was answered. Thank you, Chair.

Mr V.A. CATANIA: My question relates to “Significant Issues Impacting the Agency” on page 654 of the *Budget Statements*. The next financial year marks the second full year of the \$40 million Water for Food program. It has been a successful program right across the north west of this state. What will the program deliver over the next financial year in the state's north?

Ms M.J. DAVIES: This government has made a significant investment in expanding water for productive use, and the key component of that has been the Water for Food program that has come under the banner of the Seizing the Opportunity Agriculture, which has been funded by royalties for regions. There are 11 projects

across the state and the first tranche of those was announced for the north of the state. They are in areas in which significant work had been done previously by the Department of Agriculture and Food and the Department of Water to identify areas with relatively good prospects of water matched with good soil types. The one that members would have heard me speak about many times is Mowanjum. That is progressing very well. In fact, I spoke about it in the house the other day. We have reached another a couple of milestones around some of the trainees involved in that project and that is going very well.

We are doing electromagnetic surveys of the Fitzroy Valley area. The electromagnetic surveys have been completed and we will analyse that data. Again, that information will be made available to members of the public so that they can make decisions as potential investors or traditional owners or pastoralists with people with real interests in the land in the area that has been surveyed. I have also spoken previously about the La Grange West Canning Basin. That is \$2.4 million. There is some groundwater monitoring there. Obviously, if we are proving up these water resources, we want to ensure a sustainable allocation for expanding irrigated agriculture, which is the driver for the project. We are also doing a soil and land survey there, so we are going into more detail than what the Department of Agriculture and Food has done previously, but working we are very closely with it. Those projects are progressing really well.

Mr D.J. KELLY: It is a big program—\$40 million. Are there any criteria for success of the program? Are there any benchmarks at the end of this program for what the state would hope to have achieved so that it can say that it was money well spent, or is it just the vibe?

Ms M.J. DAVIES: No; certainly, we would hope that for \$40 million we would get more than a vibe, and I think we can see that from the initial success we have had with Mowanjum in particular, where private sector operators have been willing to invest. From my perspective, certainly a key performance indicator that we have set for ourselves is attracting private investment. Mowanjum has received private sector funding and obviously that has been supported quite significantly with funding from the taxpayer. The measure of success is that that model will be replicated across the Kimberley and potentially the Pilbara, and private sector operators will run similar types of developments without state government support. In the last couple of weeks we have received the second project development from another pastoral station looking to go down the same path of diversification. That is already starting to work. Success is assessed on a project-by-project basis. We have spoken about the Manjimup southern forests project. The KPI for that is increasing the amount of water available to those growers so that we see an increase in the productivity in that area.

Mr D.J. KELLY: I do not mean to interrupt, but are the KPIs or measurements written down somewhere?

Ms M.J. DAVIES: The project plans have milestones; a significant amount of information is available to the public around what we will deliver through this project. I can hand over to Simon Skevington, who has responsibility, if the member would like further information.

Mr S. Skevington: Yes. The key objective of the Water for Food program is around its contribution to regional economies; we are looking at a 50 per cent increase by 2025 and a 100 per cent increase by 2050. As the member understands, that is well into the future. Certainly, our measures are around how much we are contributing to those regional economies through the work being done through those programs. They are the indicators that we are using and we are judging our programs against that.

[7.30 pm]

Mr B.J. GRYLLES: Just picking up on that point, one of the Mowanjum outcomes is employment opportunities for Aboriginal communities whereas previously there was not an opportunity. I think that is a substantial benefit. The state is driving an economic diversification plan to move away from the resource sector, but if we can combine that with Aboriginal opportunity, that is a win-win. Can we have more details about the new opportunities afforded to the Aboriginal community of Mowanjum? I think it is important to reflect on that community as we look at key performance indicators that might be measurable.

Ms M.J. DAVIES: To answer that question and the previous one around KPIs, the department does not have a specific number of people that it hopes to see employed, but it is very well aware of the multiplier effect of a horticultural development, for instance, or a pastoral industry or an intensive pastoral industry activity. Those numbers are well known and could be defined very clearly. The member would be aware, as I am, that particularly Indigenous employment and getting outcomes in that regard is a really challenging area for whoever is in government. I would never presume to say that we will have X number of people employed in the Kimberley as a result of this program. Some indicators would never be able to be articulated. I have visited Mowanjum over the past 18 months. It may seem small, but the committee itself has been led by elders from the community. Previously, the Department of Water organised all the events to ensure that the community's neighbours and key stakeholders were meeting milestones and talking about the project. That was arranged by a team from the Department of Water, but the last event was wholly organised by the Aboriginal corporation—

the CEO and the elders ran it themselves. That does not and would not appear to be an enormous outcome to most people, but for me and that community, with the level of dysfunction it has had for such a long time, that was a real sign that they are engaging and benefiting from involvement in the program. We would like to see that replicated, as I said, across the north of the state. It was always the intention for that community to act as a model for other Aboriginal and non-Aboriginal pastoral stations.

Mr C.J. TALLENTIRE: Can the minister confirm whether Warrawagine station in the Pilbara is a recipient of Water for Food funds?

Ms M.J. DAVIES: I will hand to Simon Skevington. That is PHADI.

Mr S. Skevington: Warrawagine is actually a PHADI—Pilbara hinterland agricultural development initiative—project under the Department of Agriculture and Food. It is certainly not one of the Department of Water’s projects. The department has other projects, but not that one.

Mr C.J. TALLENTIRE: I want to clarify a little further. I accept that it is under the Department of Agriculture and Food, but does the department administer the transfer of water from a manganese mine, I believe it is, to the property?

Ms M.J. DAVIES: If a water licence is involved, the Department of Water will have a role. It is funded through royalties for regions and delivered by the Department of Agriculture and Food. If a water licence is involved, I understand that the Department of Water is involved in the licensing.

Mr C.J. TALLENTIRE: What level of control over the operations does that water licence give the department?

Ms M.J. DAVIES: Can we seek some clarification?

Mr M. Rowe: To be clear, does the member mean control over the operation of the mine from which the water is being taken or does he mean the control of the use of the water by the pastoralist?

Mr C.J. TALLENTIRE: Control over the use of the water, essentially.

Mr M. Rowe: I will now hand to Paul Brown, the executive director of regulation.

Mr P. Brown: There are several steps in the process. When the mine site itself is running, it has a licence with the Department of Water, which usually comes about after an environmental assessment by the Environmental Protection Authority or others. The department issues a licence for the mine to take. In those licences, of course, where the mine takes the water, what impacts that has, how much it uses on site and, therefore, how much water is allowed to go off site from the mine is determined. The department did some work a couple of years ago on allowing secondary use, as it were—a double counting of the water that goes off site from mine sites. The department allowed that to happen. The department then really only looks after the amount of water against the licence in terms of volume, where it has gone and where it is disposed of, rather than managing how people use that water in a systematic way. In all our licences we have an efficiency clause and our operating strategies to make sure people use the water efficiently and effectively. That would be in that licence as well.

Mr D.J. KELLY: I refer to “Spending Changes” on page 653. The government has identified \$2 million in back-office savings as part of the agency expenditure review measures. Can the minister give us some detail about that? Have those back-office savings actually been identified, are they yet to be identified or are they likely to be identified?

Ms M.J. DAVIES: I will hand to the acting director general to talk the member through exactly where those savings have been made.

Mr M. Rowe: In terms of the back-office savings as they are shown, \$516 000 per annum consists of about \$433 000 of savings arising from better utilisation of internal staff resources as opposed to external contractors; a reduction in head office reception opening hours by half an hour has enabled the cessation of a temporary contract agency staff member, worth \$43 000; the rollout of voice over internet protocol technology is reducing the department’s telecommunication costs, which has saved \$20 000; and the destruction of hardcopy records in accordance with the department’s retention and disposal schedule will reduce external storage costs by about \$20 000. That makes up \$516 000 in terms of corporate support or “Back Office”, as it is shown in these papers.

Mr D.J. KELLY: Is the bulk of that because the department will no longer utilise contract staff?

Mr M. Rowe: In relation to our corporate services area in the agency, it is a reduction of contract staff for the corporate services function. To the extent that we would have otherwise used contract staff, we are reducing our usage and reliance on those staff for that portion of the business.

Mr D.J. KELLY: What were those contract staff doing when they were engaged?

Extract from Hansard

[ASSEMBLY ESTIMATES COMMITTEE A — Thursday, 26 May 2016]

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Mr M. Rowe: I do not have that level of detail here.

Mr D.J. KELLY: Did Mr Rowe say about \$200 000 per annum in contract staff?

Mr M. Rowe: No; it is actually \$433 000. We can come back to the member with more detail on that.

Mr D.J. KELLY: Can I get supplementary information?

Mr M. Rowe: Sure.

The CHAIRMAN: Can the minister define what she will provide, please?

Ms M.J. DAVIES: What specifically would the member like?

Mr D.J. KELLY: What work was being done by the contract staff? I suppose no-one will be engaged now as part of the back-office savings.

Mr M. Rowe: To be clear, it was reducing the reliance on external contractors as opposed to contract staff. We can explain the work that was being done by the external contractors.

Mr D.J. KELLY: Describe the services that they were contracted to do.

Ms M.J. DAVIES: We will provide information on the type of work that was being undertaken by the external contractors who are no longer being used.

[Supplementary Information No A90.]

Mr D.J. KELLY: Another expenditure review saving shown is “Science and Planning”, \$600 000. Less science and less planning in the Department of Water does not immediately sound like a good idea. Can the minister tell us how those savings will be achieved?

Ms M.J. DAVIES: What page is the member referring to?

Mr D.J. KELLY: Sorry, page 653. Under “Agency Expenditure Review Savings Measure”, one line item listed is “Science and Planning”, with \$150 000 per annum for the next four years. How will the minister achieve those savings in such an important area as science and planning?

Ms M.J. DAVIES: The department has increased its in-house scientific and planning capability over a number of years. That means that it has reduced the need to draw on specialised agency contract support for water supply planning and urban water design functions. I am not sure whether the acting director general has anything to add.

Mr D.J. KELLY: Sorry, Chair; I am finding it a bit hard to hear. A conversation is continuing in the corner.

[7.40 pm]

The CHAIRMAN: Can we have a bit of quiet, please. If you need conversations, go outside. Minister, can you just speak up a bit. I am not sure what is happening but the message we get from down below is that we all need to speak up a bit.

Ms M.J. DAVIES: I am sorry; I have got blocked ears, so I think I am yelling already.

Mr D.J. KELLY: You are fine; it was just that distraction.

Ms M.J. DAVIES: The estimated savings are around \$150 000 per annum. The advice I have been provided is that, given there has been investment in in-house scientific and planning capability over a number of years, we have reduced the need to draw on specialised agency contract support for our water supply planning and urban water design function. Essentially, we have that capability in-house.

Mr D.J. KELLY: Can I get some further information about exactly what contracts the department had previously that it will now not utilise.

Ms M.J. DAVIES: I guess we can provide some advice on the number or types of contracts that were previously used in that area.

[Supplementary Information No A91.]

Ms S.F. McGURK: My question relates to water regulation, licensing and industry governance on page 657. I had some notes from the annual report but I do not have it here, so take my word for it. On page 44 of the department’s 2015 annual report it indicates that 504 suspected noncompliance incidents were identified. It also indicates that 754 were resolved. It is a bit confusing about how there can be more resolved than suspected.

Ms M.J. DAVIES: Is the member referring to the average or is she talking about the annual report?

Ms S.F. McGURK: I was using the heading “Water Regulation, Licensing and Industry Governance” to ask a question about some statistics that were in the annual report.

Ms M.J. DAVIES: I am sorry; I was not following. I was trying to find where the member was looking.

Ms S.F. McGURK: I am referring to page 657, which has a section about regulation, licensing and industry governance. I was using that section to ask a question about the 2015 annual report where it said that there were 504 suspected noncompliance incidents, but in that same year 754 were resolved. That is curious.

Ms M.J. DAVIES: That is curious. I am hoping the director general can provide advice on that.

Mr M. Rowe: I will ask Paul Brown to confirm this, but I suspect the compliance action has been carried over from the previous year and resolved in that year, so it may have been a carryover effect.

Mr P. Brown: These numbers are for compliance events. In any one year we determine the event and it takes some time to do the investigation. When we do the measurements in a particular year, there are some that we identified the year before and through that year and some we have identified that year that we will resolve the following year. When we do a slice through a period, during that period there are more resolved. We cut the backlog, in other words, in that particular year from previous years, so when the number of compliance inspections identified is lower than the number resolved, that is because we are cutting back the backlog of cases, which we have been doing. We have invested a lot of money in our compliance enforcement group over the last three years with some commonwealth funding as well as moving internal resources. We have been identifying more and resolving the backlog of those over time. That is why there is a differential in some years and not in other years.

Ms S.F. McGURK: In that same year, 2014–15, there were zero prosecutions. Why was that, and what sort of message does the minister think that sends?

Ms M.J. DAVIES: We have a discussion about this every year in estimates.

Mr D.J. KELLY: I think this is the first time there have been zero prosecutions.

Ms M.J. DAVIES: The advice I have is that we commenced and executed five prosecutions that were all successful in the last five years. It takes a significant amount of effort to bring these types of cases to the point at which we can prosecute successfully. We also try to balance our compliance with education. Mike can correct me if I am wrong, but I think once someone has had a warning over misuse or not adhering to their licence, it is very rare that someone reappears in that system. Obviously, when there is serious overuse and enough evidence is gathered, we take it to prosecution. But, as I said, it is quite difficult to get it to that point. I am not sure whether Paul or Mike would like to add to that.

Mr M. Rowe: To expand on what the minister said, our approach to compliance and enforcement is consistent with the national approach and how this is done for all jurisdictions in water resources management. As the minister implied, we escalate our action. For first-time minor offences, it might be a warning letter or advice to stop doing a certain thing. If there is repeat action, it might extend to a warning notice, an infringement notice or a direction notice and ultimately a prosecution if the evidence is there, the situation is serious and it is in the public interest for us to proceed to prosecution. But as the minister implied, it is no small effort for us to do that and we try to ensure that our prosecutions will be successful because we want to make sure people understand that misuse of water resources and overuse of water is a serious offence and that people should not be doing it. We do not see a small number of prosecutions necessarily as a problem. In fact, our effort over the years is increasing in terms of the compliance activity we are taking. We are encouraged at some level by the response we are getting from water users. Typically, people respond appropriately once they have been warned by us in the first instance.

Mr D.J. KELLY: Looking at those numbers in the annual report, it does not appear as though there is any significant decrease in the number of compliance issues. It seems like a very light touch. Five prosecutions in the last three years could be perceived as an extremely light touch. If there is no chance of people being prosecuted, it does not send a good message to people that they need to abide by their licences, does it?

Ms M.J. DAVIES: The information I have is that the department has issued more infringements and directions to date in 2015–16 than in any other year, and that is more than four times the number issued in 2010–11, so the compliance activity has increased but I think, as the acting director general said previously, once they have been in that system, people tend to comply with the terms of their licence. Very serious cases get taken and we prosecute them when it has escalated through that process.

Ms S.F. McGURK: How many prosecutions have there been in the current year of 2015–16? We were told then there had been an increase in the amount of compliance activity. What is the demonstration of that?

Ms M.J. DAVIES: Generally, there have been more infringements and directions so there has been a real effort from the department. I will get either Mike or Paul to provide the member with some more detail. I do not know how many we have prosecuted this year. I am aware of one that is currently before the court so I cannot talk about it.

Extract from Hansard

[ASSEMBLY ESTIMATES COMMITTEE A — Thursday, 26 May 2016]

p490b-504a

Chairman; Mr Dave Kelly; Ms Mia Davies; Ms Simone McGurk; Mr Chris Tallentire; Mr Chris Hatton; Mr Vincent Catania; Mr Brendon Grylls

Mr M. Rowe: There has been an increase in the total number of compliance activities over the previous financial years. At this stage, we are expecting the 2015–16 financial year to have the most compliance activity compared with previous years. The minister is correct; we have commenced one prosecution and it is before the courts this week.

Mr C.J. TALLENTIRE: I refer to the asset investment program on page 658. I notice the upgrade to oxygenation plants at Bacon Street and Camsell Way with a \$907 000 contribution. Is that the total cost of those upgrades or is that a shared cost with what would be now the Department of Parks and Wildlife?

[7.50 pm]

Ms M.J. DAVIES: I am just trying to ascertain who from my department will answer this question.

Mr M. Rowe: That is the total cost of the upgrades. It is paid for by the Department of Parks and Wildlife, and we are managing that process.

Mr C.J. TALLENTIRE: I have a question about other services that the Department of Water provides to the Department of Parks and Wildlife. Am I right in understanding that the department provides a water monitoring service for the Swan and Canning Rivers to the Department of Parks and Wildlife?

Ms M.J. DAVIES: Mr Rowe will answer.

Mr M. Rowe: Yes.

Mr C.J. TALLENTIRE: Can the minister tell me how much that service is worth to the Department of Parks and Wildlife?

Ms M.J. DAVIES: I am handing over to the financial officer or the acting director general.

Mr M. Rowe: I can. The funding we receive from the Department of Parks and Wildlife is through a memorandum of understanding we have with that agency. The estimated actual expenditure for the 2015-16 financial year was \$1.934 million; the budget estimate for 2016-17 is in the order of \$2.3 million.

Mr C.J. TALLENTIRE: Where does that show up in the income statements? Would it be in service area 1 on water information and advice?

Ms M.J. DAVIES: Mr Rowe.

Mr M. Rowe: Ms Candy may be able to direct the member. The question is about which service it appears under.

Ms M.J. DAVIES: Is the member trying to ascertain where it is in the budget?

Mr M. Rowe: Yes.

Ms L.M. Candy: It is in the income estimate on page 660 under “Income”, and it is part of the “Grants and Subsidies” line item.

Mr C.J. TALLENTIRE: Okay. In terms of water quality going into our rivers, can the minister let me know how much scheme water is being released into the Canning River; and, if any is going into the Swan River, how much and what is its value?

Ms M.J. DAVIES: I am just clarifying.

Mr M. Rowe: Can I just ask a question for clarification? Does the member mean the release of water from some of the dams—so from some of the Water Corporation’s infrastructure—that is allowed, eventually, into those systems? Is that what the member means by “scheme water”?

Mr C.J. TALLENTIRE: It might partly be from the dams, but it actually appears out of a pipe into the Canning River.

Mr D.J. KELLY: Scheme water.

Mr C.J. TALLENTIRE: It is scheme water coming into the Canning River at a number of locations. I do not know, but there may be a similar operation in place on the Swan River as well.

Ms M.J. DAVIES: I think we will have to take that one on notice.

Mr C.J. TALLENTIRE: At Gosnells bridge we can see this beautiful, slightly chlorinated scheme water coming out into the river at different times of the year.

Ms M.J. DAVIES: I can take it on notice or provide the member with supplementary information. I am not familiar with what the member is talking about; he has stumped me.

Mr C.J. TALLENTIRE: I will clarify my question: how much scheme water is being released into the Canning River, and what is its value? Could the minister also detail the different points at which it is released into the Canning River?

Ms M.J. DAVIES: If the department has that information, I undertake to provide it.

[*Supplementary Information No A92.*]

Mr B.J. GRYLLS: I refer to the line item “Pilbara Cities Initiative” under “Asset Investment Program” on page 658. Can the minister please explain to the committee what that money refers to?

Ms M.J. DAVIES: Yes, member. That is a good question. The funding refers to royalties for regions funding for the West Canning Basin–Sandfire groundwater investigations occurring in the West Pilbara. I have previously spoken about this in the house. It is the biggest groundwater investigation we have undertaken, and it falls within the member’s electorate. The \$535 000 in the budget rounds out total funding of \$11 million for the whole project, which is being led by the Department of Water; there has also been involvement from the Commonwealth Scientific and Industrial Research Organisation. It has allowed us to deliver all the groundwater investigations. We will do the water allocation planning and the water supply planning so that we have a very clear picture of that system to enable potential users to have some confidence when applying. From the government’s perspective, the vision has been to provide that information so that the agricultural industry and town settlements have access to new sources of water. We think that is a very important factor, particularly in the north of the state when we are talking about trying to generate significant regional development outcomes. Royalties for regions has put a significant amount of funding into, essentially, turbocharging the groundwater investigations we have done right across the state. The Department of Water has an ongoing program of groundwater investigations, and this funding has allowed us to accelerate that in the areas we know there have been challenges in, making sure we have appropriate and sustainable water sources.

Mr B.J. GRYLLS: One of the local anecdotes is that there could be an unlimited supply of water in that Canning Basin. Would some of the minister’s water experts like to confirm that in this committee tonight so that we can get on with the business of developing the north?

Ms M.J. DAVIES: I understand the member’s enthusiasm. Certainly there is a significant amount of water in this basin. We have talked about the—correct me if I am wrong—50 gegalitres; we have already identified the potential for another up to 50 gegalitres in the system. We need to go through the work of completing the planning to make sure that is a sustainable allocation. No, there is not an endless supply of water in the region, and I am not sure that the member will encourage or entice any of the people sitting behind me from the Department of Water to make that statement. We take that very seriously, and certainly the department is very clear that the purpose of those investigations is to release the water sustainably and safely, but to allow us to further diversify the economy.

Mr D.J. KELLY: Minister, there has been some media around the quality of water in a number of remote Aboriginal communities. An Auditor General’s report came out last year that stated that a large number of those remote communities basically have substandard or unhealthy drinking water. Has the Department of Water played any role in addressing the findings of that Auditor General’s report?

Ms M.J. DAVIES: The water services in the remote communities that the member is referring to are the responsibility of the Department of Housing. The Water Corporation provides potable water for a number of communities in the Murchison where there are high levels of naturally occurring nitrates. The Water Corporation has been doing some work to try to come up with water treatment solutions that address some of those challenges. There has been an ongoing project between the Department of Water and Water Corporation on how to address some of those challenges for regional and remote Aboriginal communities, but we do not have direct responsibility. Certainly I have made sure that the Minister for Regional Development, who, along with the Minister for Child Protection, is leading the remote reform agenda, is aware that they have an opportunity to use the expertise of the Department of Water and Water Corporation as we try to resolve some of those challenges.

Mr D.J. KELLY: Before the dinner break we heard about an Auditor General’s report that has resulted in a \$32 million pipeline improvement system in the wheatbelt. Even though the minister does not have direct responsibility for the delivery of water in those remote communities, I would have thought that, given the enthusiasm there is around the place for finding new water sources and using them for economic development, the department’s expertise could be put towards this issue. It really is a disgrace that in a state like this and a First World country such as Australia this issue is unresolved. It would not be unresolved if they were not remote Aboriginal communities. I suppose the minister can take that as a comment, but even if the Department of Water does not have direct responsibility for it, it would be good if the department’s resources got behind it and found a solution to this problem.

Ms M.J. DAVIES: Member, I have just indicated that that is exactly what it has done. Regardless of the fact that we do not have direct responsibility for those communities, a current project is underway between the Department of Water and the Water Corporation to offer the expertise of both those organisations. There is significant expertise in the science and the capacity in service delivery through the Water Corporation. We have been working on that for some time, and we have offered that assistance to the team leading the remote reform agenda. The member can take my assurance that we are applying ourselves to the challenge and certainly, in the areas for which I have direct responsibility, we have been working with those communities to try to resolve it.

[8.00 pm]

Mr V.A. CATANIA: I refer to page 660 and the line item “Rural Water Grants” in the table headed “Details of Controlled Grants and Subsidies”. I want to know how the \$8.6 million allocated over the forward estimates is going to be utilised by the Department of Water in terms of where the grants are and who is going to use them in the regions.

Ms M.J. DAVIES: I thank the member. This relates to the farm water supply planning scheme, the community water supply grant program and the pastoral water grant program, which would apply to the member’s region in particular. It is about encouraging communities to identify opportunities to develop or improve their water supplies so they are less reliant on scheme water and to look at the refurbishment of some of water infrastructure such as old agricultural area dams, for instance, in the agricultural region. The farm water supply planning scheme is targeted predominantly at dryland agricultural areas where an audit is conducted and the business owner is then able to contribute 50 per cent to the cost of putting in farm infrastructure that improves their water sustainability. The community water supply grant programs provide some fantastic outcomes and are really well used. They are all long-running programs and we work very closely with those local governments; it allows them to reduce their costs. Everyone understands their desire to have public open spaces and green areas in their communities, and if they are reliant on scheme water, it is expensive, so these schemes allow them to develop alternative services, to tap into wastewater recycling or potentially to develop stormwater harvesting, as they have done in some of the towns in my electorate, using hardstand areas like Co-operative Bulk Handling Ltd. That has delivered some really outstanding outcomes for not a significant amount of money.

Ms S.F. MCGURK: My question relates to page 657 and paragraph 3 under “Explanation of Significant Movements”. The Water Corporation recently made an application to take more groundwater for Perth. Where is that application up to?

Ms M.J. DAVIES: It has made two. Is the member talking about the Jandakot application or the Gnangara mound, or both?

Ms S.F. MCGURK: Both.

Ms M.J. DAVIES: Both? Okay. The Jandakot application for 1.5 gigalitres was done in consultation with the Department of Water. It has been doing some work out there to better understand the aquifer. That take is within the current allocation for public water supplies, and I imagine that will continue to be a request going forward. That will be part of the Water Corporation’s ongoing application. With regard to the additional take from the Gnangara mound, some years back there was a shift; the Water Corporation had a maximum amount of water it could take, essentially, and we shifted it to a different licensing regime under which we set a minimum, and we are transitioning the Water Corporation to that point. The new licence arrangement means that in exceptional years it can ask for an additional amount of water. Last winter was one of the driest on record and the spring was one of the hottest. That prompted Water Corporation to request an additional take. That is allowed within its current licence, and the Department of Water has assessed that request and provided Water Corporation with an additional amount. It was reported at the time as panicking and that we were asking for additional water to shore up supplies, but everyone needs to remember that that is allowable under the Water Corporation’s current licence when there is an exceptional year. Over the last 10 years we have significantly reduced the overall take from our groundwater resources; it has gone from a total of 167 gigalitres down to somewhere in the 120s. Although there has been an increase this year, overall the trend is going down, and that allows us to manage events like last year’s extraordinarily hot spring, which prompted some abnormally high water usage by many of Water Corporation’s customers. Does Paul Brown want to add to how that was assessed?

Mr P. Brown: As the minister has indicated, Water Corporation has applied for an additional groundwater take of 10 gigalitres this year, principally from Gnangara. That is a one-off for the water year, which equals the financial year. It has been assessed by the Department of Water and that licence has been granted for 10 gigalitres. The Water Corporation also applied at the same time for 13.5 gigalitres for the 2016–17 water year. That application is still being assessed because we are looking at its total take from Gnangara and Jandakot from its normal licence of 120 gigalitres per year to see where it has been taken from and what impact it might have. That assessment is close to being finalised. The third licence it applied for was for seven of the 14 gigalitres for

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the replenishment trial. As the minister indicated previously, the first stage of the replenishment trial is for 14 gigalitres, and because it starts in December, 50 per cent of the year is seven gigalitres. That has been assessed and approved for seven gigalitres for half a year in 2016–17—December 2016 through to June 2017.

Ms S.F. McGURK: I have not had much to do with the licensing system so I hope this is not a stupid question. The minister said that the trend has been down over time and then said that within the current licensing arrangements the Water Corporation could apply for one-off amounts, but Mr Brown just said that those one-off applications had been lodged for the last three years. Is that correct?

Ms M.J. DAVIES: I might clarify what I said. Under the Water Corporation’s previous licensing system—I will have to check the dates—essentially it was allowed to access 165 gigalitres a year. That was in 2012 and we shifted to a maximum allowable take of 120 gigalitres. We provided a transition period, so its licence allowed it to ask for additional takes in exceptional circumstances. To repeat the figures I quoted, our overall groundwater take has gone from 171 gigalitres at the peak down to 127.5 gigalitres in 2014–15. The Water Corporation’s licence, as I understand it, allows it to take 120 gigalitres; this year it has asked for an additional amount because its licence allows it to do so under exceptional circumstances. My point was that despite the increase this year our overall take is decreasing and that is part of the whole strategy of trying to ameliorate our reliance on extra takes through groundwater replenishment and shifting away from superficial aquifers. The member will see that the application for the additional take is predominantly from deeper aquifers, so there has been less pressure put on our superficial aquifers.

[8.10 pm]

Ms S.F. McGURK: We just have to hope the member for Pilbara does not get his hands on it! Has any projection been done of what is likely to happen with the take over the next five or 10 years?

Ms M.J. DAVIES: Certainly we will start doing planning for the new Gngangara allocation plan. I have had discussions with the department, and it has started very early conversations with some of the licence holders in that area about that plan. The Gngangara water resource is an over-allocated system. We can definitely anticipate that as a direct result of the drying climate—as we discussed earlier in this session—there will be a reduction in the amount of water licensed in that area. We will need to engage with licence holders on that matter. We work closely with the Water Corporation, which is one licensee in an area that has multiple licensees. Under our current legislation, we will need to address each individual licensee to vary their take. That will be done through a rigorous consultation process and allocation plan that is well known and has been used in other areas of the state.

Mr D.J. KELLY: I refer to services and key efficiency indicators at page 656 and the service “Water Information and Advice”. There has been some recent commentary about this. What additional volume of water would be required in regional Western Australia if we were to increase the population of regional Western Australia to one million by 2035? What would be the cost of that additional volume of water, and could that possibly be provided in a sustainable way?

Ms M.J. DAVIES: Can I clarify that the member is asking what it would cost to deliver water for an increased number of —

Mr D.J. KELLY: How much additional water would be required in regional Western Australia if the population was increased to one million by 2035?

Ms M.J. DAVIES: That is not a question that I can answer off the top of my head, member.

Mr D.J. KELLY: A few weeks ago, the member for Pilbara raised a plan that we should increase the population of regional Western Australia to one million by 2035. What volume of water would that require, and could that possibly be done sustainably—or is it just another crackpot idea?

Mr B.J. GRYLLES: If it can be done in Perth, I would suggest that it could be done in the regions.

Ms M.J. DAVIES: We have talked about the planning and groundwater investigations that the department does in this state. I have also spoken in this house about the work that was done by the department in the Albany area, where the Water Corporation was contemplating potentially having to put in a desalination plant. We will continue to do those types of investigations to ensure that we are discovering and proving up further water resources. There are a number of projects on my desk to utilise the water resource in Wellington Dam, not only for industry but potentially for potable water. There is a raft of variables in that question, member. Therefore, we cannot answer that.

The CHAIRMAN: What is the question, member?

Mr D.J. KELLY: What is the current volume of water that the Department of Water licenses in regional Western Australia?

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Ms M.J. DAVIES: Mr Rowe will respond to that question.

Mr M. Rowe: I am not sure that we can answer that question at the moment; but, if we can, it would be through Paul Brown.

Mr P. Brown: I will need to take that on notice. It is a relatively straightforward question, but I would need to take the total volume for the state off the total volume for the metropolitan area, and I do not have those figures in front of me; I am sorry.

Mr D.J. KELLY: Thanks for that. That just confirms what a crackpot idea that is!

Ms M.J. DAVIES: Member, a raft of variables is involved in water supply.

Mr D.J. KELLY: The member for Pilbara is one of them!

Ms M.J. DAVIES: The member is simplifying what is an incredibly complex process. Nothing is wrong with having growth targets. This state government has been incredibly supportive of expanding our regional population and providing services to support that growth. This government has a strong regional development agenda, and if that was something that we did pursue, we would look to ensure that it did not have an unnecessary impact on our water resources and that there was plenty of water for not only agriculture and industry, but also our towns, so that we can continue to provide the people in our communities with the amenity that they enjoy now. Those are the sorts of things that governments deal with every day.

Mr B.J. GRYLLS: Given that one of the major water sources for growth in the metropolitan area is desalination, and given that the major population centres in the region are also located on the coast, does the minister see any major impediment to building desalination plants in the regions as opposed to building them only in Perth?

Ms M.J. DAVIES: No.

Mr B.J. GRYLLS: So who is the crackpot now, member for Bassendean?

The CHAIRMAN: Members! The minister has the floor.

Ms M.J. DAVIES: Desalination has been contemplated for a range of areas around the state. It is obviously an expensive water source, and that is why we try to identify groundwater resources that can be used sustainably. However, in some areas of the state, desalination would certainly provide an opportunity for us. That may be provided by the state government or the private sector. We are not precluding the private sector from providing some of those services in the future.

Mr C.D. HATTON: I refer to the asset investment program at page 658 and the line item “Water Online”. There is \$598 000 worth of investment for that program. What is Water Online, and how will it benefit water users in Western Australia?

Ms M.J. DAVIES: I think the Auditor General released a report recently about the Department of Water’s online presence. I am happy to say that the Department of Water is doing quite well in this space. An amount of \$598 000 has been invested in Water Online. It is a four-year program to improve and streamline the department’s online processes and to minimise the effort for some of the simpler transactions that the department conducts. The program also provides a self-service area so that information is to hand for investors, community members and licensees. A raft of information has been digitised. I have spoken about this previously in the house. There is a ream of information in back offices of the Department of Water that has not been digitised and that would be useful for a raft of stakeholders across the state, and that information is being fed into the system. Essentially, we are trying to drive faster processing of permits and applications for water licences, although complex applications will obviously require additional information. Water Online has been a significant focus of the department in trying to streamline some of those processes.

Mr C.J. TALLENTIRE: I am sure the minister has been anticipating this question. The second dot point on page 654 refers to a program of groundwater investigations from north of Gingin to the south coast, and also in the West Canning Basin. I cite the example of Dandaragan potato farmer Mick Fox, whose property is located in an area that has been earmarked by the government as part of a Water for Food zone. However, he is very fearful because his land is now in the sights of the shale gas fracking industry. What is the Department of Water’s position on potential fracking for shale gas in areas that are designated as containing valuable groundwater?

Ms M.J. DAVIES: The member would understand that the Department of Mines and Petroleum is the lead agency for the type of activity that the member is talking about. The Department of Water has a role as a referral agency. The role of the Department of Water in the assessment of a project or potential project does not change whether it is a fracking project, a mining project or another activity that could impact on our water resource. The Department of Mines and Petroleum has a rigorous licensing regime, and it has worked closely with the

Department of Water, as the lead agency, to develop the regulatory regime for tight and shale gas. Those types of activities have been coexisting in that region in particular for some time. The department's role will be to assess any potential projects, the same as it does for others, and to provide that advice. Its number one responsibility is to ensure that our water resource is protected.

[8.20 pm]

Mr C.J. TALLENTIRE: The minister said at the end of her response that the number one priority is to ensure that the groundwater resource is protected, but earlier in her answer she said that she thought there could be coexistence between the protection of groundwater for horticultural pursuits like that of Mr Fox and shale gas fracking. Is that not a weakening of the position that the Department of Water previously held, when the Department of Water was firmly against shale gas fracking in proximity to a groundwater reserve?

Ms M.J. DAVIES: The department is a referral agency for the assessment of any of those types of projects. Its responsibility does not change. It needs to assess any of these projects to ensure that our water resource is protected. There has been a long history of coexistence of these types of projects and I am confident that they can coexist. Certainly, when the department assesses any of these proposed projects, it comes to a position, just the same as it does for the multitude of other licences that it processes.

Mr C.J. TALLENTIRE: I just want to explore that idea of coexistence and the minister's suggestion that we have been coexisting with shale gas fracking. Where have we had commercial shale gas fracking coexisting with horticultural groundwater use?

Ms M.J. DAVIES: It is my understanding that particularly in the midwest there has been onshore petroleum and gas activities in agricultural land for some time. That being said, the Department of Mines and Petroleum has a rigorous regulatory regime. The Department of Water has a role within that and it will assess projects, as it does with every other project that has the potential to impact on our water resource.

Mr C.J. TALLENTIRE: What is the minister's position on the Collie basin? Does she think that there can be coexistence between those horticultural and agricultural producers of the south west with shale gas fracking operations?

Ms M.J. DAVIES: No matter where one is in the state the regulatory regime applies equally across the board. This government, through the Department of Mines and Petroleum in consultation with the Department of Water and other key stakeholders, has developed a rigorous regulatory regime. The Department of Water's role does not change; it has to assess the licence applications and provide advice back through that regulatory regime.

Mr D.J. KELLY: I refer to page 655 and the outcomes and key effectiveness indicators and specifically to the topic of priority growth areas. If I am reading it right, only 56 per cent of priority growth areas have a water supply planning strategy. What are the priority growth areas that do not have a strategy? How long will it be before those growth areas do have a strategy?

Ms M.J. DAVIES: I am going to hand to the acting director general. It obviously requires a significant amount of resources to do these types of plans. My understanding is that we have done the Pilbara, the midwest and the great southern and that we are about to start on the Perth–Peel region, but I will hand to the acting director general.

Mr M. Rowe: In the financial year 2015–16 we are anticipating the completion of the project around south west towns' water supply assessment and the western trade coast water supply strategy, in the financial year 2016–17 we are anticipating completing the Ord–East Kimberley expansion water feasibility report, and by 2017–18 we will have completed the West Kimberley water availability report, the middle Gascoyne water availability report, the midlands water availability report, the Myalup water availability report, the southern forests water supply strategy and the Perth–Peel region water supply strategy. That will complete our current list of priority growth areas in the state where we think we need to have a water supply planning strategy over that time.

Mr D.J. KELLY: At the end of 2016–17, will any priority growth areas not have a strategy?

Ms M.J. DAVIES: My understanding is that by the end of 2017–18, all 16 current priority growth areas will have a water supply planning strategy in place.

Mr D.J. KELLY: To be clear, the budget papers state that by the end of 2016–17, 63 per cent will have a strategy. By 2017–18 will that rise to 100 per cent?

Ms M.J. DAVIES: Yes. By the end of 2016–17, 10 will be done and by the end of 2017–18 all 16 that we have identified as priority areas will be done.

Mr C.J. TALLENTIRE: I refer to page 654. The final dot point mentions the water resources management bill. I am keen to know when the minister thinks she will be bringing that bill into Parliament. Can the minister

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outline some of the key elements of the bill? Is it the minister's intention, as is sometimes mentioned in the press, that the bill will allow for licences to be held for, I think, 20 years and that water allocation will be on an in-perpetuity basis? Are they some of the elements that the minister is looking to have in this bill if she brings it into the Parliament in the next six to eight months?

Ms M.J. DAVIES: This particular piece of legislation was consulted on and discussion papers were issued outlining the policy positions, so a significant amount of work has been done not only in this term, but also the previous term. I think in the previous term of government there was even discussion about updating what we have, which is very outdated legislative tools for water management. Essentially, we are talking about bringing six pieces of legislation into one. Some of those pieces of legislation are 100 years old. When we talked about the Gngangara licensing, the capacity for us to be able to manage what would become a consumptive pool in those over-allocated areas up and down according to climate change would be far easier and give more certainty to those licensees. We cannot do that under the current legislation; we have to deal with every licensee individually. That is one thing we are talking about in that piece of legislation. I would very much like to see it introduced before the end of the year. It is an enormous piece of work from a drafting perspective. It is with parliamentary drafting at the moment. Certainly my intention is that, as we get sections of the bill drafted, the water references group that has been involved since the beginning of the project will be consulted along the way. I very much desire to have the bill in the house by the end of this year. Certainly a significant amount of work has been done on it. I think it is very important as we manage some of the challenges we will have with a drying climate.

Mr C.J. TALLENTIRE: Is it still the minister's intention to allow allocations to be held in perpetuity?

Ms M.J. DAVIES: I will hand to the acting director general to discuss the specifics of the policy.

Mr M. Rowe: Consistent with the National Water Initiative, the drafting instructions contemplate the notion of perpetual water access entitlements, which would be in addition to our existing licensing regime. That is when a statutory water allocation plan is finalised, a consumptive pool is established and, if it is appropriate, perpetual water access entitlements may be granted. It would typically be a conversion from the existing licensing regime. That does not guarantee a person a volume of water every year; it guarantees them a share of whatever is available. As the resource manager, we would determine on an annual or some other basis the amount of water that is to be shared equally and proportionately across those people who hold a perpetual water access entitlement, which is essentially a share of the consumptive pool. We would have to have the new legislation in place, regulations would have to be drafted and a statutory allocation plan would have to be prepared and finalised before that conversion would take place and then those new entitlements would be issued.

[8.30 pm]

Ms M.J. DAVIES: Although the legislation contemplates and allows for that, we certainly would not see statutory water allocation plans or anticipate them for every area that we have currently under allocation plans, but we would start to put our effort where we have really complex areas or over-allocated areas. I know that the Department of Water uses a lot of principles from the National Water Initiative in its current allocation processes and they will follow through into the new legislation. There are just those new tools we do not have access to at the moment.

The appropriation was recommended.

Meeting suspended from 8.31 to 8.38 pm