

Mr Dave Kelly; Mr Vincent Catania; Ms Rita Saffioti; Mr Chris Tallentire; Mr Shane Love; Chairman; Mr Tony Krsticevic; Mr Brendon Grylls

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**Division 68: Water, \$81 226 000 —**

Ms W.M. Duncan, Chairman.

Mr V.A. Catania, Parliamentary Secretary representing the Minister for Water.

Mrs A. McAllister, Principal Policy Officer, Office of the Minister for Water.

Mr M. Rowe, Acting Director General.

Ms L.M. Candy, Manager Financial Services.

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

Mr S. Skevington, Project Director.

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

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

[Witnesses introduced.]

**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 parliamentary secretary 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 parliamentary secretary to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number.

If supplementary information is to be provided, I seek the parliamentary secretary's cooperation in ensuring that it is delivered to the principal clerk by Friday, 19 June 2015. I caution members that if a parliamentary secretary 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.

I give the call to the member for Bassendean.

**Mr D.J. KELLY:** My first question concerns the departure of the previous director general, Maree De Lacey. I appreciate that the minister is not here, and obviously the previous director general —

**The CHAIRMAN:** Does the member have a line item?

**Mr D.J. KELLY:** I refer to page 755 and the line item "Total appropriations provided to deliver services", which I assume would include remuneration for the director general. I would like an explanation as to why the previous director general departed with two years left on her contract. Were there any performance issues that led to her departure? It has been reported that there were some difficulties in the relationship between some members of the department and the minister's staff. Were there any issues between the director general and the chief of staff of the minister's office? I am looking for a full account of and reasons for the departure of the previous director general. Given that the minister is not here, I would be happy to take that on notice and have that provided as supplementary information.

**Mr V.A. CATANIA:** The member would have seen a media statement explaining why the director general left. My recollection is that the director general departed for family reasons. If the member has any questions, they should be directed to the Public Sector Commissioner.

**Mr D.J. KELLY:** Were there any issues between the former director general and members of the minister's staff that had a bearing on her departure?

**Mr V.A. CATANIA:** Like I said, it is quite clear from the statement that was issued that she left her position for family reasons. I know from the public record that that is why she left, so I cannot see any other way of saying that she left for family reasons.

**Mr D.J. KELLY:** Were there any issues between the former director general and members of the minister's staff?

**The CHAIRMAN:** That is the same question as the previous one and the parliamentary secretary has answered it, so this is your last question on this topic.

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**Mr D.J. KELLY:** With respect, Madam Chairman, I was cut off before I finished the question. I had asked if there were any issues between the former director general and members of the minister's staff that led to her departure, and I have an answer to that. The question I then asked was: were there any issues between the director general and members of the minister's staff by way of disagreements or dysfunction or the like, putting aside her departure, in the time that the minister was in that position?

**Mr V.A. CATANIA:** I think I have answered the question on why the director general left. Whether there were any issues that the staff may have had with the director general I think is a matter that the member could perhaps put on notice to the minister or ask her during question time. Unfortunately, the minister is not here. So all I can say is that the director general left for family reasons. If the member has any further questions that he would like to ask the minister, I encourage him to put them on notice or ask them during question time in Parliament.

**Ms R. SAFFIOTI:** The member asked for an answer by way of supplementary information. It is an unusual circumstance that the minister is not here tonight—I understand there is a reason—but we are asking for a full explanation, including whether any performance management issues were raised by the Public Sector Commissioner about the director general's performance. Given the circumstances, it is fair that the answer be provided by way of supplementary information.

**The CHAIRMAN:** It is entirely up to the parliamentary secretary or minister as to whether they agree to provide supplementary information.

**Mr V.A. CATANIA:** I am happy to provide that answer by way of supplementary information. For the record, what was the question?

**Mr D.J. KELLY:** Were any performance issues raised about the former director general during the time she was under the current minister, and were there any issues between the director general and members of the minister's staff that adversely impacted upon the role or the performance of the role?

*[Supplementary Information No B45.]*

**Mr C.J. TALLENTIRE:** My question relates to the Water for Food program found under the second dot point on page 756. Is the La Grange project included in the Water for Food program?

[5.10 pm]

**Mr V.A. CATANIA:** That is a good question. The Water for Food program is obviously part of the \$300 million agriculture policy that was announced prior to the 2013 election. It has a component of \$40 million for the Water for Food program, which is being rolled out by the Department of Water. La Grange is part of the Water for Food program. I will pass that question on to Mr Skevington to give a little more detail on it.

**Mr S. Skevington:** The La Grange project is one of the 11 Water for Food projects. However, there is a small amount of money in it because work is currently being undertaken by the Department of Agriculture and Food. Our role is to take over from that department. We are not expected to start that component until 2016–17.

**Mr C.J. TALLENTIRE:** I understand that the Department of Agriculture has undertaken things like soil studies, water flow analysis, crop suitability and cost–benefit analysis on La Grange. Is that right?

**Mr S. Skevington:** The Department of Agriculture and Food is undertaking that work, and we will take over from that department. It will provide that to us to take over once we have responsibility.

**Mr C.J. TALLENTIRE:** What is the situation with Mowanjum, the other Water for Food project? Have any soil studies been done, any water flow data gathered, any water licence information found, any cost–benefit analysis or any decision on what sort of crops will be agronomically viable for Mowanjum?

**Mr V.A. CATANIA:** That is a very good question, member. I encourage the member to look, for himself, if he has not. I have been there myself and seen the project progress. Obviously, part of the \$40 million Water for Food program through royalties for regions is having a great impact on the community, which is right behind it. It is doing wonderful things for Aboriginal employment and is providing the strength for that community to grow. It is an exciting project. I encourage the member and all other members to see the transformation occurring for the Mowanjum community and the value that project is bringing to Water for Food, which is something that will be transformational in the pastoral industry.

I will pass that question on to Mr Skevington to provide a little more detail on the Mowanjum project, a very exciting project.

**Mr S. Skevington:** The Mowanjum trial will be a stand-and-graze trial. The minister entered into a financial assistance agreement in November last year and the state is providing funding through the Water for Food project. Funding is also being provided by Mowanjum to support the trial. It is a two-year trial of which the

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production bores have now been drilled. Land has been cleared for a 38-hectare centre pivot for a stand-and-graze trial. The container arrived today with the irrigator ready to be assembled for the trial. We are expecting to undertake a showcase of that in August this year.

**Mr C.J. TALLENTIRE:** I asked whether soil studies have been done, water flow data has been gathered, a cost-benefit analysis has been done for Mowanjum and whether any decisions been made about the sorts of crops that would be viable agronomically.

**Mr S. Skevington:** As I understand it, preliminary work was done on soil testing but I would prefer to take that question on notice if the member wants a more detailed assessment. However, the crops and the rest of the work will be done as part of the trial. This is a trial that will be looking at different types of crops and how they can work with a stand-and-graze operation. Most of that work is part of the Mowanjum irrigation trial.

**Mr C.J. TALLENTIRE:** Clearly, there is a big difference between the thorough way the Department of Agriculture and Food did the La Grange project extending over five years, with lots of extensive analysis. This project has had lots of media attention around it and is royalties for regions-badged, but the preliminary work has not been done. Yet, as I understand it, \$3 million has been spent this financial year on Mowanjum but the Department of Water has not done the base work as did the Department of Agriculture for La Grange. Is that the case?

**Mr V.A. CATANIA:** As I said, I encourage the member to go and have a look. At the end of the day, it is a trial. The importance of having a trial to allow for diversification in the pastoral industry is extremely important. We are happy to perhaps get back to the member with supplementary information on soil testing and other investigations.

I believe the member has asked for what soil testing has occurred and economic viability testing reports of irrigated agriculture at Mowanjum.

[*Supplementary Information No B46.*]

**Mr R.S. LOVE:** I also want to ask about the Water for Food program because it is doing exciting things throughout Western Australia. Although we have heard about two projects in the north, can the parliamentary secretary update us on the rest of the program and the status of the rest of the projects?

**Mr D.J. KELLY:** Is there a page?

**Mr R.S. LOVE:** I am referring to the second dot point on page 756 under “Significant Issues Impacting the Agency”.

**Mr V.A. CATANIA:** Thank you, member for Bassendean. As I said, the Water for Food program has come out of the \$300 million agriculture policy in which there is \$40 million for Water for Food. The program is developing 11 projects across the state, some of which are in both my electorate and that of the member for Moore. The first trial has commenced in Mowanjum, which we have just been talking about. That project is transformational in that the Aboriginal community is getting right behind the project to ensure they can provide feed, and grow their production of cattle. As I said, all members should have a look at the trial there. We have seen it from its beginning to where it is now. August will probably be a big milestone for it but perhaps I can get Mr Skevington to go through the 11 projects because I think it is important we know where they all are and the impact the project will have, hopefully, on those communities.

**The CHAIRMAN:** Before we go to Mr Skevington, I remind the parliamentary secretary that we like answers to be short and to the point.

**Mr S. Skevington:** I will not go into the two that have been discussed unless people want further information. One of the 11 projects is a \$3.6 million project for the southern forest project near Manjimup, exploring the viability of community dams to improve and expand the horticultural areas down there. A community advisory group has been set up with community and industry representation and a desktop study has been done by the Commonwealth Scientific and Industrial Research Organisation on potential dam size and quality. The Midlands \$4.7 million groundwater project, covering north of Gingin through to Dongara, is looking at the potential for groundwater investigations for suitable land to support mosaic irrigation. We now have the community reference group established for that project, which has had its first meeting and has established a workshop to go through a desktop study on where the priority area should be. That workshop is scheduled for 22 June. The middle Gascoyne is looking for large-scale alluvial aquifers in the Gascoyne River, east of Carnarvon, from Rocky Pool. We have actually started the tendering process for aerial electromagnetic surveys to determine what water is available. Myalup-Wellington is looking at the expansion of horticulture in the Myalup irrigation area and the Collie River irrigation area. A fundamental part of that is considering the opportunities to use the water from Wellington Dam. We have established a ministerial steering committee to look after that project and a technical

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advisory group to look at innovative ideas for Wellington Dam. That technical advisory group has now met and is providing recommendations on how we can go out and get those ideas in to look at what we can do with Wellington Dam. The Fitzroy Valley is an important area with the Fitzroy River.

[5.20 pm]

**The CHAIRMAN:** Mr Skevington, you have had a fair bit of time; can you please wrap up your answer.

**Mr S. Skevington:** Another very important project is the land tenure project, which is one of the 11 projects, and is being run by the Department of Lands. That will provide the backbone for tenure options to allow pastoral leases to diversify and look at agricultural opportunities. There are 11 projects, and I am happy to provide further information if it is required.

**Mr D.J. KELLY:** I refer to the first of the significant issues impacting the agency listed on page 756, which is basically about the drying climate. Does the department agree with an assessment that Perth and the interconnected system have effectively been droughtproofed? If the department is of that view, what criteria would it have used to come to that conclusion?

**Mr V.A. CATANIA:** I thank the member for the question. Firstly, the aim of the Department of Water is to manage the resource sustainability—that is the ultimate game of the department—so that, as rainfall decreases, we can take less water out of our rivers and aquifers. Secondly, the department is looking at innovation in water use and other strategies to make the best use of the water we have, such as re-use strategies and so forth. Thirdly, there is water efficiency, conservation, innovation design and recycling to make better use of poorer quality water that we have. The fourth point is that planning ahead is crucial in the department's framework to look at new water supplies to meet demand. The Department of Water's mandate is to develop strategies to ensure that there is enough water. Hopefully, that answers the member's question.

**Mr D.J. KELLY:** No, it does not really. My question was quite specific. All the good things that the parliamentary secretary just listed that the Department of Water is charged with doing would be impacted upon if the department had come to the conclusion, for example, that Perth and the area served by the interconnected system had effectively been droughtproofed. That term has been bandied around, so I am just asking whether the department is of the view that the Perth area and the area serviced by the interconnected system have effectively been droughtproofed. Is that the view of the department or not?

**Mr V.A. CATANIA:** It is perhaps better to ask the Water Corporation this question. The member would know that desalination plants have been established that are independent of the weather. In terms of usage by consumers, it is fair to say that there is enough water. I do not understand the member's question when he says that. Do we have enough water to cater for the needs of people in metropolitan Perth? Yes, we do.

**Mr D.J. KELLY:** I think the Treasurer in his speech said that Perth had been droughtproofed, so it is not a vague term that I have just pulled out of the air. It is a term that the government has used in public policy discussion very recently. I am simply asking whether the department, which is the regulator charged with making assessments about whether there is sufficient water, agrees that, at a public policy level, Perth and the area served by the interconnected system have in fact been droughtproofed. It is a very powerful policy statement. If Perth has been droughtproofed, that sends a very strong message to consumers of water. I am simply asking whether the department agrees or disagrees that Perth and the area served by the interconnected system have in fact been droughtproofed. I would have thought that it would be a yes or no answer.

**Mr V.A. CATANIA:** As I said in my first response to the member's question, the Department of Water is charged with looking for water sources, whether it be water of not such a high quality standard or some other options. There are groundwater replenishment programs and desalination. I can say that Perth's water needs are being met, but the department is always looking for alternative sources of water. It is its job to do that. Climate change is obviously occurring right across the state and it is important that we look for other alternative water sources. However, as it stands at the moment, water demand is being met. The member can make what he wishes of that comment.

**Mr C.J. TALLENTIRE:** Sticking with the Water for Food program, I return to the project we were just talking about at Mowanjum. Have neighbouring community groups been contacted about the project? For example, the Derby Landcare Group has for years been trying to protect the Munkayarra wetland. The group has fenced off the wetland and written management plans for it and dealt with a host of issues over a 10-year period. Now it seems that it has not even been contacted about the Mowanjum project, which is just upstream from that wetland. We have a problem if we are not talking to neighbours about projects being funded through Water for Food.

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**Mr V.A. CATANIA:** That is an interesting question, given that I have been there and I have been paying close attention to how the project is progressing. It is the talk of the town; everyone is talking about Water for Food in the Kimberley. At a time when we are talking about the role that Aboriginal communities can play, this is one element of an exciting program that really relates to Aboriginal people in the Kimberley. They are excited to be a part of it and they are excited to own it because going back to the land is what they have always been talking about. That is what they have said to me when I have been there. I will pass the downstream issue to Mr Skevington to answer.

**Mr S. Skevington:** The Mowanjum Water for Food project has been the subject of extensive consultation. I would like to take the question on notice so that I can make sure that we have actually contacted the Derby Landcare Group, because I would have to ask my staff. We have engaged with traditional owners and local government has been heavily involved in the process. Considerable media attention has also been given to this project, so I would be surprised if people had not been made aware of the issue and have not been met with or discussed. A number of the neighbouring traditional owners have been to visit the project, so there has already been considerable consultation and engagement. If the member wants specific information, I am happy to take a question on notice.

**Mr C.J. TALLENTIRE:** This is a clarification question. Have those who have a commitment to the Munkayarra wetland been contacted about the Mowanjum project?

**The CHAIRMAN:** Are you asking for that to be provided by way of supplementary information?

**Mr V.A. CATANIA:** I am happy to take that as a supplementary.

**The CHAIRMAN:** Thank you. Can we just have the question repeated, please.

**Mr C.J. TALLENTIRE:** Have people connected to the Munkayarra wetland been contacted for their input regarding the Mowanjum project?

*[Supplementary Information No B47.]*

[5.30 pm]

**Mr A. KRSTICEVIC:** I refer to budget paper No 2, volume 2, page 756 and the fourth dot point under “Significant Issues Impacting the Agency” in which the department has a project to investigate Perth’s confined aquifers. Can the parliamentary secretary provide some further detail on this project?

**Mr V.A. CATANIA:** In 2014–15 these investigations helped identify critical information about the aquifer behaviour and management, including ways to manage salt water impacts and flow, and availability of fresh water. A leading scientific partnership with Curtin University is underway to improve our understanding of the aquifer compartments, leading to better informed options for the future of water management in the wider Perth region. Deep drilling for the Perth Region Confined Aquifer Capacity study will hopefully be completed by the end of this financial year. I will pass that on to Mr Claydon for further information that would probably help the member.

**Mr G. Claydon:** Thank you, parliamentary secretary. The work there includes, as has been mentioned, work with Curtin University to define where geological faults are in both the Leederville and Yarragadee aquifers, and this will significantly improve our understanding of groundwater flow—in other words, whether those faults are a barrier to groundwater flow or whether they assist groundwater flow. That helps us to understand how the water can be taken out of the aquifer, and also, importantly, how we can recharge the aquifer using the groundwater replenishment scheme. So this project helps us to define areas that lend themselves to groundwater replenishment. To assist that type of work we have also done a drilling program—for example, bores have been drilled up to 900 metres deep into the Yarragadee aquifer in that area, and the deep bores, together with geophysical information and seismic information and other scientific approaches help to improve our understanding of the aquifer behaviour and how to manage it, including any potential risks to see water moving into the aquifer, and the availability of fresh water. These groundwater investigations will ensure that management decisions relating to groundwater extraction from the deep, mostly confined aquifers are based on robust and transparent science. We are also collaborating with some of the best scientists around and all the stakeholders in those areas to ensure that our management approach is going to be very good.

**Mr B.J. GRYLLES:** Further to that question from the member for Bassendean, what percentage of the water supply is now climate independent? I think that will help answer the droughtproofing question. How much are we relying on rain and how much are we relying on the other?

**Mr V.A. CATANIA:** I will pass that question to Mr Claydon, if he would like to answer that question from the member for Pilbara.

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**Mr G. Claydon:** Yes. With the development of the desalination plants and also the groundwater replenishment plant, there is capacity for up to 50 per cent of Perth's water supply to be provided by climate independent means. The other supplies are from groundwater and also there is some supply from surface water.

**Mr B.J. GRYLLS:** So, 50 per cent?

**Mr G. Claydon:** Up to 50 per cent. The capacity is now up to 50 per cent. That is being gradually implemented, if I could put it that way.

**Mr D.J. KELLY:** The 50 per cent that comes from surface water and groundwater; we would not consider that to be climate independent.

**Mr G. Claydon:** Certainly the groundwater recharge is impacted by rainfall and also impacted by declining rainfall that has been observed in the southwest of Western Australia for some decades now. Also, future science climate models from around the world indicate that that drying trend will continue. So those are the sort of things that are factored into future supply-demand scenarios for the Perth area, and also for other parts of south west Western Australia.

**Mr D.J. KELLY:** If only 50 per cent of Perth's water is climate independent, is it not nonsense to suggest that Perth has in fact been droughtproofed?

**Mr V.A. CATANIA:** I think we have gone through that before. The response to that is to say that we are currently meeting the demands of our population with water.

**Mr D.J. KELLY:** Just because we turn the tap on and we get water does not mean we are droughtproof.

**The CHAIRMAN:** Order, member for Bassendean!

**Mr V.A. CATANIA:** Our role through the Department of Water is to keep investigating and to keep up with demand. That is what has been happening and that is what will continue to happen in the future, as it is important to keep on top of climate change and other new innovations that may come about into the future on how we can better reuse our water.

**Mr D.J. KELLY:** I thank the member for Pilbara for the assistance with that previous question. My question again refers to page 756 under "Significant Issues Impacting the Agency", the first paragraph. I refer the parliamentary secretary to the recent report put out by the Bureau of Meteorology that showed that household water consumption in Perth and in a number of south west regional centres, including Albany, had for the first time gone up in the last 12 months. After a long-term trend of reduction under successive governments, under this government—under this minister—for the first time that trend has reversed, with households using more water than before. I just wonder whether the government has an intended policy response to reverse that trend.

**Mr V.A. CATANIA:** My understanding is that household water has gone up, but per capita use has gone down. Perhaps I can pass that on to the acting director general to clarify.

**Mr M. Rowe:** Thank you, parliamentary secretary. When the report was released, we talked to the Water Corporation about those findings, because they did appear at first blush to be somewhat counter-logical given the good effort that the metropolitan community has been putting into making water savings in their own homes. From memory, and I will check with Tadas Bagdon here, we were advised that that was largely to do with the change in the nature of the demographics of Perth households, more than any particular underlying increase in water use per capita. I will just confirm whether my recollection is correct and, again, it may be something that the Water Corporation can respond to as well if the parliamentary secretary is comfortable with that.

**Mr V.A. CATANIA:** Yes, I am comfortable with that.

**Mr T. Bagdon:** The information that we received was that—at least with the greater Perth area—there was a per capita decrease, although the number of persons per household increased, therefore it appeared that per connection consumption was increasing, but on a per capita basis consumption was decreasing.

**Mr D.J. KELLY:** Is Mr Bagdon saying that the results from that report are no cause for concern because he is saying there are more people per household rather than any actual increase per person?

**Mr V.A. CATANIA:** I think the explanation is that there has been a huge population increase in Western Australia, but in terms of people's usage of water, it is continuing to decline. That is a positive step forward that we have seen now for a number of years. I do not know if Mr Bagdon has anything else to add to that. Perhaps that question needs to be asked during the Water Corporation estimates, to clarify some of that usage.

[5.40 pm]

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**Mr B.J. GRYLLS:** I refer to page 756 in volume 2 of budget paper No 2. Work is described to address the water quality problems affecting the Vasse Wonnerup estuary and the Geographe catchment. There has been a deal of community concern about the wetlands, especially following a large number of fish deaths in 2013. What actions are being taken to tackle the longstanding problems that these waterways face?

**Mr V.A. CATANIA:** Thank you, member. It is interesting. I have been down there to have a look firsthand at how it has all come about. This government is committed to the long-term health of the Geographe catchment and will take a lead role in coordinating the response to its water quality issues. In October 2014, the minister announced the establishment of a Vasse task force following a recent independent review into the catchment management commissioned by the state government. I will pass to the acting director general to say a few more words about how that is going.

**Mr M. Rowe:** Since the minister announced the formation of the task force in October 2014, the Department of Water has undertaken significant action in partnership with the local community and with other state agencies to begin to address a number of recommendations in Professor Hart's report. The task force itself includes representation from GeoCatch, the South West Development Commission, the Departments of Water, Parks and Wildlife, Agriculture and Food, and Fisheries, the City of Busselton, Busselton Water and the Water Corporation. Effectively, the task force provides overall governance and leadership for the actions being taken for a positive change in the Vasse Wonnerup. Some of the things being pursued include examining the potential for reconnecting rivers and wetlands. The Department of Water and the Water Corporation are undertaking flood and engineering studies to determine ways the draining system can potentially reconnect to natural waterways, with the ultimate aim that more fresh water could be provided into the Vasse Wonnerup wetlands and Lower Vasse River to contribute to improving water quality. The department has made \$200 000 in funding available to GeoCatch to ensure that that important community-based work continues in that catchment. Some of that funding has been used to run a pilot project in partnership with Western Dairy. It is working with six dairy farms in the Geographe catchment to reduce nutrients going into the waterway. GeoCatch has a very long history in working with the community, and the government is very keen to work in partnership with it to achieve good water quality outcomes. It is also driving on-ground works in the greater catchment, such as revegetation, and working with farmers. The government has also invested additional funding into infill sewerage. In addition to the \$14.5 million project to provide wastewater services, a further \$4.8 million has been committed to infill to assist in reducing local nutrient inflows into the Toby Inlet. Clearly, even though these problems have taken a long time to eventuate, they will take considerable time and effort to resolve. The task force is overseeing the first steps in making sure that that occurs.

**Ms R. SAFFIOTI:** My question relates to page 755 and the heading "Spending Changes", in particular the line item "Government Office Accommodation—Karratha Value-for-Money Option". Can I have an estimation of what that involves?

**Mr V.A. CATANIA:** The member is talking about the office accommodation in Karratha. In September 2014, the government approved the co-location of 10 government agencies into The Quarter. It is a great project. It is part of the growth of what is occurring in Karratha through Pilbara Cities. The Departments of Agriculture and Food, Commerce, Education, Finance, Housing, Mines and Petroleum, Planning, Transport, and Water, and the Pilbara Development Commission, have leased space at The Quarter as it provides the best value-for-money outcome for the government. The Quarter is more suitable accommodation than the current building. It is in a light industrial area. The additional funding required by the Department of Water was largely associated with the agency's relocation from its own accommodation to leased accommodation at The Quarter. It is all part of the growth that is occurring—an opportunity that was not presented prior to 2008—whereby we are seeing the growth of Karratha into a city. It has provided diverse accommodation not only in the housing market, but also for businesses and government agencies. It is truly leading towards ensuring that we have enough purpose-built accommodation rather than relying on what was there before—which was where we could find an empty spot to put an agency in.

**Ms R. SAFFIOTI:** So it is costing the government money even though it is a value-for-money initiative; is that correct?

**Mr V.A. CATANIA:** It has saved money by being able to move into The Quarter with all the other government agencies.

**Ms R. SAFFIOTI:** This does not show it saves money; it is additional spending.

**Mr V.A. CATANIA:** As I said, it was the best value for money, which the department was looking for. Perhaps I can ask the acting director general to provide further information, but it was the best value for money overall for the government to relocate all those departments into The Quarter. Mr Rowe will add to that.

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**Mr M. Rowe:** My understanding is that overall it was a cost saving to government for agencies to be co-located into The Quarter.

**Ms R. SAFFIOTI:** That might be the acting director general's understanding, but where is it reflected in this departmental advice to say that that is saving money?

**Mr M. Rowe:** We may have to take that on notice in order to consult with the Department of Finance's office of government accommodation to provide an answer to that question.

**Mr V.A. CATANIA:** That is right.

I will continue with that. The Department of Finance is the lead agency in organising the best value for government. If the member would like to put the question on notice, we will take that as a supplementary question.

**Ms R. SAFFIOTI:** I would like it as supplementary information.

**The CHAIRMAN:** What is the parliamentary secretary undertaking to provide, please?

**Mr V.A. CATANIA:** Would the member for West Swan like to ask her question again?

**Ms R. SAFFIOTI:** I want an explanation of why it is costing more money for, I assume, the same staff to be located in Karratha.

**Mr V.A. CATANIA:** Sorry; that is not quite clear, member for West Swan.

**Ms R. SAFFIOTI:** Pardon?

**Mr V.A. CATANIA:** Is the member talking about the —

**Mr D.J. KELLY:** We want an explanation about why it is costing more money to house staff in Karratha, yet it is still considered to be the best value for money.

**The CHAIRMAN:** Is the parliamentary secretary satisfied with how that question is formatted?

**Mr V.A. CATANIA:** I am happy with that. We will see what we can come up with.

*[Supplementary Information No B48.]*

**Mr D.J. KELLY:** Who is the landlord in the new accommodation that the Department of Water is moving into? The parliamentary secretary referred to The Quarter. What is happening to the old accommodation? Was that owned by the Department of Water or was that leased privately?

**Mr V.A. CATANIA:** If I can answer the last question first, the Department of Water is planning on retaining, for storage, the old accommodation as its own site, and I understand the department is working together with agencies to share facilities. In answer to the first question, that is probably a question the member needs to ask the Department of Finance because it makes the leasing arrangements. Would that be correct, acting director general? I pass on to Mr Rowe to clarify that.

**Mr M. Rowe:** I am sorry; I do not know the answer to the question of who actually owns the building.

[5.50 pm]

**Mr D.J. KELLY:** Is the parliamentary secretary seriously suggesting that the department will, over the next three years, pay an extra \$95 000 to move into accommodation and it does not know who owns the building? Is it owned by the government or is it a private building?

**Mr V.A. CATANIA:** It is owned by the government. The Department of Finance negotiates the best outcome for government agencies, so perhaps the member might want to ask the Department of Finance that question.

**Mr C.J. TALLENTIRE:** On page 757, three service areas are listed under the heading "Service Summary". Last year there were three service summary areas, one of which was known as catchment and waterways health, but this year there is no mention of catchment and waterways health. There was a \$7.5 million allocation to that service area last year, with 76 staff. Where has that responsibility in this year's service summary gone?

**Mr V.A. CATANIA:** The Department of Water has updated the performance framework this year. The new framework better reflects the work of the department. The previous framework was established back in 2008 and was not broad enough to cover all of the work that the Department of Water does. For example, the Department of Water undertakes water supply planning across the state. An important role of the Department of Water is the identification of where water is required to facilitate development and where that water will come from. The old framework did not identify that as a task of the department and that made reporting incredibly difficult because costs were spread across the organisation and bundled in with other functions. Another benefit of the

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new indicators is the recognition of the Department of Water's role in providing information to the community, and that effectiveness indicator measures the public's view of the Department of Water. That work is continuing, and the indicators have been broadened to better reflect all of the work that is done. I understand the annual report will contain the old and new indicators, so the member will be able to easily compare the differences.

**Mr C.J. TALLENTIRE:** It looks as though the department has abandoned catchment and waterways health, because the parliamentary secretary cannot point to it in the budget papers. The parliamentary secretary has also mentioned the efficiency indicators that were used last year, so why have they been chucked out? They were in here last year; they were good enough for last year's budget, but where are they this year? We had a lot of discussion about this last year. I remember extensive discussion about the efficiency indicators last year, and they have just been chucked out of this year's budget. How can that decision be made?

**Mr V.A. CATANIA:** As I said, the previous work is still going on. The indicators have just been broadened to better reflect all of the work that has been done. Perhaps Mr Rowe can elaborate on that matter, but all I can say is that the work is still going on.

**Mr M. Rowe:** I can confirm that the work of the waterways and catchment health area is absolutely continuing. It was previously captured under the third service, which was a discrete service catchment on waterways health, and it is now accommodated within the second service, "Water Planning, Allocation and Optimisation". We still have a comprehensive suite of efficiency indicators and effectiveness indicators. Bearing in mind that the previous performance management framework had been in place since 2008, as the parliamentary secretary indicated, it no longer adequately reflected the scale and the nature of the work that the Department of Water has now undertaken, and the new performance indicator framework not only addresses comprehensively the work that we do now, but also will allow us to flex into the future with new programs or services that the government may ask us to perform.

**Mr D.J. KELLY:** I refer to the second point, "Water Planning, Allocation and Optimisation", on page 758. The parliamentary secretary is no doubt aware of the concerns of some residents throughout the state, particularly many in the midwest, about the impact that fracking will potentially have on groundwater. A number of towns in the midwest have declared themselves as "frack-free" areas. Residents in a number of towns have raised concerns about the impact of fracking on drinking water supplies and catchment health. I am also aware that the department has given evidence to an upper house committee on this issue. Does the department currently have any concerns about fracking in areas such as the midwest and its potential impact on groundwater and drinking water supplies?

**Mr V.A. CATANIA:** Thank you, member, for that question. The role and responsibility of the department is about protecting the state's water resource. That is its number one and highest priority. The state's regulatory agencies, including the Department of Health, the Department of Mines and Petroleum and the Department of Water, are working together to protect public health, the environment and water resources. There is a clear role. In the past financial year, the Department of Water provided technical advice on more than 2 500 proposals for the Environmental Protection Authority, the Department of Mines and Petroleum, the Department of Planning and the Department of Local Government and Communities. This includes advice on mining proposals, planning scheme amendments and water management. I will ask Mr Rowe to comment further on the role of the Department of Water to ensure that water quality is kept at a premium.

**Mr M. Rowe:** The Department of Water is very well aware of the community's concerns about the potential risks associated with hydraulic fracturing for shale and tight gas. The Department of Mines and Petroleum is the lead agency for the regulation of that industry, but the Department of Water plays an important role in providing advice to that department on how risks to water resources can be minimised. We pay close attention to any proposals related to that industry. We have an arrangement with the Department of Mines and Petroleum that all proposals will be referred to us for advice, and we give advice about how those risks can be minimised. We also have a regulatory role to play to approve any extraction of water that might be used in the hydraulic fracturing process. To date, we have been involved with a relatively small number of proposals—in the order of six—so a great number of proposals have not yet come across our desk.

**Mr D.J. KELLY:** I have been up to the midwest and talked to a number of those communities, and although they are aware that the Department of Water has a role to play, they are concerned about the impact of fracking on groundwater. I am aware that the department has raised concerns previously. Rather than saying, "We have a role"—we all know that the department has a role—I want to know whether the department is satisfied that all issues in respect of this matter are being dealt with adequately or whether the department shares some of the concerns of residents. This is an opportunity for the parliamentary secretary to put his voice on the record, whether he is with those residents in the midwest or not.

**Mr V.A. CATANIA:** As I said, the primary purpose of the Department of Water is to protect the water supply.

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**Extract from *Hansard***

[ASSEMBLY ESTIMATES COMMITTEE B — Wednesday, 10 June 2015]

p382c-391a

Mr Dave Kelly; Mr Vincent Catania; Ms Rita Saffioti; Mr Chris Tallentire; Mr Shane Love; Chairman; Mr Tony Krsticevic; Mr Brendon Grylls

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**Mr D.J. KELLY:** Tell us what you think of fracking?

**Mr V.A. CATANIA:** Let me answer the question in terms of the role of the Department of Water in this process—that is, to provide the best advice possible so that our water is protected and is fit for human consumption. It is important that the department, together with other departments, plays that role and has that role so that it can provide the best possible advice on whatever the proposal is before it.

**The CHAIRMAN:** We are going to have to conclude the deliberation of this division.

**The appropriation was recommended.**

*Meeting suspended from 6.00 to 7.00 pm*