

Chairman; Mr Chris Tallentire; Mr Albert Jacob; Ms Eleni Evangel; Mr John McGrath; Mr David Templeman;
Ms Simone McGurk; Mr Frank Alban

Division 59: Environment Regulation, \$3 599 000 —

Mr P. Abetz, Chairman.

Mr A.P. Jacob, Minister for Environment.

Mr J.R. Banks, Acting Director General.

Mr A.D. Sands, Executive Director, Licensing and Approvals.

Mr S.D. Cowie, Executive Director, Compliance and Enforcement.

Ms S.C. McEvoy, Executive Director, Strategic Policy and Programs.

Mrs E.H. Gougoulis, Chief Financial Officer.

[Witnesses introduced.]

The CHAIRMAN: Thank you and welcome. The member for Gosnells has the call.

Mr C.J. TALLENTIRE: I begin by referring to service delivery area 2, “Environmental Sustainability and Climate Change”, on page 674 of budget paper No 2. I note that in the introduction the focus is on reducing the impact of climate change for Western Australia. Why is no effort being applied towards mitigating the impact of climate change and mitigating Western Australia’s greenhouse gas emissions?

Mr A.P. JACOB: When speaking about climate change in a broad sense, recognising that carbon emissions have been the main driver of that and that how it is managed is a global issue, it has been the position of the state government and, indeed, of most state governments—in fact, it has more or less become standard practice—that carbon abatement on a global scale and how Australia’s carbon abatement efforts fit within that is better run in a policy setting through the federal government. The federal government has international relations roles; it strides that stage and it is best that it leads the charge in that. The state government policy setting comes into play as the land managers constitutionally as well as operators on the other side—I will get back to that in a second—in the adaption space, and that is the key policy space for state governments. That is the principal focus for us as we work around that.

It is also important to note that while the policy settings are largely done at a federal level, as they were under the previous Labor government and the current Liberal–National government, the federal government does not run any power stations or have much land or anything either. State governments will still largely be called on to do the heavy lifting in that response, but given that it is a global issue, it is one that is better run through a central policy position in terms of our overall response to it. Adaption is the key policy area for state government.

[3.10 pm]

Mr C.J. TALLENTIRE: Can the minister provide me with an annual report showing the extent of Western Australia’s greenhouse gas emissions?

Mr A.P. JACOB: I will pass over to the acting director general on that one, in the first instance.

Mr J.R. Banks: One of the key reporting areas is through the national pollution inventory, which is one area we report to. I ask Ms McEvoy to comment further on national reporting mechanisms.

Ms S.C. McEvoy: National greenhouse reporting is another mechanism. The federal government publishes the information around global and state government amounts of greenhouse gas emissions. I do not have that to hand.

Mr C.J. TALLENTIRE: The state provides that information to the federal government, does it not?

Mr A.P. JACOB: I imagine it would be providing that when it applies in state government areas such as government trading entities. As I said, the federal government holds the whip hand in a policy sense, but I imagine those in the WA public sector or WA state government who are ultimately emitters would be reporting on their level of emissions to that body as well. Similar to that, WA has some large industrialised areas and, as we all know, very large resource projects, and I imagine they would be reporting as well. However, the federal government sits as the central policy body over that and it publishes the results too.

Mr C.J. TALLENTIRE: The *Budget Statements* show 65 people working in the climate change area, yet the minister cannot tell me what Western Australia’s greenhouse gas emissions are this year.

Mr A.P. JACOB: Yes, we have 65 full-time equivalents sitting within the environmental sustainability and climate change area—as I said, the policy driver for the state. It has been a strong belief of this government right across the environment portfolio and in a range of portfolio areas that the federal government runs its policy areas and we support them in that. Those areas of the state government that are emitters will report into that and

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will play their part, and will ultimately be responding to that. We also have a role in emissions abatement or offsetting, and to a certain extent we can play a role in that as land managers. The state has a role in a range of activities in that broader area of environment sustainability and climate change. I will get the acting director general to break those down a little more, but a lot of it is the policy setting in and around adaptation and also areas such as the low energy emissions development fund, which has been a particularly successful fund supporting new energy initiatives. I understand that a lot of the waste policy is driven through that area as well, but the acting director general will add a little more to that.

Mr J.R. Banks: The lion's share of the resource the member sees in the *Budget Statements* relates to the delivery of services to the Waste Authority, in the delivery of its waste strategy into Western Australia. On climate change specifically, resourcing remains pretty much unchanged from last year's estimates, with a head count of six, and an FTE of approximately five. Two people are associated primarily with mitigation work and are largely there to provide state government policy on how national and international mitigation measures are proceeding. We also do some work around adaptation, with a range of activities taking place across state government, not necessarily directly through our department but in planning for sea level change and the like. We also have an innovation program or a low emissions program that is managed out of that area.

Mr C.J. TALLENTIRE: So the answer to my question is that the government of Western Australia cannot tell me what the state's greenhouse gas emissions are.

Mr A.P. JACOB: I am sure we can provide that information.

Mr J.R. Banks: It is publicly available.

Mr C.J. TALLENTIRE: I will take it as supplementary.

The CHAIRMAN: Can the minister state exactly what he will provide?

Mr A.P. JACOB: I want to clarify whether that is emissions across the WA government, its agencies and GTEs or the entire state aggregated.

Mr C.J. TALLENTIRE: It is the state's greenhouse gas emissions.

Mr A.P. JACOB: I am happy to provide that.

[*Supplementary Information No B64.*]

Ms E. EVANGEL: On page 672, I refer to the third dot point, which relates the state's waste management issues. What is the government doing to improve waste management in this state and to address the key challenges that lie ahead?

Mr A.P. JACOB: In response, I will quickly jump from page 672 to page 673, where we see the table of outcomes and key effectiveness indicators. The state government through its "Creating the Right Environment" waste strategy has set very ambitious targets for this state to realise greater recycling rates. The recycling comparison rate tables for 2010–11 had Western Australia at a 39 per cent diversion rate away from landfill, whereas Victoria was at 62 per cent, New South Wales was 65 per cent and South Australia was 77 per cent—essentially double what Western Australia has historically been performing. It is also worth noting that the waste levies that the other states have applied have been more than double that in Western Australia and in the case of Sydney, almost four times what has been applied in the Western Australian setting. Accordingly, the government has made the recent decision to increase landfill levy rates that apply to both putrescible waste and inert landfill sites, remembering that WA is the only state that differentiates between putrescible and inert landfill sites. The putrescible rates will increase from \$28 a tonne out to \$55 a tonne from 1 January 2015, so there is an eight-month lead time on that. We have also mapped out the increases from there that will bring us up to the national average parity—that is, parity with South Australia and Victoria—with a \$5 a tonne increase to \$55 a tonne in 2018, when we will be roughly on par with those other states, providing they follow their current trajectory. At the same time, the rates for sites will be increased. We are the only state that applies that differentials rate for sites, which is equivalent to \$8 a tonne. That is incredibly low by national standards. That has been increased to \$40 a tonne, and that will also increase in the out years, so by 2018 that will be on parity with the putrescible rate.

It is also worth noting that inert waste has had the lowest level of recycling in this state, and as we struggle for basic raw materials in construction, it is an area in which we need not only to make up a lot of ground and achieve our ambitious recycling targets but also, quite frankly, to improve, otherwise a big sting in the tail will come in future years. It is also important to note that Western Australia is the only jurisdiction that hypothecates a minimum of 25 per cent of its waste levy receipts specifically towards waste management initiatives; in fact, in the next few years of this budget, we will overspend that and that will be targeted towards programs that support not only industry but also householders with programs such as the state government's Better Bins program that

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was announced earlier this year. Our municipal solid waste recycling has already shown good signs of improvement. We have set very ambitious targets for ourselves, but we are determined to meet them.

Ms S.F. McGURK: Given the minister's concerns about Western Australia's low recycling rates, particularly compared with other states, what is the government's view on, and does it intend to take any action against, the City of Stirling, which has for some time stopped recycling any of its domestic waste? Further, will the government use any of the increase in the waste levy to which the minister referred to influence the state's largest metropolitan council in its recycling systems?

The CHAIRMAN: I see a smile on the minister's face. I am looking forward to the answer.

Mr A.P. JACOB: I was very disappointed in the council that the member for Fremantle used in her example. In response to the second part of the member's question, I absolutely encourage the council to look into our Better Bins program. I understand that it has already put out feelers. I was a little disappointed that in the week we announced the Better Bins program, it rushed out to tell everybody that its single-bin system was the best recycling method. That turned out not to be the case, and it has now come back to us and put out feelers for maybe moving towards our Better Bins program or our three-bins program. I am happy to talk about source separation more generally, but this is where the levy is a good policy lever. Albeit, if I were a ratepayer in the City of Stirling, I might be disappointed with it, because if the City of Stirling has not been recycling to the level of other local governments, there will be a disproportionate impost on its ratepayers in the early years, but I imagine, at the same time, it will be a massive incentive to improve its recycling and copy what a lot of other metropolitan local governments are doing. A lot of metropolitan local governments have not only been doing the right thing, but they have also been quite innovative and have been working very hard in this space. I encourage the City of Stirling to continue to work proactively with the Department of Environment Regulation. It is good to see that the City of Stirling has positively engaged on the Better Bins program and it is also good to see that it has recently come back into Mindarie Regional Council.

[3.20 pm]

Mr J.E. McGRATH: Recycling is still one of those things that I do not believe a lot of people understand. Someone who is very close to me still puts things in the wrong bin, and I try to explain. Does the minister have any way of checking whether the community is becoming more aware of recycling and putting stuff in the right bins; and how is that monitored to see whether we are moving in the right direction?

Mr A.P. JACOB: Part of that confusion is that as people move around the metropolitan area, different councils have different bin systems. It is not necessarily clear. We certainly recognise that we have a responsibility in that space to educate people clearly on what goes into which bin, what qualifies for a commingled recycling bin, and what qualifies for a general waste bin and what does not. A good example of a common misconception is people will put polystyrene in a commingled recycling bin, but it actually should not go in a commingled recycling bin. Inherent in the Better Bins program is our desire to see standardisation across the metropolitan area. No other state has successfully driven that yet, but we believe by partnering and putting out incentive schemes such as the Better Bins program, we will make conditional on that the consistency in bin lid colour. That is a very simple thing, but it will make a huge difference.

I think it is well established that a yellow-top bin is for commingled recyclables. Steel, aluminium, plastic drink bottles and glass go into that. That is processed as a commingled recyclable. I would like to see the green-top bins become organic waste bins. The City of Bayswater has a brown-top bin for garden clippings. I think it would be better to have a consistent green lid for green waste—so, garden waste in the first instance and some may also go to food scraps, but that will be up to local government and their systems. The third bin would be a red-top bin, which is a general waste bin. A consistent colour scheme across the metropolitan area—indeed, across the state—will give us the ability to run a consistent message and an education program. Conditional on grants through our schemes now will increasingly be the requirement for consistency. I did not realise until now that they are traffic light colours—red, yellow and green—but that was not intentional. Changing bin lid colours is a relatively easy thing for some councils, so it would not be expensive. The benefit is to drive education right across the community. From those source-separated bins, a yellow-top bin can go straight towards recycling outcomes.

I forgot to mention paper. Paper is generally the highest value recyclable out of the yellow-top bin. The green waste bin can go straight into a composting-type outcome. I have in mind the Southern Metropolitan Regional Council and my local Mindarie Regional Council. In fact, the member for Perth and I were on the MRC board together many years ago. It has a very good digester system, for example, set up to process anaerobic digestion to process, say, green waste. That residual bin—the red-topped metropolitan solid waste bin—could potentially go into a waste to energy-style outcome. Through a very clear system that is well understood right across the

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metropolitan area, no matter where a person lives, we can come up with a system in which all three bins do not go to landfill, they actually go to recycling outcomes. That is the ultimate vision.

The CHAIRMAN: The different coloured bin lids is really not part of the budget. There is no budget line for that. I really think we should move to a new question.

Ms E. EVANGEL: It is an exciting initiative.

The CHAIRMAN: It is an exciting initiative; I agree. Does the member for Fremantle want to start with a new question?

Mr D.A. TEMPLEMAN: There will be so many bins that there will be no room for them in the normal household front yard. People will have to stack them!

Mr A.P. JACOB: I will be happy to answer that as well.

The CHAIRMAN: Member for Mandurah, you do not have the call.

Ms S.F. McGURK: I have a follow-on question from the questions of the members for Perth and South Perth about recycling rates. What specifically will the government do to increase awareness and understanding of what can and cannot be recycled?

The CHAIRMAN: Which budget line is that related to?

Ms S.F. McGURK: The member for Perth asked a question about recycling.

Ms E. EVANGEL: It is the second-last dot point on page 672.

Ms S.F. McGURK: Yes; the second-last dot point on page 672 refers to the increase in the landfill levy, money being credited to the waste avoidance and resource recovery account, and implementing initiatives related to management, reduction, reuse, recycling et cetera. It is pertinent to that.

The CHAIRMAN: I will accept that. Minister, try to keep your answer short so we can move on to other things.

Mr A.P. JACOB: Sorry, I am a bit passionate about this topic.

As I said right at the beginning, implicit in that is that we have a responsibility to help drive education campaigns. We need to run a metropolitan-wide campaign rather than a lot of small campaigns targeting tiny geographical areas. If people move out of bounds to another local government area, there may be a different message again. The first thing we want is a consistent message. It is then a very clear and simple message, and it is much easier to educate people. We run education programs in and around commingled recyclable bins. Those will continue because they are relatively standard across the metropolitan area.

If I can pick up very quickly on the member for Mandurah's interjection: I am only talking about consistency in the colour of bin lids. Some councils may only provide one or two bins and not want to go to a third, depending on the demographic. Depending on the demographic—say, in the electorate of Perth—some councils may go down to one 120-litre bin and have three smaller bins. The bin size and the bin make-up is not in question. I think it simply starts with bin lid colours and three clear streams about where that goes. There is a very simple three-point message to run through the community. I agree that it has been confusing. It is actually confusing understanding the system as a total. I do not think it will be a particularly difficult task from here to simplify the system, and that can simplify the message. The Department of Environment Regulation has been communicating. We have put a lot of money into that, but it is still a confusing system. Simplifying the system will help us get our message through as well.

Ms S.F. McGURK: The minister said that the department has put a lot of money into education. How much and where is that line item?

Mr A.P. JACOB: The Waste Authority has been operating fairly extensively in that space. I will get the director general to fill in a little more.

Mr J.R. Banks: I do not have the Waste Authority's business plan in front of me. I would need to provide that as supplementary information to provide the details at a program level. They are actually broken up within the business plan. Examples include the Waste Wise Schools program, which is funded by the Waste Authority. It obviously targets societal change at a schoolchild level. There are a number of other education programs.

Mr A.P. JACOB: Local government paper advertising campaigns have been run through the Waste Authority as well, to give a clear message around what goes into commingled recyclable bins. It has had a range of strategies. It has been harder to target because of the variance across local government areas.

Ms S.F. McGURK: Some detail on that would be welcomed.

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Mr A.P. JACOB: We will lay out some of the Waste Authority's spend so far on education programs, either its direct spend on education programs or its partnership with other bodies, targeted towards what goes in which bin.

[*Supplementary Information No B65.*]

Ms S.F. McGURK: Further to that information: what is planned to be spent in the upcoming financial year, 2014–15, and will there be any increase as a result of the increase in the landfill levy?

The CHAIRMAN: Is that to be added to the supplementary information?

Ms S.F. McGURK: That is right.

The CHAIRMAN: That will stay as B65 if the minister is happy to take that. Is the minister happy for that to be added?

Mr A.P. JACOB: Yes.

Mr D.A. TEMPLEMAN: I refer to item 2, "Environmental Sustainability and Climate Change", and the general discussion about waste on page 674. When will Western Australia introduce a container deposit scheme, given that the minister's Liberal colleagues in most states and territories, and the one Labor state—South Australia—already have such schemes? When will the minister stop dillydallying around the issue and do it?

[3.30 pm]

The CHAIRMAN: I will take that as a new question rather than as a supplementary. So, I will take that as your big question, member for Mandurah.

Mr A.P. JACOB: A process was run with the previous federal government and is now running with the current federal government at the Council of Australian Governments table, previously called the Standing Council on Environment and Water or SCEW. It does not have a name now but the process is still before the environment ministers to look at a national container deposit scheme. We have a policy position of supporting a national scheme should that be the one that eventuates.

Mr D.A. TEMPLEMAN: Lead! Jump out in front and say that it is going to happen! It is only waiting for one or two states to do it.

The CHAIRMAN: Member for Mandurah, the minister has the call.

Mr A.P. JACOB: Indeed, we have had discussion about that in recent weeks. In the first instance it would be best rolled out as a federal scheme applying right across Australia. A good reason for that is that most of the large bottling manufacturers are not in this state anyway and some consistency across the country would be a good way to approach it.

Mr D.A. TEMPLEMAN: I was saying that when I was environment minister! Lead! Jump in! Do it!

The CHAIRMAN: Member for Mandurah!

Mr A.P. JACOB: There has been a decision on a regulatory impact statement that all of those jurisdictions have been working through.

Mr D.A. TEMPLEMAN: You will go down in history!

Mr A.P. JACOB: I think that process will be reaching its apex within coming months.

Mr D.A. TEMPLEMAN: So the minister is not going to do it!

Mr A.P. JACOB: No, that is not what I said.

Mr D.A. TEMPLEMAN: I reckon I will ask the same question here next year and I will bet that the minister will be saying the same thing.

The CHAIRMAN: Member for Mandurah!

Mr A.P. JACOB: We will see how we go next year, member for Mandurah.

Mr D.A. TEMPLEMAN: Hansard can write that down and I will ask the same question. I will pre-book the question for next year.

The CHAIRMAN: Member for Mandurah, do I need to call you?

Mr D.A. TEMPLEMAN: No, no, Mr Chairman. I would not like to be "slapped" by you!

The CHAIRMAN: Thank you. In that case, the member for Mandurah will need to behave himself!

Mr F.A. ALBAN: I refer to the fourth item from the bottom of page 672 relating to the continuing focus on regulatory performance and reforms. One of the government's election commitments in its first term was to

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establish a high-level ministerial task force to review all environmental legislation and recommend changes so that they meet world's best practice. What is the status of this review of Western Australia's key environment protection legislation, the Environmental Protection Act?

Mr A.P. JACOB: I thank the member for Swan Hills for that question. As a result of the ministerial task force review, a number of significant amendments have been made to various environment-related statutes. In the environment portfolio, the Approvals and Related Reforms (No. 1) (Environment) Act 2010 amended the EP act to remove unnecessary appeals, to streamline assessment processes. The Office of the EPA was also given greater autonomy for managing its own resources. In December of last year the government made changes to key areas of the native vegetation clearing regulations with an increase from one to five hectares per financial year for clearing of what is known as the limited clearing exemptions. Clearing for widening tracks, rounding out the edges of fields, firebreaks or clearing for an approved shed are good examples of that. In addition to that, the period for which farmers and land managers can clear to maintain land that had previously been lawfully cleared without having to apply for another clearing permit has been increased also from 10 years to 20 years. These are changes that reflect contemporary farming practices and improve the regulation of clearing without causing any significant risk towards environmental outcomes.

The state government is also progressing some initial amendments to build on these reforms. These proposed amendments are designed to streamline administrative processes for environmental impact assessments through the EPA, clearing permits and works approvals as well as licences and updating the Environmental Protection Act in accordance with technological developments and a general tidy up of some small inconsistencies that have been found in the act along the way. I hope to be able to bring forward these amendments in due course.

Mr C.J. TALLENTIRE: The minister is suggesting that our laws are in line with international best practice. One commitment of the government of Western Australia is to monitor the extent of native vegetation loss. Can the minister provide information on satellite monitoring that shows the extent of native vegetation loss across Western Australia?

Mr A.P. JACOB: I imagine that we can. Certainly in recent years we can, but it depends how far the member wants us to go back in history on that. I will pass over to the most appropriate person to answer that one.

Mr J.R. Banks: I am not aware that we have that data to hand within the department on a whole-of-state basis. I can say that annually we conduct a compliance program through our native vegetation clearing program, which is highly based around satellite imagery. That process is used to identify variations year on year. I do not think we have done the exercise on the extent or tried to quantify how much is actually cleared.

Mr C.J. TALLENTIRE: Further to that, can I ask why not? We have the minister claiming that we have world's best practice environmental standards, yet I ask a basic question and one that Western Australia has committed to providing information on through the biodiversity conservation laws that were enacted through the federal Environment Protection and Biodiversity Conservation Act 1999. That national strategy on biodiversity conservation signed by a previous Premier of this state, Richard Court, clearly stated that Western Australia would provide information on the extent of native vegetation loss, and the minister is unable to provide me with that information.

Mr A.P. JACOB: There are two key elements to that. There is approved clearing in and as it runs through the Department of Environment Regulation. I am sure the department would be able to produce a list of what we have done on that, and if it needs to be provided by way of supplementary information, we are happy to do it. There is clearing that is not for approved or exempt purposes and we have a very good compliance system with satellite imagery. I do not think that anybody doubts the efficacy of that system now in WA. Modern technology has allowed our ability to be quite strident in monitoring what is happening across our very large land mass, but the technology is there to aid us as well. We are as a state government also doing a number of things more generally. Probably a good one to speak about here is the strategic assessment of the Perth and Peel regions. In a policy sense we are managing it in the regions, and I will use the Perth–Peel region as a very good example for that. We are seeking accreditation under the federal Environment Protection and Biodiversity Conservation Act for essentially what will be allowed and what will be protected, and mapping that out in a strategic sense over our large land mass area.

Mr C.J. TALLENTIRE: I think the minister is confusing things here. Things like the strategic assessment is assessment work. However, the minister is unable to tell me—correct me if I am wrong—how much native vegetation we have lost in the last 12 months because the agency is not putting any money towards the satellite monitoring that would be required to do that. He tells me that he can pick up illegal clearing. Surely he would be able to tell me how much native vegetation has been destroyed in the last 12 months through satellite monitoring.

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Mr A.P. JACOB: As I said earlier, we would be able to give the member an aggregate total of what was approved clearing through the department. That could certainly be done. If the member wants to speak on that which is not approved clearing, I will pass over to Ms McEvoy.

Ms S.C. McEvoy: What is done with satellite imagery is basically looking at vegetation change. Whether that is actually clearing is another issue. We need to determine whether the vegetation has changed as a result of fire or as a result of drought having changed the condition of the vegetation. What we are really seeing with vegetation change imagery is not necessarily vegetation loss, and that imagery is produced by the CSIRO.

Mr C.J. TALLENTIRE: I thank the adviser for that response, but obviously it is a matter of analysing the satellite imagery to see what has perhaps changed due to fire and what has changed due to some other reason. The minister categorised the various areas of clearing as due to the approved process or due to illegal processes but he is leaving out those areas that are exempt. It is precisely for that reason, now that the exemption has increased to five hectares per property per year, that we need more than ever the satellite monitoring to be done to see how much is being lost overall across the state each year so that we can see how far backwards we are going each year. So, why is the minister not doing that?

Mr A.P. JACOB: I thank the member for the question. The monitoring is certainly continuing. As I said, I am sure that the matter of what has been approved clearing could be provided as supplementary information. As to clearing that is applied for through those exemptions, that does not mean and I do not think that it would ever mean that every landowner goes and bites out another five hectares off a field, then another five hectares the next year and another five hectares.

Mr C.J. TALLENTIRE: Who knows, minister? We are not monitoring.

Mr A.P. JACOB: That person is allowed to do it only for specific exempt purposes, and I will use some examples of those such as clearing for an approved shed. It may be in the odd year that they would need to go to that full five hectares or it may be, now that they have that bonus in the first year, that they initially modernise farming practices such as using GPS-controlled harvesters and round out, but it would then diminish in the out years. It is not a free-for-all that they can just go for, either. Also, to pick up on the increase from 10 years to 20 years, it is important to remember that it is 2014 now. The clearing regulations, as they stood, originally came in in 2004. In going to the 20-year exemption, it only pushed it back to what was then the 10-year exemption from 2004. It still applies only to legal clearing from 1994, just as it always has. So there is not actually much change in that, and that is important to remember—it was 10 years on when that particular change was applied.

[3.40 pm]

Mr C.J. TALLENTIRE: If the minister wants to debate the issue of the clearing of regrowth vegetation, he had better get his facts right, because it was previously a two-year clearing allowance, not a 10-year one. Also, the minister is missing the point that regrowth vegetation can be absolutely essential to the maintenance of the watertable in a catchment and should therefore be subject to an assessment as well. So the minister should have done it the other way—he should have cancelled the ability for people to clear regrowth altogether, not expanded it out to this ridiculous 20-year level. But the point remains. The minister cannot tell me—because in this budget he has not allocated money for it—how much vegetation is going down each year. One of the key things to the protection of biodiversity and the protection of our environmental asset in this state is the extent of native vegetation cover, and the minister is not doing satellite monitoring to assess what the change is from one 12-month period to another. Why not?

Mr A.P. JACOB: I thank the member for the question.

The CHAIRMAN: I would like to remind members to try to keep their question short and try not to use their questions to make a long statement. Thank you.

Mr A.P. JACOB: The member is making the claim that it is not resourced. But I am not sure that the member can show in the budget where it is not resourced.

Mr C.J. TALLENTIRE: Then, minister, show me in the budget where there is money for the satellite monitoring, as the minister's adviser said.

Mr A.P. JACOB: I can show the member in the budget where there is money for native vegetation clearing generally.

Mr C.J. TALLENTIRE: No—for monitoring the extent of the native vegetation cover across Western Australia.

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Mr A.P. JACOB: I can show the member in the budget where the native vegetation clearing unit is funded, and it is well funded in this budget. But as to how that is then broken down within that particular division, I will pass over to the director general.

Mr J.R. Banks: The majority of the resources in the division are actually applied to the application process, because that is where the majority of the resource strain is. There is also a compliance area that deals with it following the annual review, and also based on complaints. We do receive some complaints from the public where there has been clearing, and they will be investigated. The alternative approach—the investigative approach—is to identify it through the review of satellite imagery. I have never asked the question on the total quantum, so I cannot answer, honestly, whether or not that is a calculation that they do as part of their annual monitoring program. All I know is that the resource is targeted to identifying those areas which are most likely to be subject to unlawful clearing and which are more serious than others. So it is about targeting the resource, from my perspective.

Mr A.P. JACOB: Just to go back to the in globo issue, as I said, it is a well-funded area generally in the budget. There is a key point of philosophical difference there, and I am happy to have that out, but this is probably not the forum for that. But that relaxation from one to five and 10 to 20 comes from the position that this government believes that the landowners and the land managers are not out to vandalise their own land. Issues of salinity are well understood these days.

Mr C.J. TALLENTIRE: How would they know without an assessment?

Mr A.P. JACOB: I do not think anyone is setting out to be a cowboy. It is reflective of the ability of the person on the ground—who in many instances is third or fourth, or maybe longer, generation on that land—to do that. It is only a very small relaxation, and that is a key philosophical point that we can debate if the member likes.

The CHAIRMAN: But we should not be doing that now—having a philosophical debate. This should be a budget debate. Does the member for Gosnells have a further question?

Mr C.J. TALLENTIRE: Yes. We are still on this issue of native vegetation and the funding of \$1.2 million. Given that the director general of the department has said that that money is going solely towards the processing of applications —

Mr A.P. JACOB: He did not say that.

Mr C.J. TALLENTIRE: Sorry; not solely. I was wrong—majority is what he said. Given that the majority of that money is going into the processing of applications, why then would the department not accept that there is a need for more assessment and application work to be done? The minister is saying that this will reduce the number of assessments, because he is giving people this relaxation, or this free kick, and so the department will be getting fewer cases through. The minister has increased the amount of money that is going towards the clearing permit system from \$700 000 to \$1.2 million, yet in the minister's own words he has relaxed the system so that people do not need to apply and get the benefit of that government advice any more. So what is going on there?

Mr A.P. JACOB: I did not really get what the question was in that, member.

Mr C.J. TALLENTIRE: The minister has increased the funding for the clearing permit system. Right?

Mr A.P. JACOB: Not really. There is a bit of an accounting measure there. There was an assumption, I think, that far larger efficiencies would be made, and so some money had previously been taken out. But we found that we still need to well-resource this. This is not going hell for leather. We recognise that we still need a robust system. So this is actually money coming back into the system. It is not an overall budget increase. It is money that had been taken out in earlier budgets that has now come back in.

Mr C.J. TALLENTIRE: The budget papers clearly show that the funding has gone up to \$700 000 this year, and then to \$1.2 million. So how can the minister deny that he is increasing the money going to the permit system?

Mr A.P. JACOB: As I said, that is money that had earlier been taken out, and it has now been put back in. It is really just an accounting measure.

Mr C.J. TALLENTIRE: So it is not an increase? It is going from \$700 000 to \$1.2 million, and it is not an increase?

Mr A.P. JACOB: Does the director general want to give a better explanation?

Mr J.R. Banks: Sure. That does reflect an increase off last year's budget. But there was a reduction in last year's budget as a result of an expectation of an efficiency going forward, and that has not been fully realised; so

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government supported the reinstatement of those resources to make sure that the system is maintained and resourced.

Mr C.J. TALLENTIRE: There is clearly a contradiction in the thinking here, because, on the one hand, the minister is talking about relaxing the laws and he is saying that people can clear vegetation and they do not even need to submit an application for a permit—no questions asked; just go ahead and do it—so the department has reduced its workload, yet, on the other hand, he has dramatically increased the funding. What is going on?

Mr A.P. JACOB: As I said, member, we are not increasing the funding. That is in there because it was efficiency money that had been taken out, and we do need that to come back in. I think the member might be trying to paint me here as being in a sort of polar extreme on this one. I am not, actually. We have relaxed it. They are relatively small relaxations, and they would have a very small percentage impact across total clearing generally, but they will allow land managers a bit more flexibility. However, it is not a carte blanche winding back of native vegetation clearing provisions. It is still a system that requires permits, generally, for developments, and it is still a system that has a degree of policing, and we are resourcing that policing as well.

Mr C.J. TALLENTIRE: The minister is denying that going from \$700 000 to \$1.2 million is a dramatic increase.

Mr A.P. JACOB: As I said, the previous budget had rolling cuts going forward.

Mr C.J. TALLENTIRE: No. I am talking about from 2014–15 to 2015–16. There is a dramatic increase. Just accept it.

Mr A.P. JACOB: No, member; I am trying to explain it. It is a reinstatement of a cut that was in the previous budget.

Mr J.E. McGRATH: I refer to page 675 and the income statement. I notice that the number of full-time equivalents will not increase from this year to the next financial year. Given that that number will stay the same, is the minister confident that his department will have the numbers necessary to cover the important environmental monitoring and compliance functions?

Mr A.P. JACOB: I thank the member for South Perth for the question, and following on from the earlier one, it has to be remembered that the Department of Environment Regulation has not been a department of state yet for a full year. It came into being on 1 July, and that is why we might find the odd accounting anomaly, although not really an anomaly, but some fluctuation in the numbers that we would not typically see. The budget papers that the member referred to report that the Department of Environment Regulation's full-time equivalent staffing level rose from an inferred level of 330 in 2012–13 prior to its establishment to 340 FTEs in 2013–14. The number of full-time equivalents in the Department of Environment Regulation is forecast to remain constant at that level of 340. However, upon its initial establishment, and following out from its separation from the former Department of Environment and Conservation, the Department of Environment Regulation was forecast at that point to have a full-time equivalent level of 380 for the 2013–14 budget period.

[3.50 pm]

That figure of 380 FTE positions was only ever an estimate developed in advance of the agency's establishment because the budget came down before the agency was fully established. In that way, moreover, the full-time equivalent levels are no longer the measure used as a binding constraint on staffing. We have moved to approved employee benefits, or salary caps, as they are better known. The agency has a new structure from 1 May 2014 that will focus resources on the agency's core regulatory roles of licensing approvals, and compliance and enforcement laws, so it will continue with the delivery of key environmental policies, programs and reforms. The environmental regulatory process will continue to drive efficiencies within the agency whilst maintaining its effectiveness in protecting the public health and the broader environment.

Mr C.J. TALLENTIRE: I turn back to waste issues. I refer to the heading of "Waste Avoidance and Resource Recovery Account" on page 678. Expenditure from that account is used to encourage different projects. I am concerned that some projects do not work out and indeed have been dramatic failures, such as the Colmax Glass recycling plant, which received \$1.95 million from the resource recovery account and then went into receivership. What is the status of Colmax, and have other companies received generous amounts of money from the waste avoidance and resource recovery account and then gone into receivership or liquidation?

Mr A.P. JACOB: I thank the member for that question. I think there has been some movement in the Colmax situation, and I will get an adviser behind me to comment on that in due course. However, more generally speaking, a significant amount of funding is going into the WARR account. I talked about the Better Bins program before. I want to see an increased focus on these sorts of programs that go directly to householder outcomes and flow on from there. That will be the increasing focus of the account. The incentive for the

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recycling industry is the levy, and it will do that job very well. Those moneys will be targeted increasingly towards projects that give the householder a direct benefit. The Better Bins program is a good example of that, as is the mattress recycling program, which seemed to be very memorable last year when we answered a question on it. I will get Mr Cowie to fill in more detail on Colmax and any other such projects.

Mr S.D. Cowie: I understand that Colmax has recently been sold as a going concern. I am not too sure if it is operating as of today, but we can certainly look into that.

Mr C.J. TALLENTIRE: But it received \$1.95 million from the state.

Mr S.D. Cowie: Yes, it did.

Mr C.J. TALLENTIRE: What other companies have done this sort of set-up, put their hand out, and then flown off into the sunset? Have we had other cases like this?

Mr A.P. JACOB: I do not think it was a case of flying off into the sunset. The company went into receivership, but it gave it a good go. Glass is one of the hardest recyclables in the Western Australian context simply because of the tyranny of distance. It is also the most inert of our recyclable materials when we think of the low-hanging fruit of plastics, cardboard and paper, which are organics and are not good to landfill but are high-value recyclables. Glass is a low-value recyclable in the WA context, and it has been tricky finding a market for it, particularly as it is also a heavy commodity. There are other ways it can be recycled though and it has very good inert properties. I will get Mr Cowie to talk on Colmax again.

Mr S.D. Cowie: The funding from the state was also matched by equivalent funding of \$1.95 million from the National Packaging Covenant Industry Association. I am not aware of any other similarly funded companies. Contractual conditions applied to the granting of that money to do with the equipment staying in the state, and we are following that through with the State Solicitor's Office.

Mr C.J. TALLENTIRE: Did I understand from the last part of the response that the company is being pursued to recover the \$1.95 million?

Mr S.D. Cowie: No. We are ensuring that the contractual conditions on the use of that equipment have been met.

Mr A.P. JACOB: As a condition of our funding, it is required that the plant remain in Western Australia. WA has the option of an operational glass recycler.

Mr C.J. TALLENTIRE: I am struggling to pick up things here. So the plant and equipment that was partly funded to the tune of \$1.95 million by the waste avoidance and resource recovery account has stayed in Western Australia and is now with another company that is doing the job with which the plant was originally tasked.

Mr S.D. Cowie: As far as we are aware, the plant has been sold as a going concern and the equipment is still in Western Australia. The company has been sold, so we are following through on that to see whether that equipment is being used in line with the grant conditions.

Mr C.J. TALLENTIRE: So it is possible that the plant and equipment has left Western Australia?

Mr S.D. Cowie: Not that I am aware of.

Mr C.J. TALLENTIRE: But it is possible?

Mr S.D. Cowie: It is possible.

Mr A.P. JACOB: That would be a significant breach of the contract if that were the case.

Mr S.D. Cowie: A condition of the five-year agreement with the funding was that the equipment would stay in Western Australia.

Mr C.J. TALLENTIRE: Perhaps this answer can be provided as supplementary information. I would like to be reassured on the due diligence that goes into assessing these applications before handing over money to these companies. They might present very nice sounding ideas but, clearly, if they go into receivership soon after receiving the fund, we have a problem with the current due diligence arrangements. Perhaps the minister can provide me with the information on what processes are in place and how they are being tightened?

The CHAIRMAN: Is the minister prepared to provide that information?

Mr A.P. JACOB: I would rather throw the question to Mr Cowie. I have no problem with that, provided there are no commercial-in-confidence reasons not to do so. It is best if Mr Cowie outlines our position.

Mr S.D. Cowie: A fair amount of due diligence goes into the process of providing a grant to a company such as Colmax. The significant contract is in partnership with the National Packaging Covenant Industry as well. The

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contract was made in 2009, so the company operated in Western Australia under that funding for nearly five years.

Mr C.J. TALLENTIRE: I refer to the waste levy, and obviously there has been much discussion about the increase of levy. What process was used to calibrate the level of increase? I am concerned that perhaps the numbers were just cooked up.

Mr A.P. JACOB: No, not at all. When it was initially established, the waste levy could be applied only on the recommendation of the Waste Authority. When Hon Donna Faragher was minister, she made legislative changes so that the responsibility sat with the minister. The Waste Authority feeds into that process and my practice as the minister is to take its advice. The decision to increase the levy was based on the authority's advice, and it strongly supported the increase. In a 2012 strategy document entitled, "Western Australian Waste Strategy: Creating the right environment", it was somewhat foreshadowed that this would be something we had to do. I spoke briefly about glass, but this is about waste and recycling generally in WA. This state has to deal with the tyranny of distance, on the one hand; we are a lot further away from the east coast recycling markets in Victoria and New South Wales, which are nicely clustered around each other. On top of that, we are very good at earthmoving in WA, so landfill will always be competitive with recycling. In fact, recycling cannot be competitive with landfill in WA as it currently stands, unless there is a policy lever requiring a cost differential to make recycling competitive. This levy increase was considered to be the least increase that would make recycling competitive. As the member can see, the increase that kicks in from 1 January next year still sits below, in its full year of operation, all the other states, which have far higher waste levies and double the recycling rates as well. There is a good track record in how it is applied across Australia and even internationally where levies are applied. They are a well tried and tested method of making recycling options cost competitive with landfill. This was considered to be the minimum increase that would make recycling fair and competitive with landfill options in the marketplace in Western Australia.

[4.00 pm]

Mr C.J. TALLENTIRE: The minister is saying that the calibration is to create a level playing field, but given that the levy for putrescible waste has been put up to \$56 a tonne —

Mr A.P. JACOB: It is \$50 a tonne.

Mr C.J. TALLENTIRE: — and the cost for landfill is economic at up to \$100 a tonne, why is there a big difference? The minister has not achieved the creation of a level playing field.

Mr A.P. JACOB: I am conscious of the drastic effect on householders at the same time, and that is why we have laid out a very good road map, so concurrent with that there were increases in the out years. I am not so worried about the putrescible rate. There is some good data in the budget papers that has been driven by the increase in the putrescible waste levy that Hon Donna Faragher brought in. In the table on page 673 of the budget papers, it gives the percentage of waste in the metropolitan area diverted from landfill through recycling. We are well on target to creating the right environmental targets. The targets in the other states are essentially where we want our targets to be by 2020, and that is why we have a road map of increases out to 2018; it is not only the increase in the first year. We are also giving certainty to local governments and industry so that they know what it will be next year, the following year and the year after that. That means that recycling operators will also have an opportunity to come back into the market. The area in which we are the furthest behind and have the most ground to make up is inert waste. Our inert waste recycling levels are woefully low. I do not have the number directly to hand. The rate was effectively sitting at \$8 a tonne; hence, the increase to \$40. By the time the five years of rolling increases that I have foreshadowed are complete, that will be on par with the putrescible waste rate, so, effectively, one rate will apply in the state. I will give a good example of where that inert waste is an issue. We are hitting a ceiling with easily accessible limestone and fill sand in the city, particularly in the southern suburbs. It is good in my part of the world, but it is a limited resource in the member's part of the world, and some of it is under some very high value vegetation. If Perth continues to grow into a city of 3.5 million people, we need to be a lot better at using our construction and demolition waste. What I am particularly referring to with inert waste is processing C&D waste as road base and clean fill. If we do not make the tough decision now to start to bring that to an equalised level with the putrescible rate and increase it comparatively, the sting in the tail for our kids when they build a house will be enormous because all the easily accessible resource will have been mined out by then.

Mr C.J. TALLENTIRE: Has the minister considered differentiating between potentially asbestos-contaminated C&D waste and non-contaminated waste?

Mr A.P. JACOB: The practice has largely been that asbestos has not attracted the landfill levy simply because there is no other viable option for that. There has been a little more work in that policy space, but asbestos is a bit

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of an exception because what else do we do with it? I will get the acting director general to fill in a little more on that.

Mr J.R. Banks: I think the minister summed it up; the primary policy mechanism at the moment is to exempt the levy on asbestos and therefore support source separation of that so it can be disposed of without attracting the levy, rather than creating more contaminated levels that will attract the levy and obviously the higher costs. It will be more incentivised to do so.

Mr C.J. TALLENTIRE: I turn to the issue of environmental regulation, especially the part 5 licensing arrangements and the licensing arrangements for the various prescribed activities. I note that there has been a drop in the number of staff in this area, with 305 in the last financial year and 275 in this financial year.

Mr A.P. JACOB: Can the member point me to the page?

Mr C.J. TALLENTIRE: I am referring to the table under the heading “Environmental Regulation” on page 673. The number of staff has dropped dramatically. Has there been an increase in complaints from the community about the lack of compliance with the licensing conditions for prescribed activities?

Mr A.P. JACOB: I thank the member for the question. If the member recalls the answer I gave to the member for South Perth, my understanding is that that is part of the anomaly that occurred upon the establishment of the Department of Environment Regulation budget. Our best count as our actual in 2012–13 was 259. It bumped up to 305, but that was not a reflective figure. The estimated actual was 275, which was more the department’s actual number and what it was resourced for. The number has remained steady.

Mr C.J. TALLENTIRE: The second part of my question was about an increase in the number of complaints from the community about the failure to meet the licensing conditions for prescribed premises.

Mr A.P. JACOB: Where is that more generally in the budget papers?

Mr C.J. TALLENTIRE: I am relating it to the staffing level. If the staffing level has dropped—the minister’s argument is that it has not dropped—or even if it has stayed the same, what is the level of complaint about the lack of compliance?

Mr A.P. JACOB: It is not actually in the budget papers. The budget papers clearly show growth from 2012–13 to 2013–14 and a continuity from 2013–14 to 2014–15.

Mr C.J. TALLENTIRE: There would be more prescribed premises because a whole lot more have been processed. The workload has increased but the staffing level has stayed the same. Has the department had an increase in the number of complaints from the community about failure to adhere to the licensing conditions?

Mr J.R. Banks: I would just like to acknowledge that we report quarterly on the number of complaints; it is all publicly reported on a quarterly basis. I am not aware of any significant spikes. Our complaints are quite seasonal. A number of premises that we regulate are subject to odour issues, so, obviously, climatic conditions can have an impact on the number of complaints we receive. However, there has not been to my knowledge any particular spike in complaints.

Mr C.J. TALLENTIRE: One case that has been in the media is the case of Bio-Organics Pty Ltd at Oakford. Members of the local community have been distressed by the slow response to their complaints. If we accept the minister’s argument that there is a static level of staffing, is that due to the fact that there are not enough staff in this area to deal with those sorts of complaints and investigate the complexity of issues raised?

Mr A.P. JACOB: The simple answer to that is: no, it most certainly is not. I think the department has been well across that issue. It has not for a second been a matter of resourcing in our response to Bio-Organics. It is certainly a case that I have taken as a high priority and I have communicated that to the acting director general. However, it is largely an operational matter. Albeit this is straying off the budget papers, I think it is appropriate for the director general to give a brief update on where that is at currently.

Mr J.R. Banks: Certainly, it is not an issue of resource constraint. There are statutory processes under the act that we need to follow if we are to go through the process of suspension and revocation, and they afford the holder of the licence procedural fairness requirements. I also have administrative law requirements to make sure that the decisions I make are reasonable and well informed. That is what I am in the process of doing.

Mr C.J. TALLENTIRE: I appreciate that we are going into the detail of this particular case. I understand that the company is still operating and we have been receiving complaints since November. How can that be a reflection of good-quality environmental regulation?

[4.10 pm]

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Mr A.P. JACOB: I will ask the director general to comment specifically on that, but it is not the case that nothing has been done. The member raised this with me as a grievance in the Legislative Assembly. In the first place there was a licence amendment, and then there was a workaround suspension. The director general will update the member on what the department has been doing. We have taken away some lessons from this. The operator in question holds a licence, which is a valid property right. The state does not have the ability to simply remove it. The licence holder has legal rights under that. That licence was granted under the Labor government. There had been a previous practice there. What has made this issue particularly tricky for local residents is that that planning approval has lapsed but the licence has remained. After taking away lessons from that, going forward we will make sure that any new licences granted will be contingent on planning approval; a lapse in planning approval will mean the licence to operate will also lapse. That will certainly be the case from now on, and we may do more work in that space. Extensive work has been done in the Department of Environment Regulation on that matter. I will ask the director general to respond in more detail.

Mr J.R. Banks: In response to the surge in issues in November, the licence was amended in December. That led to a number of continuing noncompliances into January. On 7 February, a notice was issued to suspend the licence. Further information was gathered during that period and we moved from there to revoke the licence, notice of which was issued on 27 March. Given the 21-day statutory period to respond, the response from the company came back on 17 April. As recently as 15 May, we have gathered new data to support the statutory decision-making process. I feel that we have been quite active on this matter.

Mr C.J. TALLENTIRE: For the general public it seems an incredibly long time to wait. The general public is inconvenienced, but, more to the point, people are worried that groundwater contamination is occurring. Why is the government allowing the company to use its own consultants to provide the monitoring and the data on the extent of groundwater contamination? It seems that some of that consultant work is often done upstream regarding where we would expect the contamination flow to go. Why do we not have the capacity, and why is it not reflected in these budget papers, for staff from the Department of Environment Regulation to investigate this? Why should we be reliant on consultants hired by licence holders?

Mr A.P. JACOB: Is the director general happy to take the lead on that one?

Mr J.R. Banks: Sure. There are a couple of parallel processes. In regard to part 5, there is no accreditation process, but in regard to the contaminated sites process more generally, there are accredited auditors. We placed reliance on the consultants' material, but we conducted an internal verification process. Within the agency, there are expert hydrogeologists. It is pretty consistent with the regulatory principle of user pays that, primarily, responsibility rests with the operator of the premises, as does the costs. I agree that it is important that we have sufficient assurance around that information that we can place reliance on it. As I mentioned, as recently as 15 May we obtained data on groundwater monitoring from a third party. We can verify and cross-check consultants' data in a number of ways and we should be vigilant in doing so.

Mr A.P. JACOB: This is an ongoing investigation; it has not reached a conclusion, and all that will come out in due course.

Mr C.J. TALLENTIRE: The director general mentioned the contaminated sites aspect of it. Is the department officially designating this as a contaminated site?

Mr J.R. Banks: I will confirm that with Mr Alan Sands. I think we have specified the site as contaminated.

Mr A.D. Sands: Yes, some parts of this site have been classified as possibly contaminated with investigation required.

Mr C.J. TALLENTIRE: Would I see this site on the register of contaminated sites?

Mr A.D. Sands: Yes.

Mr A.P. JACOB: It would be listed as "further investigation required".

Mr C.J. TALLENTIRE: How can the public view the contaminated sites register? I know that there is a website and a map, but the map is exceptionally difficult to use; I do not think it works. Is that the only way in which the public can see where contaminated sites are?

Mr A.P. JACOB: I will throw that to the relevant person, Mr Sands, in a second. Certainly there may be work that we could do to make that website more user-friendly. The Contaminated Sites Act and the way that system works are particularly well set up. In my time as minister, the contaminated sites management committee has been an excellent body. The member for Mandurah may have been the minister when that was set up. The committee is methodically working through quite an extensive process. The member for Mandurah may have

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been in the chair at the time. It had a spike in the first few months and that is being worked through. It has been an excellent body in my dealings with it. Its goal is to be transparent and as easy to navigate as possible. I will throw to Mr Sands if he wants to give more detail.

Mr A.D. Sands: There is access to the contaminated sites group through DER and people can get a summary of records and further records on a particular site.

Mr C.J. TALLENTIRE: People have to click on the map, though, do they not?

Mr A.D. Sands: No, people can ask for a particular site. But there is a map —

Mr C.J. TALLENTIRE: That does not work either.

Mr A.D. Sands: The planning agencies refer to a map of the contaminated sites when they look at different planning proposals.

Mr C.J. TALLENTIRE: I note that in the budget papers \$3.9 million is the average cost for each contaminated site assessment for the 2013–14 financial year.

Mr A.P. JACOB: That is only in thousands, not in millions.

Mr C.J. TALLENTIRE: Sorry, yes. That is considerably down on the cost of assessment in the previous year and it is well down on the cost for the 2014–15 year. How are we managing to get away with such a low average cost in 2013–14?

Mr A.P. JACOB: The sites looked at are highly variable. Some of these are old petrol station sites as opposed to extensive and complicated sites such as Bellevue. The average cost for each contaminated site assessment varies depending on the type and complexity of the site. In a year with easier sites, and more of them, the average would come down. Ultimately, efficiency indicators are useful, as was raised earlier, but they do not always tell the full story.

Mr C.J. TALLENTIRE: I turn now to the contaminated sites management account referred to on page 678. I note that not only the average cost of site assessment is lower in 2013–14, but, according to these papers, the actual amount paid out was also a lot less. Is that down to this variability that the minister is talking about?

Mr A.P. JACOB: Yes. I would expect those two numbers to be fairly concurrent.

Mr C.J. TALLENTIRE: How many sites were assessed in 2013–14?

Mr A.P. JACOB: We will double-check that, because I think we might have the answer within the papers. I will ask Mr Sands or somebody else to look into that. Just give us a minute. As a broader comment, that is in millions, incidentally, or thousands of dollars. The 2013–14 budget assumed that 1 000 reports would be assessed. The actual was 1 353. We assessed in excess of our budget target—353 further sites, hence the average ultimately came down.

[4.20 pm]

Mr C.J. TALLENTIRE: That is 1 353. Thank you.

Ms E. EVANGEL: I refer to the second efficiency indicator in the top table on page 674 in relation to the low emissions energy development fund. Would the minister mind providing a few more details on some of the projects the government is supporting with this fund?

Mr A.P. JACOB: Absolutely; I thank the member for the question. The low emissions energy development fund, or the LEED fund, supports specific clean energy options. LEED funds have, in our experience, a multiplier effect of at least four times the amount of money we put in. Every \$1 of LEED funding must be matched by a minimum of \$3 funding from the proponent. The largest LEED project, and almost the flagship project in many ways, is the Carnegie Wave Energy Ltd project based in, I think, the electorate of the member for Fremantle. Carnegie Wave Energy will have spent \$100 million by completion in 2014.

Ms S.F. MCGURK: It is in the Premier's electorate.

Mr A.P. JACOB: I am not 100 per cent sure about that. Carnegie will have spent \$100 million at completion later in 2014, 80 per cent of which will be spent in Western Australia, and all as a result of \$10 million state funding into that particular project. The available funds have been fully allocated to 11 LEED fund projects, two of which have been completed. The LEED fund will have paid \$5.6 million to seven different projects this financial year on completion of its milestones as at 8 May this year. The nine active projects include harvest wave, geothermal energy, solar energy, conversion of biomass and waste to energy and reduction of emissions

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related to natural gas processing. As I said, the largest LEED project, Carnegie Wave Energy's Perth wave energy project, has completed construction of its three buoyant actuators. These buoys were unveiled at Henderson on 9 April 2014. The project also completed subsea foundations and pipe work to shore. My understanding is that Carnegie is finding a bit of a niche for itself in that market. It provides not only energy from waves but also a desalination system and can fluctuate between how much the energy is desalinating and how much is providing energy. That is why it is being rolled out at Henderson. It is a good example. A clever niche market is in, say, naval bases on small island facilities. Investment of \$100 million has come into this state in a very innovative field through a \$10 million seed fund from the state through the LEED fund.

Mr C.J. TALLENTIRE: I refer to "Regulatory fees and fines" receipts on page 677. The amount of \$23.7 million was anticipated to be received in 2014–15. It shows a steady increase across the forward estimates. Is there any plan or strategy to ensure that that will increase or is it just a matter of managing more licences and allowing for a bit of CPI?

Mr A.P. JACOB: I will ask the director general to respond.

Mr J.R. Banks: The fees are contained within regulations; they escalate at four per cent per annum.

Mr C.J. TALLENTIRE: Can the minister break down the amount that is fees and the amount that is fines?

Mr J.R. Banks: The budget forecast of that is \$23.747 million; \$17.867 million relates to licences; \$1.456 million to works approval; and \$21 000 to legislation and industry licences. With regard to controlled waste, \$270 000 relates to licences and \$4.133 million relates to tracking forms.

Mr C.J. TALLENTIRE: To what, sorry?

Mr J.R. Banks: It relates to tracking forms for the controlled waste tracking system. A system is in place that controls waste such as tyres et cetera.

Mr C.J. TALLENTIRE: Does none of that relate to fines?

Mr J.R. Banks: No; I understand that fines are generally returned to the consolidated account. If a case is convicted in court, the proceeds do not flow to the agency.

Mr C.J. TALLENTIRE: That raises the question: why are the words "fees and fines" included in this heading?

Mr J.R. Banks: As far as I am aware, that is a standard Department of Treasury template in the budget statements.

Mr C.J. TALLENTIRE: They will be the ones telling the director general that he cannot keep the money if the department does succeed with a prosecution!

Mr J.R. Banks: I would say so.

Mrs E.H. Gougoulis: We have an administered account that contains \$30 000 from the collection of fines, which is to be returned.

Mr C.J. TALLENTIRE: The department has received fines and they have to be returned to Treasury?

Mrs E.H. Gougoulis: That is right; they are administered on behalf of the state.

Mr C.J. TALLENTIRE: Can the director general tell me the nature of those fines?

Mr J.R. Banks: The majority have resulted from infringements for various offences under the Environmental Protection Act.

Mr A.P. JACOB: When we go for a major fine, it is generally through the court process. It does not come back to us.

Mr J.R. Banks: No, but there are infringement provisions under regulations for unauthorised discharge. I cannot recall the rest off the top of my head.

Mr C.J. TALLENTIRE: I think it is an important issue because community confidence in environmental regulation depends on people feeling that if something goes wrong, there will be a prosecution. Is the director general telling me the \$30 000 was only because people were a bit late paying for fairly minor things or something like that? I want to hear the sorts of prosecutions that have occurred in the last 12 months that would justify this line item.

Mr A.P. JACOB: That line item has been explained; it is under the title of "Regulatory fees and fines" but it applies as receipts to the fees we charge through waste approvals, the tracking system and a range of other licensing fees. At the bottom of that page is the income we receive specifically from fines. For 2012–13 actual expenditure is \$16 000, and the budget is \$30 000, which is fairly consistent at around \$30 000 a year that we

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tend to pick up through fines. That is also paid into the consolidated account, as shown under “Receipts Paid into Consolidated Account” at the bottom of the page. The details of those administrative transactions as they break down to fines is at the bottom of the page. Mr Cowie might like to answer the other part of that question,

Mr S.D. Cowie: We have received some of the fines from prosecutions. I do not have the infringement fines in front of me. With regard to prosecutions that started and finished this financial year, we received a \$12 000 penalty for an illegal clearing and \$328.70 in costs. For two penalties for illegal dumping we received \$3 000 each and \$278 in costs. Some other penalties will probably come in this year from offences from the previous financial year but, unfortunately, I do not have those details.

[4.30 pm]

Mr C.J. TALLENTIRE: Is that the extent of the prosecutions for the last 12-month period?

Mr A.P. JACOB: I will expand on that. It is a WA state anomaly. Mr Cowie mentioned illegal dumping or littering. That is not enforced through the Department of Environment Regulation or our act; it is enforced through the Litter Act. Keep Australia Beautiful has a key role to play in that as well. Another state government initiative is to increase significantly the penalties that apply in that space, and it is my recollection that KAB gets to keep that funding as well. I will throw to Mr Cowie to expand a bit further.

Mr S.D. Cowie: We commenced seven prosecutions in this financial year, with 10 charges. The three that I mentioned, which commenced in this financial year, were completed this financial year. There may have been fines received from prosecutions commenced in the previous year.

The appropriation was recommended.

Meeting suspended from 4.31 to 4.35 pm