

Chairman; Mr Brendon Grylls; Mr Eric Ripper; Mr Jeremy Edwards; Mr Mark McGowan; Mr Mick Murray; Mr Fran Logan; Mr Bernie Masters

Water Corporation -

Ms K. Hodson-Thomas, Chairman.

Mr E.S. Ripper, Deputy Premier.

Mr G.C. Meinck, General Manager.

Mr M.J. Peacock, General Manager, Finance.

The CHAIRMAN: This Estimates Committee will be reported by Hansard staff. The daily proof *Hansard* will be published at 9.00 am tomorrow. Members should not raise questions about matters of general concern that do not have an item of expenditure in the consolidated fund. The Estimates Committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed. We are dealing with estimates of expenditure and that should be the prime focus of this committee. Although there is scope for members to examine many matters, questions need to be clearly related to matters of expenditure. For example, members are free to pursue performance indicators that are included in the *Budget Statements* while there remains a clear link between the questions and the estimates.

In this session and under the sessional order, a minimum of 30 minutes is allocated per authority for the committee to examine off-budget authority operations and budgets. The sessional order also recognises off-budget authority officers as ministerial advisers.

It will assist in the committee's examination if questions and answers are kept brief, without unnecessarily omitting material information. It is the intention of the Chairman 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 minister may agree to provide supplementary information to the committee, rather than ask that the question be put on notice for the next sitting week. For the purpose of following up the provision of this information, I ask the minister to clearly indicate to the committee which supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the committee clerk by 6 June 2003, so that members may read it before the report and third reading stages. If the supplementary information cannot be provided within that time, written advice is required of the day by which the information will be made available.

Details in relation to supplementary information have been provided to both members and advisers and, accordingly, I ask the minister to cooperate with those requirements. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office. Only supplementary information that the minister agrees to provide will be sought by 6 June 2003.

It will also greatly assist Hansard staff if, when referring to the program statements, volumes or the consolidated fund estimates, members give the page number, item, program, and amount in preface to their question.

Mr B.J. GRYLLS: I refer to page 1146 of the *Budget Statements*. The capital works budget shows a total estimated expenditure for 2003-04 of \$462.787 million. Is there a commitment in the capital works budget for the \$15 million proposal to desalinate Wellington Dam? If so, which line item in the budget shows that allocation?

The CHAIRMAN: I advise members who are not part of the committee that I will allow committee members to ask questions first and foremost.

Mr E.S. RIPPER: The Wellington Dam salinity issue is part of the State's submission to the Commonwealth for national salinity plan funding. Regrettably, although the State signed the proposed bilateral agreement and had been given to understand by commonwealth officials that the Commonwealth would also sign it, the Prime Minister reneged on the understanding and did not sign the bilateral agreement with the State. The subsequent commonwealth budget has been an enormous disappointment. The Commonwealth has allocated only \$18.4 million to Western Australia for salinity purposes. That is well short of the suggested \$158 million allocation.

Mr B.J. GRYLLS: My question was about state funding not commonwealth.

Mr E.S. RIPPER: I am coming to the answer. I will get there more quickly if I do not have to repeat myself. I will not be moved to make comments about the member's politics if he does not interrupt me.

The proposal will come back into the capital works program if agreement is reached with the Commonwealth on the national salinity plan bilateral agreement. It is not in the program at the moment because we put it to the

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Commonwealth and the Commonwealth knocked off the agreement. If the Commonwealth comes to its senses and signs the agreement, the project will be funded.

Mr B.J. GRYLLS: Off budget.

Mr E.S. RIPPER: It will most likely be funded by reprioritising the capital works program of the Water Corporation. It was always intended not to be funded this year and to be funded in a subsequent year.

Mr J.P.D. EDWARDS: I refer to the sixth paragraph at page 1145 of the *Budget Statements*. It states that the corporation will spend \$33.3 million to continue the implementation of the infill sewerage program, including small town sewerage. Which small towns are included in the program and what percentage of the \$33.3 million will be spent on small towns? I assume that small towns refers to country towns.

Mr MEINCK: An amount of \$16.7 million will be spent next year on the infill sewerage program. Of that amount, \$14.5 million is for the metropolitan area. An extra amount of \$2.03 million is put aside for small country town sewerage as a specific line item.

Mr J.P.D. EDWARDS: Is it too difficult to ask which small country towns are involved?

Mr MEINCK: We do not have the details at present. There is still some discussion about which towns will be addressed by the \$2.03 million.

Mr M. MCGOWAN: My question is in two parts. I am interested in the plans of the Water Corporation for the Wellington Dam. Does it intend to stop recreational swimming activities in the dam? I am interested in the infill sewerage program in Rockingham. When will the remaining areas in Rockingham be completed? I am happy to accept supplementary information. I am particularly interested in an area bounded by Richmond Avenue and Rae Road in Shoalwater. I know that you will not know the information off the top of your head.

Mr E.S. RIPPER: Does the member need to declare a conflict of interest regarding that small area?

Mr M. MCGOWAN: No. I am asking the question on behalf of a constituent.

[3.40 pm]

Mr MEINCK: An infill sewerage program in Rockingham will conclude this financial year. Nothing is assigned to Rockingham for next year. I will seek the information about that sub-area.

Mr M. MCGOWAN: What about for each of the out years?

Mr E.S. RIPPER: We will provide to the member for Rockingham supplementary information regarding the area he asked about.

Mr M. MCGOWAN: Can the Treasurer also provide information for the remainder of Rockingham and each of the out years?

Mr E.S. RIPPER: Yes.

[*Supplementary Information No A48.*]

Mr MEINCK: The Water and Rivers Commission is reviewing the source protection plan for Wellington Dam. I am sure the member is aware of the public consultation process. The Water Corporation does not make the decision on water source protection. We are strongly against human activities such as swimming in the reservoir. Such activity would mean that the degree of treatment required for Wellington water would make the project uneconomical. That is our position. However, we are not the determining body on that matter. That is the role of the Water and Rivers Commission.

Mr B.J. GRYLLS: Harvey Water and the region's irrigators are concerned about the \$100 million safety program for the dams in the south west. Under new works on page 1146 is an \$11.8 million allocation for dam safety. Will the Treasurer outline the work this allocation will fund and the location of that work, and detail where the rest of the funds for the program will come from?

Mr E.S. RIPPER: While my advisers seek that information, I will, for the sake of the heart condition of the member for Collie, deal with the question of swimming in the Wellington Dam. What has been put to the Estimates Committee is the Water Corporation's position. The matter is still to be resolved by government.

Mr M.P. MURRAY: I hope so.

Mr M. MCGOWAN: It is the most pressure the Deputy Premier has been under all day!

Mr E.S. RIPPER: Once again, the member for Rockingham has starred with his question.

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Mr MEINCK: The dam safety program for the next financial year includes \$3.3 million of remedial works on the Churchman Brook Dam. That is obviously a metropolitan source. In the country area, the Waroona Dam remedial works will be completed at a cost of \$2.8 million, and we will spend \$1.14 million upgrading the Phillips Creek Dam, which services Manjimup. That does not affect Harvey. The liners will be replaced and the embankments upgraded on Kalgoorlie reservoirs 2 and 3, at a cost of about \$1.8 million. There is \$500 000 for a new spillway for the Millstream Dam raising at Brunswick Junction, and stability works will be conducted on the Mungelup Dam embankment. The only project that is relevant to Harvey Water is the Waroona Dam remedial works. The total program for the year is \$11.8 million.

Mr F.M. LOGAN: My question relates to the same issue. The last paragraph on page 1145 refers to the dam safety program Mr Meinck mentioned in conjunction with Waroona Dam. I have raised the question of access to the Logue Brook Dam for recreational purposes. There is a significant and continuing interest in waterskiing, sailboarding, trout fishing, sailing and swimming on Lake Navarino, or Waroona Dam. Groups of residents in those shires have on a number of occasions personally approached me about access to those dams. Their view is that the Water Corporation will seek to stop access. When the dam safety program is completed, we will fall into line with the national guidelines. Will there be continuing access to those dams for recreational purposes?

Mr E.S. RIPPER: With all due respect to the member's recreational pursuits, so long as I do not have to drink the water!

Mr MEINCK: We are upgrading the Waroona Dam on the basis that it will remain an irrigation dam. The Department of Conservation and Land Management and not the Water Corporation controls activities in it. There is no intention to convert it into a potable supply. Logue Brook Dam has been flagged as a potential potable water supply. That was foreshadowed in "Perth's Water Future", which was released nearly eight or nine years ago. We are aware of the implications of that. There is no present intention to use it as a potable supply, but it has been listed for possible use.

Mr F.M. LOGAN: Thank you.

Mr B.K. MASTERS: The fourth paragraph on page 1145 refers to work continuing on projects focusing on securing water supply for Perth metropolitan and country areas. The southern Yarragadee assessment is a \$6 million project that will be completed by October. Very significant concerns have been expressed by many local shires and people in the south west. What confidence can the Deputy Premier give this committee that a \$6 million project conducted in less than 10 months will provide the Water Corporation with enough data to determine whether the 45 gegalitres that is sought is available and that the environmental impacts can be managed, and to be able to answer all the other questions of south west communities?

Mr E.S. RIPPER: The determination of the allocation of that water resource will be made by the Water and Rivers Commission, although I believe the Environmental Protection Authority also has a role. The Water Corporation might want that water, but the environmental decision is made by the Water and Rivers Commission and the Environmental Protection Authority. Although I could make some general comments, the question should be directed to the Minister for the Environment and Heritage, who has charge of those two agencies. From the point of view of those laypersons interested in security of water supply, the Yarragadee formation presents as a magnificent water resource. I hope it will be safe for us to use. It is a big water resource and offers one of the best ways to, at a reasonable cost, provide additional water security for the people of Western Australia.

Mr B.K. MASTERS: For the people of Perth.

Mr E.S. RIPPER: I hope that the scientists will be able to give us the degree of confidence that we need to access this resource. I believe the alternatives will be more expensive for ordinary Western Australians. It will be a pity if they have to unnecessarily pay extra charges. It does not depend on the judgment of laypersons such as I; it depends on the judgment of experts in the Water and Rivers Commission and the Environmental Protection Authority.

[3.50 pm]

Mr B.K. MASTERS: The minister is talking about water for Perth residents, not for residents of Western Australia overall. One of the concerns of residents in the south west is that water is being taken from there, where industry and the population is expanding significantly, to be used on people's lawns and gardens in Perth.

Following on from what the minister said, will the EPA have an independent role in assessing the quality of the work that is being done and will the requests for water allocation by the Water Corporation be approved?

Mr E.S. RIPPER: That is the advice I have received. I am happy for Mr Meinck to make additional comments.

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Mr MEINCK: The first stage will be a review by the Water and Rivers Commission. It will make a recommendation that will be presented to the EPA and the EPA will make the final determination.

Mr B.K. MASTERS: Will that assessment process be public? Will the Western Australian public have input through a public environmental report or something similar?

Mr E.S. RIPPER: Those questions must be addressed to the Minister for the Environment and Heritage. I am not in a position to answer them, and nor should I.

Mr B.J. GRYLLS: I refer to the second paragraph under capital works program on page 1145 of the *Budget Statements*, which states that \$125.5 million will be spent to replace or augment existing infrastructure. Will the minister inform members of the total amount of funding that will be allocated to infrastructure in the regions and where that money will be spent?

Mr MEINCK: Of the funding provided to the distribution network, \$46.8 million will be allocated to the metropolitan system and \$78.7 million will be allocated to the country. Sixty-three per cent of the total expenditure on the distribution network will be spent in the country.

Mr B.J. GRYLLS: Will the minister provide a list of the major project works as supplementary information?

Mr E.S. RIPPER: I am happy to provide that as supplementary information.

Mr B.J. GRYLLS: I would like the minister to provide information on the country component of the \$125 million capital works program.

[*Supplementary Information No A49.*]

Mr M. McGOWAN: I refer to two areas of the State that produces a huge amount of the State's wealth. I refer to the upgrade of the Woodman Point and Kwinana waste water projects. How much has been spent on those two projects in the past five or so years? They are very important to the southern suburbs of Perth. That information could be provided by way of supplementary information. I refer also to the Wellington Dam in Collie. Will the minister explain why the treatment of the dam water will be difficult for the Water Corporation to undertake?

Mr E.S. RIPPER: I will ask Mr Meinck to respond to the investment that has been undertaken at Woodman Point.

Mr M. McGOWAN: And also the Kwinana waste water recycling project.

Mr MEINCK: Unfortunately, I do not have all the previous figures. I have figures for the coming financial year. More than \$140 million was spent on the upgrade of the waste water treatment plant facility at Woodman Point. To date, no major investment has taken place for the Kwinana recycling plant for this financial year. However, some \$13.8 million will be spent on it this coming financial year.

Mr M. McGOWAN: Why is it important to upgrade the plant from a primary to a secondary waste water treatment plant?

Mr MEINCK: The waste water treatment facility at Woodman Point was a primary treatment facility. The water was taken from the outfall to the Sepia depression. Although the waste water was well treated, the nutrient levels were of concern to the environmental regulators. The upgrade was to reduce nutrient loads of nitrogen and phosphorus to very low levels, which has been accomplished. As a result, a far higher and predictable effluent standard can be utilised in a water re-use arrangement, which is being built at Kwinana. That was an effective outcome of the upgrade.

Mr E.S. RIPPER: I did not get an opportunity to explain why the Water Corporation would need to spend extra money and add extra chemicals to treat the water from the Wellington Dam in which people are allowed to swim. I do not know whether it has anything to do with the coal mining industry, but I am sure the member for Collie could provide me with some advice on that.

Mr B.K. MASTERS: I refer to waste water treatment under new works on page 1146 of the *Budget Statements*. When a new waste water treatment plant is built and becomes operational - for example, the Busselton or Dunsborough waste water treatment plants - what reporting is done to advise all and sundry, particularly the community, of the effectiveness of that plant; that is, how well it works, its discharges of total nutrients and pathogen numbers and loads etc? Apart from the normal regulatory requirements of reporting the issuing of a licence to the DEP, is there a standard practice of reporting to the community?

Mr MEINCK: As the member mentioned, there is a requirement to report to the DEP. Regular reports are made with regard to all the licence conditions. However, I am also aware that that information is made in the public

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arena through the regional manager in that area, particularly for both those waste water treatment facilities. If that is not so, I stand to be corrected. However, it is my understanding that that information is made publicly available.

Mr B.K. MASTERS: An attempt was made to provide that information to the community, but it is not done annually or in such a way as to make the community well aware of the results. I would be grateful if that could be given more attention.

Mr E.S. RIPPER: I will elaborate on an answer I gave earlier. I gave a rather flippant answer to the member for Rockingham about the Collie water treatment facility. On a more serious note, I am advised that with dams that people use for recreation, additional pathogens are naturally introduced into the water. The additional expenditure of around \$50 million is required for that water to be treated for drinking use. That is the size of the issue we are dealing with when we consider whether a potential drinking water supply will be used for recreation. Clearly there are competing interests. No decision has been made on the matter.

[4.00 pm]