

LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

**ANSWERS TO 2020-21 BUDGET ESTIMATES AND 2019-20 ANNUAL REPORT – QUESTIONS
PRIOR TO HEARING (ROUND 2)**

Department of Water and Environmental Regulation

The Committee asked:

1. In 2019-20, did your agency receive a qualified audit or 'matter of significance' or an 'emphasis of matter' from the Auditor General:

Answer: No.

- (a) If so, outline the reason and your plan to remedy the issue by 2020-21?

Answer: Not applicable.

2. With respect to the Voluntary Targeted Separation Scheme:

- (a) Have all separations been completed; and

Answer: Yes.

- (b) If not, when do you expect the remaining separations to occur?

Answer: Not applicable.



Hon Colin Holt MLC asked:

1. I refer to Budget Paper 3, page 221, under the heading Waste Avoidance and Resource Recovery Account:

- (a) What are the forward estimates for the Waste Avoidance and Resource Recovery Account;

Answer: There are no forward estimates from 2021-22 to 2023-24 for the Waste Avoidance and Resource Recovery Account. Page 665 of Budget Paper 2 details the total projected income from the waste levy as part of the forward estimates.

- (b) Why are payments expected to increase to \$35m in 2020-21;

Answer: The additional payments in 2020-21 are for the container deposit scheme (including a loan of \$16 million; CDS operations which will require \$3.19 million over four years; CDS financial assistance package) and to support the Council of Australian Governments waste export bans including the development of local recycling infrastructure (\$20 million including \$5 million of industrial land).

- (c) For the 2019-20 and 2020-21 financial years, is all the money raised from the landfill levy expected to flow into the WARR Account;

Answer: No. Under the *Waste Avoidance and Resource Recovery Act 2007* not less than 25 per cent of the project waste levy must be credited to the Waste Avoidance and Resource Recovery Account.

- (i) If not, please provide a breakdown of where waste levy money will be attributed;

Answer: Any receipts from the Landfill Levy in excess of the Department's approved expenditure is returned to the Consolidated Account subject to adequate retention for restricted cash and five per cent working cash limit.

- (d) Referring to the levy, Is the levy different for waste received at metro sites vs regional sites;

Answer: There is no differential rate for waste received at metropolitan sites or regional sites where the waste levy is payable.

- (i) If yes, what is the metro site levy and list the sites;
Answer: Not applicable.

- (ii) What is the regional levy and list the sites;
Answer: The levy rate on metropolitan waste disposed of at regional landfills is \$70 per tonne for putrescible waste and \$105 per cubic metre for inert waste.

The table below details the regional landfill premises that paid the levy in 2019-20.

Premises Name	Premises Address
Stanley Road Class II Putrescible Landfill site	Lot 45 on Plan 17161, 51 Stanley Road, WELLESLEY
Cross Resource Management	Lot 43 on Plan 17161, 70 Stanley Road, WELLESLEY
Salt Valley Road Class II Landfill	Part lot 11 on Plan 34937 Chitty Road, HODDYS WELL
Old Quarry Road Waste Disposal Facility	Reserve 26840 Lot 422 on Plan 101078, Old Quarry Road, NORTHAM
Banksia Road Putrescible Landfill Site	Banksia Road - Lot 2 on Plan 65861, CROOKED BROOK
North Bannister Resource Recovery Park	6364 Albany Highway - Lot 2 on Plan 2767, NORTH BANNISTER
Premium Waste Management	Lot 15 on Deposited Plan 59265, Richard Road, WAROONA

(iii) Why is there a difference in the levy;

Answer: There is no difference.

(e) What disincentives are in place to prevent metro waste from being driven to regional sites; and

Answer: The waste levy is payable on metropolitan waste disposed of at regional landfill premises.

(f) Does the Government intend to change this?

Answer: The waste levy will continue to apply to metropolitan waste disposed at regional landfill premises. A review of the waste levy is currently underway. No recommendations on changes have been made to date.

Waste levy rates are also referred to in Budget Paper 2, Volume 2, page 654, points 4 and 5.

Hon Tim Clifford MLC asked:

2. To date, what projects have been funded under the Clean Energy Future Fund:
- (a) Please detail the date of grant, project, project type, funding amount and proposed completion?

Answer: No projects have been funded to date. Applications to the Clean Energy Future Fund opened on 30 April 2020 and closed on 13 July 2020. Applications are assessed against eligibility and merit criteria, and are expected to be awarded by the end of the year.



Hon Diane Evers MLC asked:

4. I refer to the Spending Changes table in Budget Paper 2, volume 2, on page 649:

- (a) What are the State Significant Proposals that require environmental assessment in 2020-21?

Answer: In 2020-21, the Department of Water and Environmental Regulation is supporting the Environmental Protection Authority in the assessment of State Significant Proposals. These proposals include the Malaga to Ellenbrook Rail Works, the Byford Rail Extension, the Browse to North West Shelf Development Project, the North West Shelf Project Extension and the Hope Downs 4, West Angelas, Brockman Syncline and Greater Paraburdoo Iron Ore Mines.

9. I refer to the Service Summary table for DWER on page 652 of BP2, volume 2 and I ask:

- (b) Why was there a significant increase in funding for water and environmental policy in 2019-20, increasing again in 2020-21, and remaining high in the forward estimates?

Answer: During 2019-20, the Department engaged an external accounting firm to undertake a thorough review of the service allocation methodology as there had not been a review since the creation of the Department on 1 July 2017. The new allocation method allocates all costs and FTEs based on work effort to service areas with overheads allocated based on relative FTEs.

The increase in 2020-21 from 2019-20 recognises this change in allocation method which is particularly relevant to water and environmental policy services.

12. I refer to the funding for Environment Online, outlined on page 663 of BP2 volume 2, and I ask:

- (a) is the \$28 million Environment Online primarily designed to cut red tape and remove unnecessary roadblocks to obtain appropriate approvals, or is it primarily designed to protect the environment; and

Answer: The McGowan Government is committed to simplifying complex Government processes without compromising environmental outcomes. The Environment Online initiative is a genuine opportunity for project proponents, regulators and the environment. Streamlining environmental assessment processes will provide greater certainty and clarity, and a greater focus on delivering meaningful environmental safeguards and outcomes.

- (b) how is this going to be designed to ensure that environmental outcomes are improved, not undermined?

Answer: Environmental assessment officers and decision makers will be provided with instant digital access to a broader range of information about a geographical area, proponent histories including compliance records, similar development assessments and the conditions to which approvals were subject.

Environment Online will be designed to fundamentally improve the availability of data and information in the environmental assessment process, improving the community

and all stakeholders' knowledge of the environmental values relevant to projects. It will do this by interacting directly with current water data systems, geological and mining systems, as well as the new Biodiversity Information Office, which will provide a cost-effective system to capture, store, curate, publish and analyse biodiversity data throughout Western Australia.

13. I refer to the resourcing of Environmental Protection Authority Services line item in spending changes of DWER's Spending Changes table as increasing by \$2 million in 2020/21, and I ask:

- (a) is this due to changes in cost allocation methodology as stated at Note 1 on page 660;

Answer: Yes

- (b) If yes to (a), why is there no increase for the forward estimates; and

Answer: The initiative titled "Continuation of Resourcing of Environmental Protection Services" for \$2,086,000 (page 649) does not continue beyond 2020-21.

- (c) If no to (a), what is the one-off increase for?

Answer: Not applicable

14. I refer to the expenditure of \$2.5 million per annum over 2020-21 to 2023-24 that has been approved to meet DWER's new obligation to pay payroll tax on the eligible wages of industry-funded staff from 1 July 2020 (outlined on page 122 of BP3):

- (a) When was the determination made;

Answer: The Commissioner of State Revenue, within the Department of Finance is responding to this question on behalf of the Department of Water and Environmental Regulation.

- (b) Who paid payroll tax prior to the determination;

Answer: The Commissioner of State Revenue, within the Department of Finance is responding to this question on behalf of the Department of Water and Environmental Regulation.

- (c) Will any back payments be required;

Answer: The Commissioner of State Revenue, within the Department of Finance is responding to this question on behalf of the Department of Water and Environmental Regulation.

- (d) How many staff are industry-funded;

Answer: The Commissioner for State Taxation agreed that payroll tax was payable on 47 per cent of the total workforce.

- (e) What are the roles performed by the industry-funded staff;

Answer: The roles performed by the industry-funded staff are those regulatory roles where a licence fee or permit is payable under legislation such as the *Environmental Protection Act 1986*.

(f) What organisations are funding these positions;

Answer: Licence and permit holders that pay a fee under the legislation administered by the Department of Water and Environmental Regulation.

(g) What other departments are required to pay payroll tax and?

Answer: The Commissioner of State Revenue, within the Department of Finance is responding to this question on behalf of the Department of Water and Environmental Regulation.

A handwritten signature in black ink, consisting of a stylized 'C' followed by a series of loops and a final flourish.