

**Division 70: Swan River Trust, \$12 179 000 —**

Mr A.P. O’Gorman, Chairman.

Dr G.G. Jacobs, Minister for Water representing the Minister for Environment.

Mr R. Hughes, General Manager.

Mr M. Cugley, River System Manager.

Mr J. Wong, Chief Financial Officer/Business Manager.

[Witnesses introduced.]

**The CHAIRMAN:** The member for Gosnells.

**Mr C.J. TALLENTIRE:** My first question relates to the declining budget of the Swan River Trust, from \$13 million in 2009–10 to \$12.1 million in 2010–11. Where is the revenue stream that was anticipated would come from the Burswood gambling facility?

**Dr G.G. JACOBS:** The Burswood stream is within the \$17.181 million total cost of services in the 2010–11 budget estimate column.

**Mr C.J. TALLENTIRE:** Where is that actually identified in the budget papers? Surely if money is coming from a particular entity, it should be a line item.

**Dr G.G. JACOBS:** I am advised that is not necessarily the case. It is treated as income, and essentially it is contained in that figure.

**Mr F.M. LOGAN:** That is unacceptable. In division 70, we have total appropriations. We are dealing with part of an appropriation bill. The appropriations come from the state government. There is, as the member for Gosnells just asked, a significant portion of money coming in from a source external to government. That makes up the budget of the Swan River Trust. If the minister is indicating to this committee that that money comes under “Cost of Services”, “Expenses”, that is unacceptable. The minister should not layer a budget paper like that. It is unacceptable. The minister cannot do that. How can expenses be inclusive of an income stream?

**Dr G.G. JACOBS:** I draw the member for Cockburn’s attention to page 854 and to the heading “Income”. Under that income stream, there is sale of goods and services, grants and subsidies, and other revenue. For grants and subsidies, there is an amount of \$4.946 million. The trust’s appropriation is augmented by \$3 million under the state agreement act for the Burswood Island casino. Electronic gaming machine levies are made available, subject to the Burswood Park Board’s consideration, for a range of programs to manage and protect the Swan and Canning Rivers. That is where it is accounted for.

**Mr F.M. LOGAN:** It may well be in the budget papers under “Cost of Services”, “Expenses”. But the line item that the member for Gosnells is looking for is wrapped up in the “Income Statement (Controlled)”, on page 854, under “Grants and Subsidies”, of \$4.946 million. How much of that has been drawn from the Burswood Casino funding?

**Dr G.G. JACOBS:** It is about \$3 million. By way of detail, of the \$4.946 million, \$3 million is from Burswood, and \$1.946 million is from natural resource management funding.

**Mr F.M. LOGAN:** That is fine. Most other budget papers have things like that, particularly if they are so important, specified in the budget papers. It would probably be appropriate that the Swan River Trust do the same.

[5.10 pm]

**Mr D.A. TEMPLEMAN:** Further to that, can the minister confirm that there is in fact a net reduction in the Swan River Trust’s budget of approximately \$1.7 million?

**Dr G.G. JACOBS:** Is the member for Mandurah referring to the difference between the actual figure of \$13.215 million for 2009–10 and the estimated figure of \$12.179 million for 2010–11?

**Mr D.A. TEMPLEMAN:** Yes. It is approximately \$1 million. Can the minister confirm that there is a reduction in the Swan River Trust’s budget of approximately \$1 million?

**Dr G.G. JACOBS:** The figures indicate that. Seriously, there is a consideration; that is, very late in the 2009–10 budget cycle, \$1 million was dedicated to an oxygenation program. Obviously, that infrastructure will come on stream within the next few months. It actually looks worse than it is, because \$1 million —

**Mr D.A. TEMPLEMAN:** Do I smell a dead cat here?

Chairman; Mr Chris Tallentire; Dr Graham Jacobs; Mr Fran Logan; Mr David Templeman; Mr John McGrath

---

**Dr G.G. JACOBS:** No, the member does not smell a dead cat. It was always predicted that a question would be asked about the difference between the figure for the 2009–10 financial year and the 2010–11 financial year, because it looks as though the government is not looking after the Swan. There is an explanation; that is, the oxygenation program of \$1 million was not planned, but was added.

**Mr F.M. LOGAN:** Further to that, the minister might be able to explain that by way of the oxygenation plant being at the bottom of the list under “Major Spending Changes”. However, how does it explain the further \$2 million drop in the out years to 2011–12? What is that money being spent on? Will it be spent on more oxygenation plants?

**Dr G.G. JACOBS:** I will ask Mr Hughes to reply to that question.

**Mr R. Hughes:** The drop really is reflective of the fact that the new state NRM money that was received by the trust—\$3.2 million over two years, being 2009–10 and 2010–11—finishes, so our core funding does reduce in the out years.

**Mr J.E. McGRATH:** My question refers to page 848, “Significant Issues Impacting the Agency”. Can the minister tell me what the government is doing to prevent the level of nutrients and contaminants entering the Swan and Canning Rivers from small and medium-sized enterprises?

**Dr G.G. JACOBS:** What was the reference page?

**The CHAIRMAN:** Page 848. Which dot point, member?

**Dr G.G. JACOBS:** As Mr Hughes said, the \$3.19 million is state NRM funding —

**Mr J.E. McGRATH:** I am referring to the heading “Significant Issues Impacting the Agency.”

**The CHAIRMAN:** It is the second dot point under that heading.

**Dr G.G. JACOBS:** It is in and around the Swan Canning water quality improvement plan. An amount of \$3.1 million has come from NRM funding to implement that. We have partnered with Perth Region NRM to provide \$250 000 to assess the compliance of small and medium-sized enterprises with environmental legislation, including the Environmental Protection (Unauthorised Discharges) Regulations 2004. It will provide funding for 800 onsite inspections of small and medium enterprises that will be undertaken by Perth Region NRM with the support of local government and the Department of Environment and Conservation. Inspectors specifically look at the use, storage and disposal of all types of solid and liquid materials that are undertaken on each premises. Inspectors will have the opportunity to educate and work with owners and operators to improve the environmental performance. We do not want the waste tipped into the river. The areas of highest priority are Welshpool and Kewdale, which are light industrial precincts, the Mills Street main drain sub-catchment of the Canning River and the Anvil Way drainage basin. In May the minister announced that \$250 000 would be allocated to the Perth Region NRM industry project to enable a further 800 inspections to be carried out in other than light industrial precincts. It is a good program because we do not want these products getting into the river.

**Mr J.E. McGRATH:** I am interested in this subject. Minister, I would like to know, and maybe the CEO can advise the committee through you, whether the main contamination of the Swan and Canning Rivers is coming from the small and medium-sized enterprises. Are they responsible for just a small component of the contamination? Where do the small and medium-sized enterprises fit into the grand scheme of our efforts to keep the Swan and Canning Rivers healthy?

**Dr G.G. JACOBS:** I will ask Mr Hughes to answer that.

**Mr R. Hughes:** I cannot give the member a direct proportion of contribution, but it is certainly a significant contribution. The reason that we are allocating money to Perth Region NRM is for it to focus on this. It goes more generally to the point that we take a catchment-to-coast approach, so rural sources and the hinterlands and the urban sector—parks and gardens and the small to medium-sized enterprises—are delivering nutrients as well. We do not have a licence to discharge industrial wastes into the river. Through this process we are looking at people who are perhaps not aware of their obligations under laws such as the Environmental Protection (Unauthorised Discharges) Regulations 2004, or who are being lax in their waste management. This process is about members of the Perth Region NRM going out in the first instance and talking to these people without adopting a regulatory approach. Members of this group ask these people whether they are aware of the sorts of things that they should be doing under the waste disposal practices that are available. If they come across bad behaviour or breaches of the law, they will be reported to local government in the first instant and then to the Department of Environment and Conservation.

**Mr J.E. McGRATH:** I have a further question.

**The CHAIRMAN:** Before the member for South Perth goes ahead, I will explain that the only member who can ask a further question is the member who asked the question in the first place. If other members wish to ask

Chairman; Mr Chris Tallentire; Dr Graham Jacobs; Mr Fran Logan; Mr David Templeman; Mr John McGrath

---

questions on the same issue, they need to get on to the speaking list and make a note if they want to go back. We can go back and forth; it is not a problem.

**Mr J.E. McGRATH:** Will the contamination coming from small and medium-sized enterprises be coming through stormwater drains or seepage into the groundwater?

**Dr G.G. JACOBS:** I will ask Mr Hughes to answer that question.

**Mr R. Hughes:** We are certainly aware of specific instances in which an individual operator might be taking advantage of a nearby stormwater drain and disposing waste directly into that drain. There would be other cases in which industries are disposing of waste into the soil, which, of course, will enter the groundwater. Again, that might be intercepted by nearby stormwater drains.

**Mr D.A. TEMPLEMAN:** Mr Chairman, can I ask a question? It relates to what we have been talking about.

**Mr F.M. LOGAN:** Can I briefly ask this question?

**The CHAIRMAN:** The member for Cockburn has the call and he can ask what he likes.

**Mr F.M. LOGAN:** I have two questions actually. One refers to the question the minister answered on oil spills.

**Mr D.A. TEMPLEMAN:** No, not that one. Have there been any prosecutions through the river protection notices; and, if so, how many?

**Mr F.M. LOGAN:** The act has been in place —

**Dr G.G. JACOBS:** Who is asking the question?

**Mr F.M. LOGAN:** I am asking the question. The act has been in place for two years. How many prosecutions have occurred?

[5.20 pm]

**Dr G.G. JACOBS:** I am advised that there was none.

**Mr F.M. LOGAN:** Okay. That got that out of the way.

**Mr D.A. TEMPLEMAN:** None? No prosecutions?

**Mr F.M. LOGAN:** No prosecutions. I will go on to the further question I was going to ask. I take the minister to the bottom of page 847 of the *Budget Statements* and to the major spending changes. I want to get an answer from the department. There is additional funding of \$1.75 million under the healthy rivers program for 2010–11, \$250 000 for the monitoring of and reporting on dolphins floating upside down off the lawns of the Nedlands council, and \$1.946 million for state natural resource management, but there is nothing in the out years. That is the money for this year. The Swan River Trust might not spend all those funds and might roll them over into the out years. The Swan–Canning river system is an important icon for Western Australia. The Swan River Trust talked in the *Budget Statements* about the pressures on the Swan River and the impacts on it, such as the 21 million-litre sewage spill earlier this year. Why have no funds been allocated in the budget after 2010–11 to look after and improve our icon, the Swan–Canning river system? There is funding for this year and nothing at all in the out years. There is no line item at all in the *Budget Statements* on any new moneys to be spent. Did the Swan River Trust put up any requests for new money; and, if so, why did it not get any? Is the Swan River Trust going to spend any extra money on the Swan River apart from the three items listed in the *Budget Statements*? For that healthy rivers program, will any of that money be spent on monitoring what happened with the 21 million-litre sewage spill into the Swan River?

**Dr G.G. JACOBS:** I do not think the member can ask the Swan River Trust whether it asked for some money; I do not think that is possible. I would say that the money into the out years is a matter —

**Mr F.M. LOGAN:** This is a committee; we can ask anything we like.

**Dr G.G. JACOBS:** It is a matter of policy for government. Mr Hughes cannot answer it, but I will. Money into the out years is a matter of government policy. There is the healthy rivers action plan. As the member has seen, there is an allocation of \$1.75 million under that item. There is some other money. The five-year, \$40 million plan was released in August 2008 with an aim to protect the environmental health and benefits of the Swan and Canning Rivers by improving water quality. There is also a proportion of the levy that the Burswood Park Board receives—we talked about this—which is expected to amount to \$3 million and which will be directed mainly towards this action plan for the river. Without trying to put responsibilities onto other jurisdictions, there are some other issues, such as an additional \$320 000 of funding from the federal government arising from the Caring for our Country fund. That is yet to be confirmed but it is very likely.

**Mr F.M. LOGAN:** That is not in here.

Chairman; Mr Chris Tallentire; Dr Graham Jacobs; Mr Fran Logan; Mr David Templeman; Mr John McGrath

---

**Dr G.G. JACOBS:** It is very likely. I am just giving the member an idea that this is not the beginning and the end of all the funding into the future for the river.

**Mr F.M. LOGAN:** Further to that question, there are two things I must put to the minister. The first is that this is Parliament. The minister will not dictate to Parliament on the questions that will be asked of departments. He is the minister and this committee can ask whatever question it sees fit on the *Budget Statements*. The minister should not come in here and think that he can tell us exactly what the department will and will not answer. I am asking the department why there is no new funding in budget paper No 3 for looking after the Swan River. The minister referred to possible streams of funding that may come from other sources. That is not what we are here to examine today. We are not interested in that at all today. We are seeking from the minister and the department the answer to why no new items were sought from Treasury that would form part of this budget paper. There is nothing in here. Secondly, was any money spent or will any money be spent out of the first line item—the healthy rivers program—on monitoring the impacts of the 21 million-litre sewage spill that occurred earlier this year?

**Dr G.G. JACOBS:** The member for Cockburn asked a direct question to the agency that I am representing; that is, did it make its request for moneys known?

**Mr F.M. LOGAN:** Yes.

**Dr G.G. JACOBS:** I believe that any requests for money come through the minister and are part of government policy. I take exception to the member directly asking the agency whether it asked for money.

**Mr F.M. LOGAN:** The minister should not dictate what Parliament can and cannot do. This is Parliament; it is not government.

**Dr G.G. JACOBS:** However, in deference to some of the questions —

**Mr F.M. LOGAN:** We can get this sorted out by the Procedure and Privileges Committee if the minister likes.

**Dr G.G. JACOBS:** — because I am keen that the member gets some information about funds going forward for that very important icon, the Swan River, I will ask Mr Hughes to make some comments about the funding for the Swan River moving forward.

**Mr R. Hughes:** I will start with the last part of the question on the impacts of the storm. The main impacts were particularly in the upper Canning but also the upper Swan, with the delivery of a massive amount of organic material into the river, which was added to by the sewage spill that occurred when the pump stations failed because of lack of power. We monitor the oxygen levels of the Canning River very closely, which was really the critical issue at that point. When all this organic material was delivered into the river, the oxygen levels crashed to very low levels. We monitor them on a weekly basis. In fact, we can monitor certain sections of the Canning River 24 hours a day. That is ongoing. As soon as that impact occurred and power could be restored to the two oxygenation plants that operate in the upper Canning, those plants were running at full capacity for 24 hours a day until the oxygen levels were restored to suitable levels. In terms of the ongoing impacts of that event, we are well and truly across that. Those key issues have returned to normal and we are still, of course, responding to the cycles of the river in terms of oxygen levels. Those plants are operated as needed.

**Mr F.M. LOGAN:** Mr Hughes just spoke about oxygen levels, but is the impact of the organic material that came into the river system being monitored as well? I am asking about the impact not just on the oxygen levels, but also of the 21 million litres of sewage that went into the water. That ends up all over the place. Is that being monitored?

**Mr R. Hughes:** One of the critical impacts, of course, of sewage entering the river is the delivery of pathogens and the suitability of the waterway for primary contact. The Department of Health takes responsibility for that. A certain number of days after that event, having done the monitoring to check the levels of pathogens, it reported that it was suitable for primary contact, so, yes, that has been dealt with. The Department of Health continues to monitor various key sites around the river and will report on whether they are unsuitable for primary contact, especially after storm events. I will make some further comments about the budget. To reinforce what the minister said, I note that the healthy rivers action plan is probably the critical vehicle by which we deliver funds for water quality of the river. That \$40 million action plan will continue to be rolled out in the years to come. The other thing that does not appear in the budget papers—I understand it is not a state budget delivery item to the trust—is \$2.5 million of new funding to the trust, on which we are finalising negotiations with the federal government, with \$320 000 appearing in the 2010 budget and the remainder appearing in the 2011–12 and 2012–13 financial year budgets. That will boost the capacity of the trust to continue to deliver those programs.

[5.30 pm]

**Mr F.M. LOGAN:** That does not answer the question; that is, beyond those three items, there is no new funding in these budget papers. I assume, then, that either the trust requested no new funding or the government just did

Chairman; Mr Chris Tallentire; Dr Graham Jacobs; Mr Fran Logan; Mr David Templeman; Mr John McGrath

---

not have any funding. The government does not just turn around in cabinet and say, "I know, the Swan River Trust needs some money; here, have it." A request goes through the budget request process and, obviously, there is no sign of that in these papers, or it was rejected and there is no new funding beyond the three that are there.

**Dr G.G. JACOBS:** The money is moving forward. The member can see that we have a heart for the health of the river, but moneys moving forward into the out years are part of the budgetary process.

**Mr F.M. LOGAN:** There is no new money allocated for the out years; that is the whole point.

**The appropriation was recommended.**