

Chair; Mr Tony Krsticevic; Mr A. Krsticevic;; Mrs Lisa O'Malley; Mr Reece Whitby; Mr Dean Nalder; Mr Chris Tallentire; Mr Shane Love

Division 13: Water and Environmental Regulation, Services 4 to 9, Environment \$84 894 000 —

Ms J.M. Freeman, Chair.

Mr R.R. Whitby, Parliamentary Secretary to the Minister for Environment.

Mr M. Rowe, Director General.

Mr M. Squires, Chief Finance Officer.

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

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

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

Mr. G. Gilbert, Executive Director, Corporate Services.

Mr A. Sutton, Executive Director, Environmental Protection Authority Services.

Ms K. Faulkner, Executive Director, Regulatory Services, Environment.

Dr S. Meredith, Senior Policy Adviser.

[Witnesses introduced.]

The CHAIR: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day.

It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall only be examined in relation to their portfolio responsibilities.

The minister, in this case the parliamentary secretary, may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the parliamentary secretary to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the parliamentary secretary's cooperation in ensuring that it is delivered to the principal clerk by Friday, 29 September 2017. 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 through the online questions system.

The first question goes to the member for Carine.

Mr A. KRSTICEVIC: At page 218 of budget paper No 2, under the heading "Significant Issues Impacting the Agency", \$1.7 million is allocated for the container deposit scheme. I could not find where in the budget that is specifically listed in dollars and cents. Where is that buried? Is that buried somewhere in the budget or will that be money that will be allocated in future budgets?

Mr R.R. WHITBY: I refer the member to chief financial officer, Matt Squires, who can point us in that direction.

Mr M. Squires: The container deposit scheme was approved before the *Pre-election Financial Projections Statement*, which is why it does not show up in the main spending changes table. The member will find its inclusion within the services for waste reduction strategies.

Mr A. KRSTICEVIC: In what year is that shown in the budget? Is that for this financial year?

[4.40 pm]

Mr M. Squires: That is correct. It is over three years, starting from the last financial year into this one and the next.

Mr A. KRSTICEVIC: All right, thank you.

Mrs L.M. O'MALLEY: I refer to the first dot point on page 218 of volume 1 of the *Budget Statements*. Can the parliamentary secretary please provide details on the progress that has been made in establishing a one-stop shop for environmental and water applications?

Mr R.R. WHITBY: Thank you, member. The government is now allowing greater alignment, if you like, in terms of what is happening in the two agencies within its control to create a one-stop shop. It is an ability to make it easier for developers and others to seek assistance and streamline the process. Currently, measures being taken by the Department of Water and Environmental Regulation include a single point of access for the submission of

Chair; Mr Tony Krsticevic; Mr A. Krsticevic;; Mrs Lisa O'Malley; Mr Reece Whitby; Mr Dean Nalder; Mr Chris Tallentire; Mr Shane Love

applications through the department's website, which will be welcomed. A senior officers' coordination group will identify and manage more applications involving multiple approvals to ensure that there is a more coordinated approach. The department will also continue to discuss with key stakeholders the move over the long term towards more measures under the one-stop shop model, including changes to the department's information technology systems to track all applications and policy changes to provide a more consistent approach. We are already seeing some of the benefits of this approach. Delays in the processing of a series of major irrigation for agriculture applications in the north have been cleared, and there is a proposal-centric approach to concentrate on what the applicants are putting forward and to deal with it. It is also a more joined-up view of legislative reform, with a single agency having input into possible future legislative changes or amendments. Generally, the changes have come out of the machinery-of-government review. We have similar partners that can align their interests and core processes together to get a better outcome.

Mr D.C. NALDER: I refer to the sixth dot point on page 218 that makes reference to ensuring that waste, water and environmental issues and opportunities for innovative approaches are considered as part of the planning for infrastructure initiatives such as Metronet. What work does the department expect to undertake for the Metronet project and can the parliamentary secretary provide any specific examples, known or expected, of water issues associated with Metronet?

Mr R.R. WHITBY: I would like to seek the director general's contribution on this.

Mr M. Rowe: Thank you very much, parliamentary secretary. The Metronet task force, which has been established by the government to oversee the program, includes a number of subcommittees. One relates to steering the precinct design process. Cabinet has approved my appointment to that group to ensure that up-front consideration to the design and rollout of Metronet takes into account the opportunities to improve the waterwise design of things like the stations themselves but probably, and more importantly, the liveability of the urban areas that will grow around the station hubs. The government's intention is that up-front, serious and earnest consideration is given to how to maximise the benefits of Metronet in achieving increases in waterwise and water-sensitive urban design throughout the delivery of the Metronet project. In terms of specific opportunities that we have had, my department, in an advisory sense, will be able to provide advice about the design of things like train stations themselves to ensure that they use contemporary best practice approaches to not only how water can be saved in their construction, but also the way in which water moves through the landscape. From my perspective, it is an excellent opportunity for us to be involved at the very start of this process. In addition, it has been agreed that tender documentation will be referred to us as a draft for comment to ensure again that we are trying to maximise the benefit for both water-sensitive urban design outcomes as well as good environmental outcomes. The current Minister for Environment has prioritised waste as a significant issue that he wants to focus on during this term. Again, we will look to minimise the waste that is generated as a result of the Metronet exercise and maximise the use of recycled material wherever we can through construction and effort, which is part of our department's contribution in an advisory sense to that process.

Mr D.C. NALDER: What funding has been provided to the department to fulfil these obligations that it is undertaking as part of the Metronet project?

Mr R.R. WHITBY: I defer to the director general.

Mr M. Rowe: No additional funding has been provided to the department at this time. We are able to absorb that advisory capacity through the existing activity that we do. One of our functions as a department already is to provide a lot of advice, particularly to local governments about their subdivisions and other proposals that come before us. We try to ensure that good water-sensitive urban design outcomes are already in that process. These obligations are in addition to what we already do through the local government process. We have not been given additional resources and I do not think that we will require it. We will be able to absorb that through our existing resources.

[4.50 pm]

Mr D.C. NALDER: Just for clarification, am I being told that there is excess capacity within the department at the moment to absorb the additional work?

The CHAIR: What was the question? That was a statement.

Mr D.C. NALDER: No. I am just confirming, because —

The CHAIR: So you are making —

Mr D.C. NALDER: The question is: is there currently excess capacity within the department to fund that if it can absorb this additional work?

Mr R.R. WHITBY: Mr Director General.

Chair; Mr Tony Krsticevic; Mr A. Krsticevic;; Mrs Lisa O'Malley; Mr Reece Whitby; Mr Dean Nalder; Mr Chris Tallentire; Mr Shane Love

Mr M. Rowe: I would not describe it as excess capacity. I would describe it as our ability to prioritise our involvement in a very significant government priority to ensure that the government's expectations are met. We will do our best to ensure that we also continue to meet our key performance indicators of timeliness of advice for other people who refer to us through an advisory process.

The CHAIR: Member for Thornlie.

Mr C.J. TALLENTIRE: I heard the member for Carine's interest in container deposit schemes, and that is the subject to which I refer, specifically at the second dot point on page 218 of budget paper No 2. Could the parliamentary secretary tell us, please, why the government is introducing a container deposit scheme, and also why it will take until early 2019 for this scheme to commence?

The CHAIR: Make it quick. Parliamentary secretary.

Mr R.R. WHITBY: Sorry, member, the question in direct terms was?

Mr C.J. TALLENTIRE: Why do we need a container deposit scheme, and why will it take until early 2019 for that scheme to commence?

Mr R.R. WHITBY: I thank the member for the question. This is a development that I think even the previous government acknowledged is positive and should happen. Indeed, the current government also agrees that that is the case. Other jurisdictions have already acted, and other jurisdictions are probably likely to act. It has probably reached a tipping point in Australia. It has to be done because even the bottlers—the major producers of containers—have recognised that they have to prepare for this. We as a state want to make sure we do this correctly. In respect of the time frame—sorry; I am getting confused with another progressive act in terms of plastic bags!—we are looking at an introduction in January next year. Sorry; I am all over the shop here at the moment. I do not know what it is with this. It will be early 2019; we are doing so many progressive things that there are a lot of start dates to try to remember. Obviously, 2018 will be taken up with the consultation on how this will work, and early 2019 is the date.

The CHAIR: Thank you, parliamentary secretary. Member for Moore.

Mr R.S. LOVE: Goodness me, I am asleep!

The CHAIR: Member for Carine. I will come back to the member for Moore.

Mr R.S. LOVE: No, no —

Mr A. KRSTICEVIC: Thank you. I refer to the third dot point on page 218. Another progressive thing the government is doing is reviewing the waste levy policy and the waste avoidance and resource recovery account. Can the parliamentary secretary please tell me what that review entails, why the government is reviewing it and what it hopes to get out of that review?

Mr R.R. WHITBY: Certainly, member. On this matter I would like to refer the member to Ms McEvoy for a detailed response.

Ms S. McEvoy: I thank the parliamentary secretary. The government and department identified a number of opportunities for improving waste reform. They include improvements to the waste levy framework. To that end, we currently have a discussion paper out for public consultation. The waste levy policy is really around the effectiveness of the waste levy in acting as an incentive to divert waste from landfill.

The CHAIR: Member for Bicton, have you a further question to this?

Mr A. KRSTICEVIC: No, she has not finished yet.

The CHAIR: Is there a further question from the member for —

Mr A. KRSTICEVIC: No, not a further question just yet. I am saying that the adviser has not finished. I am struggling to hear.

The CHAIR: I am sorry. Ms McEvoy, you just need to speak up or put the speaker down towards you.

Ms S. McEvoy: In terms of the discussion paper, that is open until late October. The discussion paper includes a number of recommendations around the waste levy and the framework for the waste levy, including where it applies and how the levy is collected. We are also looking at the operations of the waste avoidance and resource recovery account, which receives at least 25 per cent of the waste levy each year and is used for a range of waste programs administered by the Waste Authority. We expect to provide advice to government later this year.

Mr A. KRSTICEVIC: I have a further question. Is the government looking to increase the waste levy as a part of this review?

Chair; Mr Tony Krsticevic; Mr A. Krsticevic;; Mrs Lisa O'Malley; Mr Reece Whitby; Mr Dean Nalder; Mr Chris Tallentire; Mr Shane Love

Ms S. McEvoy: There is no decision on whether or not we will increase the levy. That would be part of the discussion and the policy advice in terms of economic analysis.

Mr A. KRSTICEVIC: Basically, it could happen as part of the review?

Ms S. McEvoy: There has been no decision as yet.

Mr R.S. LOVE: I have a further question. In regard to the waste levy, can the parliamentary secretary guarantee that there will be no move to include regional communities in the levy calculations?

Mr R.R. WHITBY: Ms McEvoy, please.

Ms S. McEvoy: The waste levy application is, again, another matter that will be considered during the review. As yet there are no decisions on the application of the waste levy to particular regions.

The CHAIR: Member for Moore, do you have a separate question?

Mr R.S. LOVE: I do have a separate question. I refer to service 9, “Compliance Monitoring Services to the Minister for Environment” on page 226 of budget paper No 2. Why has the average cost per environmental audit risen so steeply since 2015, from \$29 000 to \$39 000 in 2017–18? What does that figure represent?

Mr R.R. WHITBY: Sorry, member. Is the member talking about the table at the top of the page?

Mr R.S. LOVE: I am talking about the compliance monitoring services to the Minister for Environment on page 226, the heading “Efficiency Indicator” and the line item “Average Cost per Environmental Audit Completed”.

Mr R.R. WHITBY: Member, compliance monitoring is managed through a structured annual compliance management program that sets out the number of audits to be undertaken using a priority matrix that identifies the ministerial statements to be audited. The process for working that out involves dividing the total cost allocated to the compliance monitoring service by the total number of audits, not including desktop scans, concluded during the period. I will give the member an example. The total cost of environmental audits in the 2016–17 budget was \$2 032 000, and that averaged out to a cost of \$33 875. The budget target for 2017–18 is a total of \$2 390 765 for an average cost of \$39 846. That is where the increase comes from.

Mr R.S. LOVE: I have a further question. I can see that in the figures. I am asking why that has gone up so steeply from \$33 800 in 2016–17 to \$39 836 per audit. I am not talking about the total number of audits or the fact that more are being completed. Why has the cost increased so dramatically?

Mr R.R. WHITBY: I will request the director general to make a contribution there.

Mr M. Rowe: The way that efficiency indicators are constructed is to apportion the totality of costs for the organisation across all the efficiency indicators. Every efficiency indicator has to find a dollar, or the other way around—whichever way we look at it. In relation to this indicator, I suspect it is more a case of the overheads having to be apportioned differently as a result of three separate agencies coming together. In a sense, the comparative figures in the years before would have related only to the cost associated with the Office of the Environmental Protection Authority. Now that the office is part of a larger department, there is a different apportionment of overhead costs to that service. That, I suspect, is probably more the explanation to do with the increase in costs. That may not necessarily reflect a comparatively different cost on an actual basis with the previous years; it is probably more to do with the way that overheads have been allocated across the totality of the nine services of the combined agency.

The CHAIR: Member for Bicton.

Mrs L.M. O'MALLEY: I just wonder whether we can back up the truck a little because I missed the supplementary question I had earlier. I refer to the third dot point on page 218 of budget paper No 2. I am curious about the strategies undertaken to improve the waste levy regime in Western Australia to ensure that it operates to encourage recycling, recovery and diversion of waste from landfill.

[5.00 pm]

Mr R.R. WHITBY: The waste levy is the key economic policy lever under the Western Australian waste strategy. It has been in place since 2012 and it is being reviewed and revised to improve its effectiveness. The Waste Authority is coordinating the revision of the strategy and it will provide an opportunity for government, industry and the community to reflect on achievements to date and identify opportunities to achieve more. It is a vision with a set of well-defined priorities and clarity of goals that reflect the responsibilities of government, industry and community working together. That is the background to the consultation process. It will start later this year and it will be implemented under the Waste Avoidance and Resource Recovery Act 2007. The

Chair; Mr Tony Krsticevic; Mr A. Krsticevic;; Mrs Lisa O'Malley; Mr Reece Whitby; Mr Dean Nalder; Mr Chris Tallentire; Mr Shane Love

Department of Water and Environmental Regulation has identified opportunities to improve the waste levy framework and the environmental protection regime as these apply to waste generation, storage and disposal. The department has published a discussion paper that canvasses recommendations and public submissions on this discussion paper will close on 16 November 2017. A review of the government's waste levy and the operations of the waste avoidance recovery account is also ongoing.

[Mr I.C. Blayney took the chair.]

Mr D.C. NALDER: I refer to the voluntary targeted separation scheme on page 6 of budget paper No 3. With specific reference to the Department of Water and Environmental Regulation, has any offer been put out to staff to seek expressions of interest for voluntary separation at this point in time? If so, did it target any specific groups or is it an open invitation?

Mr R.R. WHITBY: I do not know the specifics of that. I will refer the member to the director general.

Mr M. Rowe: No. We have not yet made an offer. We are still considering the nature of the offer that we might make to staff.

Mr D.C. NALDER: Has the department done any analysis on anticipated reductions in full-time equivalent positions in its department through the VTSS?

Mr M. Rowe: No, it has not specifically in relation to the application of the voluntary target separation scheme.

Mr D.C. NALDER: I was not referring to its application; I was referring to financials around the number of FTE that the department will reduce as part of this program. Has work been undertaken to determine how far it needs to shrink as part of this scheme?

Mr M. Rowe: We have done some very initial thinking at this stage. We will be working closely with Treasury to think about the implications of the scheme relative to our general budget position before we make an offer to staff.

Mr D.C. NALDER: Can we please get an understanding of the anticipated reduction in FTE that the department will see through this program?

Mr M. Rowe: I am not in a position to answer that question. I do not yet have clarity on the answer, I am sorry; there is still more work to be done.

Mr D.C. NALDER: Can that be provided as supplementary information?

Mr R.R. WHITBY: Member, I think it will be very difficult to get a meaningful response in the time allowed for a supplementary question.

Mr D.C. NALDER: I can take it as a question on notice.

Mr R.R. WHITBY: We are happy to answer a question on notice.

Mr D.C. NALDER: I will put it as a question on notice.

Mr A. KRSTICEVIC: I refer to the discussion we had about the second dot point on page 280 and the container deposit scheme. I do not know whether this is the right time to mention it, but the parliamentary secretary mentioned the plastic bag scheme that the government is introducing. Is it okay for me to ask a question about that?

Mr R.R. WHITBY: Yes.

Mr A. KRSTICEVIC: The plastic bag scheme will obviously have to go through a regulation review unit when it comes through. Firstly, is that happening? Secondly, is the department considering the impact the plastic bag scheme will have on people who buy bin liners? We know that most people use plastic bags to stick in their bins and they put their rubbish in there. Those bags are partially biodegradable. If people no longer have plastic bags to stick in their bins, Coles and Woolies will obviously sell a lot more plastic bin liners, which are not biodegradable. Has that been considered as part of this review process?

Mr R.R. WHITBY: Thanks, member. Obviously, the ban does not include bin liners; the member is aware of that. I will refer the member to Sarah McEvoy to see what thoughts the department has about bin liners.

Ms S. McEvoy: Research in some other jurisdictions and overseas has shown that there is a reduction in the use of bin liners over time. As the parliamentary secretary said, there is no intention to ban bin liners. We have had very preliminary discussions with the regulatory gatekeeping unit, but as we develop the options and the discussion paper it will be part of the development of the scheme. We are looking to align the scope and nature of the plastic bag ban with those that occur in other jurisdictions across Australia—South Australia has one in place, as do Tasmania and the Northern Territory. With the same timing as Western Australia, Queensland is currently implementing its own plastic bag ban, so we will be using the benefit of the information in those jurisdictions to design the scheme.

Chair; Mr Tony Krsticevic; Mr A. Krsticevic;; Mrs Lisa O'Malley; Mr Reece Whitby; Mr Dean Nalder; Mr Chris Tallentire; Mr Shane Love

Mr A. KRSTICEVIC: I know research in other jurisdictions was mentioned regarding bin liners, but I am not sure how the government will be able to move people away from using bin liners on the day it bans plastic bags. Bin liners are not biodegradable at all, and they will create a lot more profit for the Coles and Woolies of the world, which will be able to sell more bin liners since they are not giving away plastic bags anymore. How can the government guarantee that this will have a positive environmental impact and that there will be fewer bin liners? Will the department monitor whether the sale of bin liners increases in proportion to the number of plastic bags that are not being distributed?

Mr R.R. WHITBY: As Ms McEvoy said, other jurisdictions have seen fewer sales of bin liners as a result of this change. We will monitor it but I do not necessarily think it will result in an upswing of bin liner sales. I think people will be encouraged to change the ways they operate and behave. In my own experience, people have expressed a preparedness to use reusable bags to go to the shop and I think all the major supermarkets have said they are prepared for this change and will have alternative bags that can be used many times. I understand what the member is saying but I do not think it will be the issue that he fears.

Mr A. KRSTICEVIC: Parliamentary secretary, do you use plastic bags as bin liners? If not, what do you use?

Mr R.R. WHITBY: I will be quite open and honest with the member; I am one of the worst offenders with those little grey bags. I do not tend to use them as bin liners but I do pick them up from the shops. I guess when the change comes, people will change their ways. At the moment I am an offender who will pick up half a dozen grey bags on the way home when my wife rings me to get groceries from the shops, as we all do. I think the encouragement of the law will see us put reusable bags in the back of our cars and we will do the right thing.

[5.10 pm]

Mr C.J. TALLENTIRE: My question relates to the Burrup rock art strategy. I refer to page 218 and the eleventh paragraph under “Significant Issues Impacting the Agency”. Burrup Peninsula is a site of internationally significant Aboriginal rock art dating back thousands of years. The Department of Water and Environmental Regulation oversees the monitoring of the Burrup Peninsula rock art to protect it from the impact of industrial emissions. Can the parliamentary secretary please advise what actions the government is taking to protect rock art on the peninsula?

Mr R.R. WHITBY: The member is right; it is an invaluable asset to the state and we are concerned about protecting that for the future. The Labor government is committed to protecting the rock art for future generations. Since 2004, it has been subject to a program of monitoring conducted by the CSIRO to ensure that any necessary management of responses is timely effected to protect the rock art. The draft Burrup rock art strategy provides a long-term framework to guide the monitoring and protection of the rock art. The department is collaborating with the local Aboriginal communities and a strategy has been put out for public comment. The strategy includes future directions for monitoring and how that can be improved. It also proposes additional studies to determine the causes and the conditions that may result in the deterioration of that rock art. The strategy will ensure that scientific studies are rigorous and that the best scientific information is available. We want to be sure about the impact on the art and whether it is deteriorating and what needs to be done to protect it into the future.

The appropriation was recommended.