

Chairman; Mr Dave Kelly; Mr Terry Redman; Mr Fran Logan; Ms Janine Freeman; Mr Sean L'Estrange; Mr Frank Alban; Ms Mia Davies; Mr Chris Tallentire

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**Division 42: Water, \$77 877 000 —**

Mr N.W. Morton, Chairman.

Mr D.T. Redman, Minister for Water.

Ms M.K. De Lacey, Director General.

Mr P. Brown, Executive Director, Regional Delivery and Regulation.

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

Mr T. Bagdon, Executive Director, Policy and Innovation.

Mr G.R. Nordsvan, Manager, Financial Services.

Ms V. McAllister, Principal Policy Officer, Office of the Minister for Water.

**The CHAIRMAN:** This estimates committee will be reported by Hansard staff. The daily proof *Hansard* will be published at 9.00 am tomorrow.

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. It will greatly assist Hansard if members can give these details in preface to their question.

The minister 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 minister 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 minister's cooperation in ensuring that it is delivered to the committee clerk by Friday, 30 August 2013. 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.

I now ask the minister to introduce his advisers to the committee.

[Witnesses introduced.]

**The CHAIRMAN:** I call the member for Bassendean.

**Mr D.J. KELLY:** I refer the minister to the heading "Spending Changes" on page 517, in particular the line item "Organisation Reform and Efficiency". I note that there are savings in excess of \$7 million across the four years of the budget papers. How does the department intend to achieve those savings? What jobs or programs will be cut in order to achieve savings of that magnitude?

**Mr D.T. REDMAN:** I thank the member for the question. The member will note that the figures shown in the forward estimates are the same as the figures in the out years. The reason for that is that those savings have already been delivered. Those savings were gained from FTE reductions from 2011. The transfer of recurrent funding to capital was 50 per cent of the salaries from that reduction of 31.5 FTEs. Those savings have already been made from 2011. What we are seeing in the forward estimates is simply those savings projected out each year.

**Mr D.J. KELLY:** Are there no new changes in that line item?

**Mr D.T. REDMAN:** There is no new FTE reduction in there but there is a transfer of the savings that Water Corp was able to harvest out of that into some IT work that is happening around the department, which I am sure I will tell the committee about in a second.

**Mr F.M. LOGAN:** Further to that question, the minister just indicated that there will be no FTE losses. Can the minister explain why on page 520 the number of full-time employees goes down from the 2011–12 actual of 167 to the current budget target for this financial year of 137, and it is even dropping from the last financial estimated actual of 144 to 137? How does that tally with the minister saying there are no FTE losses?

**Mr D.T. REDMAN:** I was specifically asked a question about organisational reform and efficiency. Therefore, my response was that under that program, efficiencies that were derived out of 2011 have already been booked. The reason it is under "Spending Changes" is that there is a shifting from recurrent to capital to deal with other investments that the harvested savings will be made in. The member's question goes beyond that particular line item. There are other reasons why there are changes.

**Mr F.M. LOGAN:** With respect, it did not. The figures I quoted were not just for this financial year. The minister is telling the house that it is about programs that have been implemented.

**Extract from Hansard**

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**Mr D.T. REDMAN:** As a point of clarification, the question that the member asked related to FTE changes in the Department of Water. He said “further to that question”. His question was referenced to the question that the member for Bassendean asked and my response to that question.

**Mr F.M. LOGAN:** Correct. The minister’s answer to that question —

**The CHAIRMAN:** Member, there is plenty of time for you to ask another question.

**Mr F.M. LOGAN:** I am simply asking for clarification. The minister told the committee that the program the member for Bassendean referred to has been implemented. I took the minister to FTE figures that have been implemented—FTE losses that the minister said did not occur in that financial year he referred to. How do the minister’s two comments relate to each other? He told the committee that there were not FTE losses. Clearly, there have been job losses in that particular financial year in that program that have been implemented. I just want him to clarify that for the committee.

**Mr D.T. REDMAN:** The short answer is: absolutely. I think I made a comment in my response to the member for Bassendean that 31.5 FTEs were reduced as a product of that particular program that the member is talking about under “Organisation Reform and Efficiency”. That is a fact. That has already been booked as a saving. That has already happened.

**Mr F.M. LOGAN:** I just wanted the minister to clarify that for the record.

**Mr D.T. REDMAN:** I am sorry for the misunderstanding.

**Ms J.M. FREEMAN:** I refer to “Program Rationalisation” under the spending changes on page 517. There are significant cuts in the budget—\$8 million worth of cuts planned over four years. What is the minister cutting in the budget? What measures have been identified that will no longer be delivered to the community? How will that be phased in? From what sections will these cuts come from in terms of FTEs or delivery of services? Could the minister tell us what “program rationalisation” means while he is there? It then goes into sections of different urban management and water use allocation optimisation and catchment waterways. That probably relates to the confusion that occurred with the member for Cockburn. These catch-all phrases are used but they do not relate to anything that I can see in any other part of the budget.

**Mr D.T. REDMAN:** I thank the member for the question. Under the line item “Program Rationalisation”, all agencies—the Department of Water is no exception—have been making every effort to find programs within agencies to help book savings to manage what is a fairly challenging budget environment. We have identified some program savings. In some cases they are not stopping programs reducing some of the capacity within those areas or stopping duplication where that duplication has occurred. The area that we have determined to look at those is the area of corporate strategy and reform.

**Ms J.M. FREEMAN:** What are you doing in corporate strategy and reform?

**Mr D.T. REDMAN:** We are going to reduce the number of staff in that directorate by seven. It currently has an FTE of 80. There has been some duplication of servicing in the area of regulation of garden bore restrictions. The Water Corporation is going to pick up that function, given that it has people in the field.

**Ms J.M. FREEMAN:** Is the minister getting rid of that function altogether?

**Mr D.T. REDMAN:** All of government is not.

**Ms J.M. FREEMAN:** I understand that all of government is not. Is the minister saying that the department will no longer be responsible for regulation of garden bores?

**Mr D.T. REDMAN:** This is about the fines. It is not about regulating the use of garden bores and the extraction issues. We are talking about people who are in breach of the rules. The Water Corporation has people on the ground who put effort into that anyway. As a result of negotiations with the Water Corporation, it will pick up those services of compliance around garden bore use.

**Ms J.M. FREEMAN:** How many FTEs is that?

**Mr D.T. REDMAN:** It is not an FTE. The Department of Water was contracting Water Corp for that. Water Corp is now going to pick that up.

**Ms J.M. FREEMAN:** How much money is in that?

**Mr D.T. REDMAN:** It is \$150 000.

**Ms J.M. FREEMAN:** That is not really anything great towards the \$8 million that we are looking at.

**Mr D.T. REDMAN:** Member, if you look after your pennies, the pounds will look after themselves.

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The next one is two FTEs in the innovation branch.

**Ms J.M. FREEMAN:** What do they do in the innovation branch?

[10.15 am]

**Mr D.T. REDMAN:** Presently, they facilitate and coordinate the development of policy in the generation, development and delivery of innovation in the water management sector. It has been identified that other areas in the Department of Water pick up some of that role, hence from the point of view of duplication, it was seen that that was some low-hanging fruit.

**Ms J.M. FREEMAN:** Will that innovation branch be gone altogether? Will there not be an innovation branch any longer? Was the number of two FTEs the complete FTE number?

**Ms M.K. De Lacey:** It is only two people within a directorate. But there is already a function within the agency that does that, so it was an area in which we identified that we could reduce those two people without impacting on the program.

**Ms J.M. FREEMAN:** What else has gone?

**Mr D.T. REDMAN:** We are going to reduce the capital side of water measurement collection, so it is not taking away the service, as I understand it.

**Ms J.M. FREEMAN:** Are we again looking at around \$150 000 or something?

**Mr D.T. REDMAN:** The total saving is about \$1 million in that area.

**Ms J.M. FREEMAN:** It is \$1 million there. Can we get that as supplementary information, because it looks like a long list of little things?

**Mr D.T. REDMAN:** I am happy to provide supplementary information to identify that.

**Ms J.M. FREEMAN:** In that supplementary information, can the minister clarify for me whether the "Premier's Water Foundation" is one of the things that has been cut in this budget?

**Mr D.T. REDMAN:** It is not under the reference that the member is talking about.

**Ms J.M. FREEMAN:** Okay, but it has been cut in a different section.

**Mr D.T. REDMAN:** Can I just give clarification of what I am going to provide?

**Ms J.M. FREEMAN:** Yes.

**Mr D.T. REDMAN:** The member asked me to provide detail on the "Program Rationalisation" line item on page 517. I have already clarified some of that. We will undertake to provide that information.

**Ms J.M. FREEMAN:** Does that include FTEs?

**Mr D.T. REDMAN:** Yes.

**Ms J.M. FREEMAN:** And amounts?

**Mr D.T. REDMAN:** Yes, because the amounts are booked in the budget papers; the member can see the total amounts there.

**Ms J.M. FREEMAN:** I can see the total but I cannot see the amounts for each section.

[*Supplementary Information No B3.*]

**Mr D.T. REDMAN:** I make the additional point that there are budget challenges across the whole of government, as the member well knows. The member would have read the budget aggregates. In response to that there have been efficiency dividends in the past. There are caps on the growth of staffing and all agencies have had to look at programs that we are able to manage within the agencies because either they are not critical services or a level of duplication occurs in some cases between agencies or within directorates. So every effort has been made to protect the core business of the agencies such that all the wheels do not fall off. The Department of Water has done its bit to make a contribution and that is the summation of this.

**Mr S.K. L'ESTRANGE:** I refer to page 518 and 519 of the *Budget Statements*, which outline significant issues impacting the agency, and specifically to the fourth dot point on page 519 concerning the Water Services Act 2012. Can the minister please provide an update on the status of this legislation and what benefits or charges we will see in the coming year?

**Mr D.T. REDMAN:** I thank the member for Churchlands for the question. As I am sure the member and others are well aware, the Water Services Bill 2012 and also the Water Services Legislation Amendment and Repeal

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Bill 2012 were introduced by Minister Marmion in his term as the Minister for Water. That legislation is now effectively in place, but I think there might be a little regulatory work still to do on that. When the act commences in a couple of months, it will cut red tape and enable more competition in the water services industry. Bear in mind that a number of groups, such as Aqwest and Busselton Water, have very defined areas of operation, so it will allow them to compete in some of the market and also make sure that standards are maintained across Western Australia. Existing utilities, such as Aqwest and Busselton Water, will be able to provide a wider range of services, interestingly, including sewerage and drainage. Some of the barriers that prevent them from providing those services outside their current regional area will be removed, which will add some competition to the marketplace. I know that those two water boards are enthusiastic to look at what opportunities that might present; in fact, they supply some of the cheapest water, I think, in the state, so members can see why the locals might be pretty keen to keep that model in place.

Another interesting product of this legislative change is some new customer protection systems in the water service industry around a water services ombudsman's office. That will be established under the act and is expected to be in operation on 1 January. Part of the establishment of the water services ombudsman involves getting a water services customer code, which I think was published on 26 July this year, that will take effect when the act is proclaimed. The code prescribes minimum service standards and requirements for the delivery of water services and applies to the provision of water supply, sewerage, irrigation and drainage services. I think that act has made contemporary some of the clunky legislation we have had in the past. It will open up the market and take away some red tape. The Liberal-National government has gone to a lot of effort to try to reduce red tape. It is a global statement to make; sometimes it is difficult to drill down and find exactly what we can do to open that up. This is an example of that and I think it will be well received. There was some notion a little while ago that there was a commitment to have the water services ombudsman in place before 1 January next year. That was never ever a public statement. The intention is to start by that time and there is a bit of work to do between now and then. That is probably the most significant piece of recent legislation. We are now working on some water management legislation to support some of the National Water Initiative reforms, and that will be fairly comprehensive.

**Mr F.A. ALBAN:** I refer to page 519 of the *Budget Statements* and the third dot point regarding stormwater reuse. I am particularly interested in this since I recently visited Ballarat, Victoria, where the very important Lake Wendouree had been dry for some years. It was the scene of the 1956 Olympics and very successful stormwater reuse has refilled the lake. I am looking for opportunities in my own electorate, perhaps Lake Fresca in Ellenbrook, so can the minister provide an overview of the work being done in this area of stormwater reuse and outline the benefits? I am pretty well aware of them anyway, because I have seen it firsthand, of course, but everyone else may not be aware of them.

**Mr D.T. REDMAN:** I am pleased that the member is taking a very active interest in this and I thank him for the question. I think it follows on nicely from the question around managed aquifer recharge that the member asked in the previous division because, in essence, a lot of rainfall in our populated areas infiltrates and replenishes the groundwater aquifers. If we can find strategies to encourage that through water-sensitive urban design or in fact store stormwater under the managed aquifer recharge process, we can make significant water savings in this state. The stormwater managed aquifer recharge scheme directly increases the volume of water in an aquifer by pumping in stormwater or enhancing stormwater infiltration. That water can be stored for later use. It is a difficult concept sometimes to understand because we talk about water storage in tanks or dams; we do not often talk about water storage in aquifers. If we can demonstrate that we are putting or encouraging water back into an aquifer, we can measure that, understand it and then actually use it later.

Down to a very localised level, which was the premise of the member's question, if we can identify suitable aquifers to store stormwater, understand and identify strategies to ensure that there is infiltration into those aquifers and the water does not evaporate but stays there, it becomes an opportunity for us to manage issues around public open spaces and so on. In recent times, the Department of Water has provided some policy positions and guidance around this, particularly "Operational policy 1.01 — Managed aquifer recharge in Western Australia" and the "Stormwater Management Manual for Western Australia", and produced guidelines for the approval of non-drinking water systems in Western Australian urban developments. Therefore, work has been done around policy settings and guidelines to encourage local governments in particular to look at these opportunities. I note that the City of Greater Geraldton has a stormwater harvesting project that is funded by the city and the commonwealth government. The Department of Water is playing a supportive role in the technical support needed to prove up and demonstrate that we can utilise such a process. The city is looking at reuse of that water for irrigation in its parks and gardens. The hydrological investigation into the potential for redirecting winter drain flow to manage aquifer recharge at Hartfield Park, Kalamunda, has been completed. That is another project around utilising additional water, in that case for playing fields and sporting assets. The Nambelup managed aquifer recharge is at the pre-feasibility stage, and funding is sought to undertake a feasibility

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assessment of managed aquifer recharge. One of the questions I was asked at the recent Local Government Week was on exactly this issue. If an enthusiastic local government wants to utilise these opportunities, get the latest technical information and prove up a business case that helps its bottom line to ensure that it can manage water for public open spaces and all those issues that it sees as valuable, we are going to try to be right behind them. I think that is really important. If the member wants to take the message back to any of his local governments that it is something that I am going to listen to as the minister, he can be assured that I will.

**Mr D.J. KELLY:** I refer to “Spending Changes” on page 517, specifically the line item, “Public Sector Workforce Reform”. Almost \$12 million in savings has been identified across the forward estimates. Can the minister give us details of how those savings will be achieved and, in particular, whether there will be any FTE losses in that process?

**Mr D.T. REDMAN:** The Treasurer and Treasury have effectively issued a salary cap for all agencies. Therefore, all agencies are now under a salary cap that basically realigns salary costs in the 2013–14 budget with budgeted 2012–13 salaries, post the corrective measures that were put in place. That salary cap is the figure that the Department of Water will now use. The cap is being imposed to say, “You need to stay under this” and includes 2.5 per cent consumer price index into the out years. The Department of Water will be required to stay under that graded salary cap, taking into account 2.5 per cent CPI. The strategy used to achieve that will be the voluntary redundancy program. The Premier and the Treasurer have articulated that a voluntary redundancy program is in place. I am sure that questions will be asked in other areas around that. We are now determining the level of interest in a voluntary redundancy program across all agencies of government. There has been a significant response to that, so I do not think government will have any issues in the level of interest in a voluntary redundancy program. Of course, inherent in that is that it is a voluntary redundancy and the agencies will need to make judgements about which areas they are prepared to allow voluntary redundancy to happen in. Those decisions are still being made, so what I cannot say now is exactly the impact of that and where, but I can say that the Department of Water is required, like any other agency, to operate within that salary cap and the voluntary redundancy program will achieve that end.

**Mr D.J. KELLY:** The savings identified are almost \$12 million. Is the minister saying that the department will save \$12 million through the salary cap and the voluntary redundancy scheme? That to me does not seem plausible. The original question was: what are the changes that the department will make to deliver that \$12 million in savings? The minister identified the salary cap and the voluntary redundancies; what else will the department do?

**Mr D.T. REDMAN:** I ask Glenn to respond to that, because there are some technical aspects about the out years that he will need to respond to.

**Mr G.R. Nordsvan:** In terms of the last two out years, the original salaries prior to that adjustment down related to when our FTE cap was substantially higher than it is at the moment. I have an exact figure here somewhere.

**Mr D.T. REDMAN:** Just while Glenn is getting that information, it is my understanding that the impact of that public sector reform will be about 16 FTE.

[10.30 am]

**Mr D.J. KELLY:** Is that a reduction of FTE?

**Mr G.R. Nordsvan:** When the 2015–16 and 2016–17 salary figures were entered into the budget—in essence, in the last out year—they were based on the full-time equivalent count at the time the budget was made. The agency has gone through a reduction in staff over that period. When doing the budget adjustment for those two out years, the salary figure was based on historical staffing levels as opposed to current staffing. That is why we see a more substantial movement in those two years.

**Mr D.J. KELLY:** Is the answer then that the agency is going to achieve those savings only through the salary cap and voluntary redundancies, and nothing else?

**Mr D.T. REDMAN:** It is my understanding that public sector workforce reform is around putting a salary cap in place, including CPI, and that the savings generated from voluntary redundancies around maintaining that cap will be booked as savings. That is what we see in the budget papers.

**Mr D.J. KELLY:** How many voluntary redundancies does the minister need in his department to deliver that?

**Mr D.T. REDMAN:** I said we anticipated around 16.

**Ms J.M. FREEMAN:** The minister said he anticipated around 16, and I refer him to service 2, “Water Use Allocation and Optimisation”.

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**Mr D.T. REDMAN:** Before the member finishes her question, I will clarify something because it might drive the rest of her question. The driver for this is a salary cap in dollar terms for the agency. In other words, the department is advised what its salaries will be capped at, allowing for CPI over time. The reference to full-time equivalent is indicative of what we think is needed in order to achieve that salary cap.

**Ms M.J. DAVIES:** I refer to the second dot point on page 518 under the title “Significant Issues Impacting the Agency” on the program of groundwater investigations, which relates to identifying resources that remain untapped or unquantified, particularly in relation to identifying new drinking water resources or opportunities for economic development through agriculture and mining. Could the minister provide an overview of this program and the potential it could deliver?

**Mr D.T. REDMAN:** A big part of the work of the Department of Water is investigating and doing the science around the water that is available all around the state; of course, one of the primary drivers of that is our municipal use. The member should bear in mind that the Water Corporation uses about 19 per cent of available water and that over 80 per cent of water around the state is used for agriculture and mining, and for a whole range of other reasons. Water is everything. It is the basis for industry and for urban development. If we do not have water, we do not have development. It is a hidden resource; it is under the ground for the most part, so getting an understanding of that is critical to identify not only future asset investment to support that growth but also future economic opportunities. There are a number of areas of investigation. One of the areas I am sure the member for Central Wheatbelt would support and understand is using royalties for regions funds. This area of the 2012–13 budget had \$25.3 million of royalties for regions funds, with \$12.5 million from the Pilbara Cities initiative for investigations into the West Canning Basin and Pilbara climate assessment; and \$12.8 million from our water and natural resource management initiative contributing to those funds. Let us look at key areas of investigation around the state—Dampier Peninsula; Hamersley Range valleys; the south coast around Albany and Esperance; the south west around the Scott River coastal plan; the Swan coastal plan; and the Murchison catchment palaeochannels in the west Midlands, with which the Department of Agriculture and Food is involved. There are fairly significant resources from the royalties for regions fund going into proving up future water allocations in those areas. In many cases, the cautionary principle kicks in. If we have limited information about those water assets, we will not be able to say how much we can use. We need to take a very conservative approach to that. By putting more effort into understanding water supplies, underground movements and those aquifers, we can have more confidence in the volume of water available to industry. If the Department of Water can do that with support from royalties for regions funds, we can then have potential industry interest in asset investment and others coming in utilising that water.

The state groundwater investigation program provides \$9.27 million and focuses on two areas in particular—the Murray–Peel region, where a lot of urbanisation is putting pressure on that water supply, and the north Gingin area, which is one of the areas that has grown as a consequence of the relocation of horticulture from the northern metropolitan area. Effort is going into getting a better understanding of water and estimating the available water in those deep aquifers, because a lot of the information we have now is based on pretty sparse data and is not widely understood.

In the Perth region, \$6.965 million has been allocated over four years, largely to look at the impact of those confined aquifers on Perth water supplies, as well as things like the seawater interface and the connections between the groundwater aquifers and the areas around the Perth metropolitan area that are likely to be greatly impacted by groundwater drawings and the like. A fair bit of work is going into proving up water right around the state. These are really important investments that are clearly linked to state growth not only from a population perspective but also in industry and development. From the member’s perspective, this Liberal–National government is putting a lot of effort into regional development, and this is one of the key areas of that work.

**Mr F.M. LOGAN:** My question is simple, and if the minister cannot provide the answer now I will take it as supplementary information. I refer to the table at item 2 on page 521, “Water Use Allocation and Optimisation” and the four licence categories. Can the minister tell the committee how many of those licences have been breached and how many prosecutions have been undertaken?

**Mr D.T. REDMAN:** There are different levels of licence. In essence, the different levels are based on the level of risk. One of the premises the Department of Water has been working on in recent times is to reduce the level of regulatory intervention for low-risk assets and low-risk water allocations. But, of course, where we have fairly high-risk water drawings and high-risk licences, we need to have a high level of rigour around the level that we apply. By taking that principle and applying it to what has happened in Western Australia, in some areas we have been able to take away some of the licence requirements because they are considered to be such a low risk and do not require that level of regulatory intervention. The member’s question relates to the level of compliance

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across the state. I have supported the briefing notes that have come to me to take formal action when users have been in breach of their water licence conditions. That is absolutely appropriate, because we cannot have a level of noncompliance, simply because water is so damn critical to everything we do.

**Mr F.M. LOGAN:** It is called stealing off the state.

**Mr P. Brown:** In the last 12 months, 2012–13, the member will be well aware that we have been upgrading our enforcement-compliance capacity. We have had 771 total incidents of suspected noncompliance. We have resolved 582 of those, and 106 have received education letters; 140 have received total warning notices; 25 have received infringement notices; 19 have received total direction notices; and we have prosecuted three people. The member has probably seen in the media that we have prosecuted two people for taking water on the Gngangara mound and one driller for illegally putting in bores without notifying anyone about that. They are the first prosecutions we have had for some years. We are upgrading what we do in compliance and enforcement. The objective is to get the community, the work groups and our licensees to meet their obligations and to take water within their entitlement. We initially send out warning notices and infringement notices and then prosecute those who continually do not meet their obligations under their licences.

**Mr F.M. LOGAN:** Further to that information, of the three prosecutions that have been highlighted out of the 771 incidents, how many of those were for breach of licence?

**Mr P. Brown:** There were two.

**Mr D.T. REDMAN:** It is important to add that one of the things that was highlighted that I think is worth reinforcing is that the principles of natural justice apply here; that is, the minute someone steps over the line, we do not dive in there with a bunch of enforcement officers.

**Mr F.M. LOGAN:** Does that apply to the minister when he drives on the road? Does the minister say to the officer, “I was speeding but I would like natural justice?” That is rubbish!

**The CHAIRMAN:** Member for Cockburn!

**Mr D.T. REDMAN:** It is important that I get a chance to respond to the question. The other point I want to make is that the actions the Department of Water is taking —

**Mr F.M. LOGAN:** It is bullshit!

**The CHAIRMAN:** Member!

**Mr D.T. REDMAN:** The actions that the Department of Water is taking are also supported by the peak bodies in industry. That reinforces that we work closely with those organisations to ensure we are managing those challenges appropriately.

**Mr F.M. LOGAN:** A breach is a breach!

**Mr D.J. KELLY:** Is the minister able to tell us today, or as supplementary information, in respect of the licence categories that are identified on page 521 of budget paper No 2, what percentage of the water resource is metered?

**Mr P. Brown:** We have a metering policy that has two criteria—one is high volume and one is high risk. We designate high volume as over 500 megalitres a year, for which there are 616 licences for both groundwater and surface water. We have 1 450 government-owned meters. A large number of people are considered high risk. If they are next to wetlands and they have been found to take water illegally, they get metered. Is the member after volumes that are metered?

**Mr D.J. KELLY:** Yes. What percentage of the water taken is metered?

**Mr P. Brown:** Although it is only 14 per cent of licensees, 50 per cent of total water licensed is metered.

**Mr D.T. REDMAN:** I have a point of clarification. The premise of the member’s question is that perhaps everything should be metered.

**Mr D.J. KELLY:** I never said that. I want to know what percentage is metered.

**Mr D.T. REDMAN:** I come back to the point that I made. The approach the Department of Water takes to water assets and water allocation is one of managing risk, and where there is a low risk identified—environmental, over-extraction or other risk; the level of regulatory intervention is minimised, and also things like the level of metering, and so on. I have had deputations to my office from people who do not like the idea of putting meters in, and they are in areas that are considered to be at high risk of the saline influence on groundwater aquifers coming into play or of other factors. That risk management approach is the appropriate approach, and it is a strategy to reduce the amount of regulatory impact and red tape on those areas that are considered to be low risk.

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**Mr S.K. L'ESTRANGE:** I refer to pages 518 to 519 of the budget papers that outline the significant issues impacting the agency, specifically the second dot point on page 519 concerning upgrades to the Department of Water's computer infrastructure. Could the minister please give an overview of how this is progressing and what benefits will be given in 2013–14?

[10.45 am]

**Mr D.T. REDMAN:** In essence, the member for Churchlands is talking about the information technology system, the computer system, for managing water resources in the state. Presently, it is an outdated system. It includes water information, water allocation, water resource licensing, customer relationship management, asset management and metering managing systems. They are all being replaced with a modern integrated water management system. The first question asked by the member for Bassendean related to harvested savings that came from voluntary redundancies in 2011. The Department of Water has been able to book some of those savings into its asset investment program. This is where it has gone. An amount of \$13.6 million over four years will go into this. An amount of \$4.1 million of that \$13.6 million will be expended in 2013–14. That will see the rollout of online self-service access to water information for all stakeholders, who will be able to access that information online in a timely way. That will help developers, miners, local governments and the like.

Another area I am trying to support by getting resources for the Department of Water is to put hydro-geological assessments done throughout the state into an easily accessible format. If, for example, a mining company has to do some drilling to try to prove up mining resources, it will need to do some hydro-geological work to assess those assets. Sometimes that can incur a cost of between \$100 000 to \$300 000 per bore or program. Right now, the department has that information but it is in hard copy, and it sits in Department of Water offices all over Western Australia. So someone makes a request to the Department of Water to get information that we already have—knowledge and assessments that have been already done—and someone has to go to the effort to find where it is, get it and put it into a format they can use. In my view that is a huge waste of resources. If that data is put online in a format that can be accessed by anyone who chooses to, it will be an efficient way to manage access to core information by industries that need that information. Indeed, we are all familiar with using online mechanisms in other areas and the Department of Water needs to ensure that it is contemporary to that.

Online licensing will be available in the 2015–16 financial year, and that will yield significant benefits for the agency and licensed applicants. That will provide for comprehensive and accurate information on water demand and availability to effectively manage the state's water resources and it will reduce red tape by streamlining water licensing. It will give certainty for industry through the provision of improved and more timely water resource information. It will also provide better information on water management issues for government and key stakeholders.

As we go on, there is more competition for the water from aquifers that we, and indeed surface water users in the south west, draw water from. As more competition comes into play, so does the regulatory burden needed to manage that competition. A couple of things are important in this matter: one is timely and useful information for those participating in the use of that water, and, two, contemporary legislation to manage that. That is what I touched on a while ago about water management legislative changes that we are progressing now. A discussion paper will be out soon. Hopefully, that will provide information from all stakeholders about some of the things we need to take into account to ensure that we finish up with a good outcome, with modern, efficient water legislation in Western Australia to support this investment in key water management IT systems and to ensure we are as contemporary as we can be.

**Ms J.M. FREEMAN:** I take the minister to “Water Use Allocation and Optimisation” on page 521, and the line item “Employees (Full Time Equivalents)”. In the previous budget, the 2011–12 estimated actual was 280 FTEs. It budgeted for 286 FTEs, but the estimated actual in 2011–12 was 280. On page 521 the actual is 266. Fourteen FTEs have already gone from “Water Use Allocation and Optimisation”. Then in the 2012–13 budget the estimated actual goes down from 271 to 255; that is, another 24 full-time equivalents who have been cut from the department. Then the 2013–14 budget forecasts a decline of another eight FTEs. Added up, that is 46 workers going out of “Water Use Allocation and Optimisation”. I then note at “Average Cost per Allocation Plan Completed” there is an increasing cost per allocation plan completed. It says in the notes that it is due to increased complexity. Is it not really just because the minister is gutting the department of workers that the government is not delivering to those people who are getting licences and, obviously, is not able to regulate them?

**Mr D.T. REDMAN:** One point needs to be clarified in the member's question. The member referred halfway through to the changes in full-time equivalents, identified on page 521, as moving from the 2011–12 actuals to budget figures to 2013–14 budget targets. The member at one stage referred to cuts to the department. These

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figures on page 521 simply reflect numbers anticipated to be in the directorate that relate to “Water Use Allocation and Optimisation”. The 2013–14 budgeted FTE is 453.

**Ms J.M. FREEMAN:** What was it before?

**Mr D.T. REDMAN:** In 2012–13 it was 486, and in 2011–12 it was 580.

**Ms J.M. FREEMAN:** In 2011–12 it was 580 and now in 2013–14 it is 400?

**Mr D.T. REDMAN:** In 2012–13 it was 486 and 2013–14 it is 453.

**Ms J.M. FREEMAN:** So 580 take 453 is how much the minister is losing out of the agency.

**Mr D.T. REDMAN:** No, because I mentioned in the very first question related to budget savings of 31.5 FTEs booked in 2011–12, and that was only one particular category. We identified in meeting the salary cap an FTE shift of 16. To go back to the question the member asked, she needs to be careful in using the shifts in a particular directorate as being indicative of shifts in the agency. There are certainly global figures for the agency. If I can go on —

**Ms J.M. FREEMAN:** By way of interjection —

**Mr D.T. REDMAN:** The strong point —

**Ms J.M. FREEMAN:** If you look at “Urban Water Management and Industry Services”, you have also cut there as well.

**Mr D.T. REDMAN:** I am responding to the question.

**The CHAIRMAN:** The member for Mirrabooka should let the minister answer the question. She can ask further questions.

**Mr D.T. REDMAN:** The strong word the member used was “guttled”. The premise of the member’s argument was: are you not gutting the department and therefore driving up the average cost of dealing with an allocation planned? The member will see a footnote below which refers to the complexity of that, and I am sure she overlooked that in her question.

**Ms J.M. FREEMAN:** No, I said in my question that I reckon it is because you are gutting the department. There is no increase in complexity; there are fewer people to do the work.

**Mr D.T. REDMAN:** There is a footnote that refers to the complexity of allocations and I made the point in the last question from the member for Churchlands that, as competition comes on for water, as we have development in the south west and growth in population—as we have all these things putting pressure on water assets—so too does the level of rigour that needs to go into having confidence in the allocations that the Department of Water makes. The cost of getting it wrong with water is high. The member for Mirrabooka would understand that what has happened in Western Australia in the last couple of decades and with the drying climate in the south west in particular—I am not a climate change sceptic; I support what is happening with climate change, and we need to respond to that —

**Mr D.J. KELLY:** The member for Southern River is.

**Mr D.T. REDMAN:** Sorry?

**The CHAIRMAN:** Member for Bassendean, thank you.

**Mr D.T. REDMAN:** What is happening to growth in the north of the state and the importance of getting allocations right is critical. As we move forward into a different environment, I make no apologies for the effort that goes into the level of rigour that needs to go into proving up water supplies. I am amused that a direct link is made between FTE shift and gutting the department and the flow-on impact it has on the allocation of water, because other drivers need to be acknowledged in that process.

**Ms J.M. FREEMAN:** If that is not the case, we are talking about why you —

**Mr D.T. REDMAN:** I am not backing away —

**Ms J.M. FREEMAN:** I have listened to the minister and I have a further question. Under “Full Time Equivalents”, the department is cutting down from the 271 budgeted in 2013–14, less 24 FTEs, to 255. But even under “Urban Water Management and Industry Services”, in 2011–12 there was an estimated actual of 181, and the actual is 167, so 14 workers were lost. Then in the 2012–13 budget, the estimated actual went from 177 to 144, so 33 workers have gone. You are gutting this department, minister. If the minister looks at every FTE line and he wants to deliver what he wants to deliver in terms of the importance of water—

**The CHAIRMAN:** Is this a further question? The member seems to be going on about the same point.

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**Ms J.M. FREEMAN:** Yes. Tell me how that is not gutting?

**Mr D.T. REDMAN:** I would like to respond. I am not backing away from the fact that there are FTE shifts downwards—there are. That is the reality. The Department of Water is making savings at the request of government to manage the budget challenges. That is a given. I have given the member the global figures for the total FTEs in the budget. However, the other premise that rides through this is—when the member started, she was looking at a particular directorate and a particular service—that when one looks at making savings across an agency, a number of things need to be taken into consideration. The first is where the effort needs to go to meet the core responsibilities of an agency. Those judgments are made on where savings can be made that have minimal impact. No-one is saying it will have no impact. Every cut to something has an impact somewhere, but the reality is that those savings need to be made to meet broader government challenges. In fact, in some of the areas the actual level of FTE has gone up. An internal decision is also made under Maree De Lacey's leadership to say that we need to maintain or reinforce efforts in a particular area to meet not only a budget challenge for government, but also service delivery to the community. That service delivery is changing. The very point I made in response to the question is that the operating environment for the Department of Water is shifting, and it is shifting because of pressure on water around the state, which includes climate change, the number of people shifting to Western Australia and government direction for that development. The member for Central Wheatbelt asked me a question about investment into proving up water supply. An amount of \$25.5 million of royalties for regions money is going to prove up what is under the ground in the Pilbara, the Kimberley, the south west, the great southern and Esperance—goldfields to support future investment in economic infrastructure in the state. The notion of where government directs its resources is appropriate. Yes, there are challenges in agencies, and it is the job of Maree and her executive team to book those savings, but we are required to do that, and I am backing that position.

**Ms J.M. FREEMAN:** I agree. The FTEs in “Catchment and Waterways Health” has increased, but that is because funding for that project is coming from the Swan River Trust. Funding to do that is coming from other sources. Where the department needs to do it—that is, in regulating it—the minister has absolutely undermined the resource capacity of people to deliver what he wants them to deliver.

**Mr D.T. REDMAN:** The member has talked about getting resources from other sources, in particular the Swan River Trust. I ask Maree to make a comment about that.

**Ms M.K. De Lacey:** If the member looks at the FTE movements between services 1 and 3, it is almost a direct 30 down in service 1 and 30 up in service 3. That is internal decision making around where we are allocating FTEs separate from the Swan River Trust funding. It is a different area of activity. It is an internal decision around where we made a decision that the priority was going to sit for that year.

[11.00 am]

**Mr D.T. REDMAN:** I will add one other point on top of that. In reporting in the budget and reporting on outcomes and service areas, those areas do not directly overlap with the particular directorates in the agency. Every time we report on the budget, we work out the allocation for the various services, which might come from a couple of different directorates. So, it is quite complex; it moves. It is dynamic, and it should be dynamic, because it is moving and shifting to a very dynamic environment out there around water.

**Mr D.J. KELLY:** I refer the minister to the sixth dot point under “Significant Issues Impacting the Agency” on page 519, which refers to the department encouraging the efficient use of water. Does the department have any concerns that when the H2O Assist program finishes—it is only a nine-month program—the Water Corporation, as the major supplier to customers, will have no rebate programs to encourage customers to use more water-efficient appliances—none whatsoever?

**Mr D.T. REDMAN:** The member referred a couple of times in his commentary to H2O Assist and Water Corp. Water Corp is the service provider; it is the one engaged in trying to reduce consumption, asking people to save water and trying to get that cultural shift, which I think it has been effective in doing. The Department of Water is the regulator. This is in the division dealing with the Department of Water, which has an indirect role in that.

**Mr D.J. KELLY:** I understand that, but, as the regulator, does the member have any concerns, given that he has just given us a bit of a lecture about the need to reduce consumption, the drying climate and the like, that the major service provider, the Water Corporation, will not have any programs to encourage its customers to use more water-efficient appliances? Surely, that must be a concern for the regulator.

**Mr D.T. REDMAN:** The question, if I paraphrase it, is asking me whether I have any concerns that the major service provider, the Water Corporation—this is not the division for the Water Corporation—is not doing its bit to save water. The Water Corporation has done an outstanding job in reducing water consumption on a per capita basis—an absolutely outstanding job. It has put in place a whole range of processes to achieve that end, and it is

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appropriate to change those. Showerhead replacement was one program; H2O Assist is another. There have been a range of programs such as dual-flush toilets and a few other things that people can put in place to try to get a shift in behaviour. One of the indicators—it is probably not in the budget papers for this division; it is in the Water Corp budget papers—of the effectiveness of that is in the application of a household model. I think it has gone from 300 kilolitres down to 250 kilolitres, which simply reflects what has happened in change of behaviour. I think the people of Western Australia have been very effective in undergoing a cultural shift to say that water is really important to them, and it is not just an issue around reducing the amount of cost to their pockets; it is an issue that is broader than that. Given that it is such a scarce resource in a part of the world that is dry and is getting drier, we need to make some adjustments. I think the public response to our groundwater replenishment announcement, and the positive response that we are continuing to get on that, is a demonstration of the fact that people do value water, and they are saying that for that reason they are prepared to accept highly treated wastewater going into our aquifers for a number of decades and for that to be put into our drinking water system. I think there has been a strong shift. We can always do more and we will always do more, but I think the effectiveness over time has been to get that shift in culture, and it has been a good thing.

**Mr D.J. KELLY:** Although in Perth there has been a reduction in per capita household water usage, we are still the second worst capital city in Australia. Tasmania is in a completely different situation because a lot of people do not even have meters. All the projections I have seen indicate that although in Perth our per capita consumption of water will decline, we will remain as the second worst. So, looking at the rest of the country, our relative position is that we will still be the second worst. Is it not a concern that, relative to other water users in other capital cities, the driest city in the driest state in the driest corner of the driest continent will still be the second worst, even though in aggregate terms our water usage is declining?

**Mr D.T. REDMAN:** The point the member makes is right. We need to set objectives to try to reduce the per capita consumption of water. We are in a particularly dry part of the country, and we have about one-third of the continent in some very, very dry parts of the world. Whilst we have perhaps an absolute challenge in where we sit compared with other states, we are tracking the right way, and we cannot be shy of trying to get all the innovations we can to the table to try to reduce that consumption.

**Mr D.J. KELLY:** That goes back to my first question about Water Corp withdrawing all its rebates. When H2O Assist finishes—it is only a nine-month program—there will be nothing from Water Corp to assist people to use more efficient appliances. Is that not a concern?

**Mr D.T. REDMAN:** The member can take it from me that efforts to encourage reduced water use will not stop there.

**Mr C.J. TALLENTIRE:** I refer to “Catchment and Waterways Health” on page 522. Noting the \$12 million allocated for 2013–14, I would like to have a bit of a breakdown of that. How much is going towards the Peel–Harvey estuary? I am thinking of the nutrient inflows into the Serpentine, Harvey and Murray Rivers, and also the Canning and Southern Rivers. How much work has been put into that? I am interested in getting a breakdown that sets out the work being carried out on the assessment of proposals in those areas and also the protection and remediation works.

**Mr D.T. REDMAN:** I thank the member for Gosnells for the question. It is a very complicated question in that we have some aggregate figures, and the member is asking us to drill down into a number of other catchment areas. I am going to make some comments, and I am sure we can pick up that question on notice. However, I make the point that the government has put in place a range of water quality improvement programs, particularly along the Swan coastal plain, which is where a lot of the challenge exists around nutrients and the impact of nutrients flowing into those river and estuarine systems. More recently—I think on Saturday—I made comments in response to a concern about the Peel–Harvey estuary and the impact that the Dawesville Cut has had on water levels in that area. I made the point that the comments are fairly positive on the estuary itself, but the level of seawater intrusion has pushed the issue back up into the river systems—the Murray and the Serpentine in that case. That, coupled with reduced rainfall in recent years, is having a negative impact.

**Mr C.J. TALLENTIRE:** And the nutrient loading on those rivers has not improved either.

**Mr D.T. REDMAN:** It has been consistent, but I do not think there has been an improvement. The member is right. Getting the land use changes in those upper reaches remains a challenge for government. The water quality improvement plans set out the guidance for achieving that. It is both urban and rural. I do not think I need to educate the member on this, but there has certainly been an effort over time to reduce the nutrient inflow, particularly from agricultural areas.

**Mr C.J. TALLENTIRE:** How much is being spent on it, though? Can the minister tell me that?

**Mr D.T. REDMAN:** I will put that on notice in terms of getting the figures for what is put into those areas. What the member has quoted to me here is a global figure around total cost of service.

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**Mr C.J. TALLENTIRE:** Yes.

**Mr D.T. REDMAN:** Does the member particularly want me to break down that figure into the elements or does he want me to give him the figures around those areas that he requested?

*[Supplementary Information No B4.]*

**Mr D.T. REDMAN:** There are two ways we can answer this. One way is to take that \$12 million and break it up into the components the member mentioned; the other is to give the member a response that gives a total figure that goes to the areas that he talked about, some of which may not be in this total figure here.

**Mr C.J. TALLENTIRE:** Can we do it both ways? Then we have all bases covered.

**The CHAIRMAN:** Are you happy to take that, minister?

**Mr D.T. REDMAN:** I will undertake what I am going to try to do. We are going to find two levels of figures for the member. We will break down the \$12.054 million that is on page 522 under “Catchment and Waterways Health”. The member has asked what component of that is going into two estuary systems, I think he said. I think he used the Peel–Harvey —

**Mr C.J. TALLENTIRE:** Yes, and the Swan–Canning.

**Mr D.T. REDMAN:** And the Swan–Canning.

**Mr C.J. TALLENTIRE:** Then I nominated rivers, given we are talking about waterways health. For the Peel–Harvey system, I am keen to know about Department of Water expenditure on the Murray, Serpentine and Harvey Rivers—the three rivers that flow into the catchment. I want to know about expenditure on the Swan–Canning system, especially the Canning and Southern Rivers that flow in.

**Mr D.T. REDMAN:** I will provide the breakdown of that \$12 million in those terms, as well as global figures that might be sourced from other aggregate figures in those same catchments and river systems.

**Dr G.G. JACOBS:** I refer the minister to the fourth dot point on page 519. I would like some advice on and around the review and development of legislative policy frameworks. Where is the progress on water resources management built into an act? That is a management tool that deals with allocations, water trading and entitlements. How are we going in that process in that very important area of water resource management?

**Mr D.T. REDMAN:** I thank the member for the question. As a former Minister for Water, the member would well recall the number of discussions that have happened in recent parliamentary times, and certainly in my time, and that early efforts to bring in some water management reforms were met with disallowances in this chamber in which we now sit. Of course, that was one of the barriers to bringing in those reforms. As signatories to the National Water Initiative, we have undertakings, and we need to head down the path of reforming our legislative management around water. One of the interesting pieces of politics around that discussion at the time—I think it was when John Kobelke was the minister; both the member and I were in opposition at the time—was that the water licence fees, which at that point were imposed by the Labor government, became the discussion point for the community and all those water users, particularly surface water users in the south west. Of course, one of the problems with that was that the public discussion was around fees and charges to users rather than what certainly I and others viewed as the more important issue, which is reforms in legislative frameworks for security of water. The greatest asset for a water user, particularly an agricultural user, is their licence, and the security of that licence and the security of that water. Going into the last election, decisions were made that took out water licence fees as an issue. They said that they would not embark down the pathway of cost recovery and water licence fees. Therefore, that parks the fees issue, and that will bring back the debate to where it should be, which is around the legislation and what changes in that legislation will come into play around securing water. Therefore, fees are no longer a barrier to driving that legislative reform.

The other driver that I think is significant is 2010, which was one of the worst years we had on record in Western Australia. I do not think we have seen such low water levels since about 1914. I know that in my own electorate, and in the town of Manjimup in particular, farmers saw the bottoms of dams that they had not seen before. Previously they thought that the Department of Water was being over-conservative in its estimates of what water was available for farmers to use, but they then saw the bottoms of dams and thought, “This isn’t as reliable as I thought it might have been.” I think the fact that we have been through some pretty tough dry seasons is also a driver of that reform. We are in the last stages of finalising a discussion paper around this to put out to the stakeholders. We have already consulted with many stakeholders about the development of that discussion paper. That discussion paper will highlight this government’s agenda and my agenda to try to get legislative reform around water management. That will then mould into just how aggressive we want to be in that. We must bear in mind that different stakeholders, ranging from mining companies down to surface water users in the south west, perhaps have slightly different views about how aggressive that reform should be. That will inform

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us on that, and once we are informed, I will bring into cabinet reforms in the water management legislation consistent with our commitments under the National Water Initiative. Hopefully, licence holders and water users in Western Australia—I believe this to be the case—will be very supportive of ensuring that we have contemporary water management legislation, because the very point I highlighted before to members opposite was that as we move into times when we have a greater level of competition for water, so too must we have robust management processes to manage the sharing of that water. That reform will be critical to us demonstrating water security and having very effective processes for the management of water sharing in areas of over allocation and areas that will move into being over allocated.

[11.15 am]

[Mr P. Abetz took the chair.]

**Dr G.G. JACOBS:** Do we have a time line driven by the National Water Initiative? This has been around for quite a while, and in order to resource manage it is important to see this bill and this act soon. What time lines does the minister envisage and are they dictated in some way by the NWI?

**Mr D.T. REDMAN:** There is no direction under the NWI for timing of that legislation. I am more directed by the confidence I can get from support from the stakeholders. This discussion paper will clearly signal whether there are any show stoppers. As the member will appreciate, given the history of water management reform and the challenge to drive that shift, I am taking a reasonably cautious approach. A discussion paper is the starting point. I need to balance the competing interests of the stakeholders and their desire to take different levels of aggression to that reform. Once I secure that, I will bring it through the cabinet process. The biggest issue of water licence fees has been taken off the plate. That issue is now parked up. Government will not be able to head down the path of cost recovery on water licence fees, which means the debate will be where it should be, which is on the water management legislation. Some of the people who were most outspoken against the earlier issues were from my electorate. I am engaging very closely with them, as has the director general of the Department of Water, and we have had a good response. I now have a greater level of confidence in getting those reforms in place.

**Ms M.J. DAVIES:** I refer to page 520 of the *Budget Statements*, “Services and Key Efficiency Indicators”, and service 1, which is titled “Urban Water Management and Industry Services”. I note that this service manages the delivery of the public drinking water from the catchments. I am particularly interested in the progress on the government’s commitment to allow recreational activities on Wellington Dam.

**Mr D.T. REDMAN:** I thank the member for the question. In recent years there have been a number of movements around our current dams. As the member knows, the reliance on water supply from dams is reduced over time. In recent times we have moved towards desalination and other sources, and perhaps put more pressure on groundwater. A number of dams in the Perth Hills are no longer key water suppliers. Recently, a parliamentary report on those dams identified that they may be utilised for recreational purposes. A key element is that there are 11 proclaimed public drinking water areas that we believe could be reproclaimed. As at July this year, the Harvey Dam and Bickley Brook catchments were reproclaimed—in fact, the member for Eyre may well have reproclaimed Harvey Dam. There are plans to reproclaim a further six public drinking water source catchments areas: Gooralong Brook Water Reserve, Dirk Brook Water Reserve, Boddington Dam, Murray River Water Reserve, Bancell Brook and Brunswick. All of those are well progressed along with amendments to the Wellington Dam catchment. I recently signed off on reproclaiming Wellington Dam, which means there is now scope to all those prospective agencies with a role in recreation and tourism to incorporate those dams into opportunities in regional Western Australia.

If we can keep working on the desalination of water in the other part of Wellington Dam, there will be opportunities for agriculture and industry. There is strong interest from the Harvey Water cooperative in the utilisation of that water for agricultural purposes, and some different views on strategies to achieve that end. At a recent water forum I said that I do not think the cost of reducing the level of salinity in Wellington Dam will be driven by agricultural opportunities. If a business case stacks up, other opportunities on top of agriculture will be the drivers and we will not back away from investigating those. The Department of Water will present some advice to me soon about the work that has been done. A number of dams are no longer core to providing our drinking water, so we can reproclaim those dams to be used for other purposes.

When I came into the water portfolio, I asked—I am sure other ministers have asked the same question—how can we not have a level of recreation higher than we already have, even around those drinking water sources? Why can we not have hikers going through the catchments of Mundaring and others? The reason is simple: they are a very pure source of water and the level of treatment required to treat them, given the risks of some of those activities, substantially increases the cost of that water into the system. The Water Corporation advises me that

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that dam water is a cheap source of water, and we use that to keep down the cost of water supplies in Perth. I did not understand that before, but as minister I now have a greater appreciation of it. One thing we can do is to free up for recreational and tourism use some of these dams that have previously been used as protected water catchments.

**The CHAIRMAN:** I am conscious of the time. We are on division 42 and we still have three divisions to go. I draw to the attention of members of the estimates committee that it is up to them as to when they want to move on.

**Mr D.J. KELLY:** I have two more questions. I refer to the table on page 525, "Income Statement". Footnote (b) on full-time equivalent methodology indicates a change in the methodology for calculating FTEs. Can the minister give us, perhaps by way of supplementary information, the FTE figures for 2008–09, 2009–10, 2010–11 and 2011–12 using the new methodology?

**Mr D.T. REDMAN:** While one of my advisers picks up on the member's question about the change to methodology —

**Mr D.J. KELLY:** No. Footnote (b) says there is a change in methodology. Can the minister recalculate the figures in these previous years using the new methodology so that we have a consistent run-through on the FTE figures?

**Mr D.T. REDMAN:** I will put that question on notice because it refers to historical information that we do not have. Is the member asking us to go back to 2008–09 and up to the current budget and recalculate those figures under the current methodology to show the changes to FTEs?

**Mr D.J. KELLY:** That is right.

*[Supplementary Information No B5.]*

**Mr D.J. KELLY:** I have one other short question. I refer to page 526, and line item "Other Grants". No amount is listed for 2013–14, but \$7.3 million is listed in 2014–15. What is that amount for?

**Mr D.T. REDMAN:** My advice is that \$7.1 million—is that right?

**Mr D.J. KELLY:** I think it is \$7.3 million.

**Mr D.T. REDMAN:** Of that figure, \$7.1 million is in the 2014–15 forward estimates for the final payment of the Collie River salinity recovery project, which is commonwealth money. The director general advises me that statewide water efficiency measures make up the other \$300 000.

**Mr G.R. Nordsvan:** The figure of \$7.362 million comprises two figures; \$7.1 million is related to Collie River, as already mentioned, and \$262 000 is related to statewide water efficiency measures.

**Mr D.T. REDMAN:** Has the member got clarity?

**Mr D.J. KELLY:** Yes, thank you.

**The appropriation was recommended.**