

Division 39: Water and Environmental Regulation, Services 4 to 9, Environment, \$83 394 000 —

Ms S.E. Winton, Chair.

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

Mr M. Rowe, Director General.

Ms V. Cartwright, Acting Chief Finance Officer.

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

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

Mr A.X. 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: I give the call to the member for Cottesloe.

Dr D.J. HONEY: I refer to the first dot point under significant issues on page 552 of budget paper No 2, which relates to the regulatory one-stop shop. When will this program be completed? Do we have some idea of cost to date and the expected total cost?

[3.10 pm]

Mr R.R. WHITBY: Part of the government's keen ambition is to improve the response times and services to industry and people who require applications to be processed. It is about a one-stop shop, which is about streamlining the regulations. We are certainly getting feedback from the sector that there have been issues with a backlog going back a number of years. There were unacceptable time delays that we intend to clear. A lot of effort is being put into improving our responsiveness. One of those efforts involves a one-stop shop, where applicants can go to a website as a single point of entry to lodge their application. Basically, it is to make it quicker and easier for people and to also assist the agency itself to respond in a more timely fashion.

Dr D.J. HONEY: My question was around the cost to date and the total expected cost for that initiative.

Mr R.R. WHITBY: For that detail I would like to refer the member to the director general.

Mr M. Rowe: Thank you, parliamentary secretary. At this stage the costs of the one-stop shop initiative have been borne within existing resources of the department. By the very fact that we now have three former agencies combined into one, we are already seeing good efficiencies in the way we can service people who are coming to us for approvals. We see that in the way that we can now better align the approvals process for part IV for significant proposals that are considered by the Environmental Protection Authority, and for the approvals done under part V of the Environmental Protection Act. Whereas previously proponents would have dealt with three agencies and often needed to meet with three different representatives of those agencies to clarify the scope or the process for approvals, they can now come to us and have all the same people sitting in the room together at once. It is a much more efficient experience for those companies that are dealing with us. The website that the parliamentary secretary referred to is, I guess, the beginning of what we would like to do in terms of a much better online experience for our regulated stakeholders. It allows them to lodge their application to the most appropriate part of the organisation, which will deal with it. If they need more than one of the approvals that we offer, whether that be under part IV or part V of the Environmental Protection Act or the Rights in Water and Irrigation Act, they can send that to a part of the business that will coordinate the approvals with them. In the budget, the government has also approved additional funding to develop the Environment Online system, which builds on Water Online. We will be looking to give our regulated customers a much better service over time. It will be much more transparent to them around where the approvals are at in the system. We are working very closely with industry stakeholders as we shape up that one-stop shop service. It is early days yet, but we have made good progress to try to drive some of the efficiencies that the government was after by bringing those three agencies together. There is more work to come. As of now, the cost has been borne internally in the department in the way that we have resourced it.

Dr D.J. HONEY: I assume that the further cost associated with the portal will be absorbed.

Mr R.R. WHITBY: Director general?

Mr M. Rowe: As outlined, the asset investment program for the establishment of Environment Online is based on an increase to fees and charges for that part of the business for part V. The government has allowed us to retain

those fees and charges to both increase the number of staff who will be available to support the approvals process, as well as direct them into the development of that new online system.

Dr D.J. HONEY: Just in terms of the reduction in response time, is there some target or goal for a reduction in approval times?

Mr M. Rowe: It is fair to say that for the last few years we have not met the time frames we have set ourselves. That was largely to do with the resourcing decisions that were made. Going forward, we would like to see the timeliness of those approvals considerably improved. The minister has made it very clear to me that that is what he expects, as has the government. With the addition of those additional resources that we will be able to employ and deploy—the additional funding through the increased fees and charges—together with a much-improved online system, we are hopeful that we will be able, in time, to both clear the backlog of approvals that are beyond time and start to see a much better and more timely response to the approvals coming through our door.

Dr D.J. HONEY: I have a further question, but I think I have the answer to a degree. There is no specific target, so is it an aspiration to improve those times?

Mr R.R. WHITBY: I refer that to the director general.

Mr M. Rowe: The time frames for our approvals are published in the estimates papers against the various timeliness indicators. We also publish our results quarterly. Our hope is that we will get back to those published standards that we hold ourselves to in terms of the time frames that we set.

Mr W.R. MARMION: There are two aspects of the one-stop shop—one is the online aspect, which the parliamentary secretary mentioned, and the other is the physical location of a one-stop shop. Can the parliamentary secretary explain where the physical locations of the one-stop shops are at the moment and where they are likely to be spread across the state?

Mr R.R. WHITBY: I think the machinery-of-government changes, in terms of rationalisation of the agencies, has helped to play a role here, but I am happy for the director general to elaborate.

Mr M. Rowe: It is probably less of a consideration about the availability of a physical location for a one-stop shop, although customer-facing services are very important. The one-stop shop that we are signalling is much more a virtual experience, which people should be experiencing when they engage with the department. The member would be aware that the head office for the department will be shifting to Joondalup later this year, early next year, so clearly our regulated customers will come to see us when they need to. It is my hope that people should be able to walk into any of our regional offices and at least experience clarity on what is expected of proponents. In time, though, we hope that people increasingly lodge their applications online and have that kind of experience. That in no way suggests for a minute that we would not want to meet with them in person if that is what they need to do to clarify the scope of their proposal, which we obviously do now.

Mr W.R. MARMION: In relation to the online aspect, one of the banes when I was Minister for Mines and Petroleum and Minister for Environment; Water was that there was no online tracking system. I could not get any of the departments to talk to each other. In terms of the online experience of the one-stop shop, will proponents be able to track the approval process?

Mr R.R. WHITBY: Director general?

Mr M. Rowe: At this stage we are looking very much within our own business to try to make it a seamless experience with the approvals that people have to come to us for. For very large proposals we fully appreciate that proponents need to get multiple approvals across government. We have started that dialogue across the relevant approvals agencies, of which there are now fewer than previously. At some level it is an easier conversation to have because we are dealing with fewer agencies. However, I think there is still work to be done on how we scope the whole-of-agency approvals tracking process. The stuff I am talking about is specific to our own agency and its scope of approvals at this stage.

Mr W.R. MARMION: The other aspect of a one-stop shop that was always an issue was the commonwealth approvals. The nirvana was for someone to not only be able to look at state approvals, but also get some advice on commonwealth approvals and do them in parallel rather than waiting until the state approval had been done and to then be told that they needed to do a commonwealth one as well. Will the online experience give some advice about whether commonwealth approvals are required as well?

[3.20 pm]

Mr R.R. WHITBY: Mr Rowe.

Mr M. Rowe: We could certainly look at whether it is possible to give clarity to proponents about whether a commonwealth approval is required through the online process. We are, in fact, looking at the way that the

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commonwealth engages with proponents for approvals under the Environment Protection and Biodiversity Conservation Act to see how we might mirror some of that work here. We would take that consideration into account when we design our system.

Mr W.R. MARMION: I refer to the first dot point on page 553 of budget paper No 2, volume 2, which states that there is a 75 per cent increase in Environmental Protection Authority approvals for assessment. What sectors are seeing the most significant increases in assessment? The EPA assesses all sorts of proposals from all sorts of sectors; can the parliamentary secretary highlight from which sectors there has been a surge in applications?

Mr R.R. WHITBY: There has been an increased workload and, I guess, a lot of that is to do with mining activity in the Pilbara. We are starting to see a bit of pick-up there. There are new irrigated agricultural projects in the state's north and new mines and resources, such as lithium, which has come on board with tungsten. There are also state government projects, such as Metronet, and Main Roads projects that we expect to come online in the near future. Those are the kinds of areas in which we are seeing the increases.

Mr W.R. MARMION: I refer to "Environmental Impact Assessment Services to the EPA" on page 561. I understand that the number of full-time equivalents in the EPA will decrease from 51 to 48. Can the parliamentary secretary explain how the government will deal with a 75 per cent increase in proposals with a reduced number of staff whilst maintaining an efficient process so that there will be no delays in applications?

Mr R.R. WHITBY: I refer to Mr Anthony Sutton for more detail.

Mr A.X. Sutton: When we look at those figures, we see that it is a reduction of three FTEs. One of the advantages of the new department is that it brings together not only the part V licensing and works approvals side of the department, but also water licensing. Many of the EPA's assessments require input from those particular staff so even though there is a loss of three FTEs, across the agency we are actually picking up greater resources to do a whole assessment for the whole project rather than just components as we have done in the past.

Mr W.R. MARMION: Has there been any reduction in the key performance indicators in the time it takes to process an environmental assessment? Is that recorded and has there been a reduction in the past 12 months?

Mr A.X. Sutton: The KPIs show for the EPA's assessment that time is holding strong. It is about 80 per cent for timeliness of EPA reports. There are other areas we need to improve, and that is a challenge. We are working across the agency with the other groups—Water, in particular, and Environmental Regulation. There is the opportunity to make sure that we address the backlog.

Dr D.J. HONEY: Has there been an increase in purely the number of assessments required or has a change in the requirements for assessments driven the increase?

Mr R.R. WHITBY: My understanding is that it is simply a change in the environment and economy that has brought in those extra applications.

Dr D.J. HONEY: So it is purely the number, not the classification requiring assessment.

Mr R.R. WHITBY: I refer to Mr Sutton to drill down the detail.

Mr A.X. Sutton: It is very much the green shoots of the economy at the moment and the diversity we spoke about before. Assessments used to be dominated by iron ore mines, but they are now very much dominated by irrigated agriculture, lithium and the Metronet project. There is a greater variety of projects coming through, but it is very positive from an economic perspective.

Mrs J.M.C. STOJKOVSKI: I refer to the second dot point under "Significant Issues Impacting the Agency" on page 553 of budget paper No 2, volume 2. Can the parliamentary secretary confirm what actions the McGowan government is taking to manage waste and support recycling in Western Australia? In particular, I am interested in how the government is dealing with the fallout from the Chinese government's import restriction on recyclable waste.

Mr R.R. WHITBY: The member is absolutely correct to refer to the massive impact of the decision in China. It is not just Western Australia; I think it is felt more significantly in the eastern states. As the member would be aware, the Chinese have decided to stop the importation of some recyclables from around the world and reduce its contamination acceptance right down to half a per cent. The household waste contamination rate in Perth can range between 10 per cent and 18 per cent. I think that is a fair figure. There is a long way to go before we get to the contamination allowances that the Chinese will accept. It is a huge challenge, but, at the same time, it is a fantastic opportunity to make ourselves more sustainable and to see how we can increase recycling in Western Australia.

There is a lot happening in this area. The Waste Authority undertook public consultation towards the end of last year and earlier this year, which finished in March. The key themes around that involve the need for shared responsibility, whether it is local or state government, producers of products that involve a lot of wrapping, and the recycling sector

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itself. We need to move to what is called a circular economy where more of these recyclables have different stages of life and continue to be of value in the economy, and we need to lift our waste performance. Certainly, the minister has been very proactive in this and has established a waste task force, of which I am the chairman.

We are specifically looking at household kerbside collections and how we can improve the recycling rate out of people's bins. There are some issues in Western Australia with different councils having different rules for their household collections. I think 14 Western Australian councils have so far opted for the three-bin policy, but other councils have not. People who move around Perth and Western Australia may encounter different rules for recycling because when they move to another suburb, there is a completely different set of rules. It can be quite confusing. There is a real need to have universal standards in Western Australia and to educate the community, and I know there are moves coming up in that regard to let everyone know about what goes in their yellow-lid recycling bin and their green-lid and red-lid bins to improve the recycling rates. This will result in more recyclable materials actually being recycled. There are opportunities for recyclers in Western Australia if we can increase the quality of the recycled product going through and limit the contamination. It will reduce the cost of recycling and increase the opportunities for recycling. The more recycling we have in Western Australia, the more opportunities we have and the scope for more employment and job creation. We were lulled into a false sense of security for many years with China. China has suddenly announced this policy in quite a dramatic way. It represents a big challenge to the community and the rest of the world. There are opportunities. We need to be smart about this and improve our sustainability, reduce our waste and work out more ways to recycle materials that are recyclable.

[3.30 pm]

Mr R.S. LOVE: I take it from that that there is no firm policy to deal with the immediate aftermath of the situation in which some of those yellow bins are basically going to waste. What is the strategy, in the short term at least, to handle the waste flows and to divert some of that into recycling? I heard a lot of motherhood statements but nothing about actual rubber on the ground in terms of fixing this problem.

Mr R.R. WHITBY: There is a fair bit of rubber on the road. The Better Bins policy has real money attached to it—about \$20 million—to encourage councils to take up the three-bin option, which we know increases recycling. This is having an impact in terms of diverting the amount of material going to landfill. A range of very concrete initiatives are happening right now, and that is just one of them.

Mr R.S. LOVE: With respect, that has been going for a long time. What is being done to handle the situation in which our major market for recyclables is no longer accepting them?

Mr R.R. WHITBY: I was not trying to take the member's gloss away from that policy, but it needs money to encourage its operation and to encourage more councils to take it up. That is money that exists and we are certainly encouraging more councils to be involved. Concrete moves are being made at a federal level. Recently, our federal minister had a meeting with his federal counterparts and a decision was made to dramatically increase the recyclability of packaging in Australia. These are concrete steps and Western Australia is working cooperatively with the rest of the country to try to get some movement in this area. The member would appreciate that we do not control everything that is produced in this country, so we really have to take a national approach and that is in fact happening.

Mr W.R. MARMION: Has the department got a handle on the total volume of recycled waste? With the Chinese government placing a restriction on waste, what is the likely percentage of waste that will have to go elsewhere? Has the department got a handle on that right now or will it happen in the ensuing months, and is that waste going into landfill? It is a simple question, Madam Chair.

Mr R.R. WHITBY: I know that landfill rates have improved and that less is going into landfill. I will get some details for the member from Sarah McEvoy.

Ms S. McEvoy: The proportion of waste that goes overseas is not an enormous amount, but it is still an issue. Western Australia is not facing the same problems occurring in the eastern states because the contracts here are based on a fixed price. Victoria, for example, had a calamitous fall in the amount of recycling because the contracts were renegotiated straightaway. That has resulted in waste not being recycled. That is not the case according to recyclers in Western Australia. Having said that, that does not make it not an issue; it is still an issue. There are other ways to increase recycling. The main waste that is not able to be recycled is plastic waste. A lot of work still needs to be done with construction and demolition waste, glass and other products, such as paper, which still have better local markets. I do not have the exact figures for China, but the overseas amounts of waste from Western Australia were quite small comparatively speaking to other jurisdictions.

Mr W.R. MARMION: I recall going to the recycling Salvos Store in Canning Vale where they were packaging a lot of recycled cardboard that I noted was going to China. What I get from the answer given by the parliamentary secretary is that it is fortuitous that we have contracts in place for that and that will go on. But what happens if China's restriction gets worse, for whatever reason? Do we have a plan B? Obviously, some people are

making money out of that, and it might be the not-for-profits. The other issue is that local governments need to dispose of waste and if they cannot do that or sell it, it might end up in landfill, which is something we probably do not want.

Mr R.R. WHITBY: As the member heard from Ms McEvoy, we are not in the dire position that perhaps other states find themselves where a large proportion of their recyclables head to China. Does Ms McEvoy have anything to add to that?

Ms S. McEvoy: The purpose of the waste task force is very much to look for local solutions for recycling. There are really good opportunities and already some players are coming forward with ideas for, particularly, plastics recycling and local products that could be used. There is a good economic opportunity in that regard.

Dr D.J. HONEY: The waste-to-energy project has been around for some time and looks like an excellent solution for organic-derived waste. Is that part of the committee's considerations?

Mr R.R. WHITBY: It is one of the possibilities that we are looking at. The issue is that often another pollution issue arises through emissions and its negative impact on the environment. It is certainly something that is part of the global examination but perhaps I will get Ms McEvoy to elaborate.

Ms S. McEvoy: Waste-to-energy has a place. However, it is at the lower end of the hierarchy for waste. Looking at the circular economy, it does not keep the materials in the economy for as long as possible. Reuse and recycling are preferable to waste-to-energy. A well-functioning waste-to-energy plant has its place, particularly for residual waste that cannot be otherwise recycled. At the moment, there is quite a lot of recycling of organic waste as compost, which is also another use that keeps it in the system for longer.

Dr D.J. HONEY: I was talking about organic-derived waste—that is, all forms of waste that ultimately originated from organic materials. Has the parliamentary secretary had an opportunity to have a discussion with any proponents on those projects and, as a matter of interest, I would like to know whether the committee is informed on this or not?

Mr R.R. WHITBY: Not in my capacity as parliamentary secretary.

Dr D.J. HONEY: In terms of the committee.

Mr R.R. WHITBY: In terms of our committee, no. I am aware of the proposals. Two have come from the Kwinana industry strip, so there are certainly some proponents down there. This is an area in which there would be contact with the Environmental Protection Authority, so perhaps this is something the member can follow up.

[3.40 pm]

Mr W.R. MARMION: I have two yellow bins. My second yellow bin was free. Councils probably get some revenue out of the recycling bins, because if councils did not get any revenue from recycling bins, they would obviously be a cost to them, and ratepayers would be concerned that their rates would go up. Have any local governments come to the Waste Authority to discuss possible future costs?

Mr R.R. WHITBY: I cannot recall a specific council, but our waste task force has Western Australian Local Government Association representation, so the sector is certainly represented through that association. The indication is that they are very keen to be involved.

Mr R.S. LOVE: The parliamentary secretary said that at the moment a smaller amount of waste from Western Australia than from other places is going to the China market. Perhaps a figure was given, but I did not get it. Is it possible to provide, either now or by way of supplementary information, some details on the percentage of various categories of waste, particularly plastics and more hazardous products, being exported?

Mr R.R. WHITBY: Is that from Western Australia previous to this decision and currently?

Mr R.S. LOVE: Previously and under the current circumstances.

Mr R.R. WHITBY: Can the member point to a line item in the budget?

Mr R.S. LOVE: I am talking about what we have been talking about since the question was asked—the Chinese situation. The reference is to page 560 and item 6, “Waste Strategies”, that states —

Waste avoided and the recovery of materials from landfill maximised.

Given that there is now a threat to the export of certain types of waste, what percentage of waste is being exported?

Mr R.R. WHITBY: That is not something that we can easily extract from the budget, but I am certainly prepared to take that on notice and find out that information.

Mr R.S. LOVE: Will the parliamentary secretary provide an answer as supplementary information?

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Mr R.R. WHITBY: Sorry, I will provide it as supplementary information.

[*Supplementary Information No B15.*]

Mr R.S. LOVE: I refer to page 551 and the line item “Establishing and Maintaining Vegetation Offset Account Disbursements” under the subheading “Other” in the spending changes table. Can the parliamentary secretary explain what that money was used for in 2017–18 and why there are no further allocations to that fund?

Mr R.R. WHITBY: Does the member want the breakdown of that number?

Mr R.S. LOVE: I want to know what the money was expended for in 2017–18 and why there are no further allocations.

Mr R.R. WHITBY: I will answer the first part of the member’s question first. The amount was \$3.7 million. The breakdown is: \$2.6 million was for the acquisition of Lot 6 Talbot Road, in Stratton; \$410 000 was for five adjoining parcels of land in Kokeby and Brookton; \$182 994 was for acquisition of a property at Lake Clifton for inclusion within the Yalgorup National Park; and \$219 582 was refunded to Main Roads Western Australia as a result of amendments made to the approved offset for the Mitchell Freeway extension from Burns Beach to Hester Avenue.

Mr R.S. LOVE: Is this money that is taken from developers and other people seeking to, for instance, clear land? Does the department then ask them to provide an offset and presumably to make a cash payment? Will that happen in the future, because there is no budget allocation in the future nor any spending from that fund?

Mr R.R. WHITBY: I guess that it has not been worked out. This fund depends on proponents wanting to clear land, so it is hard to know what may happen in the future. I will refer to the director general. I am sure it does not mean that the process will disappear.

Mr M. Rowe: The process will absolutely continue and it has not changed, but we need to continue to work with Treasury on how that money will be shown into the forward estimates.

Mr R.S. LOVE: Where can I find the amount of money being held in the offset program now, or does it have a zero balance?

Mr R.R. WHITBY: I will refer that to Ms Faulkner.

Ms K. Faulkner: It is a trust account held with the department. The funds relate to all offset funds that are provided as a condition of a clearing permit that has been granted under part V of the Environmental Protection Act. If the member wants a balance, I will need to look through my papers to find it.

Mr R.S. LOVE: Is it in the budget papers?

Mr R.R. WHITBY: It might be. We will try to find that figure for the member.

Mr R.S. LOVE: While the adviser looks for that information, I will ask a question of a more general nature about the offset program. The “Perth and Peel Green Growth Plan for 3.5 million” has a policy setting whereby land will be purchased in various shires, including some in my electorate, as offsets to programs of development in Perth. Is that account also the holding fund for funds from the inaction of the Perth and Peel growth plan?

Mr R.R. WHITBY: I will refer that to the director general.

Mr M. Rowe: For clarity: is the member talking about the “Strategic Assessment of the Perth and Peel Regions”, which is the proposal that the government was contemplating in relation to the future expansion of Perth?

Mr R.S. LOVE: Yes.

Mr M. Rowe: The government has suspended that proposal and is currently reviewing the “Strategic Assessment of the Perth and Peel Regions” at this stage.

Mr R.S. LOVE: Did we find the figure that we were looking for?

Mr R.R. WHITBY: Yes, we have. Ms Cartwright has the information.

Ms V. Cartwright: It is held in our restricted cash under our statement of financial position on page 565. Currently, we have an amount of \$64 million across the whole of restricted cash and \$11 million of that will be for the vegetation offsets.

Mr R.R. WHITBY: We found the reference to the fund in the budget papers, and \$11 million of the \$64 million is for the particular offset fund the member referred to.

Mr R.S. LOVE: Is that a more general fund of which \$11 million is held for the offset program? As of yet, have any target properties been identified for the expenditure of that fund?

Mr R.R. WHITBY: I thank the member. Mr Rowe will answer.

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[3.50 pm]

Mr M. Rowe: Again, just to be abundantly clear, the amount of \$11 million or thereabouts is held within restricted cash, so it is a line item within restricted cash within the organisation. Yes, there is a process yet to be done to determine future expenditure of that money over time.

Mr R.S. LOVE: There is a process, but the department has not put any money in the budget to make that process happen?

Mr R.R. WHITBY: There is money in the fund, but, obviously, we have to wait for proponents to come along. We then have to identify suitable offset areas. That is an ongoing process.

Mr R.S. LOVE: My understanding was that that money had already been paid by persons or organisations to provide an offset. Presumably, the department does not need to wait for another person to come along and leave its offset. It needs to find an opportunity to expend that money, otherwise the department is not really holding up its end of the bargain when clearing an area of land to provide an offset for the native species or whatever that money was set aside to do. The money is already there.

Mr R.R. WHITBY: The member is right. Of course, if a proponent has already put together a project, that money is there. New proponents come along all the time and money will be added to that account. What has not necessarily happened straightaway at the same time that the money goes in is the identification of a suitable offset area. I will seek advice, but certainly the money is in there. That will change as time goes on, but with new proponents coming along, if it is required that they deposit more money in other projects, it will happen, but we need to identify suitable areas to apply those funds. I guess it is not something we want to rush out and do quickly; we want to make sure that we are getting good value and a good environmental outcome.

Mr R.S. LOVE: Is there an ongoing process for the identification of that land and are there projects, properties or areas of land that are somewhere down the track towards being purchased; and, if so, why are they not reflected in the budget?

Mr R.R. WHITBY: The advice is that it has to be done through the budget process. I guess we have to wait for that to occur before we can put in the allocations for where that money will be used and allocated to.

Mr R.S. LOVE: When a person or an organisation provides money for an offset, is there no undertaking by the state that that offset would be provided within a reasonable time? I am thinking of the state's requirements to meet some of its obligations under the commonwealth Environment Protection and Biodiversity Conservation Act for instance. Is there any sort of guideline for how quickly that offset has to be provided?

Mr R.R. WHITBY: I will refer the member to Ms Faulkner. Before I do, I will just say that, as a government, we are very conscious to put these funds towards the use for which they are intended. I now refer the member to Ms Faulkner who may be able to elaborate more.

Ms K. Faulkner: Yes, it is true. When the funds are received, the department is looking to find equivalent environmental values of vegetation at a certain scale. It actively liaises with the Department of Biodiversity, Conservation and Attractions and others to identify potential properties for purchase, but then we need to negotiate the purchase of those. Those negotiations are fairly confidential, of course, because we do not want to drive up or down the price, whichever may be the case, and, in some instances, it may take some time to find suitable properties to purchase. It may require several offsets. If the property is such that it requires a significant sum of money, it may be that several offsets contribute towards the cost of that property.

Mr W.R. MARMION: This is an interesting area and it is fairly important to hear the probity around this. Does the process involve the opportunity for people to put forward farms or parcels of land to the department for purchases and offsets, and is it transparent?

Mr R.R. WHITBY: Does the member mean unsolicited offers of land?

Mr W.R. MARMION: Yes.

Dr D.J. HONEY: He has got a farm.

Mr W.R. MARMION: I would not use the word "offer", but an opportunity. Say I have a farm with some bush that I am never going to farm, is there a way in which I could just put it on a website, if I want to go online, or some other process by which I could throw it on the table? Then when the department is trying to find something, it can say, "Look at this—fantastic!", because it is 10 times better value than the land that other government departments, such as LandCorp, are trying to flog to it, and the department would not be sucked in to buying the LandCorp land. A government agency might have a lot of pressure from another minister to tell the department to buy its land versus farmer Smith who has a fantastic crop of trees full of red-tailed black-cockatoos and whose land the department might think is better. How does the process work?

Mr R.R. WHITBY: Ms Faulkner, do we want to buy the member's farm or not?

Mr W.R. MARMION: Unfortunately, I do not have a farm.

Ms K. Faulkner: It depends on the value of the land. We have an offset register, which is a public register. All offsets that come through those decisions are publicly available. At this stage, there is no reason that we need to purchase properties specifically through the Department of Biodiversity, Conservation and Attractions. We are certainly looking at developing programs to perhaps have a brokerage or something to that effect. There is no reason that individuals themselves cannot approach a clearing permit-holder themselves and negotiate those offsets outside the fund process. There are other opportunities to develop an offset proposal without the need to contribute funds to the offset program.

The CHAIR: We will have a short comfort break.

Meeting suspended from 3.57 to 4.06 pm

The CHAIR: I give the call to the member for Cottesloe.

Dr D.J. HONEY: I refer to page 552 of budget paper No 2, volume 2, "Significant Issues Impacting the Agency". The second dot point refers to the cost recovery model. I appreciate that this question may require supplementary information. Is it possible to provide a list of the regulatory fees and charges that have increased as part of the budget, including the level of the increase? I would be happy for as much explanation as possible, but then for the provision of supplementary information on the detail if that is not available.

Mr R.R. WHITBY: There is a desire to introduce a cost recovery model. General taxpayers and other businesses have to subsidise some of the fees for industry regulation and applications. This move is based on Ernst & Young's advice, which concluded that the Department of Environment Regulation is under-recovering about \$7.4 million a year. That money has to be paid by other taxpayers to subsidise applicants who put forward certain projects. The intention is to adjust those fees to move towards a user-pays system and for every cent raised to stay within the department to either employ more staff or implement systems that will improve the response and efficiency of those processes. We have embarked upon that journey.

The budget proposes a 14 per cent increase to industry regulation fees effective from 1 July 2018. This will ensure the full cost recovery of industry regulation, including licensing approvals, permitting and compliance. The increased fees to industry will serve to reduce red tape and enable the department to become more responsive to industry needs. For a lot of businesses, the axiom "time is money" is very true. Delays cost money. Businesses want a result as quickly as possible. I have no doubt that many proponents out there would think that an increase in fees is well worth it if it will speed up the process and have a more efficient outcome.

We intend to consult the sector on vegetation clearing fees. Obviously, massive costs are involved because those fees do not represent the true cost. We are very mindful of working in consultation. We do not have a figure yet for those increases, but they will be worked out in consultation with the industry sector and introduced next year. In general terms, this is about having a more efficient and responsive system and raising more money. If the fees and charges reflect the true cost for the department and government to provide these services, the money can be spent on staff and systems to dramatically improve the department's response. It is not about raising extra money for consolidated revenue. Every last cent of these funds will stay within the agency to improve its responsiveness. That move will be welcomed by industry, which seeks to get a prompt answer and a more efficient system from government.

Would Mr Rowe, the director general, like to elaborate on this issue?

[4.10 pm]

Mr M. Rowe: We aim to have the specific fee increases gazetted prior to 1 July when they come into effect. I think the member indicated previously that he is open to accepting supplementary information to get a detailed answer. It is quite a long list to read out.

The CHAIR: Can the minister confirm that supplementary information?

Mr R.R. WHITBY: The member is seeking industry regulation fees as at 1 July 2018. They are the ones that have been set.

Dr D.J. HONEY: It is the fees and charges.

[*Supplementary Information No B16.*]

Dr D.J. HONEY: I heard the explanation, but we heard earlier that, in fact, the number of assessment staff will drop from 51 to 48. I also heard that staff will be combined with staff from the Department of Water and Environmental Regulation and that may make that more efficient. In the dot point I referred to, I read that revenue

will be used to employ additional staff in environmental regulation and compliance functions. Given the answer, I am not sure how that helps with the efficiency of delivering the service. In fact, is that money being used to employ additional compliance staff?

Mr R.R. WHITBY: It certainly is. I will refer to Mr Rowe shortly. The earlier issue of the three-staff reduction was due to the amalgamation of agencies.

Dr D.J. HONEY: I understood that

Mr R.R. WHITBY: That allowed our agency to have the resources of a much bigger pool of people. This is a separate issue.

Dr D.J. HONEY: I understood that. The point I was making was that I understood the parliamentary secretary's answer to be that this was part of creating a more efficient service. But, the second or third sentence of the second dot point, which is what I was seeking an explanation on, reads in part —

The revenue will be used to employ additional staff in environmental regulation and compliance functions ...

I was seeking an explanation in particular on whether the department is looking to increase staff in the compliance function, which I took to be enforcement of regulations. I am happy to be educated on that.

Mr R.R. WHITBY: I will defer to Mr Rowe, but it is certainly about getting a quicker response to applications.

Mr M. Rowe: A point of clarification, firstly. The member's earlier reference to the drop to 48 from 52 staff is, effectively, about part IV of the Environmental Protection Act, which is where the activities of the Environmental Protection Authority come into play. The legislation does not allow us to do any cost recovery for Environmental Protection Authority activity. We are talking here about part V of the Environmental Protection Act, which is the other industry regulation activity we do. In relation to how the additional funding will be spent, additional staff will be devoted to the industry regulation activity to deal with the approvals assessment function. Equally, a smaller number of people will be dedicated to enhancing our compliance function because industry expects a level playing field on how industries are regulated. Although they would like to see faster approval times, I am sure they would also like to make sure the people they are competing with are adequately regulated in compliance and enforcement. Relatively speaking, a much smaller number of staff will be dedicated to the compliance function. Nevertheless, we see it as important to be able to dedicate additional resources to improve our compliance capability as well, which is a good outcome for the environment and ensures people are doing the right thing and sticking to their conditions of approval. It also assists industry more generally by ensuring that standards apply equally everywhere.

Dr D.J. HONEY: As I recall, the Department of Environment Regulation, as it was going back a handful of years, had a very substantial increase in its compliance division. Through the parliamentary secretary, what has driven the requirement for even more compliance staff in the department? Have any specific issues arisen? I was not quite sure. I understood the argument about the level playing field; I heard the words. There was, I think, almost a doubling of compliance staff a small handful of years ago; now we are seeing a further increase in compliance staff. I am intrigued about what is driving that.

Mr R.R. WHITBY: I will refer to Mr Rowe, but, as he explained, most of these extra funds will be invested in employing people to increase efficiencies.

Dr D.J. HONEY: I heard that.

Mr M. Rowe: I was not responsible, necessarily, for the former Department of Environment Regulation, but I understand that a large number of vacancies were unfunded in the compliance enforcement area. I do not have the background the member is referring to concerning what might have happened in the past about how that function may have been resourced or necessarily how the resources were increased. But I know there were a large number of vacancies in that area at the time the new Department of Water and Environment Regulation was established on 1 July. We are looking to try to make sure the compliance function is sufficiently well resourced to meet the level of compliance that we think is necessary.

Dr D.J. HONEY: To burrow down into that a little bit, I assume that if they were unfilled positions, they would still be budgeted positions in the department and these are additional positions on top of budget positions. When it was amalgamated, did the government take the numbers as they were and is now looking at the staffing?

Mr M. Rowe: I understand, in fact, that the vacant positions were not funded.

Mr W.R. MARMION: I refer to "Outcomes and Key Effectiveness Indicators" on page 555. One of the indicators refers to the percentage of construction and demolition waste reported as diverted from landfill through recycling compared to the statewide waste strategy target. There is an estimated actual of 77 per cent for 2017–18. The sixth dot point under "Explanation of Significant Movements" indicates that the reason for the jump to 77 per cent is that there has been a stockpiling of construction waste. Can the parliamentary secretary explain what evidence the

government has of that? Are any strategies being considered to address this, such as placing a levy on the stockpiling of demolition waste?

[4.20 pm]

Mr R.R. WHITBY: I will refer this to Ms McEvoy.

Ms S. McEvoy: The stockpiling is a result of how the levy regime works. The levy applies to waste disposed of to landfill and accepted for burial. The series of increases that have been in place for the last four or five years or so have resulted in greater stockpiling of construction and demolition material than had been the case. The Department of Water and Environmental Regulation has put out a waste reform paper looking at ways to improve the levy regime to ensure that material that is not either recycled or disposed of to landfill is stored for only a finite time so that the intention of the levy to act as a disincentive to landfilling can persist. The consultation on that finished last year and there was broad support for the idea of improving that regime, and that has been progressed.

Mr W.R. MARMION: What process does the department have in place to identify construction waste that is being stockpiled? Small operators might be able to hide that kind of stuff somewhere.

Ms S. McEvoy: That is primarily a compliance and an enforcement issue, but programs are in place to look at identification of stockpiles in both licensed and unlicensed premises. That includes a whole range of techniques from aerial photography—in a lot of cases material can be identified through that—to regular inspections of licensed premises and receipt of information from people who complain. It goes to that question of a level playing field. Other players being disadvantaged can be a big issue.

Mr W.R. MARMION: Are any processes in place to identify contaminated construction waste or is the responsibility placed on the contractor to identify contaminated construction waste? It would be of more concern if contaminated waste was being stockpiled. Are any processes in place to identify that sort of material?

Mr R.R. WHITBY: To identify contaminated construction waste?

Mr W.R. MARMION: Yes—stockpiled contaminated waste.

Mr R.R. WHITBY: It probably goes back to the earlier point about the need for compliance, but I will let Ms McEvoy explain.

Ms S. McEvoy: The level of contamination is obviously an issue. At high levels, it could trigger the Contaminated Sites Act. If we are talking about lower levels, all people have a duty not to cause pollution or unreasonable emissions, which are offences under the Environmental Protection Act. Licence conditions deal with how to prevent contamination by, for example, having impervious surfaces, monitoring groundwater for contamination, and making sure that testing or treatment of particular materials is done before they can be reused.

Mr W.R. MARMION: As a specific example, my understanding is that at the site of the Forrestfield–Airport Link, there is contaminated soil. Can the parliamentary secretary explain the nature of that contamination, what the volumes might be, and what is being done to address its disposal?

Mr R.R. WHITBY: I think that is probably more relevant to the transport portfolio.

Mr W.R. MARMION: When I was Minister for Environment, I knew the guy who did all this. He was in my hockey team, but I will not mention his name. It was a very small and specialised area. In fact, I think he might have retired from the department and been engaged as a contractor, which is not unusual. It came under the portfolio of the Minister for Environment and it is quite an important area. I think the department handles it very well. My understanding is that once the soil is contaminated, it has to go to Red Hill, which is the disposal site. I am interested to know whether the Department of Water and Environmental Regulation has been involved. I know that the contractor is the Department of Transport, but has the department of environment become involved through its regulatory and compliance nature?

Mr R.R. WHITBY: My advice is there has been some engagement with the agency, but we do not hold data or further information. The member would be better placed going to the transport portfolio.

Mr W.R. MARMION: Can the parliamentary secretary confirm that the department compliance people are involved in that issue so that we have some assurance that it will not be stockpiled somewhere, which is why I asked the question under this part of the budget, and we know that it will be looked at properly?

Mr R.R. WHITBY: I will refer you to Mr Rowe.

Mr M. Rowe: I assume the member is talking about the Forrestfield–Airport Link project. The member would be aware that a lot of that project occurs on commonwealth land, on which state legislation does not apply, so to the extent that there are contamination issues, potentially we will have to engage with the commonwealth on how best to resolve that. It is less about our regulatory function and more about our advisory role. We might be working

with the Public Transport Authority and other agencies to engage with the commonwealth on how best to deal with that issue, including the possibility of reusing material where it is safe and appropriate to do so.

Mr R.S. LOVE: The original import of the question was to do with building waste and stockpiling. Does the levy that is imposed on people who deposit waste at a landfill site in the Perth metropolitan area need to be paid by people who do so outside of the Perth metropolitan area?

Mr R.R. WHITBY: My advice is that there is no levy outside the metro area.

Mr R.S. LOVE: My electorate skirts the outside of Perth. Places such as Toodyay and Chittering et cetera are just outside Bullsbrook. A number of proposals are constantly on the go for the depositing of waste material. Even though the material is generated in Perth, is no levy imposed on the deposit of that material just outside Perth?

Mr R.R. WHITBY: I will refer the member to Ms McEvoy in a moment, but I will make another observation about demolition and construction waste. This is another material that the government is very interested in recycling. We are very keen to divert it from stockpiling in the first place. It has applications such as for road base and major infrastructure projects. It is an area we are very keen to pursue, but I will refer the member's issue to Ms McEvoy.

Ms S. McEvoy: The levy applies to both metropolitan waste disposed of within the metropolitan area and metropolitan waste disposed of in regional areas, and to other waste from regional areas disposed of in Perth. The levy is to ensure that metropolitan waste and waste disposed of in the metropolitan area attracts the levy. It would apply to landfill sites in Toodyay if they were accepting metropolitan waste.

Mr R.S. LOVE: Just to be clear, is the same levy applied to waste generated in the metropolitan area regardless of whether it is deposited in a regional area or in the metropolitan area?

[4.30 pm]

Ms S. McEvoy: Yes, that is correct.

Mr R.S. LOVE: By what mechanism is that regulated, and does the department have an understanding of the volume of waste that might be deposited in a regional area?

Ms S. McEvoy: There is an approved method for calculating the amount of waste if there is a mixture of waste from the metropolitan area and non-metropolitan area in instances when a weighbridge is not available. There is quite a lot of detail to that, but it is basically on the size-equivalent volume of the truck that is taking the waste to that area.

Mr R.S. LOVE: What monitoring takes place to ensure that there is no mixing of inappropriate waste, such as hazardous materials or waste of a different classification, with that waste? My understanding is that construction waste of timber et cetera is classified as putrescible waste. How does the department maintain that level of control when the depositing is taking place outside the Perth metropolitan area?

Ms S. McEvoy: The type of landfill is based on a category. Category 63 is inert waste and category 64 is putrescible waste, and so on. It becomes a compliance issue to do checks to make sure that all the waste that is being accepted complies with the type of waste that is allowed to be received at that landfill site.

Mr R.S. LOVE: How is that monitored at a remote site?

Ms S. McEvoy: It is still based on inspections. There is a program of regular inspections of licensed sites. There would still be an inspection of more remote sites.

Mr R.S. LOVE: Is there a regime or policy of inspection that is clear and transparent and has within it some reasonable expectation of the number of visitations and the amount of material that might be deposited and covered before an officer might even see it? Can people be assured that the inspection is thorough?

Ms S. McEvoy: The inspection and compliance program is based across all category types, and not just those related to waste. It looks at the risk from both an environmental point of view and the record of the operator. If someone has had past issues, they are more likely to be inspected more frequently. The program is set in advance to ensure that targets are met around particular issues that need to be inspected. That is part of our key performance indicators as well. The type of inspections that are done and the frequency of those goes to achievement of KPIs.

Mr R.S. LOVE: Is the department looking at any sort of strategy to address the apparently increasing number of applications or instances of people seeking to deposit that waste in areas outside the Perth metropolitan area, given that it has already been stated that there is potentially a stockpile of goods building up within the Perth metropolitan area?

Ms S. McEvoy: This is probably straying a little from my expertise; it is really a compliance and enforcement issue. Well-developed programs that rely on a range of intelligence and compliance techniques do that. We are aware that there have been additional reports of activity. Further investigations are ongoing.

Mr W.R. MARMION: Have there been any prosecutions or are any prosecutions in place of people who decided to illegally take a truckload of construction waste out of the metropolitan area and dump it in a close-by region to avoid paying a levy?

Ms S. McEvoy: I would need to take that on notice.

Mr R.R. WHITBY: That information is not immediately available, but I am prepared to take it on notice.

The CHAIR: Is that supplementary information?

Mr R.R. WHITBY: Yes.

The CHAIR: Can the parliamentary secretary clarify what supplementary information he will be providing?

Mr R.R. WHITBY: It was the details of —

Mr W.R. MARMION: The department might not be able to give details of pending prosecutions—there might be a reason it cannot do that—but I am seeking details of any prosecutions of people who have illegally disposed of construction waste in the last couple of years. I guess that will do.

Mr M. Rowe: Anywhere in Western Australia?

Mr W.R. MARMION: I am specifically interested in anyone who has taken it out of the metropolitan area to the regions.

The CHAIR: Parliamentary secretary, are you happy with that?

Mr R.R. WHITBY: Yes.

[*Supplementary Information No B17.*]

Mrs L.M. O'MALLEY: I refer to the significant issues impacting the agency on page 552 of budget paper No 2. The fourth dot point refers to the harm that plastic bags cause to the environment, and especially to marine life in our rivers and oceans. This is particularly relevant for the electorate of Bicton, so I was pretty excited to see this announcement. Can the parliamentary secretary please advise what actions are being taken to bring this ban into effect, and what types of bags will be banned?

Mr R.R. WHITBY: I thank the member. This is a major initiative that takes effect on 1 July this year. It means that the supply of lightweight single-use plastic bags will be banned in Western Australia. Incidentally, the ban also takes effect in Queensland on that day. The ban is implemented through new regulations under the Environmental Protection Act. Plastic bags that have a thickness of 35 microns or less will be banned. It will be illegal to supply a banned bag to carry goods. It is interesting to note that degradable, biodegradable and compostable lightweight bags are included in this ban. Although those bags break up, they break up into microplastics, which can be consumed by animals and stay within the natural environment. Biodegradable and compostable bags persist in the environment for long periods. They do not break down in temperatures below 50 degrees Celsius. Those conditions are not found in the environment for prolonged periods, so those bags also stay with us for a long time. Not all plastic bags are included in the ban. The ban will not apply to what are known as barrier bags for meat, fish and fruit and vegetables; bags used for medical waste; thicker department store-style bags; bin liners and bin bags; nappy bags; dog waste bags—we do not want to go without those; and reusable bags. This measure has captured the imagination of the public. In my own electorate, the local CWA cheered when I told it that this initiative was coming about. These women have turned to recycling bits of cloth to make handmade shopping bags, which they are selling; the funds raised will go to help a local women's refuge. That is one example of how recycling can add to the economy and have another positive spin on it. This ban will require a change of habit. A number of stores have already announced that they have adopted this ban. It is a matter of having those reusable, multi-use bags in the car and having them available. It is going back to another time when we did not produce or have a requirement for literally tens and hundreds of millions of those grey bags that we all use. There are ways to avoid using those bags, which have a massive impact on the litter stream. It is good news and it is happening, as I said, in Queensland at the same time. It is a change and an improvement for the environment that has been welcomed by the community; indeed, I think some of the online assessments of the public's response to this has been up around 90 per cent approval. It is something that requires a change of practice, but I think the vast majority of people are embracing it. It will have a really positive outcome for the Western Australian environment.

[4.40 pm]

Mr R.S. LOVE: We were discussing earlier the vegetation offset program. I refer to the first note under "Explanation of Significant Movements" on page 559 of the *Budget Statements*. The final sentence reads —

The increase in income between the 2017–18 Estimated Actual and the 2018–19 Budget Target is due to the inclusion of income under the Vegetation Offset Account and forecast increases in fees and charges ...

Is the money that is flowing through the account from the vegetation offset program simply flowing through to the purchase of property to the restricted savings account or, in fact, is it being expended to provide environmental regulation services?

Mr M. Rowe: The way that the efficiency indicators are generally constructed for performance indicators for services is to require the allocation of the total cost of the agency across all our performance indicators. To that extent, we have to find a home for not only the direct costs associated with employing staff, but also any indirect costs, including budget funds such as the offset account moneys. It has to show up somewhere in our efficiency indicators, and in this case it has been allocated to the most relevant indicator, which is related to the work that we do in vegetation clearing permit applications. In no way does it mean that that money is being used in the process of assessing applications. It is restricted to acquiring properties.

Mr W.R. MARMION: I refer to the last dot point under “Significant Issues Impacting the Agency” on page 553 of budget paper No 2, which states —

The Department will commence work on a water allocation plan for the Fitzroy River to assist in achieving objectives for the Fitzroy River contained in the Government’s Plan for the Kimberley.

I confess that I have a heritage interest in this because my great-grandfather owned Liveringa station.

The CHAIR: Goodness! Farms and hockey; I am learning a lot about you, member for Nedlands!

Mr W.R. MARMION: I also lived in Derby in 1980, and at that time the then Public Works Department tried to divert a lot of fresh water that goes out to sea by spending \$20 million in 1980 dollars on a levee. It got washed out as soon as the water came down and the government lost \$20 million. No-one could see it because it was behind the trees. Can the parliamentary secretary give an indication when the water allocation will be completed? Will it focus on both bore allocations and allocations directly from the river?

Mr R.R. WHITBY: I cannot answer that, and I will not answer that, because, unfortunately, it is the wrong portfolio. It is a question for Minister Kelly. My apologies.

Mr W.R. MARMION: Does it not come under planning for the Department of Water and Environmental Regulation?

Mr R.R. WHITBY: It comes under the department but not the portfolios that are part of this division.

Dr D.J. HONEY: I refer to the spending changes table on page 551 of budget paper No 2. There is an ongoing allocation for the Port Hedland dust task force report. I am intrigued as to what that expenditure is for. I am aware that there has been an ongoing dust study. I am intrigued as to why we need an ongoing spend for that report.

Mr R.R. WHITBY: Obviously, the member is aware of the issues raised in Port Hedland. A task force report made available for public comment in late 2017 invited Port Hedland residents, organisations and interested parties to submit their views. The government is currently considering those submissions as well as the task force report itself. Funding has been included in this budget in anticipation of what may come as a result of the government’s response to that report. Some of the recommendations include certain actions, and the department has wisely allocated some funds depending on the government’s response. That is where we are at at the moment.

Mr W.R. MARMION: Having been involved in the initial and follow-up reports under a number of portfolios, including as the then Parliamentary Secretary to the Premier, it is my understanding that a lot of the report refers to where the development boundary might be. Once the government makes a call—by the way, the boundary issue is controversial—it may not cost any money unless the government decides to do amelioration work. Can the parliamentary secretary outline whether that is the case; otherwise, not much money would be required?

Mr R.R. WHITBY: I will refer to the director general. The money allocated is for possible increased monitoring in the future, not planning issues. I am happy to hand over to Mr Rowe.

Mr M. Rowe: As the parliamentary secretary said, should the government response indicate support for the department doing additional work in this space, it will relate to air quality monitoring, as well as looking at risk-based reviews of licensed port premises up there and the implementation of dust management guidelines for bulk handling port premises. To the extent that the government adopts recommendations as part of its response, we will be delivering those actions that this agency is responsible for, as opposed to things that other parts of government might be delivering, with the funding that has been shown in the budget.

Dr D.J. HONEY: Given that there is a relatively finite number of point sources for the majority of the dust, would it not be more likely that there would be a cost-recovery process from the main users of the port area?

Mr R.R. WHITBY: Yes, that is correct, but obviously to establish that, there needs to be expenditure on monitoring as well.

Dr D.J. HONEY: That was the point of my question. I would have thought that rather than the government funding the monitoring, it would have required the users of the port to fund it.

Mr R.R. WHITBY: I am happy to refer to Mr Rowe for further detail.

Mr M. Rowe: Again, assuming the government accepts the recommendations, it would be our intention to look for cost-recovery arrangements with the industries that are effectively causing the impact in the first instance. This money will allow us to get on and undertake the activities up-front and look to recover the costs over time.

Mr W.R. MARMION: Indeed, I have been onsite and I saw one of the monitors, which, from my understanding, was on the BHP side and was being monitored by BHP. I think we could get real-time information on the laptop. BHP may not be funding all the air monitoring, but it was certainly funding the one that was fairly close to the housing area. I wonder whether the parliamentary secretary can confirm whether BHP is funding some of the monitoring.

[4.50 pm]

Mr M. Rowe: It is true to say that at the moment, industry is paying for its own monitoring network. One of the things that may be contemplated is that the Department of Water and Environmental Regulation assumes responsibility for that monitoring, rather than industry, to ensure community confidence in that exercise. Should that proceed, this funding will allow us to build that capability.

Mr R.S. LOVE: I refer again to the subject of offsets on page 561, but this time they are the Pilbara environmental offsets fund disbursements, which are listed as just over \$2.3 million for this coming year and in each of the forward estimates. What is the balance of the account that money comes from, just as we had the balance of the environmental offsets program? Can the parliamentary secretary tell me how transparent that program is in terms of where that money is coming from and where it is intended the money will be spent?

Mr R.R. WHITBY: Sorry; can the member repeat which line item he is talking about?

Mr R.S. LOVE: It is the Pilbara environmental offsets fund disbursements in the table under spending changes on page 561. It is five lines from the bottom.

Dr D.J. HONEY: It is on page 551.

Mr R.S. LOVE: Sorry; it is page 551. I have scribbled over my page number—sorry about that.

Mr R.R. WHITBY: I will refer the member to Mr Sutton for some more detail.

Mr A.X. Sutton: I will provide the detail on the fund that is going to be set up. It has not been established at this point in time and there is no money at this point. Through many ministerial statements over the years, which mainly involved iron ore mining in the Pilbara, there has been a requirement for offsets when there has been a significant residual impact. That figure is approaching \$90 million all up. Once the account is established, we expect \$7 million to go into it over the next year. At the moment, the money is in the budget figures, but a special account will be established for that.

Mr R.S. LOVE: The second part of the question is: for what reason is the money being collected and how is the department deciding where the money will go?

Mr A.X. Sutton: I will make two points. The money is being collected when there is a significant impact on biodiversity values. Primarily, it would involve a threatened species or the clearing of native vegetation. At the moment, the fund has been established with an advisory group to the minister, which will include a broad range of stakeholders from the Pilbara and also government agencies, but in particular representatives from Indigenous communities of the Pilbara area.

Dr D.J. HONEY: For what purposes could the fund be used? Is there any restriction or is it up to the imagination of that group that has been put together?

Mr A.X. Sutton: Over time, a number of ministerial statements have required offsets for biodiversity purposes. We are pooling that money together to get a greater landscape biodiversity outcome in the Pilbara. It might be used for supplementing our national parks and nature reserves, the management of feral animals or weed management and those types of issues that contribute to the improvement of biodiversity in the Pilbara.

Mr W.R. MARMION: As the parliamentary secretary knows, it is tricky when funds like this are set up in terms of where the money goes and having a governance structure in place so that all Western Australians have comfort in knowing that the money has gone to the right place after due consideration of all the options. My first question

is: how are the people selected for the advisory board? This is important because the selection of members can be skewed to what a person would like. What processes will be in place once that advisory board—let us say that it is an advisory rather than a constituted board—has been selected? Will it advise the minister and then will the minister make the call, and under what premise would the minister make the call?

Mr R.R. WHITBY: I will seek some additional advice, but it is important to note that these funds stay in the Pilbara. In the past, a piecemeal approach has been taken, so this is a positive development, as Mr Sutton said earlier. A broader landscape impact can be achieved and we can really do some good with the pooling of those resources. I know that there is some significant input from the local community, the Aboriginal community and a range of stakeholders. I believe that the minister has the final say, but I will defer to Mr Sutton for the exact details.

Mr A.X. Sutton: Those arrangements are currently being put in place. The implementation advisory group will advise the minister. As I mentioned before, the group will contain a range of stakeholders. We are also looking at whether there needs to be a governance arrangement as part of that group so that it is clear the money is spent for the intended purposes and in the proper manner.

Mr W.R. MARMION: I will not comment because I was involved in discussions around this and it has been around for at least 10 years. Some of the criticism would be the possibility—I imagine it would not happen—that a director general may have their favourite PhD project in some area of environmental examination that might get favoured treatment. How do we put in place something that does not allow the advisory committee to favour one particular area of research or investigation?

Mr R.R. WHITBY: The department has to have very good, professional directors general like Mr Rowe here.

Mr W.R. MARMION: It would never happen with Mr Rowe.

Mr R.R. WHITBY: No, of course not. Mr Sutton can elaborate.

Mr A.X. Sutton: Again, it is really in the broad reach of that advisory group to make sure that it has local pastoralists and representatives from Indigenous communities on it and people who have a broad stake in the Pilbara region. That would ensure that one person does not dominate in those discussions.

The CHAIR: Member for Cottesloe, do you have a new question?

Dr D.J. HONEY: I do. I thought I would liven things up a bit in the later part of the afternoon. I refer to spending changes on page 551 in budget paper No 2. I am interested in the very top line item in the bottom table, “Scientific Inquiry into Fracking in Western Australia”. When can we expect that report to come out? At the same time as answering that question, I am keen to know what industry and community consultation will occur before the final report is released.

Mr R.R. WHITBY: The member would be aware that there is currently a statewide prohibition on fracking and we have announced a ban on it in the south west and the Perth and Peel areas. The issue remains in the rest of the state. A scientific inquiry will provide independent expert advice to the government with recommendations to determine whether a scientifically robust regulatory regime could result in the moratorium on fracking being lifted outside that south west area. That scientific inquiry will occur over a period of approximately 12 months and is due for completion in the second quarter of 2018–19 or towards the end of this calendar year. Does that answer the member’s question?

Dr D.J. HONEY: It partially does. What is the consultation process that will occur before the final report is released?

[5.00 pm]

Mr R.R. WHITBY: I am happy to refer to Mr Sutton for further information.

Mr A.X. Sutton: There are two elements to that. The first element was a call for public submissions based on some discussion papers, which ran from about November through to March. So far, that has received 9 915 submissions. So, it is very broad. The second element was a series of public meetings, which were held in late February and early March, in Broome, Perth, Dongara, Dandaragan and Fitzroy Crossing. There was a very broad range of stakeholder consultations through those various country meetings as well.

Dr D.J. HONEY: The question was, though, about the consultation for a draft report. I assume that a draft report will come out from that. What is the consultation process for that report or will it be simply a final report coming out?

Mr A.X. Sutton: Because it is actually a scientific inquiry, there will not be a draft report going out, just the final report. The community consultation has occurred and the scientific panel is currently putting the report together. There will not be a draft report.

[Ms M.M. Quirk took the chair.]

Extract from Hansard

[ASSEMBLY ESTIMATES COMMITTEE B — Wednesday, 23 May 2018]

p323b-338a

Dr D.J. Honey; Mr Reece Whitby; Mr Bill Marmion; Mrs Jessica Stojkovski; Mr Shane Love; Mrs Lisa O'Malley

Mr R.S. LOVE: I refer to page 564 and the line items under “Royalties for Regions Fund”, which are listed under the subheading “Income from State Government”. Can the parliamentary secretary highlight what projects might be funded in the minister’s service areas 4 to 9 from royalties for regions and whether any of those projects had previously been funded by consolidated revenue? Given the lateness of the hour, I am happy to take that as supplementary information.

Mr R.R. WHITBY: The line item the member referred to is a water-related issue for Mr Kelly as well.

Mr R.S. LOVE: Is it? Do all the line items under the subheading “Income from State Government” refer to water, not to environment?

Mr R.R. WHITBY: To clarify, is the member referring to the line items “Regional Community Services Fund” and “Regional Infrastructure and Headworks Fund” under “Royalties for Regions Fund”, which is under the subheading “Income from State Government”?

Mr R.S. LOVE: Yes.

Mr R.R. WHITBY: They are part of the Water for Food program under Mr Kelly’s jurisdiction.

Mr W.R. MARMION: I refer to page 551 and the line item “Keralup Hybrid Nanoclay Nutrient Project” under spending changes. It is a very interesting project, of which I have a fair bit of background knowledge, but maybe other people do not. It is a very important project because it uses Alcoa residue mixed in with the soil in a low-lying area to see whether it could retain —

Mr R.R. WHITBY: I can perhaps save the member’s breath. I am very interested in Keralup, too, because it is near my electorate and I think it offers a range of opportunities, but, alas, it is a water issue.

The appropriation was recommended.