

Mr Dave Kelly; Ms Mia Davies; Mr Vincent Catania; Mr Mick Murray; Chairman; Mr Chris Tallentire; Mr Ian Blayney; Mr Shane Love

Division 71: Water, \$80 046 000 —

Mr N.W. Morton, Chairman.

Ms M.J. Davies, Minister for Water.

Ms M. De Lacey, Director General.

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

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

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

Ms L.M. Candy, Acting Manager, Finance and Administration.

Mrs A. McAllister, Senior 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 she 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 May 2014. 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 her advisers to the committee.

[Witnesses introduced.]

The CHAIRMAN: Member for Bassendean.

Mr D.J. KELLY: I refer to the fourth dot point under "Significant Issues Impacting the Agency" on page 774 of budget paper No 3, which states, in part —

The Department investigates and assesses current and potential water resources and plans for their use in order to meet demand.

Has the department done any work on a cost-benefit analysis around the potential privatisation of existing desalination or wastewater treatment plants; and, if so, what are the findings?

Ms M.J. DAVIES: I have a feeling of *deja vu*, member, but it is my understanding that the Department of Water does not have responsibility in that space to do planning in terms of assets owned by the Water Corporation. I am happy for Maree to make a comment in that space, but, again, I am unable to provide any detail, should there have been any work done; there has not been, to my knowledge.

Ms M. De Lacey: No, we have not done any work.

Mr D.J. KELLY: I am glad the minister finds this funny, but it is quite a serious matter for the public. The Department of Water has done no work at all to determine, in respect of the best utilisation of our water resources, whether selling off our water resources to the private sector is a good or bad thing—no work whatsoever.

Ms M.J. DAVIES: Member, the responsibility of the Department of Water is to make sure that we have an adequate water supply. The member will understand that the Water Corporation is responsible for delivering that water. It has control of the assets to which he is referring, and I am not sure whether this question fits into this estimates division.

Mr D.J. KELLY: On the same reference, has the department done any investigations into whether it would be in the best interests of the state to have any new metropolitan water sources privately provided; and, if so, what are the findings?

Mr Dave Kelly; Ms Mia Davies; Mr Vincent Catania; Mr Mick Murray; Chairman; Mr Chris Tallentire; Mr Ian Blayney; Mr Shane Love

Ms M.J. DAVIES: Member, it is not the responsibility of the Department of Water to decide who delivers the water; it is the responsibility of the department to make sure that we have water management planning in place for the entire state, so it is about finding resources for the state. We have a considerable program of groundwater investigation. I was in Albany last week with the Premier to announce the outcomes of some of those groundwater investigations. The responsibility of this department is to make sure that we have an adequate water supply. As I said previously, the Water Corporation and other service providers provide that water.

Mr D.J. KELLY: Some of the discussion has been around whether we identify a future water resource by asking that question of the private sector rather than the government simply seeking it out. My question is: has the department done any work around whether that option is an appropriate or beneficial way of identifying, for example, the next major water resource for the metropolitan area?

Ms M.J. DAVIES: Can the member clarify what he is asking? Is he asking whether the department has done any work on whether it would be appropriate for a private sector operator to do groundwater or water supply investigations?

Mr D.J. KELLY: No; I am asking whether it is appropriate to ask the private sector to identify, for example, the next major water resource in the state, be it groundwater replenishment or something else that people have not yet thought of.

Ms M.J. DAVIES: It is the department's responsibility to make sure that we look at all of our groundwater supplies. Does Maree want to comment on the business of the department? I think it needs to be clarified for the member.

Ms M. De Lacey: Only to say that the passage of the Water Services Act certainly does make it easier for other private sector operators to enter the market.

Mr V.A. CATANIA: My question relates to the "Efficiency Indicators" table on page 776, and the line item "Average Cost per Drainage and Water Management Plan and Assessment". The minister will be aware of the floods that occurred in Carnarvon back in 2010–11 and the damage that it caused to horticultural areas and to the people who live in Carnarvon and Gascoyne Junction. A lot of work has been done to try to work out how to mitigate disasters such as that one. I know that the Department of Water has been involved with the flood levees that look like being completed next month. It is a good news story for the people of Gascoyne, particularly in Carnarvon, that finally something that has been talked about for 50 or 60 years has come to fruition. I want to highlight the good work that the Department of Water has done in conjunction with other departments. Perhaps the minister could enlighten members in the house about the role the Department of Water has played with flood mitigation in Carnarvon.

[8.10 pm]

Ms M.J. DAVIES: I thank the member for the question. The Department of Water has played an integral role in its involvement in the Carnarvon flood mitigation levee system. I know the member has had a significant amount to do with it. I was up in Carnarvon not long after the floods and am fully aware of just how necessary these works are. It was utter devastation in that part of the world, which is a very important part from an industry point of view, not just given its industry value, but also from a community point of view. It will be a good day when we get to complete those works, and they are quite significant. I have seen them almost completed, and the member for North West Central would be a regular visitor, given he has a house in Carnarvon.

Mr M.P. MURRAY interjected.

Ms M.J. DAVIES: Visiting his hometown.

Mr M.P. MURRAY interjected.

Ms M.J. DAVIES: It is a fabulous engineering structure, and I do not know whether the member for Collie–Preston has had the opportunity to go up there, but I would highly recommend it.

Mr M.P. MURRAY: Certainly, if the minister looks at *Hansard* and many other —

The CHAIRMAN: Thank you, member!

Ms M.J. DAVIES: Excellent!

Mr M.P. MURRAY: If she asks me a question, I will answer!

Ms M.J. DAVIES: I did!

Mr Dave Kelly; Ms Mia Davies; Mr Vincent Catania; Mr Mick Murray; Chairman; Mr Chris Tallentire; Mr Ian Blayney; Mr Shane Love

Mr M.P. MURRAY: At the request of the member for North West Central!

Mr V.A. CATANIA: Absolutely!

The CHAIRMAN: If we could just —

Ms M.J. DAVIES: I am sorry. I thank the member for North West Central for sharing his interest in this really positive outcome. The flood damage was estimated to be around \$90 million for the community and the flood mitigation levee system project has its history since flooding in 2000, whereby the Department of Water has been working with the community to do the design work, to fund it, and now to build the levees to protect the horticultural district and important regional infrastructure. The member would be also aware that the scope of the works was split into two stages. Stage 1 was the upgrade of two major floodways on the North West Coastal Highway just south of Brown Range, and this initial work was required as the proposed stage 2 works could redirect more floodwaters over the section of the highway. Stage 1 was funded by the state government, which provided \$8 million as well as the federal government, which provided \$4.25 million through the Regional Flood Mitigation Program and the Natural Disaster Mitigation Program and the Shire of Carnarvon, so it has been a real partnership effort in delivering the program.

As an outcome of the 2010 December flood, the project gained \$60 million of which \$45 million was from royalties for regions, and \$15 million from the federal government out of the Regional Development Australia Fund, and that was significantly less than the originally estimated project cost. It was further developed and we now have four major levees totalling 16 kilometres in length and ranging in height from about one to six metres. I know the member for North West Central attended, but there were lots of meetings about where the levees should go. It is a matter that is very close to the hearts of the people of Carnarvon. There has been a state government interagency working group, which was chaired by the Department of Water, who have played an integral part in this whole process, and Main Roads has also been leading the on-ground works.

Given that construction commenced in late 2012, completion is due in June 2014 and the project will provide some greater surety to that horticultural district and the community. It is a great project, and I am looking forward to being up there with the member for North West Central and many others who have been involved in the journey to see its completion and celebrate it with the community.

Mr M.P. MURRAY: It is great to hear the minister rattling on about what has been happening in the north, but I must bring up the matter of repayment. I refer the minister to page 733 of budget paper No 2 and the bottom paragraph about the repayment of commonwealth funds. An amount of \$7 million was handed back to the commonwealth because of the inaction of this government. How much money was spent on the Collie River salinity reduction program and how much further money is to be repaid to the commonwealth?

Ms M.J. DAVIES: I anticipated the member for Collie–Preston would be very interested in this particular part of the budget papers. I understand why because the Collie water catchment is an incredibly important one and —

Mr M.P. MURRAY: For waterskiing!

Ms M.J. DAVIES: For waterskiing! We had done that by de-proclaiming it, but I do understand the importance of the whole catchment area in power production, industry and horticulture. It is something that I know has vexed consecutive state and federal governments and considerable efforts have been made in this space. I guess the problem started many, many years ago and a number of programs have been put in place, so there has been significant investment. But if we come to the more recent investment, and the member is talking about the \$15 million provided by the commonwealth government, it was provided back in 2005, and we also matched that with \$15 million of state government funds. My understanding is that the Department of Water had spent approximately \$7.7 million of commonwealth funds, and that was under the Collie River salinity recovery project, which was the three-year proof of concept diversion trial. It provided a detailed engineering design, temporary storage, treatment, desalination and disposal of diverted saline river water. The trial delivered some results, including the cost to implement the full program at around \$80 million or more, which was significantly more than the funding that had been made available under the program. It also had challenges identifying an industry partner to operate the scheme or the desalination plant. There were some complexities around the use of the water voids to be used as water storage. My understanding is that some of the miners down there were tending to use a water void, who then wanted to return to that void to continue to mine, so there would have been some uncertainty about whether that project would deliver the outcome desired. There were also some challenges around the pre-treatment of organics.

Mr Dave Kelly; Ms Mia Davies; Mr Vincent Catania; Mr Mick Murray; Chairman; Mr Chris Tallentire; Mr Ian Blayney; Mr Shane Love

The member would understand that it is quite a different prospect to desalinate fresh water, particularly in a river system as opposed to a fairly consistent product coming out of the ocean. I know looking back through the notes, because it has been an issue that I have turned my mind to with the department and some of my colleagues, that that trial was terminated in 2011. I am guessing that there was an assumption made that there would not be an outcome delivered from that trial because of the expense in implementing the full project. It then reopened the conversation with the community, industry and government around potential alternatives. An independent review was undertaken by KPMG and looked at four options. It concluded that the one put forward by the Department of Water, with some tweaking at the suggestion of the Forests Products Commission, was probably the best outcome, and that it should be a staged approach. But there were also some riders on that; namely, the review recommended more engagement with local industry to develop potential further demand. It also needed to clearly define some of the water management issues. The premise of reducing salinity in the Wellington Dam has always been to try to get it back to potable water.

The member talked about the de-proclamation of the dam and opening it up for recreation, which is a very clear indicator to me that there has been acknowledgement that Wellington Reservoir is probably no longer being looked at for potable water sources. We need fit-for-purpose water sources and also to manage the environmental impacts both downstream and upstream. I am sorry this is longwinded, but it is a controversial and complex issue. There was funding provided by royalties for regions to work with the South West Development Commission on some of the recommendations of the independent review. Some \$5.2 million applied to that and \$500 000 of that funding has been spent on doing the review. Again, it has come up with some challenges in trying to implement the projects that are preferred by industry. It comes back to finding industry partners or, I guess, uses other than horticultural for that part of the catchment. The funding was given back to the commonwealth because the project it was intended to be used for was not seen to be viable. It does not mean that the problem goes away. We are very concerned about the salinity both in the upper and lower reaches of the Collie catchment. I am continuing to work with the department to see whether we can progress some solutions for that part of the state.

[8.20 pm]

Mr M.P. MURRAY: I think the part the minister has missed in the whole dollar process is the concern about the expenditure of \$80 million against the expenditure of \$500 million-plus on a desalination plant. That is a great concern to the community. The cost into the future is certainly a concern to all communities. That small pilot program took, I believe, 20 000 tonnes of salt out of that dam. It was measurable at the wall of the dam and would have been in a potable state within five years. I beg to differ about where these moneys have been spent. According to the minister's statements, \$7 million of federal money was spent, yet the state contributed nothing!

Ms M.J. DAVIES: Would the member like me to answer?

The CHAIRMAN: Is that your question, member?

Mr M.P. MURRAY: Yes.

Ms M.J. DAVIES: An amount of \$7.7 million in commonwealth funding has been provided. The Water Corporation was prepared to match the commonwealth funding with \$15 million, as the commonwealth originally intended to contribute \$15 million. However, the Water Corporation was involved in trying to get to a potable water resource. It became evident through the Collie River salinity program that we were not going to get to that point under the trial that had been run.

Mr M.P. MURRAY: Yes, \$80 million.

Ms M.J. DAVIES: That is right, so those funds were not spent.

Mr M.P. MURRAY: It is \$80 million against \$500 million. That is my argument and I will leave it at that.

Ms M.J. DAVIES: I can give the member some assurances that we are continuing to work on that and that none of this work will be lost. An invaluable amount of work has been done that will inform future decisions, and we are very determined to continue working on it. It is a fairly significant part of the state. I have met with Harvey Water, with some of the horticultural growers down there and with industry as well, and I know that the South West Development Commission is very keen to continue working on options. We will therefore continue that work.

Mr C.J. TALLENTIRE: I refer to page 779 of the budget papers and the line item "Groundwater Resources Investigation and Monitoring". I note the very low sums that are put into this program. How much of the

Mr Dave Kelly; Ms Mia Davies; Mr Vincent Catania; Mr Mick Murray; Chairman; Mr Chris Tallentire; Mr Ian Blayney; Mr Shane Love

\$452 000 in the 2014–15 program will be put towards ensuring that the Department of Water will play a protection role in our groundwater resources, such as the Jandakot and Gngangara mounds?

Ms M.J. DAVIES: Can I just clarify whether the member is talking about “Works in Progress” at the top of page 779 and line item “Groundwater Resources Investigation and Monitoring Perth Region”?

Mr C.J. TALLENTIRE: It is under “New Works” and the line item is “Groundwater Resources Investigation and Monitoring”. During examination of the Water Corporation we touched on the expansion of the Jandakot mound that is about to take place. I assume that is considered new works. In relation to the Department of Water’s role in ensuring that the Jandakot mound is protected, noting that there is substantial urban growth around the groundwater mound, I want to know how much of the allocation for 2014–15 will go to the Department of Water to ensure the groundwater mound is protected from all kinds of inappropriate land use?

Ms M.J. DAVIES: I can make a general comment about that. That line specifically relates to the Perth region confined aquifer capacity study. The member will note further down the page mention of further investment for groundwater resources investigation and monitoring; therefore, funding is going into the out years. However, I will ask Maree De Lacey to make some comments on that question.

Ms M. De Lacey: The line item under “Works in Progress” in the top line reflects the Gngangara confined aquifer work. There are actually three areas in this table where the member will see groundwater resources investigation. One is the works in progress confined aquifer study, which is particularly focused on the Gngangara system. The second line item under “Completed Works” refers also to groundwater resources investigation. That is what we have done this year. The member referred to the line that starts with \$452 000.

Mr C.J. TALLENTIRE: Yes.

Ms M. De Lacey: That is a continuation of that program. It is a lumpy program where there is greater expenditure in one year and less in another depending on aspects such as whether we can get access to drilling, which activities we bring forward and the year in which activities need to happen.

Mr C.J. TALLENTIRE: I thank the adviser for those responses. Why is it not an ongoing funding requirement, though? I imagine the need for the Department of Water to be involved in the protection of that groundwater asset will not stop; it will be ongoing and I do not see it in the forward estimates.

Ms M.J. DAVIES: My understanding is that it is ongoing, but I will get Maree De Lacey to clarify that for the member.

Ms M. De Lacey: It is an ongoing program. The groundwater investigation program is an ongoing statewide program. The one the member referred to under “Works in Progress” is actually a specific, time-limited program that had an increase in funding that was allocated to us particularly for that project. It is a time-limited project but the program itself is ongoing.

Mr C.J. TALLENTIRE: Further to that, I am curious to know how much effort is actually applied by the Department of Water into investigations of infringements when there is word of a pollution event. I note that the Bio-Organics company at Oakford is potentially contaminating part of the Jandakot groundwater mound. How much effort and how many dollars from the budget would we expect to see the Department of Water put into those investigations?

Ms M.J. DAVIES: I am not sure that the member will see that reflected in this part of the budget. That is a separate service area. This specifically relates to the groundwater investigation to prove up the water resource. The member is referring to the effort that is put into making sure that we are enforcing licences and things like that.

Mr C.J. TALLENTIRE: Licences and investigations into someone who is not party to a licence perhaps polluting that community asset.

Ms M.J. DAVIES: Paul Brown can answer that question.

Mr P. Brown: I think there are two components to the member’s question. One is polluting a water resource or putting pollution into the environment, which is related to the Environmental Protection Act. The Department of Environment Regulation will investigate that pollution and, if it is with water, the investigation will be in conjunction with the Department of Water. I will talk specifically about people with a licence taking too much. We spend almost \$950 000 a year on compliance and enforcement for compliance with our licensing systems. That amount is directed both at compliance and at high-risk sites. We spend a lot of time in our compliance and enforcement system on high-risk sites, which means nearly fully allocated systems such as the Gngangara system.

Mr Dave Kelly; Ms Mia Davies; Mr Vincent Catania; Mr Mick Murray; Chairman; Mr Chris Tallentire; Mr Ian Blayney; Mr Shane Love

Mr D.J. KELLY: Further to that, if my memory serves me right, when this issue of compliance was discussed in last year's estimates, the information given by the department was that it had prosecuted three people in the previous 12 months. Assuming that was correct, can the minister tell us how many prosecutions the department has undertaken in the last 12 months and what was the outcome of those prosecutions?

Ms M.J. DAVIES: I also recall some conversation in that space. A number of prosecutions have occurred and there is further work going on in the Department of Water into improving the compliance and enforcement parts of the business. However, I will defer to Mr Brown to answer that question.

Mr P. Brown: We have another two prosecutions for this financial year, which is on top of the three prosecutions from last year. That is on top of a program of increased focus right across the board on compliance and enforcement. I will read out a few numbers to date for this financial year. The totals for this year are 102 warning notices, 20 infringement notices, seven direction notices and two prosecutions commenced.

[8.30 pm]

Mr D.J. KELLY: The minister obviously knows more about this than I do. But that level of prosecution seems incredibly low given the size and the scale and the number of people with licences, and I suppose also the stories we hear about people taking more water than they are entitled to. It struck me last year that three prosecutions is incredibly low, and there have been two this year. Can the minister assure us that the department really is pushing this as much as it should be?

Ms M.J. DAVIES: Yes. We are making significant progress towards the implementation of the national framework for compliance and enforcement systems for water resource management. We are part of that program. I do recall from last year that this was one of the areas of contention. But the primary approach to regulation of water licences in Western Australia is to work with our licence holders. There is a point where we get to obviously making a prosecution. But in the first instance, we work with that licensee to assist them to make sure that they are working within their licence obligations.

Mr D.J. KELLY: A further question —

The CHAIRMAN: A final further question, member for Bassendean.

Mr D.J. KELLY: That attitude, which is applied in a range of areas of government to what I suppose we could call white-collar crime, seems to be at great odds with the message that we send in a whole range of other areas, like drink-driving or speeding or theft. When someone steals from their employer, we do not work with them to remedy it and educate them; they are charged and lose their job. However, in this space, someone essentially steals water—vast quantities of it—and our approach is to work with them, as though most of them do not know that they have been doing the wrong thing. I query what message that sends to people. It is that if they do steal water from the state, they are going to be given an opportunity to remedy it. They are not going to be asked to give the water back. They are going to be given an opportunity to mend their ways. Is that really the most efficient way to deal with that?

Ms M.J. DAVIES: Just to reinforce, this is a nationally consistent way of managing water licences. We are part of a broader program.

Mr D.J. KELLY: Don't listen to Canberra!

Ms M.J. DAVIES: If it is a serious offence, a prosecution will occur. Repeat offenders or serious offenders are dealt with through the prosecutorial processes. But there is a range, as there is with other offences, of breaches of licences, and in the first instance we need to ensure that something has not occurred that the licence holder was not aware of. We are working on this, and there is a considerable effort within the department to improve in this space. In 2011, a regulation division was established within the Department of Water, and in 2012, we signed up to the national framework for compliance and enforcement systems. So we are working towards making improvements in that space. If a person does commit a serious offence in this space, they will be dealt with appropriately.

Mr I.C. BLAYNEY: I refer to page 774 of budget paper No 2. The fourth dot point under the heading "Significant Issues Impacting the Agency" notes the work that the Department of Water does in investigating and assessing water resources. Is it possible for the public to access this information?

Ms M.J. DAVIES: Great question, member; thank you for raising it. I was amazed when I became Minister for Water and visited the Department of Water at the level of depth and rigour and information that is available. We have some seriously talented scientists, modellers and engineers working in the department, and there is no

Mr Dave Kelly; Ms Mia Davies; Mr Vincent Catania; Mr Mick Murray; Chairman; Mr Chris Tallentire; Mr Ian Blayney; Mr Shane Love

shortage of information available about the state's water resources. Part of the challenge is making that information available in a format that is appropriate for the community to access—that is, communities, tiers of government, government departments, both federal and state, and also potential industry investors and businesses that are looking to identify where the appropriate water resources are and what the quality of that water is. Essentially, the department's role and responsibility is to make sure that that information is available in a timely manner. Last week, we launched the state government's latest water investigation and supply planning initiatives, and we put that into a document titled "Water for Growth". That document is available now, and essentially it is an atlas of the water resources available within the state. That is backed up by an inventory that has very technical data that sits behind it and that makes that information even more accessible. Within the "Water for Growth" document there are also signposts to other information that is available within the department, so all the water management plans and the allocation plans. In addition to that, work is being done within the department around improving its information technology system, so we have portals to enable the public to access that information. That is all part of us trying to modernise the business of the department and make water information available in a timely manner when it is needed, not some weeks or months, or perhaps years, after the people who require it need it. The launch was in Albany last week. It is a step for the department to make this information more accessible for the public, and to me it is a really great outcome. There is some fantastic information in that document.

Mr D.J. KELLY: I refer to page 773 and the heading "Spending Changes". A number of savings are identified under that heading. In last year's budget, under the heading "Organisational Reform and Efficiency", savings were identified in 2013–14 of \$1.7 million, in 2014–15 of \$1.7 million, in 2015–16 of \$1.7 million, and in 2016–17 of \$1.7 million. Of those savings identified under "Organisational Reform and Efficiency", how many were realised in 2013–14, how much was achieved, and how was that achieved; and in the out years, do those headings remain the same?

Ms M.J. DAVIES: I am sorry, but I am not clear what the member is referring to in this budget paper.

Mr D.J. KELLY: I am referring to the heading "Spending Changes" on page 773.

Ms M.J. DAVIES: I am on that page.

Mr D.J. KELLY: Under the heading "Spending Changes", a number of savings are identified. In last year's budget, a number of savings were also identified.

Mr V.A. CATANIA: Mr Chairman, a point of order. I cannot find the spending changes on that page either.

The CHAIRMAN: Two-thirds of the way down the page, there is the heading "Spending Changes". The member is trying to identify where some spending savings have taken place.

Mr D.J. KELLY: Yes, that were previously identified in last year's budget; and I am happy to go through again what the savings targets were. I am simply asking about the savings that have been identified. The one that I am specifically asking the minister about was under the heading "Organisational Reform and Efficiency". How much was achieved in 2013–14, and how was that achieved; and in the out years, are the savings that were identified in last year's budget still the target that the department is hoping to achieve?

The CHAIRMAN: Minister, does that help to clarify that?

Ms M.J. DAVIES: I understand what the member is asking, but he is asking about something that was in a previous year's budget paper. I can ask Maree De Lacey to make some comments around savings that the department has been working on.

The CHAIRMAN: Just before you do that, minister, in order to stick to the standing orders, the member does have to refer to a specific line item in this year's budget papers.

Mr D.J. KELLY: Is the minister happy to answer?

Ms M.J. DAVIES: We can make some general comments, but we are obviously not referring to something that is specifically in the budget.

[8.40 pm]

Mr D.J. KELLY: I would think that the minister would be interested in telling us the spending changes.

The CHAIRMAN: The minister has indicated that she is happy to give some general commentary but, to be fair, the member does have to reference a specific point in this year's budget papers.

Mr Dave Kelly; Ms Mia Davies; Mr Vincent Catania; Mr Mick Murray; Chairman; Mr Chris Tallentire; Mr Ian Blayney; Mr Shane Love

Ms M.J. DAVIES: I pass to the director general.

Ms M. De Lacey: The figures that were in last year's budget did flow through but there have been some changes made since that time. It actually becomes a little bit difficult because of certain increases in some areas as well. It is very difficult to actually compare exactly what the targets were last year with what we have here because some of what is in this particular table now impacts on that and impacts on the bottom line.

Mr D.J. KELLY: I have a further question on that.

The CHAIRMAN: Is it specific to an item —

Mr D.J. KELLY: Yes.

The CHAIRMAN: — that we have not identified so far thus making this a new question, member?

Mr D.J. KELLY: No. One of the line items under “Spending Changes” on page 773 that is identified in the budget is “Public Sector Workforce Reform 2013–14 Mid-year Review Adjustment”. Does the minister have that? In last year's budget, there were savings of \$1.8 million identified under that program in 2013–14; \$1.6 million in 2014–15; \$3.2 million in 2015–16; and \$5.1 million in 2016–17. Does the identification in this year's budget change what was expected to be achieved through the public sector workforce reform program? If so, how much is now hoped to be achieved?

Ms M.J. DAVIES: I can make a general comment about the line item that the member is referring to and perhaps the director general would then like to clarify if any further information is required. When the public sector salary cap was introduced across all government agencies in 2013–14, due to a methodological error, which I am sure the director general will be able to provide further commentary on, the budget for the Department of Water did not reflect all of the salary costs. The anomaly was recognised in the mid-year review and it has been corrected in the state budget papers—that is what the member sees under these spending changes. I will get Maree to provide some further clarity.

Ms M. De Lacey: They are two separate decisions, but they do, obviously, relate to each other. The decision that was in last year's budget papers is a separate decision to the one that is here. As the minister has indicated, we became aware, through a fairly intense process of examining some budget issues by the mid-year review, that the salary cap had been calculated based on an error on our part. We had the salary on one line and annual leave and other items on another line. When the salary cap was set, it was set purely on the salary line which meant that the salary cap was lower than what we actually needed to pay staff. We would, in fact, have had to significantly reduce our staff numbers to meet that salary cap. Because that was an error, the minister supported us requesting an adjustment, and that is what is reflected here. It is an adjustment upwards to reflect that the salary cap needed to be adjusted because we made an error in the information we provided to Treasury.

Mr D.J. KELLY: If I look at the adjustment up, to use the director general's terminology, that is identified in this line item, those sums seem to exceed the savings that were identified in last year's budget. When we put the two together, does the mid-year review adjustment in effect cancel out the—I am adding this approximately in my head—\$10 million, maybe \$12 million in savings that were identified under that line item?

The CHAIRMAN: The member needs to direct his questions to the minister.

Mr D.J. KELLY: My apologies; I will, eventually, get this right.

The CHAIRMAN: That is fine. Through the minister, the director general.

Ms M. De Lacey: No, it does not quite cancel it out. It certainly mitigates it but it does not quite cancel it out because there were other adjustments made last financial year and into this financial year. We still needed to reduce—I think this was, in fact, flagged in the estimates process last year as well—through the voluntary severance program in order to meet the salary cap. We needed both this adjustment to correct the anomaly as well as some voluntary severances in order to meet the salary cap.

Mr D.J. KELLY: I have a follow-on question. Can I just clarify? Through the minister, I thought that the answer was that the public sector workforce reform related exclusively to savings that were going to be generated because of the imposition of the salary cap and that such things as voluntary severance were a separate component. If there are other things in it, please let me know, but if that line item relates just to the salary cap, when we do the maths of what has been added in—\$4.7 million this year, \$5.7 million next year and \$5.7 million the year after that—then go back to last year's budget and see the savings that were to be identified, the adjustment seems to outweigh the savings. Am I reading that right?

Mr Dave Kelly; Ms Mia Davies; Mr Vincent Catania; Mr Mick Murray; Chairman; Mr Chris Tallentire; Mr Ian Blayney; Mr Shane Love

Ms M.J. DAVIES: The changes in full-time equivalents and the savings booked are a combination of the voluntary severance scheme and business realignment within the Department of Water. Would the director general like to make further comments?

Ms M. De Lacey: It is complicated, but what the member saw in last year's line item were in fact decisions taken prior to that time as well. It was a decision taken around the reduction of FTE through some efficiencies within the agency. That line that the member saw last year—we may need to take this as supplementary information if the member wants more details—reflects only part of those adjustments, of the full reduction of staff numbers. This particular line that the member is looking at—the public sector workforce reform adjustment—really reflects us going back to when the salary cap was set, so it is about the salary cap, but it reflects the fact that we had to go back and say that if we were to attempt to meet the salary cap that was given to us, we would have to reduce well below what we considered to be operationally doable, and it was on the basis of an error in the first place. We went back and said that it needed to be adjusted back again.

The CHAIRMAN: Final further question, member for Bassendean.

Mr D.J. KELLY: If I can, through the minister, it has been flagged that the minister may be able to provide some additional information on notice. Is the minister happy to do that in this regard?

Ms M.J. DAVIES: What would the member specifically like?

Mr D.J. KELLY: I would like a breakdown of the adjustment that is identified in this year's budget papers and a reconciliation of that with the savings that were identified in last year's budget papers under that same line item.

Ms M.J. DAVIES: We are going to provide the member with additional information in relation to the public sector workforce reform mid-year review adjustment line item reconciled with the savings that were identified in the previous budget.

Mr D.J. KELLY: On that same line item.

Ms M.J. DAVIES: On that same line item.

The CHAIRMAN: Is the minister happy to provide that?

Ms M.J. DAVIES: I am happy to provide that information.

[Supplementary Information No B50.]

Mr R.S. LOVE: I refer to the second dot point about the rising demand for water increasing competition in some areas under "Significant Issues Impacting the Agency" on page 774 of budget paper No 2. I note that there is a "framework for future water resource management legislation", which is to be reformed, I suppose. Could the minister provide some details on that and what it is aiming to do?

Ms M.J. DAVIES: This is another important area that the department is progressing in relation to the modernisation of water management and the water sector in general in Western Australia. We have made one of the reforms from the Water Services Act 2012. Last year was the beginning of that, and this second tranche of reform is under way. We went to the community last year with a position paper and we consulted quite widely with community members who would be impacted by the recommended changes. It is essentially around bringing a number of probably very outdated acts together into one. A number of policy issues will be dealt with through that process. The feedback we had from the consultation process was very positive. The message was that it was well and truly time for us to progress some of the issues that will be resolved by the introduction of that legislation. I am now considering the public comments as a result of that consultation and the next steps for implementing the proposed changes. We continue to work on that as a matter of priority.

[8.50 pm]

Mr M.P. MURRAY: There have been several questions about the release of the "Securing Western Australia's water future" position paper. When the water resource management legislation is finalised, will it be issued as a green bill before it is brought to the house?

Ms M.J. DAVIES: It is not my intention to do that, given that there has been quite significant consultation prior to the development of the legislation. Quite a considerable amount of time was provided. Tad Bagdon can probably provide some advice on exactly how extensive that was. Certainly, issues that were canvassed in that consultation had been canvassed previously, so I think the work has essentially been done. The very strong message that has been provided to me through that consultation period and the discussion paper is that we just

Mr Dave Kelly; Ms Mia Davies; Mr Vincent Catania; Mr Mick Murray; Chairman; Mr Chris Tallentire; Mr Ian Blayney; Mr Shane Love

need to get on and do it. I ask Mr Bagdon to provide some advice so that we have an understanding of the level of consultation that has taken place with the reform.

Mr T. Bagdon: Over the last two years, there has been an extensive program of consulting with a number of peak bodies and user groups. That was used to develop the position paper. Once the position paper was developed, we held in excess of 30 workshops around the state with local user groups, communities and peak bodies. They provided input, and that input was used to further develop the way that the legislation would progress. We also have a reference group of peak bodies that we regularly deal with and we go through the policy issues and the intent of any legislation, and we also have a number of other regular meetings with user groups around the state. There will be no surprises in the legislation. We have run through all the issues. We have the views of all the users and the peak bodies around the state so that they can be incorporated into the legislation.

Mr M.P. MURRAY: What I am hearing is that it is a north versus south-type problem. Different groups are very concerned that the legislation will be enshrined without a final look at what will come before the house. Because of the variation within our state, it is very hard to make legislation to deal with water issues for someone in Wiluna and someone at Donnybrook, who have quite different concerns. It would be far better if a draft were put out for some of those more active groups, so I ask that the minister consider that so that people can look at the bill before it is enshrined.

Ms M.J. DAVIES: I can give the member an undertaking that there will be continued consultation as the legislation is developed, as there has been in its development to this point.

Mr C.J. TALLENTIRE: Mention was made of the peak bodies and user groups that were involved in the consultation process. Can the minister advise whether non-extractive users were part of that consultation process?

Ms M.J. DAVIES: I refer that to Mr Bagdon.

Mr T. Bagdon: When the member says “non-extractive users”, is he referring to people who use water from a scheme, such as the Water Corporation or the service providers?

Mr C.J. TALLENTIRE: No; I am referring to Indigenous groups, conservation groups, local governments, people who are interested in seeing that there is adequate flow for the natural environment and natural resource management groups.

Mr T. Bagdon: Yes, the various conservation groups were part of the process. We talked to community groups, and we talked to a number of Indigenous groups and held workshops with them. Certainly, the way that water is planned and allocated for already includes consideration of the environment and cultural groups, and that will be made stronger in the new legislation.

Mr M.P. MURRAY: I refer to the asset investment program outlined on page 779 of the budget papers. Why is there such a significant increase in the funding for groundwater resources investigation and monitoring from \$452 000 in 2014–15 to \$1 642 000 in 2015–16, followed by increases to \$4 259 000 in 2016–17 and \$4 386 000 in 2017–18? Why is there a massive jump in the funding for investigation and monitoring of groundwater resources?

Ms M.J. DAVIES: I will just clarify that the member is talking about groundwater resources investigation and monitoring and the increase across the forward estimates.

Mr M.P. MURRAY: Yes.

Ms M.J. DAVIES: This is one of the key areas that the department is responsible for. Groundwater investigation is critical to ensure that we have a good handle on our water supply and services, so it is a focus area for the state. I will refer the issue of the cash flowing to the director general, but this is absolutely a focus area for the department. It has been one of the areas that we have been able to invest further funds into.

Ms M. De Lacey: As I said earlier, this is a lumpy program in that it reflects that certain works are brought forward at times. The member will see movement in the figures for this program. The state groundwater investigation program is represented in this line item, and it is normally about \$2 million a year. The amount of \$452 000 is a result of expenditure being brought forward this year while we could do additional drilling et cetera; I think that was in Gingin. That was a particularly high priority for us. The amount of funding that is discontinued in the top line item under the heading “Works in Progress” is added to the out years in those other line items. That reflects a decision that was taken a couple of years ago when we reduced staff numbers and

Mr Dave Kelly; Ms Mia Davies; Mr Vincent Catania; Mr Mick Murray; Chairman; Mr Chris Tallentire; Mr Ian Blayney; Mr Shane Love

redirected some salary into groundwater investigation because it was such a high priority. The time-limited program that specifically focused on the deeper aquifers of the Gnangara system is reflected in the top line. When that particular project finishes, the amount for the state groundwater investigation program will increase, and the investigations under that program are prioritised according to where the demand or the risk might be highest.

Mr M.P. MURRAY: On these investigations, how much financial work has been put into the recharge in some of these areas? I am seeing a huge program of pump outs but no pump backs, such as at Port Hedland when there is a cyclone or whatever. Because we rely so much on pump outs, we may be jeopardising the future of our state for the next 20 or 30 years. I wonder what financial work has been done on pump backs.

[9.00 pm]

Ms M.J. DAVIES: I will refer to the director general in a moment but perhaps I can give the member an example. The Perth regional confined aquifer capacity project, which is listed there, and some of the other projects —

Mr M.P. MURRAY: We all understand the wastewater project and the pump back in that area. I am talking more about regional areas where we are pumping for industry and other areas.

Ms M.J. DAVIES: I am sorry; I need more clarification. The groundwater investigation is a specific program. The Department of Water manages other programs through allocation plans and licensing to ensure we are not exceeding the water resource.

Mr M.P. MURRAY: How much money is being spent on looking at recharge and pump backs into the aquifers? The whole issue here is about taking water out. What are we looking at to put some back?

Ms M.J. DAVIES: I might get Greg Claydon to assist, and if we cannot provide the information the member needs, I am happy to provide it as supplementary information.

Mr G. Claydon: Thank you, minister. The groundwater investigation program definitely includes investigation of aquifers and the opportunities for replenishment of those aquifers in regional areas in addition to the Perth area that the minister mentioned. When we do our investigations, we look at not only the capacity to take water from the aquifer, but also the opportunity and the capacity to put additional water into that aquifer through replenishment schemes, whatever those replenishment schemes may be, whether it is treated wastewater or stormwater or there is some other way. We look at the total hydrogeology of that aquifer and the opportunity to not only take water out but also put more water back in. That increases substantially our understanding.

Mr M.P. MURRAY: Are there two separate budgets or is there one?

Mr G. Claydon: One budget covers the full extent of the groundwater investigations, but it includes both those investigations of taking the water out and putting the water back in.

Mr D.J. KELLY: Having just heard that answer, my question is now in two parts. First, if there is consideration of recharging aquifers other than those in the metropolitan area, are there any under serious consideration to be implemented anytime soon? Second, getting back to, I suppose, the lumpiness that has been said about the money allocated across the forward estimates of \$500 000 this year, \$1.6 million, \$4.2 million and \$4.3 million, my recollection from last year's budget is that that spread was much more even. It has been said that it is now lumpier at one end because money has been brought down from the allocation at the top of the page. When we take that into account over the forward estimates, is there the same amount of money as there was in last year's budget? It looks to me as though there was, but it has been pushed to the out years. If the minister is saying money has been added in from the top of the page, I suppose the question is: is there the same amount of money in that program as there was in last year's budget?

Ms M.J. DAVIES: There are two questions; one is whether we are considering groundwater recharge in any other areas in the state. My understanding is that there is none ready at the point at which we have got to with the groundwater replenishment scheme in the Perth metropolitan area. Certainly, if we can get to that point, it would mean that we would have another tool for water recycling and water use.

I will get the director general to clarify the funding and cash flow of the groundwater investigation program. I reiterate that it is a very important program and one of the priorities for the department. We are certainly also adding into that program through royalties for regions. There is additional funding for groundwater investigations across the state from royalties for regions to complement what has already been done by the department.

Mr Dave Kelly; Ms Mia Davies; Mr Vincent Catania; Mr Mick Murray; Chairman; Mr Chris Tallentire; Mr Ian Blayney; Mr Shane Love

Ms M. De Lacey: I can answer part of that question and Greg Claydon might be able to give the member some examples for why the lumpiness is so visible there. Yes, it has changed since last year. Fundamentally, we have about \$2 million a year for the state groundwater investigation program. The additional funding is reflected in the top line—the groundwater investigation and monitoring specifically for the Gngangara system. That was reflected last year, because, as was flagged about reducing FTEs and putting funds into that program, the midyear review recognised that that fund had inadvertently not been continued. It had to continue into the out years. That additional fund is reflected in the state groundwater investigation program in 2016–17 and 2017–18 in the “New Works” section. Yes, there is an additional amount that was not in last year’s budget; it was adjusted in the midyear review.

Ms M.J. DAVIES: Does the member require further clarification?

Mr D.J. KELLY: No, that is fine.

Mr C.J. TALLENTIRE: I refer to the third dot point on page 774. I am returning to the licensing issue. It is recorded there that 3 100 gegalitres of water is the subject of a licence, I assume, issued under the Rights in Water and Irrigation Act. How many licence applications have been refused in the last 12 months and how many gegalitres do those refusals represent?

Ms M.J. DAVIES: That is a very specific question; we might need to take it on notice.

Mr C.J. TALLENTIRE: Does the minister have a general idea?

Ms M.J. DAVIES: I do not. I do not think we have the information with us. I have no problem providing it as supplementary information.

The CHAIRMAN: Can the minister define exactly —

Ms M.J. DAVIES: I might need the member to clarify it.

Mr C.J. TALLENTIRE: The question is: how many applications for a licence were refused and how many gegalitres do those refusals represent?

The CHAIRMAN: Is the minister happy to provide that information by way of supplementary information?

Ms M.J. DAVIES: Yes, absolutely.

[Supplementary Information No B51.]

Mr D.J. KELLY: I refer to “Spending Changes” on page 773. A few questions have already been asked about the public sector workforce reform program. My understanding is that it is part of the fiscal action plan, as it was termed in the last state budget. One of the other aspects of the fiscal action plan was the capping of leave liabilities. Has the department met its obligations under that aspect of the fiscal action plan for the capping of leave liabilities?

Ms M.J. DAVIES: Is the member referring to a specific area on the page?

Mr D.J. KELLY: I am referring to the public sector workforce reform line item. I understand that program is part of the fiscal action plan that the department is obliged to comply with. Another aspect of the fiscal action plan—I am sorry if this is not particularly interesting—is the capping of leave liabilities. I am asking whether the department has met its obligations under that aspect of the fiscal action plan.

Ms M.J. DAVIES: I think it is a long bow to draw in that area, member. I am happy to refer to one of my advisers to provide the member with some advice, but it is a long bow.

Ms L.M. Candy: The question relates to page 782, which is the statement of financial position. About halfway down the page under “Current Liabilities” is the line item “Employee provisions”. They are the current leave liabilities. A little further down under “Non-Current Liabilities” it shows “Employee provisions”, which is more long service leave. The actual for 2012–13 for those two lines is \$13.3 million for current and \$2.7 million for non-current. Then we can see in the 2013–14 and 2014–15 columns that the current liabilities have come down. The non-current liabilities have gone up a bit, but that increase is a bit less than the reduction in the current liabilities. So, yes, we have met that target.

[9.10 pm]

Mr D.J. KELLY: So has the department met its obligation under the fiscal action plan in that regard?

Ms L.M. Candy: Yes.

Mr Dave Kelly; Ms Mia Davies; Mr Vincent Catania; Mr Mick Murray; Chairman; Mr Chris Tallentire; Mr Ian Blayney; Mr Shane Love

Mr D.J. KELLY: Congratulations! I do not think the Minister for Transport and a few others could say the same thing.

Mr C.J. TALLENTIRE: I want to turn to the service delivery area of catchment and waterways health on page 778. I begin by asking about the breakdown of the expenditure there in terms of the different waterways that the Department of Water is involved with. We can see that there is an allocation and that it is reducing dramatically. From the 2013–14 budget of \$12 million, the estimated actual came in at \$8.5 million. We see now that for the 2014–15 financial year, it is only \$7.5 million. The minister might explain, if she can, why there is that reduction, and also explain which waterways are involved. Also, could the minister give me a breakdown of how much is going to each of those waterways?

Ms M.J. DAVIES: I thank the member for the question. The decrease between the 2013–14 budget, which is \$12.054 million, and the 2013–14 estimated actual, which is \$8.524 million, mainly reflects the difference between the project funding that has been sought under commonwealth and state natural resource management–funded programs and the actual funding allocation made. The service relates to the development and implementation of water quality improvement plans in high-priority, at-risk catchments, and they are concentrated in and around the south west and in the Perth–Peel region. Who can provide some further detail of the costing breakdown? Mr Claydon can give the member a breakdown of the actual costs for the specific areas, so I refer to my adviser.

Mr G. Claydon: The actual cost breakdown does not go down to the individual catchment level, but we do provide information across the board. I think that question has been asked before. We can provide information, but it does not go down to the individual catchment level.

Mr C.J. TALLENTIRE: I find it hard to understand how that would be, because I am sure that people in the Peel area would want to know how much service delivery they are getting from the Department of Water, and I am sure that people in, say, Vasse would want to know how much service delivery they are getting from the Department of Water. I would have thought that for the advisers' own internal organisation, they would have to break that figure down. If Mr Claydon is telling me that, in fact, it is just all wrapped up in this figure and it cannot be broken down catchment by catchment, I would have to question how well the management of the program is going.

Ms M.J. DAVIES: No, we can provide that, member. Is the member after details similar to the information that was provided by the minister in the previous year, which was around a breakdown of the cost of services per region?

Mr C.J. TALLENTIRE: Per catchment.

Ms M.J. DAVIES: I think we can do it at a regional area level.

Mr C.J. TALLENTIRE: But does that regional area correspond with catchment area?

Ms M.J. DAVIES: Broadly.

Mr C.J. TALLENTIRE: This service area is called “Catchment and Waterways Health”; it is not called regional health. So, why would the department split things differently from the catchments?

Ms M.J. DAVIES: We can provide the information at a regional level. My advisers are advising that that is the level of detail that we can provide the member.

Mr C.J. TALLENTIRE: We have it noted here in the budget—this was supported by the minister's initial response—that the reduction from \$12 million to \$8.5 million is due to a reduced level of activity because of state and commonwealth-funded projects being completed. Can the minister indicate how it has been determined that the water quality has improved in those areas, such that it could be said that the task has been completed?

Ms M.J. DAVIES: The funding that has been provided for those activities has come to an end, so the funding has come to an end. It is quite different when we are looking at the development of water quality improvement plans and the funding that is accessed through other departments. As the member would understand, it is not solely the responsibility of the Department of Water to fund the activities required to bring a catchment back to a healthy state. We would have funds coming in from other areas. The difference there is in relation to funding programs that have come to an end, and it is largely commonwealth programs.

Mr C.J. TALLENTIRE: I have a further question.

The CHAIRMAN: This is the last further question, member for Gosnells.

Mr Dave Kelly; Ms Mia Davies; Mr Vincent Catania; Mr Mick Murray; Chairman; Mr Chris Tallentire; Mr Ian Blayney; Mr Shane Love

Mr C.J. TALLENTIRE: The minister is saying that the projects have not delivered an objective. Presumably, the projects would be designed with a particular objective; otherwise, they would not be valid projects. But the minister is saying that the money has just come to an end, even though the objectives of the project may not have been met.

Ms M.J. DAVIES: As I explained previously, my understanding is that the funding reflects the difference between funding that was provided by the commonwealth and is no longer being provided.

Ms M. De Lacey: Any project that is funded by the commonwealth or by the state NRM office comes with a specific project scope with objectives, and we have to report on the delivery of those objectives. The objectives would have been met for each of those projects, but the funding has actually ceased. So we are now reporting back. I am not aware of any project in which we have not met the objectives when we have done the acquittal of the projects. It is simply that the funding is for a particular project, which is time limited, to deliver certain objectives. We deliver those objectives; the funding ceases and the activity ceases.

Mr V.A. CATANIA: I refer to the first dot point under “Significant Issues Impacting the Agency” on page 774 of budget paper No 2. It states that the groundwater investigations program has been a major focus of the department. I wonder whether the minister could elaborate on that, given the importance of groundwater investigation, particularly around my electorate. I just want to see where else the investigations are occurring across the whole state.

Ms M.J. DAVIES: We have spoken at length about groundwater investigations. I could probably touch on some of the programs that have been delivered through the \$25 million that has been provided through royalties for regions to investigate new groundwater resources or expand groundwater resources. The first was the one that I referred to earlier around Albany and the south coast. I went to Albany with the Premier last Friday to announce that we have discovered through this program potentially an additional one gigalitre of water, with more to come. It is very exciting. The groundwater investigations being carried out are assisted by running aerial electromagnetic surveys to better direct where the drilling is done. It is a very efficient way of managing that. Over the next two years, the exploratory drilling is going to prove up the volumes and the quality of the water, but early indications are that it is looking very positive.

We are also undertaking work in the Hamersley Range near Karratha. We recently opened a new pipeline from the Bungaroo valley, east of Karratha, which will supply water for the use of industry in west Pilbara. The early assessment of the work that has been carried out in east Hamersley has shown that there is potential for similar groundwater resources in that part of the world as well. It appears that it might be as much as 10 gigalitres a year for Onslow and 20 gigalitres available for west Pilbara. They are significant finds made possible through some very targeted investigations. I guess the good outcome of that is that there is potentially a water source up there for the Pilbara for the next 30 years, and it is about potentially deferring very expensive water sources such as desalination plants into the future as well. The West Canning Basin near Port Hedland is showing some very promising signs as well. We are talking in the realms of 50 gigalitres of extra water, which is in addition to the 20 gigalitres we have already made available for new irrigated agricultural projects. This all, of course, fits into the government’s objective of expanding horticultural and agricultural precincts across the state.

Work is being done in Broome and the Wallal aquifers near Dampier. The results of that project will provide us with very valuable information about where to extract the water to maintain important cultural and environmental values. Members understand that it is very important to extract the water from the appropriate areas. In the Murchison it is slightly different in that we are investigating palaeochannels. Proposed and existing mines in the midwest are generally quite far away from groundwater resources, so that makes water supply options very expensive and the water is usually very brackish. We are using the aerial surveys over the palaeochannels to see, essentially, the kind of water available in those areas.

There is also investigation in the Scott and Swan coastal plains around determining availability for quality and the rate of recharge in the area. This work is all linked to making sure that we have appropriate supplies of water to meet industry demand for growth and planning, and to make sure we have potable water resources for our communities. To me, it has been an exceptional program that has delivered some outstanding results.

[9.20 pm]

Mr M.P. MURRAY: The minister talked about what has been looked at in different areas and the channels. Is there any program for capping old bores without doing an environmental study, so that we do not have the disaster we had previously when people went and capped bores that had rusted off or whatever, and then we had

Mr Dave Kelly; Ms Mia Davies; Mr Vincent Catania; Mr Mick Murray; Chairman; Mr Chris Tallentire; Mr Ian Blayney; Mr Shane Love

that environmental disaster when animals were dead everywhere—the whole lot? Is there any program that will make sure that does not happen again?

Ms M.J. DAVIES: I am going to refer to Paul Brown; he has some detail for the member on that one.

Mr P. Brown: As the member is aware, from 2006 to 2010 the government, managed by the Department of Water, had a major program in the Murchison–Gascoyne to close off free-running bores so that they were not wasting water, and making sure we closed them off properly. That was a major program that did a lot of closing of free-flowing bores in the Gascoyne region, and that closed them off properly so that they were not leaking between aquifers below the ground. We do not have a similar program going on at the moment.

Mr M.P. MURRAY: I refer to the line item “State-wide Water Efficiency Measures” on page 781 of the *Budget Statements*, the funding for which ceases into the future. What were the water efficiency measures and why have they ceased?

Ms M.J. DAVIES: This program, or the implementation of statewide water efficiency measures, includes the enforcement of garden bore restrictions, and the establishment of a garden bore register plan for larger water users. This was discussed in last year’s estimates as well. It relates to the fact that the Water Corporation has now taken over responsibility for the program, which it is doing at its own cost. The work is still being done, but the Department of Water is no longer responsible.

Mr D.J. KELLY: Is the sum total of the water efficiency measures under that line item the work that the Water Corporation will now do in respect of bores? Is that the only water efficiency measure funded under that line item?

Ms M.J. DAVIES: In relation to what I just said, it is the discontinuation of that program or the program being funded by the Department of Water, so it relates specifically to that program.

Mr D.J. KELLY: I refer to “Spending Changes” on page 773 of the *Budget Statements*, which has a line item for the voluntary separation scheme at a cost of \$2.7 million. Can the minister outline how many separation packages were offered and accepted; and, what were the positions of those staff who left the organisation through that voluntary separation scheme?

Ms M.J. DAVIES: Yes, we do have that information and I am happy to refer that to Maree.

Ms M. De Lacey: This was a voluntary program, so it was an expressions of interest process whereby people were able to nominate themselves for a voluntary separation. For each person who put their name forward, if we were going to progress it, a business case was done for that person. The executive directors looked at each individual business case, as did the executive team. They had to be approved by the Public Sector Commissioner as well. Eventually 31 people were accepted for voluntary severances, and all those people have left the department. In going through that process, we were guided by a pretty intensive business planning process that we started at the beginning of the financial year to make sure that all our people were aligned to the priorities of the agency. We knew where we could afford to move people from or where we could allow people to go from, so we were guided by that in the decision about who we accepted and who we did not. There were certain positions, particularly those with critical skills for the agency, that we had a fundamental quarantine around in that we would not approve those people, unless there was an individual case for that particular person. For example, we did not approve any of those people in the front-line area of licensing for voluntary severances. We targeted particularly people in administrative types of positions or allowed people largely in administrative positions to progress forward. That was really what the process was. Fundamentally, we made decisions on every individual that we approved eventually.

Mr D.J. KELLY: Of the 31 who were accepted, what was the breakdown of their positions? What was the function they performed; and, how many people applied but were rejected?

Ms M.J. DAVIES: I am happy to provide that information to the member as a supplementary. I will undertake to give the member the number of people who applied through the voluntary severance scheme, and also a breakdown of the positions that were accepted as being separated. Is that what the member is after?

Mr D.J. KELLY: And the number of people who applied but were rejected.

Ms M.J. DAVIES: And the number of people who applied but were not accepted.

[Supplementary Information No B52.]

Mr Dave Kelly; Ms Mia Davies; Mr Vincent Catania; Mr Mick Murray; Chairman; Mr Chris Tallentire; Mr Ian Blayney; Mr Shane Love

Mr I.C. BLAYNEY: I refer to the first dot point on page 775 of budget paper No 2, which refers to the Perth region confined aquifer capacity project. What is this project and what is it aiming to achieve?

[9.30 pm]

Ms M.J. DAVIES: We have had quite a long conversation around some of these projects. This one has been a very strategic investigation, and we have been looking at the deep aquifers of the Gnangara groundwater system to assess their capacity as a continuing long-term water resource for the Perth integrated water supply scheme. It is a very important resource for the state. We have a strategy of moving from taking water out of the shallow aquifers and taking water from the deeper aquifers, and the study is actually investigating the sustainability of increasing this take. It is also helping us to understand the best way to proceed with the groundwater replenishment scheme, and it will determine where the additional groundwater is available and where the best place is to replenish the aquifers. This refers back to one of the conversations we had earlier about the fact that when we do the investigations, we look at not only the capacity to take it out, but also to replenish the aquifer.

The \$3.7 million that is allocated to the project for 2014–15 is going towards specifically providing information on the way that the water moves between the Leederville and Yarragadee aquifers and where the aquifers are connected to the shallow, superficial aquifer. We will also install some bores to continue monitoring the saltwater interface, which will enable us to measure and manage the seawater intrusion into the aquifer. I was going to add some more there, but we seem to have talked about it more than enough today! It is a very important project, and will continue to be very important as we progress with the groundwater replenishment scheme also.

Mr R.S. LOVE: What is the geographic area specifically that is being targeted in that project? Does it include the Wedge Island area?

Ms M.J. DAVIES: Sorry, I could not hear the member.

The CHAIRMAN: Which area is it targeting, member for Moore? The minister did not hear.

Mr R.S. LOVE: I am referring to the question that has been asked about the Perth —

Ms M.J. DAVIES: I could not hear.

Mr R.S. LOVE: Sorry!

The CHAIRMAN: Just repeat your question please, member for Moore.

Mr R.S. LOVE: Okay. To follow on from what the member for Geraldton asked, what is the geographic area of the project? I notice that Water Corp has been doing some drilling in the Wedge Island area, which has a reservation for Perth water. Is it part of that area as well?

Ms M.J. DAVIES: We can provide the member with a map. I do not have the exact coordinates here. Sorry; I will refer to Mr Brown.

Mr P. Brown: Generally we are taking the Gnangara mound as being from Moore River south, to the Darling Scarp, to the Swan River and out to the ocean, so that is the main bit. There is a little bit towards Gingin, north of the Moore River, but it does not go as far as Wedge Point, so Wedge Point is not within the target area for this project.

Mr C.J. TALLENTIRE: I refer to the table on page 777 that shows the number of days it takes to process a licence under the various categories. How is that considered to be a useful key performance indicator?

Ms M.J. DAVIES: That is a very good question, member! The director general can probably give a bit more detail on some of the ways in which we report on the budget through here; there is some realignment work being done on gaining more meaningful ways of reporting the work of the department, and we are hoping to have that reflected in the budget next year. We are working with what we have at the moment, but I can give the member some detail around that. It essentially means the average time it takes to process a groundwater licence by water resource category. I will refer the question to Mr Brown.

Mr P. Brown: As the member is aware, people who put in a licence application for anything—in this case, for access to water—want their licence application to be assessed and responded to as soon as possible, so we have set KPIs, as the member can see, with budget targets, and we measure against those targets so that we return those licence applications back to the applicants as soon as possible, given that we are doing a full and frank

Mr Dave Kelly; Ms Mia Davies; Mr Vincent Catania; Mr Mick Murray; Chairman; Mr Chris Tallentire; Mr Ian Blayney; Mr Shane Love

assessment of their licence application. It is to do with timeliness for those people who require water for whatever purpose, be it a market gardener or a major miner.

Mr C.J. TALLENTIRE: I understand that a component of a licence application is an advertisement in *The West Australian*, under the requirements of the Rights in Water and Irrigation Act. How many days does an applicant have to respond to that advertisement, and how does that fit with this very speedy issue of licences?

Mr P. Brown: The requirement to advertise occurs only when it is a large licence; small licences do not have to advertise, it is only when the application is for more than 100 000 kilolitres per annum that it has to be advertised. I will have to confirm the number of days for that advertisement; I have two numbers in my head, so I will confirm for the member the number of days it is advertised for larger licences, over 100 000 kilolitres.

Mr C.J. TALLENTIRE: Can the minister tell me how many of the licences are over 100 000 kilolitres? I do not think that is a particularly large amount, based on what I have seen of different licence applications that go through.

Mr P. Brown: I will take that on notice as well.

Ms M.J. DAVIES: Just so I am clear on this, we can provide the member with supplementary information on how long a large water licence needs to be over —

Mr C.J. TALLENTIRE: Perhaps it would be best if I were to be given some examples, via supplementary information, of the issue of various water licences and the time line that it has taken for the issue of those licences.

The CHAIRMAN: Minister, is that specific enough?

Ms M.J. DAVIES: I need some advice from the department as to whether we can break it down in that way.

Mr P. Brown: There were two questions: one was how long we need to advertise for people to put in comment.

Mr C.J. TALLENTIRE: That is just a matter of looking at the Monday edition of *The West Australian*.

Mr P. Brown: We have a statutory minimum number of days, so we will provide that, and the second question was how many licences have to advertise for this financial year, if you like.

Mr C.J. TALLENTIRE: Yes.

The CHAIRMAN: Can the minister tell me what is being provided?

Ms M.J. DAVIES: I am not actually clear what we are providing, sorry! How long we need to advertise and how many licences have had to advertise for this financial year?

Mr C.J. TALLENTIRE: Yes, that will give me the number of licences that are over 100 000 kilolitres.

[*Supplementary Information No B53.*]

Mr C.J. TALLENTIRE: Accepting that further information comes to light, and it would take additional time for that information to be considered, how could it possibly be a good thing for these turnaround times to be so low? If, say, on day 30, the department gets important hydrogeological information relating to a licence application, how does the department managed to assess that information in, say, 10 days?

Ms M.J. DAVIES: When I started answering the member's question, I indicated that there were some anomalies in the way that we report and the KPIs. The performance framework was developed some time ago, as I am sure the member would understand, and it probably does not reflect the current strategic priorities as sharply as it might. Therefore, one of the things that we are working through is trying to redefine that process so that we have meaningful KPIs. I guess my comment in this space is that the information is probably not as meaningful as the member needs them to be. We will provide the member with the information but we are working with out-of-date KPIs and we are trying to rectify that situation by the next financial year.

[9.40 pm]

Mr D.J. KELLY: The minister said that the department is currently operating on outdated KPIs. Can she tell us whether she has identified more useful KPIs? If so, can she tell us what they are? If she cannot tell us now, when will the department be announcing or proposing new KPIs?

Mr Dave Kelly; Ms Mia Davies; Mr Vincent Catania; Mr Mick Murray; Chairman; Mr Chris Tallentire; Mr Ian Blayney; Mr Shane Love

Ms M.J. DAVIES: We are aiming to have all of this ready so that we can report against more up-to-date KPIs for the next financial year and for the next state budget. I guess in the way the KPIs are structured at the moment, they do not align to the business. It is therefore not altogether meaningful when we look at some of these reports. I suppose that is why it is difficult to answer some of the questions. We are working towards that and the department will be providing me with a draft in the coming months. It has to go through a process which, off the top of my head I cannot tell the member, but it is quite a significant thing to change —

Mr D.J. KELLY: That was actually my follow-up question: is there anyone who can tell us what the process is?

Ms M.J. DAVIES: The director general can probably detail the formal process we have to go through.

Ms M. De Lacey: It does have to be endorsed by Treasury. We have to work with the Office of the Auditor General as well and there are requirements in terms of consultation and other things that we have to comply with. We have therefore done a fair amount of work towards identifying the kinds of areas in which we think they need to be, but there is still some further work. By the next few months we intend to be able to go through the process of providing them to the minister and it then has to be approved formally through Treasury.

Mr D.J. KELLY: One further question on this issue. Clearly the department's KPIs are an important, I suppose, public issue. Will there be any ability for there to be any public comment in the process of adopting alternative KPIs?

Ms M.J. DAVIES: I have not been through this process previously. I am not aware of the specific steps that we have to take. The director general might be able to advise whether there is a requirement for us to do public consultation.

Ms M. De Lacey: There is no requirement to advertise, and we were not intending to advertise it as a public thing. However, there is an expectation that there will be some consultation, so certainly we would be consulting about them with key stakeholders in particular. Often there are different views, though, about what an agency's KPIs should be, so it is something that ultimately has to be decided within government.

Mr V.A. CATANIA: This question is perhaps to Mr Brown through the minister. It may sound dumb, but could the minister give us the meaning of categories 1 to 4? Can the minister give me a rundown on each of those categories?

Ms M.J. DAVIES: What page is the member on? Is he back on page 777?

Mr V.A. CATANIA: Yes. Under "Efficiency Indicators", line item "Average Cost per Allocation Plan Completed", there are categories 1 to 4. Then there are categories 1 to 4 in the line item "Expenditure on Water Licence Administration".

Ms M.J. DAVIES: Thank you, member; I am with you now. The categories are as follows. C1 is zero to 30 per cent allocated; C2 is 30 per cent to 70 per cent allocated; C3 is 70 per cent to 100 per cent allocated; and C4 is greater than or equal to 100 per cent allocated. The numbers demonstrate application of the department's risk-management framework in that essentially applications in C3 and C4 categories will take longer to assess. That is because increased risks are associated with those applications as there is a nearly fully allocated water resource and a greater degree of rigour must be applied to that process.

Mr C.J. TALLENTIRE: Thanks to the member for North West Central for that clarification. From what the minister has said, category 4 is greater than or equal to 100 per cent allocated. It appears to me that in the current financial year, 4 494 licences were issued that were greater than or equal to 100 per cent allocated. Is that correct?

Ms M.J. DAVIES: Is the member referring to the expenditure on water licence administration and the average cost per water licence?

Mr D.J. KELLY: It is the total number of licences.

Mr C.J. TALLENTIRE: Yes. It is the last line in the table on page 777.

Ms M.J. DAVIES: I think that is Mr Brown's area.

Mr P. Brown: These numbers are the total number of licence by category. They are not the total number of applications in any one year. Let us say there is a fully allocated area on Gnangara, we have a whole lot of existing licences to make that up. If we add all those things up, there are 12 500 licences across the state and we get about 2 000 applications a year. That is, therefore, the total number of licences in that category 4, which is

Mr Dave Kelly; Ms Mia Davies; Mr Vincent Catania; Mr Mick Murray; Chairman; Mr Chris Tallentire; Mr Ian Blayney; Mr Shane Love

equal to 100 per cent allocated. It is not the number of applications received this year; it is the total number of licences in that category.

Mr C.J. TALLENTIRE: I thank the adviser for that clarification. However, it still means that the department is anticipating issuing an additional six licences in situations where it is greater than or equal to 100 per cent allocated. The department is anticipating doing that in this forthcoming financial year.

Ms M.J. DAVIES: Mr Brown.

Mr P. Brown: The actual numbers for 2013–14 show that we have 4 494. We rounded that into the future to estimate the number at 4 500, so we have not used that exact number. When we have fully allocated systems, we do not allocate new licences unless it is under extenuating circumstances.

Mr C.J. TALLENTIRE: What could they possibly be when it is more than 100 per cent allocated? Why would the department even contemplate issuing a further licence as indicated in the budget papers?

Ms M.J. DAVIES: Perhaps the director general can elucidate.

Ms M. De Lacey: There are probably two things in here in that licences do expire, so replacement licences or other licences might come into a fully allocated area where another licence has expired. However, on top of that our current legislation requires that we process any licence application, so we have to go through the process even though we ultimately do not approve it. We have to go through a process of assessment even in over-allocated resources.

Mr C.J. TALLENTIRE: So when I get that supplementary information about licences refused, it should allay my concerns.

Ms M. De Lacey: We would hope so.

Mr D.J. KELLY: Further to this, I think I am more confused than I was a minute ago. The total number of licences are processed by category grouping but an earlier answer indicated that this is not the number of new licence application that come through in a year; it is the total number of licences that have been granted. Can we get some clarification? Take 2012–13, the actual figure in category 4 is listed as 4 389. Can the minister tell us whether that is the number of licences that are active in category 4 at that time? I see a bit of nodding so I will follow that line of argument. Following the concern raised by the member for Gosnells, in a category area that is over 100 per cent allocated, the department has then budgeted in the following year to increase the number of licences to 5 000, which is more than a 10 per cent increase in the number of licences in a category that is already over 100 per cent allocated. To the uneducated, casual observer, it does not seem to make any sense.

[9.50 pm]

Ms M.J. DAVIES: The director general.

Ms M. De Lacey: Remember that this is not just over 100 per cent allocated; it is equal to or over 100 per cent allocated. There is a plan in place for every area that is over allocated to return it back to the allocation limit. We do nonetheless have to process licence applications. But where an area is fully allocated, or even in an area that is under allocated, licences do finish. So we anticipate that we will be issuing new licences because other licences have either decreased, or perhaps we have recouped water, or there might be other reasons why we can do that, in order to keep it at that full level of allocation.

Mr V.A. CATANIA: Are licences renewed every year, or is there a time frame on licences for certain industries, or whatever?

Ms M.J. DAVIES: The director general.

Ms M. De Lacey: Some licences are issued for the term of the business; so some businesses are operating for a particular period of time. General licences are issued for around about 10 years at the moment.

Mr D.J. KELLY: On the issue of categories of licence, there was a lot of publicity recently about some illegal workers at a market garden in the northern suburbs. Can the department tell us whether that operator had a licence to take water; and, if not, has any action been taken by the department? If that operator did have a licence, has any action been taken, given what has been discovered?

Ms M.J. DAVIES: Member, I do not have that information with me. But I would expect that if they are adhering to their licence conditions, it would not be brought to my attention. I can refer to the director general

Mr Dave Kelly; Ms Mia Davies; Mr Vincent Catania; Mr Mick Murray; Chairman; Mr Chris Tallentire; Mr Ian Blayney; Mr Shane Love

for some comments in relation to that. But if they are within their licence allocation and operating appropriately, the role of the Department of Water is not to be influenced by other aspects of that situation.

Mr D.J. KELLY: Can the minister provide that by supplementary information? My question is: did they hold a licence; and, if the minister does not know, can she provide that by supplementary information? If they did hold a licence—maybe the minister has answered that—and if they would still continue to hold a licence, could the minister also provide that information?

Ms M.J. DAVIES: Just so that I am clear, we are providing supplementary information on the —

Mr D.J. KELLY: I think we all know what we are talking about.

Mr R.S. LOVE: Point of order. What does this have to do with the appropriation?

Mr D.J. KELLY: It is a question about holders of different categories of licence, and that is what we were discussing earlier. I am simply asking whether that operator —

The CHAIRMAN: Thank you. I would like to respond to the point of order. The member does not need to elucidate. The minister has indicated a willingness to provide this information. So I do not accept the point of order. But it is well within the minister's right to agree or disagree to provide this information.

Ms M.J. DAVIES: Member, we can provide information as to whether or not that particular licence holder is meeting the requirements of their licence.

Mr D.J. KELLY: The question is: are they a licence holder; and, if yes, the information that the minister has just indicated would be helpful.

The CHAIRMAN: Fine. The minister has defined what she would like to provide as supplementary information. Is the minister happy with the amendment suggested by the member for Bassendean or would she like to again define what she is going to provide?

Ms M.J. DAVIES: Just so that I am absolutely clear, if the individuals involved are in fact licence holders, I am going to provide information as to whether they are operating within their licence.

[Supplementary Information No B54.]

The CHAIRMAN: I think we have spent a fair bit of time on that particular question, so I will move to the member for Bassendean for a new question, please.

Mr D.J. KELLY: I refer again to page 773. Under the heading "Spending Changes", procurement savings of some \$1.4 million are identified in 2014–15. Can the minister tell us what those savings are and how they are planned to be achieved?

Ms M.J. DAVIES: With regard to the 2014–15 procurement savings, there was a corrective measure imposed by government that represented a 15 per cent saving in the procurement of non-essential goods and services, comprising administration and communication, consultants, consumables, equipment repairs and maintenance, and staff travel. Based on the department's experience in meeting the procurement savings target in 2013, it is expected that we will meet the target in 2014, and, as before, this will be achieved by reductions in spending on consultants and contractors, consumables, and travel. Front-line service delivery I am advised will not be impacted.

Mr M.P. MURRAY: I refer to page 774, the third dot point, which talks about access to water to support Western Australia's community, amenity and lifestyle. How many new bores are there in the Yarragadee aquifer, and what is their location, and how many gigalitres of water will be pumped out of that aquifer per year?

Ms M.J. DAVIES: Just to clarify, the question is how many new bores have been allocated to the Yarragadee —

Mr M.P. MURRAY: Yes, and how many gigalitres of water will be pumped out of that aquifer in total in a 12-month period?

Ms M.J. DAVIES: Is the member talking about the south west Yarragadee?

Mr M.P. MURRAY: Yes.

Ms M.J. DAVIES: I do not have that information, obviously, off the top of my head. We would need to provide that as supplementary information, and we are happy to do that. We will provide supplementary information on how many bores have been allocated in the south west Yarragadee and the amount of water that has been allocated.

Mr Dave Kelly; Ms Mia Davies; Mr Vincent Catania; Mr Mick Murray; Chairman; Mr Chris Tallentire; Mr Ian Blayney; Mr Shane Love

The CHAIRMAN: Over a 12- month period.

Ms M.J. DAVIES: Yes.

[Supplementary Information No B55.]

Mr C.J. TALLENTIRE: I refer to page 784 and the table headed “Net Appropriation Determination”. The first line item in that table is commonwealth grants and contributions. Is the dramatic drop-off there the result of the winding up of the National Water Commission and the national water initiative?

Ms M.J. DAVIES: I will refer that to the director general, otherwise we might have to provide that on notice. I do not have that information right in front of me. The director general.

Ms M. De Lacey: It does reflect commonwealth grants that have ceased. So they have been for particular projects, and they have ceased.

Mr C.J. TALLENTIRE: The NWI in particular?

Ms M.J. DAVIES: We can provide the member specifically with what that information relates to. I am happy to do that as a supplementary, member.

The CHAIRMAN: Can the minister define exactly what she will be providing?

Ms M.J. DAVIES: I am happy to provide supplementary information on commonwealth grants and contributions, as noted in the forward estimates on page 784, and what programs that relates to.

Mr C.J. TALLENTIRE: And whether the drop-off is due to the Abbott government’s failure to support the national water initiative.

Ms M.J. DAVIES: We will provide the member with supplementary information, but I would not have thought that that would be reflected in our budget papers, given that the commonwealth’s budget was handed down only last week.

[Supplementary Information No B56.]

Mr D.J. KELLY: I refer to page 774 and the heading “Significant Issues Impacting the Agency”. The third dot point states the department licences 3 100 gigalitres each year, and it then identifies a number of different categories. Maybe it is just because it is late in the evening, but those categories do not look as though they add up to 100 per cent. Is a category missing , or is that the 42 gigalitres from the Water Corporation that goes missing every year?

Ms M.J. DAVIES: Is that page 774, the third dot point?

Mr D.J. KELLY: Yes. Those categories do not look as though they add up to 100 per cent, and I am trying to find out whether a category is missing.

Ms M.J. DAVIES: Bear with me, member; it is late in the evening. The member is concerned that the numbers do not add up.

Mr D.J. KELLY: Yes, to 100 per cent.

Ms M.J. DAVIES: Paul Brown can provide that information.

The CHAIRMAN: Unfortunately, Mr Brown, that concludes the session.

The appropriation was recommended.

Committee adjourned at 10.00 pm

Extract from *Hansard*

[ASSEMBLY — Wednesday, 21 May 2014]

p390b-409a

Mr Dave Kelly; Ms Mia Davies; Mr Vincent Catania; Mr Mick Murray; Chairman; Mr Chris Tallentire; Mr Ian Blayney; Mr Shane Love
