

**Division 42: Water and Environmental Regulation, Services 1 to 3, and 5, Water, \$117 841 000 —**

Mr S.J. Price, Chair.

Mr D.J. Kelly, Minister for Water.

Mrs M. Andrews, Director General.

Mr P.J. Hawker, Manager, Financial Planning.

Dr N.E.F. Goyal, Executive Director, Strategy and Engagement.

Dr S. Meredith, Acting Executive Director, Science and Planning.

Mr J. Moynihan, Executive Director, Regional Delivery.

Mr P.J. Stewart, Executive Director, Corporate Services.

Ms S. McEvoy, Executive Director, Strategic Policy.

Mr L. Clarke, Chief of Staff, Minister for Water.

Ms P. Pedelty, Senior Policy Adviser.

[Witnesses introduced.]

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

The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by close of business Friday, 1 October 2021. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

I give the call to the Leader of the Opposition.

**Ms M.J. DAVIES:** I am looking at page 680. The first line item under "Ongoing Initiative" in spending changes is "Commonwealth Funding—National On-farm Emergency Water Infrastructure Rebate Scheme". I note that there is no funding in the forward estimates for that. Is that a discontinued program from the commonwealth or is the state required to put money against it to access the funds? Can the minister explain to me what that line is about?

**Mr D.J. KELLY:** The previous funding for the on-farm emergency water infrastructure was a combination of funding that we received from the commonwealth and a small amount from us. The commonwealth started it in, I think, 2019, and without any discussions the commonwealth made a decision that it would not fund any more applications in Western Australia unless there was a 50 per cent commitment from the state government. Again, there was a decision made by the commonwealth without any consultation with us. As the member would probably be aware, we have already contributed a significant amount of money to strategic community water supplies. We have funded 65 projects to date that provide for non-potable supplies for regional communities. We have taken the view that the priority is community water supplies. More water can be supplied to more farmers more efficiently. So that is what we are doing. We now have a program going forward for another 70 of those projects over the next two years. We are a bit disappointed that the federal government is essentially saying it will end its program in WA unless the WA government pays for half of it, but that is my understanding, and that is why the budget is as it is going forward.

[7.30 pm]

**Ms M.J. DAVIES:** How much would be available if the state government was willing to put the funding on the table? Is it capped out as a state? Have there been discussions about what could be accessed if the state was willing to fund it?

**Mr D.J. KELLY:** I do not have that. I think the figure that has been thrown around is \$50 million for the program, but that is a national figure, so I am not 100 per cent sure how much would be available for Western Australia.

**Ms M.J. DAVIES:** So we do not know whether we are knocking back potentially \$10 million from the feds or \$25 million?

**Mr D.J. KELLY:** No; it would be significantly less than \$10 million.

**Ms M.J. DAVIES:** But the minister does not know.

**Mr D.J. KELLY:** The federal government has not given us a breakdown. I have not seen whether it would be broken down on a per capita basis. The commonwealth has not told us—not that I am aware—how the funds would be distributed. I am just checking it has not. A lot of these announcements get made by the commonwealth with a press release, and getting details of how things work is very difficult. For example, the other day the commonwealth government announced \$1.54 billion for water infrastructure and that it would only apply to Murray–Darling states. When we quizzed the commonwealth about whether there would be an equivalent fund for Western Australia and why Western Australian farmers were being ignored for this funding, it was very difficult to get anything out of the federal government beyond what it had put in its press releases. If Western Australia was made eligible for that fund, it would dwarf this program.

Again, there is lots of money going to the east coast, but very little to Western Australia. As I said, this particular fund was started by the commonwealth, and in its first round it was funded completely by it. The commonwealth then made a decision without any consultation and said we would get some money in Western Australia only if the state government paid half of it. Why would the commonwealth government put that gun to the head of Western Australian farmers—saying, without any consultation, that there would be no money for Western Australia unless the state paid half?

**Ms M.J. DAVIES:** It is not unusual for the federal government to have a partnership with the state to deliver these outcomes. I am a little bit astonished that there has not been an investigation, questions or any formal correspondence from the minister to the commonwealth to try to determine what we would be eligible for before summarily saying that the state government will not be a part of it because it does not want to contribute. It is not an unusual concept for there to be partnership funding, even though, as the minister says, the program was previously wholly funded by the commonwealth. Is there no consideration to even thinking about trying to access that funding for these communities that might benefit from it?

**Mr D.J. KELLY:** The Leader of the Opposition is right that there are some programs that are jointly funded, but there is usually some discussion before these things are released. In this case, there was not. I think I have written to the federal minister at least once, maybe twice, asking him to rethink the federal government’s decision to make this either a joint funding proposal or nothing. From memory, I had a video hook-up with Minister Pitt in which this was discussed. So we have attempted to get the commonwealth to rethink its decision. There has not been a lack of effort. The Leader of the Opposition needs to understand that we talked to the water resources reform reference group, which I think was set up when she was the minister—or maybe Terry Redman set it up—about the priorities for water funding in Western Australia. Out of that discussion, one of the priority projects was strategic community water projects. Having talked to local governments, and WA farmers are on those bodies, we identified what our priorities would be if we were to get additional commonwealth money. We have pursued those priorities.

The Leader of the Opposition is probably aware that for the 70 dam projects that I talked about earlier, we identified a source of funding for the commonwealth. The commonwealth said the money was available, but it had to have matching state money, so we tailored our priorities by talking to the industry, and we pitched that. We applied under that fund—I forget what it is called—and we were successful in getting the money. The community water projects are already done. There are 65 of them. They were extremely well received. I was at Gnowangerup and Lake Grace the other day talking to Councillor Chappell about the Railway Dam that his father built, which is 100 years old. As part of the program going forward that dam will be brought back online. It is a tremendous program. It was really well received. That is what we are doing. We are trying to target the money we can get from the commonwealth to the most strategic priorities. The Leader of the Opposition might have a different view, but delivering community water projects that can deliver more water to more farmers more efficiently is to me the wise way to go, and I think most people agree. Even without federal funding, that is what we have done, but if we are going to get federal funding, that is the priority, and that is what we have done.

**Ms M.J. DAVIES:** Just so I am clear, there has been a cut to the on-farm state government program for partnering with farm businesses to improve their water resilience individually. There is no funding in WA at the moment for farm businesses to partner with any tier of government to improve their water resilience. The farm water grant scheme has been cut.

**Mr D.J. KELLY:** There has not been a cut from the state’s money.

**Ms M.J. DAVIES:** So the farm water grant scheme?

**Mr D.J. KELLY:** From the last budget, no. That decision was made some time ago.

**Ms M.J. DAVIES:** That does not exist and this does not exist, so there is actually no funding in the budget for on-farm improvements for farm businesses.

[7.40 pm]

**Mr D.J. KELLY:** That is not correct. Farmers are still eligible and can get funding for an audit, which is really the first step to on-farm resilience. If the member wants to get somewhere, having a plan is the first way to get there. Going off and spending money left, right and centre might sound good, but it does not get you where you want to go.

**Ms M.J. DAVIES:** I am very well aware, minister. I funded the audits and also the on-farm scheme. We funded both.

**Mr D.J. KELLY:** You have asked the question.

**Ms M.J. DAVIES:** Less of the mansplaining.

**Mr D.J. KELLY:** That program is still available. Farmers can still apply for that.

**Mr P.J. RUNDLE:** I refer to paragraph 19 on page 682 and the community water supply program in partnership with local government authorities that the minister just referred to. Can the minister confirm whether some sort of plan is in place to offload those particular community dams out of the department and on to local governments?

**Mr D.J. KELLY:** The dams that might fall into that program may be owned by the department, by the Water Corporation or already owned by local government. There is already a multiplicity of ownership of those assets. What I asked the department to do, and what it has done, is look across the great southern, the wheatbelt and into the midwest to find the water assets that we could bring back online as non-potable community supplies. The department has basically given us a list. Obviously, the ones at the top have the biggest bang for buck, and we have already done 65; my understanding is that that figure is right. We have funding for 70 more over two years. Where the ownership ends up is sometimes up for negotiation. I certainly would not characterise it as offloading, as the member put it. Some local governments really want an asset; maybe it is a Water Corporation asset and it wants ownership of it. Some local governments do not want ownership of it. They want access to it, but they do not want ownership. It all depends. Although the Water Corporation is very cooperative, sometimes it is reluctant to hand over assets because of the condition that they are in; they might need significant upgrading. Where the ownership ends up all depends on horses for courses, depending on the asset.

**Mr P.J. RUNDLE:** Could the minister tell me what stage the department is at with the upgrading and recommissioning of those 70-odd strategic community water supplies as mentioned here, or is that program well underway?

**Mr D.J. KELLY:** It is well underway. We have already started work on some of them. One of the conditions of the commonwealth's contribution is that the work is completed within two years. In anticipation of getting the commonwealth money, the department had already started to do the work. I might add, had we not got the commonwealth money, we would have continued with the program. We would have had the capacity to do less of the project. Some of them are well underway.

**Mr P.J. RUNDLE:** I assume the department is also doing catchment work as well as recommissioning the dams and the like. Is the department also doing the catchment work at the same time to improve the flow of water into those dams?

**Mr D.J. KELLY:** It all depends on what is needed for the particular project. It might include catchment work if that is what is needed.

**Mr P.J. RUNDLE:** Does the minister foresee that that will be wrapped up within two years, as he mentioned? Is that the rough time line for those 70-odd dams?

**Mr D.J. KELLY:** That is our best endeavour. If the member talks to his National Party federal colleagues, and for some reason some of those projects, because of COVID and the like, cannot be completed within the two years, I hope the commonwealth will not be too rigid about that time line. But it is certainly our endeavour to get it done within the two years.

**Ms C.M. TONKIN:** I refer to page 684, under the heading "Outcomes, Services and Key Performance Information", under the subheading, "Relationship to Government Goals" and the column "Desired Outcomes" that states —

Western Australia's growth and development is supported by the sustainable management of water resources for the long-term benefit of the State.

Can the minister please advise how our water resources in Western Australia are being impacted by climate change?

**Mr D.J. KELLY:** I never tire of talking about climate change and the impact it is having on Western Australia, not because it is a happy story, but because it is absolutely crucial to everything we do. I am painfully aware that there are some people in public life and elected officials who still do not acknowledge that climate change is real and that if they begrudgingly accept that climate change is real, they try to portray it as though the impact will be some time in the future. The impact of climate change on the south west of Western Australia in particular is stark. Since 1975, we have had a 15 per cent to 20 per cent reduction in rainfall. That has had an enormous impact on stream flows into our dams across the south west. In Perth, for example, we used to get 400 billion litres of water run into

Perth's dams each year, and that was essentially our drinking water supply. Now if we get 50 billion litres, we think we are doing well.

The department is constantly evaluating the impacts of climate change and, as members might know, water allocation plans are constantly being updated. Unfortunately, many of those plans are now seeing a reduction in the water available because of the impacts of climate change. That is really important work that the department does. The idea that an area will always have a certain amount of water available for agriculture is unfortunately not the case because of the impacts of climate change. It is work that we are constantly doing. The Gngangara groundwater system is Perth's most important groundwater system. Climate change impacts on that system are stark. That is one of the reasons why we have gradually reduced the amount of groundwater that we have been taking from Gngangara and are moving to desalination. The quality of the work that is done by the department is one of the things that I think we can be most proud of in this state. Water is all about science, and I am constantly impressed by the level of work that is done by the department on this issue when faced with such a vexed issue as climate change.

[7.50 pm]

**Ms M.J. DAVIES:** I refer to page 691 and water and environment policy. I cannot see it anywhere on the page, but I assume that work is being done on water reform legislation, because I know that we had it on the agenda for our government —

**Mr D.J. KELLY:** You announced it at least twice, I think.

**Ms M.J. DAVIES:** Probably. A lot of groundwork was done, and I am just wondering what progress has been made, because the government has had four years now and I know that was one of the priorities that was announced when it came to government. Therefore, I am happy to take the flak on us not delivering it, but we are now into the government's second term and it was one of the things that it said it was going to progress, so what kind of priority does it have with parliamentary drafting, if it is at that point, or is it languishing?

**The CHAIR:** Minister, this is not actually a budget-related question, but I will leave it up to you if you want to respond and how you respond.

**Mr D.J. KELLY:** I am happy to briefly respond. Yes, it is still a priority for the government. It is still being worked on, and we do hope to have legislation in the Parliament this term.

**Ms M.J. DAVIES:** I have a further question. I can relate it to the budget easily. How many employees does the minister have working on it in the department?

**The CHAIR:** Minister.

**Mr D.J. KELLY:** Oh.

**Ms M.J. DAVIES:** Is it being given the resources? I mean, it is a significant body of work.

**The CHAIR:** Leader, just ask the question and wait for a response, please.

**Mr D.J. KELLY:** A bunch of people are working on it, but it is bits of people's time rather than a specific person who is working on it. That is my understanding. The department does not do the drafting; that is a job for the Attorney General. But, as the member acknowledged, the previous government announced it twice but in two terms of government did not deliver it. When we get to the point of having had two terms of government and not delivering it, I will happily take the criticism.

**Ms M.J. DAVIES:** Minister, you said that it will be in Parliament. Does the minister expect that it will be debated in Parliament? It will have a significant impact on the department's ability to manage some of the issues that the minister was previously talking about in the question he answered just before about climate change.

**Mr D.J. KELLY:** Once it gets into Parliament, I do not control how long it will take to get through Parliament; that is in the hands of Parliament.

**Ms M.J. DAVIES:** That is debatable. The government controls both houses of Parliament; I think you can have it through in a jiffy!

**Mr D.J. KELLY:** I think the member is probably stretching the goodwill. Obviously, I cannot answer how long it will take to get through Parliament once it is introduced. That is not really a budget question. I would like it to be within my ministerial portfolio, but at this point in time it is not.

**Mr P.J. RUNDLE:** I refer to page 698 and "Details of Controlled Grants and Subsidies", and the line item "Ban on E-Waste to Landfill". I notice that there is no budget allocation for this year.

**Mr D.J. KELLY:** I had a great interest in this topic when I was Minister for Innovation and ICT, but as the Minister for Water, unfortunately it is not within my portfolio.

**Ms M.J. DAVIES:** I refer to page 694 and “Compliance Monitoring Services to the Minister”. Is this the compliance and monitoring unit within the Department of Water and Environmental Regulation? Does this item relate to the use of bores?

**Mr D.J. KELLY:** No. This page relates to only the environment side.

**Ms M.J. DAVIES:** This is environment, is it?

**Mr D.J. KELLY:** Yes.

**Ms M.J. DAVIES:** Sorry. It is page 689. Would that be right? Apologies, I got out of water and into the wrong page. I was after water regulation, licensing and industry governance. I refer to the first note, which states —

The reduction in the Average time taken to assess a licence application across all licence application risk categories ... relative to the ... Budget Target, was driven by the successful implementation of the water licensing backlog action plan ...

Can the minister tell me a little bit about that?

**Mr D.J. KELLY:** It was a concerted effort by the department to clear outstanding applications and, largely, there was some considerable success in doing that. I congratulate the hardworking members of the department who put the time in to deal with those outstanding licences. The member will be aware that water licences is an area in which we do not have cost recovery. In other areas of the department—for example, on the environment side—there is a greater degree of cost recovery, and that funds the staff required. Unfortunately, we do not have cost recovery in this area, and that can limit the amount of resources that can go into processing the licences. But what the member has identified here is some very good work done by the department to clear outstanding applications.

**Ms M.J. DAVIES:** Further to those comments, minister, in talking about cost recovery, is that something that government is contemplating?

**Mr D.J. KELLY:** No, not at this stage.

**The appropriation was recommended.**

[8.00 pm]