

Division 66: Environment Regulation, \$1 561 000 —

Mr N.W. Morton, Chairman.

Mr A.P. Jacob, Minister for Environment.

Mr J. R. Banks, Acting Director General.

Mr A. Sands, Director, Environmental Regulation Division.

Mr S. Cowie, Director.

Dr J.C. Byrne, Director, Corporate Services.

[Witnesses introduced.]

The CHAIRMAN: The member for Gosnells.

Mr C.J. TALLENTIRE: I refer to page 806 and the subheading “Environmental Sustainability and Climate Change”. I note that the full-time equivalent levels in 2012–13 were 71 and are 75 in 2013–14. But looking back at the budget papers from last year, I notice that for 2012–13, if we combine the environmental sustainability and climate change services, the actual figure is 85. Why is there an inconsistency between the budget that is before us now and what was presented as last year’s figure?

Mr A.P. JACOB: I will pass over to the acting director general in a moment. But first of all I stress that this is the first time the Department of Environmental Regulation has appeared before this place, because it was created on 1 July last year. I will ask the acting director general whether he can provide a bit more detail into where that split has landed in the move from the former department of environment and conservation to the two new departments.

Mr J.R. Banks: I will just make the brief statement that these statements reflect a recast position of an entity that obviously did not exist in the prior budget period. I will now refer to Dr Byrne, who is the director corporate services, formerly of DEC and now of DPW, but who also continues to provide services to the new agency, the Department of Environmental Regulation. He will be able to provide further detail to the member.

Dr J.C. Byrne: This is a recast from last year to reflect the new structure. Each service includes both back-office functions and front-line services. Back-office functions are things like corporate services, people services, and the payment of wages and salaries. Last year, there was a share of those FTE in environmental regulation services. However, this year, the Department of Parks and Wildlife is providing those services. So all those people previously providing those services for the Department of Environmental Regulation are now accounted for in the Department of Parks and Wildlife. The reduction merely reflects the back-office functions now provided by Parks and Wildlife to Environmental Regulation.

Mr C.J. TALLENTIRE: How many people have been moved to the Department of Parks and Wildlife?

Dr J.C. Byrne: It is not so much moved as they provide a corporate services function that previously was spread across all five services, including Parks and Wildlife and Environmental Regulation. The corporate services moved across to Parks and Wildlife services. That accounts for the difference between last year and this year, or a large part of that difference.

Mr C.J. TALLENTIRE: Can the minister explain how many people are actually employed in the climate change unit?

Mr A.P. JACOB: I am happy to tackle that, and I can hand over to Dr Byrne if he can provide any more detail. There are five full-time equivalents currently within the climate change unit. The major functions in 2013–14 for the climate change unit include management of the low emissions energy development fund, or the LEED fund. Other functions include enabling local government adaption; provision of climate change adaption advice; and provision of climate change mitigation advice in respect of national policy. Those five people also provide support for participation in the Standing Council on Environment and Water at the national level.

Mr C.J. TALLENTIRE: If the minister is confident of there being five people, why do I speak to people who tell me there are only two?

Mr A.P. JACOB: When the member first spoke on this a few months ago, he said it was less than one. So it is good that we have come up to two. But I am fairly confident that it is five. I will hand over to the acting director general.

Mr J.R. Banks: Yes; five is the correct count for the FTE currently assigned to the climate change unit.

Mr F.A. ALBAN: I refer to page 804 and the heading “Significant Issues Impacting the Agency”. The second dot point under that heading refers to the finalisation of the Western Australian environmental offsets register.

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There has been some industry and community concern about the transparency and accountability of environmental offsets. Can the minister please explain how the government is addressing these concerns?

[8.10 pm]

Mr A.P. JACOB: I thank the member for the question. Offsets have been a very topical issue in and around the resources industry and also in the environment portfolio more broadly. The government has recognised that in the past the administration of environmental offsets perhaps has not had enough emphasis on the need for transparency and also accountability. We have put in place important reforms that will help address this. We released our first environmental offsets policy on 27 September 2011. Without going into too much detail on the policy, it commits to the preparation of guidelines that outline the respective roles and responsibilities of agencies, proponents and statutory bodies. This register —

Mr C.J. TALLENTIRE: I have a point of order. The minister has not looked up from his page in the last 30 seconds at least.

The CHAIRMAN: I thank the member for his point of order.

Mr A.P. JACOB: I would encourage the member not to interrupt me on answers such as this.

Mr C.J. TALLENTIRE: Then do not read!

Mr A.P. JACOB: I am going through them quite quickly, and I am looking down because I am skipping over points that I think can keep my answer shorter.

The CHAIRMAN: Continue with the answer, minister.

Mr A.P. JACOB: This register includes information on the spatial location of the offsets, and also the type of offset and the values being offset, as well as the compensatory value of that offset, the milestones and the time frames for its implementation. The development of the environmental offsets register has been led by the Department of Environment Regulation, supported by an interagency advisory group, including representatives from a range of agencies. This development has also been strongly influenced by a range of stakeholder groups, including the Chamber of Minerals and Energy and the Australian Petroleum Production and Exploration Association, and groups such as the World Wide Fund for Nature and the Conservation Council of Western Australia—both proponents and non-government organisations that are interested in this space. The register contains a record of all offsets from 25 July 2013, and stakeholders, including industry groups and interested parties, have also continued to support the inclusion of the historical offset information in the environmental offsets register, particularly going back to the past two years. It is a fantastic initiative that I think will increase transparency and understanding of the offsets policy, and hopefully it will assist in the consistent application of the offsets policy.

Ms M.M. QUIRK: I refer to the significant issues impacting the agency on page 804, where it is noted —

In its first year of operation the Department will focus on regulatory performance and reform.

In light of the Chief Justice's recent decision, is the minister considering how changes in the performance of the authority are made in its decision-making processes?

Mr A.P. JACOB: I thank the member for the question. I think that question may have been asked in the wrong division as it does not apply to the Department of Environment Regulation. However, on regulatory performance and reform, we will continue to achieve target time lines of 60 days for works approvals and for licences on major resource projects. We will continue the rollout and the development of the REFIRE program—the Re-Engineering for Industry Regulation and Environment “daughter” licences scheme. This will also help to ensure that the DER has an effective risk-based, sector-focused industry regulation function. Ongoing development of our licensing system will also involve works in and around fee payment processes and continued regulatory reforms in the licensing area to remove or minimise regulatory duplication and overlap, and will ensure that the regulatory requirements put in place are based on our best understanding of the environmental risk. I do not know whether Dr Byrne has anything to add to that.

Ms M.M. QUIRK: No, I am satisfied with that answer; I thank the minister.

Mr J. NORBERGER: I refer to the description of service 1, “Environmental Regulation”, which is in the middle of page 805. It refers to the regulation of the transport of hazardous waste. With the growth in the movement of controlled waste within our state, how is the DER managing to ensure that the regulatory processes remain appropriate?

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Mr A.P. JACOB: I thank the member for that question. In 2009 the department commenced a review of the Environmental Protection (Controlled Waste) Regulations 2004. Following on from stakeholder consultation, a phased amendment program was developed. The first phase of these amendments was gazetted in April 2012, and that related predominantly to fee amendments. The second phase is in its final stages of drafting, and this will aim to improve the workability, transparency and clarity of the current regulations. It is envisaged that the phase 2 amendments will be gazetted, hopefully, by January next year. The Department of Environment Regulation's controlled waste tracking and permitting section has implemented a number of initiatives to increase the effectiveness of its administration of the regulations, including controlled waste tracking system upgrades and also operational reform to increase licence processing effectiveness. The controlled waste compliance program was redesigned in 2009 to target the specific growth areas of controlled waste transportation. For example, in 2011–12 this program targeted offshore facilities, and in 2013–14 we will be particularly targeting interstate movements of controlled waste.

Ms L.L. BAKER: I refer to the “Accommodation” line item under the cost of services on page 807. In relation to rents that may be payable to DPaW, how much rent will the department make? Does any of that line item include moneys which the department is likely to be paid and which have previously not been paid to it?

Mr A.P. JACOB: I will pass to the acting director general on that. The member mentioned DPaW, which is the Department of Parks and Wildlife. Did she mean —

Ms L.L. BAKER: The nub of the issue is: will the Department of Environment Regulation be co-located, or will it be asked to pay rent to be at DPaW?

Mr A.P. JACOB: Okay. Now I understand the member's question.

Mr J.R. Banks: Our primary sites are the Atrium in Perth, and Booragoon. We obviously have a number of regional operations that are currently co-located with DPaW on a zero fee-for-service basis, and that will continue for the foreseeable future.

Mr D.C. NALDER: I refer to the large percentage of waste in the metropolitan area diverted from landfill through recycling, which appears under the key effectiveness indicators on page 804. How does the amount of material recycled compare with the diversion targets in the waste strategy?

Mr A.P. JACOB: I thank the member for the question; it is a very good question. The targets in the waste strategy are indeed very ambitious. However, I am pleased to inform the member—I thank him for his interest—that Western Australia is currently on track to meet them. The waste strategy sets targets by waste source, such as municipal solid waste, commercial and industrial waste, and construction and demolition waste. It is not necessarily laid out by geographical area. However, the effectiveness indicator is for the metropolitan area only, and this is based on the most recent and accurate data available at the time of reporting, which for 2012–13 was the data collected through the 2011–12 financial year. The effectiveness indicator estimates that 43 per cent of all waste streams in the metropolitan area were diverted from landfill. As the member can see, that is an improvement on the previous figure of 36 per cent. Based on the most recent data available, which is for 2011–12, progress towards our 2015 targets suggests that Western Australia is well on track. With metropolitan solid waste, our targets have us at 50 per cent, and for 2011–12 we are currently tracking at 39 per cent. For commercial and industrial waste, we have a target of 55 per cent landfill diversion by 2015, and 2011–12 has us at —

Ms M.M. QUIRK: I have a point of order. I do not know whether the member for Alfred Cove was not listening in the chamber a couple of weeks ago, but the minister gave pretty much the same answer to a question without notice, and I refer to the standing order relating to needless repetition.

Mr A.P. JACOB: Further to that point of order, I have never answered a question on this matter in the Parliament, so I do not know where the member has got that from. I think it is a very topical issue.

Ms M.M. QUIRK: It might have been a ministerial statement, but I have certainly heard it all before.

The CHAIRMAN: Minister, I will let you continue, but I am very cognisant of the time and the number of divisions we need to try to get through this evening, so I ask you to try to be quick.

Mr A.P. JACOB: Thank you, Mr Chairman. Given that the member for Gosnells put out a press release on this only yesterday, I thought it would be a question I was asked by him, but I appreciate the member for Alfred Cove asking the question, and it is a good opportunity to go into a bit more detail on it.

As I said, our 2015 targets for commercial and industrial waste are 55 per cent, and 2011–12 already has us tracking on those at 45 per cent. Construction and demolition waste is the area in which we have the most ground

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to make up. By 2015, we need to meet 60 per cent diversion from landfill, and currently we are tracking at only 38 per cent, so construction and demolition waste will require some of our focus in the short term.

[8.20 pm]

Mr C.J. TALLENTIRE: Sticking with waste and, indeed, the same line item on page 804 of the *Budget Statements*, I think the minister got confused with the figure of tracking to a 45 per cent diversion. Will the minister explain where the construction and demolition waste is going? It is all very well to claim that there is a diversion, but we need to know where it is going; otherwise, we could fear that it is being dumped illegally. Does the minister have evidence it is being used for successful re-use in road base or in subdivisions and the like?

Mr A.P. JACOB: What I answered in the previous answer was that construction and demolition waste is the area in which we are falling behind the most. That is where we need to make up the most ground. I am sorry if the member misheard me. I was not saying that we were doing wonderful things in that space. It is an area in which we need to make up a lot of work. Certainly, road-base usage is where a lot of it is being recycled.

Mr C.J. TALLENTIRE: How does the minister know where the construction and demolition waste is going?

Mr A.P. JACOB: I will hand over to the acting director general to talk about tracking and compliance. I will let the acting director general answer that question, then I will come back to a relevant page in the *Budget Statements* that also addresses that question.

Mr J.R. Banks: Particularly within metropolitan landfill, we have an extensive compliance regime in place for the landfill levy. It involves both self-survey and audit compliance survey of volumes going to landfill. That gives us good visibility of the volumes in that regard. With specific reference to the road base issue, a lot of work was done this year to put an authorisation authentication regime in place to give confidence about the construction and demolition product as a safe and credible product to be used in a road base. There has been some use to date, and then there was a slight pause in that usage. We have managed to correct the impediments. We will also see a direct flow of that into some of the major projects going forward that are currently contracting to take the road base. I defer to Mr Cowie to provide advice.

Mr S. Cowie: The calculation gives the percentage diverted based on information received from landfill operators. They record how much waste they receive and how much waste is taken offsite and recycled for the use of aggregate road base and the like. That is used in determining that percentage.

Mr A.P. JACOB: I did flag that I would say a bit more about this. I refer to page 806 of the *Budget Statements*. The efficiency indicators reveal that the cost of administering the waste avoidance and resource account is a percentage of total funds. It is a fairly significant percentage, which is reflective of the money going into enforcement and compliance in this space.

Mr C.J. TALLENTIRE: The 45 per cent diversion figure is the figure taken out of landfill; that is the calculation. The answers we have not received relate to the tonnage figure that is going to things like road base or other re-use. Why is that the case? Why do we not know the tonnage figure? To simply say that 45 per cent has been diverted away from landfill does not really tell us that the stuff is being re-used at all—rather, it tells us that it has not gone into landfill. What measure is in place to ensure that construction and demolition waste is being re-used in a useful manner?

Mr A.P. JACOB: We are looking at the *Budget Statements*, member. I do think they ever seek to go into that much detail. The member can imagine how many volumes we would go through if we tried to include that level of detail about what is happening for every single agency. We are specifically talking about the key effectiveness indicators. That level of detail, I am sure, is available. I will pass over to the acting director general.

Mr J.R. Banks: My brief commentary is that the measure here is inclusive of all streams of waste in the metropolitan area; it is not limited to construction and demolition waste. I will defer to Mr Cowie for further detail. Obviously some of that tonnage goes through things like digesters or whatever and comes out as fertiliser products. I am not too sure whether we calculate from the back and front end or whether we only calculate based on the diversion. I defer to Mr Cowie to add to that.

Mr S. Cowie: The target is waste diverted from landfill. We have not recorded where that waste has gone. The waste is used for a multiple of uses, but it has not gone to landfill, which is the important point we are trying to measure. We include how much has been received by landfill and then not landfilled.

Mr C.J. TALLENTIRE: The minister would have to accept that some of this diversion could have been illegally dumped or dumped at sea. It could have been used for any other purpose other than a useful re-use.

Mr A.P. JACOB: Extrapolating what has been said to say that someone is putting the waste on a barge and dumping it out at sea en masse is a bit of a stretch. As I brought the member's attention back to page 806, I

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questioned that when I first saw the budget papers; I refer to the significantly higher percentage of the waste avoidance and resource recovery account, which goes to ensure that requirements are being complied with. We can contrast that with the LEED fund—the low emissions energy development fund—that has 0.6 per cent of the total funds going to compliance; whereas in the waste management area, there is roughly between eight and 10 per cent. A lot of work is being done. The government has channelled significant resources into compliance. There are instances of illegal dumping and generally it involves individuals. A lot of work has been done by this government. In fact, it has significantly hardened the penalties under the Litter Act. That is another issue all together. To imply that a commercial operator is trucking this waste onto barges and dumping it into the ocean is highly unlikely. If the member has evidence of that, I would love to hear it.

Mr C.J. TALLENTIRE: Sticking with the issue of waste, I refer to page 807 and the figure for the waste avoidance and resource recovery account. It mentions the statement of financial position. I also refer to page 811 and the figures relating to the landfill levy. I note that we are looking at \$43 200 000. That has hardly changed from the previous year, with a change of only \$241 000. The table on spending shows a 50 per cent leap in spending. I am now referring to page 810. If we start at page 811, there are figures on the landfill levy. On page 810 there is the waste avoidance and resource recovery account. We can see that it begins with an \$18.3 million sum and closes with a \$14.4 million sum. There has been significant investment. At least \$4 million worth of initiatives have gone towards waste avoidance and resource recovery, but when we look at the landfill levy, there has been only a small change. What is that money being spent on that accounts for that usage of the waste avoidance and resource recovery account?

Mr A.P. JACOB: I will try to answer that as best as I can. From my point of view, the landfill levy more or less tracking the same is reflective of the fact that less waste is going to landfill; therefore, even though waste is growing, less is going to landfill. It remains relatively steady. With regards to the second part of the question on page 810, I defer to the acting director general.

[8.30 pm]

Mr J.R. Banks: Page 810 basically reflects cash positions in relation to the account. What we see there is the opening balance, receipts in terms of the proportion of levy allocated to it, and then the expenses from there in terms of the \$15.4 million, leaving it with a resulting reduction in cash balance of \$14.4 million. In effect, the Waste Authority is expending funds from prior years to initiatives in that year.

Mr C.J. TALLENTIRE: I acknowledge that there has been the expenditure of funds in the last 12 months. Whether the funds were accumulated in the last 12 months or not is irrelevant. What has this money gone on, given we do not really see a dramatic change in landfill levy received? I thought if we are spending that amount of money we would have noticed a real drop in the amount of landfill levy received.

Mr A.P. JACOB: As I said right at the front end of that question, obviously our population is growing quite quickly and also people's individual waste generally has been growing in recent years. Where we are seeing the improvement is in those percentage indicators we discussed in the earlier question. A higher proportion of waste overall is being diverted away from landfill. However, the waste pie as a totality has been growing at the same time, meaning that the waste levy itself remains relatively static. The proportion of that waste pie as it grows, a lesser and lesser proportion of that pie is attracting levy but the pie is growing.

Mr C.J. TALLENTIRE: Can I please have this question answered: what has that money been spent on in the last 12 months?

Mr J.R. Banks: The business plan for the Waste Authority is publicly available on its web. I will defer to the director, Stuart, to give a summary of major initiatives. A number of policy initiatives are going on in terms of development of infrastructure planning around waste. There is also a grant scheme that runs around \$6 million a year in terms of grants programs. Both target local governments as well as other actions.

Mr S. Cowie: To go into detail would take some time. I suppose the major initiative they are spending money on is the regional funding program. That is certainly a significant program. Quite a bit is protected, to be spent there. There is another large program for the uptake of high-performance collection systems in local governments such as three-bin systems et cetera.

Mr F.A. ALBAN: I refer to "Environmental Regulation" about a third of the way down page 805, especially the statement —

Regulate emissions and discharges to the environment and the transport of hazardous wastes.

How is the department responding to reduce risks to human health and the environment? I am particularly interested when incidents occurred.

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Mr A.P. JACOB: I thank the member for the question. The department's pollution response unit has responded to around 100 pollution incidents and hazardous materials emergencies in the past year. It takes immediate action to protect human health and the environment in these cases. This includes carrying out emergency response air monitoring to provide advice to the Department of Fire and Emergency Services to evacuate residents or to shelter them within their homes. As a result, there have been several evacuations of the public to ensure their safety. For example, in January 2013 the PRU responded to a major hazardous materials fire in Canning Vale. It took action to prevent one million litres of contaminated water entering Bannister Creek. The PRU carried out onsite sampling and analysis, which enabled this water to be discharged to the sewer, in agreement with the Water Corporation. This had a fantastic environmental outcome in protecting that creek.

The PRU carries out approximately 30 inspections each year at its special-risk hazardous materials premises to prevent potential major pollution incidents. These inspections are coordinated by the PRU. They are jointly attended by officers from the Department of Fire and Emergency Services and the Department of Mines and Petroleum. A number of significant risks of major pollution emergencies have been detected and averted through these inspections. The PRU engages with other relevant agencies such as WorkSafe and local government to assist in reducing risks. The PRU also inspects industrial premises to detect and prevent pollution, and to issue clean-up orders and infringement notices when required. On occasions, an aerial survey is undertaken to identify poor performers.

Ms L.L. BAKER: I refer to "1. Environmental Regulation" under "Services and Key Efficiency Indicators" on page 805. The actual expense in 2011–12 for the line item "Average Cost of Remediating State Sites" was \$705 891. In 2012–13, it dropped to \$125 000. I understand that the minister, in his notes, went some way to explain why that has happened, but I think it is worth a bit more detail on the record about what the differences are and what has been happening at the Bellevue site. It is a matter of great concern to residents along the river, particularly in the Maylands electorate.

Mr A.P. JACOB: Investigations and/or remediation works funded from the contaminated sites account during 2012–13 were for investigations in Kenwick, Dwellingup, Wedge and Grey, and also Wittenoom. There were some others as well. With regard to Bellevue, I do not know whether Mr Banks can add any information to that.

Mr J.R. Banks: In relation to this indicator, it is highly variable and dependent on the sites and projects undertaken in a particular year. Obviously, there is a high degree of variability. In regard to the Bellevue site, obviously that is a major undertaking. The investigation of that is underway. Expenditure on the remediation will be incurred primarily in the future. If I may, through the minister, defer to Mr Sands.

Mr A. Sands: We are currently undertaking the investigative work for the next stage of the Bellevue work. We are doing that work in partnership with LandCorp. The estimate for that work is \$3 million but that has not been scoped to final design detail but is well underway.

The appropriation was recommended.