

**STANDING COMMITTEE ON
ESTIMATES AND FINANCIAL OPERATIONS**

MISCELLANEOUS PROCEEDINGS



**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
WEDNESDAY, 31 AUGUST 2022**

SESSION ONE

DEPARTMENT OF WATER AND ENVIRONMENTAL REGULATION

Members

**Hon Peter Collier (Chair)
Hon Samantha Rowe (Deputy Chair)
Hon Jackie Jarvis
Hon Nick Goiran
Hon Dr Brad Pettitt**

Hearing commenced at 10.33 am**Ms MICHELLE ANDREWS****Director General, sworn and examined:****Ms HILARY MANDERSON****Chief Finance Officer, sworn and examined:****Mr JASON MOYNIHAN****Executive Director, Science and Planning, sworn and examined:****Ms SARAH McEVOY****Executive Director, Strategic Policy, sworn and examined:****Mr SIMON TAYLOR****Executive Director, Regional Delivery, sworn and examined:**

The CHAIR: On behalf of the committee, I would like to welcome you to the hearing. Today's hearing will be broadcast. Before we go live, I would just like to remind everyone that if you have any private documents with you, please keep them flat on the desk to avoid the cameras. Can we please commence the broadcast? Thank you.

The committee acknowledges and honours the traditional owners of the ancestral lands upon which we meet today, the Whadjuk Noongar people, and pays its respect to their elders, both past and present.

I now require you to take either the oath or the affirmation.

[Witnesses took the oath or affirmation.]

The CHAIR: You have signed the document entitled "Information for Witnesses". Did you read and understand the document?

The WITNESSES: Yes.

The CHAIR: These proceedings are being recorded by Hansard. A transcript of your evidence will be provided to you after the hearing. Please note that this broadcast will also be available for viewing online after this hearing. Please advise the committee if you object to the broadcast being made available in this way. To assist the committee and Hansard, please quote the full title of any document you refer to during the course of this hearing for the record. Please be aware of the microphones and try to speak into them. Make sure that you do not cover the microphones with papers or make noise near them. If you make any adverse allegations during your evidence, the committee may release that information to allow the other person or the other party to respond. I remind you that your transcript will be made public. The committee will place the uncorrected transcript of your evidence on the internet a few days after the hearing. When the transcript is finalised, the uncorrected version will be replaced by the finalised version. If you wish to make a confidential statement during today's proceedings, you should ask the committee if you can give your evidence in private. If the committee grants your request, any public and media in attendance will be asked to leave the room.

Having said all that and got through all the official stuff, would you like to make an opening statement?

Ms Andrews: No, thank you.

The CHAIR: All good. We will go straight to questions. I will ask a few first. Can I direct you to budget paper No 2, page 701, “Income—landfill levy”. You may not be able to answer this, but we will give it a go and see how we go. With regard to the landfill levy, why is the revenue not expected to grow or contract over this time series?

Ms Andrews: Chair, my understanding is that we are here to speak around the water portfolio matters. Is that right?

The CHAIR: Yes.

No, I think we have answered the question. I do not think you can.

I will just go, first of all, to other committee members. We will go straight to Hon Dr Steve Thomas.

Hon Dr STEVE THOMAS: I feel important today! I will just confirm that we are dealing specifically with the water component of the department.

The CHAIR: Yes.

Hon Dr STEVE THOMAS: That is excellent. Thank you, chair. Let us go to budget paper No 2, volume 2, page 693. The reference is going to be a bit immaterial to where we get to, but let us start down this path. Water planning allocation and optimisation—we may spend a fair bit of time on this one. Let us start with the real basics though. There have been some impending changes to how the state manages water. The review of the act is probably something that we are all sitting there waiting for. Can you give us an update on time frames and the review of the act? Ideally, is there a particular series of changes that you are looking at in relation to the act? I will start with that before we get into more detail, because we could be here on this a while.

[10.40 am]

Ms Andrews: Thank you for the question. I think it speaks to a broad intention of governments for quite some time now recognising the importance and the opportunity of bringing forward contemporary water legislation and that we are, in this state, currently administering multiple water-related pieces of legislation, some of which go back over 100 years. To ensure what we have in this state is appropriate and fit for purpose going forward, I know it has been an intention for quite some time to look at contemporary legislation.

The role of our department is, of course, supporting the government of the day in the work on that. That is what we have been doing with this government. I think the principles underpinning any reform have previously been well canvassed publicly, and I have just pointed to a couple of them. There are other wider policy settings that we can all expect will be considered through this process—around climate change, Aboriginal empowerment, responsibilities to First Nations people—and broader questions of economic, social and environmental sustainability. Those objectives, principles, if you like, have certainly been well articulated for more than a decade, is my understanding. We are continuing to support this government with what has been a clearly articulated intention of looking to bring in contemporary legislation.

In terms of going forward—what the timing and the process for that is—that is a question that, probably quite properly the minister is best placed to answer. Is that sufficient to where you were looking to go at this point in time?

Hon Dr STEVE THOMAS: We will probably need to get into more detail. I note that we do not have the minister present today, as we would have done during the estimates. For that question, I guess I expected the minister to be there to partly answer that process. I note that perhaps the legislation might be 100 years old but I think some of the pipes might be as well!

We will try to get some more detail. There seem to be some changes that the department has engaged with prior to changes in the act or a major review of the act. I am interested particularly in the activities that are occurring down in the Warren–Lefroy catchment and the Donnelly catchment, where there are changes the department seems to be attempting to bring on, particularly in relation to spring water. Can you give us an update on where that is going, what the department is doing and what the ultimate goal is in relation to the measurement of underground flows, which the department now appears to be wanting to include in measurement of flow across the board, as it measures catchments? Firstly, is that true, and then what is the rationale and the process you are going through?

Ms Andrews: I will make some preliminary overarching comments that I hope respond to some of the points you were asking about there. Firstly, to reassure, anything that we are doing now is under the current legislation and the administration of the current legislation. There is nothing we are looking to do that is either out of scope or is anticipating new legislation. Our responsibilities can only be that; and that is the work we have been doing, particularly with the local community down in the Warren–Donnelly area, has been under the umbrella of the existing legislation. What we have heard loud and clear, both from parliamentary inquiries as well as from the community down there, is that they are looking for more clarity around the administration of the existing legislation. The work that we have been undertaking with the community down there and beyond has been with that primary objective in mind—to bring more clarity around the legislative framework policy settings and how that is given effect to in us meeting our responsibilities but in a very open and transparent and engaged way with that local community.

We have certainly had a draft guideline that was prepared last year on the back of some work done at a parliamentary level, as well as the feedback that we get on a daily basis. We published that draft guideline last year. My colleague will give you the full name of that. I have not got that in front of me, and I know that we need to quote the full name of the document accurately. That was released towards the end of last year. The consultation process around that was not only extended, but we really stepped up, on the back of feedback that we were getting, forums and opportunities to both test the guidelines on the ground, with field testing, but also different forums to give people the opportunity to more fully understand them and to give us feedback. That formal consultation period, if you like, ended approximately in May, and we are continuing to work on that. To just reinforce that primary message, the process we are working through right now is under the existing legislation, and it is with an absolute intention to bring more clarity to how that legislation is administered to ensure that we are meeting our objectives and the responsibilities that we hold under the act. Would you like me to hand over to my colleague?

Hon Dr STEVE THOMAS: Just before you do, I accept that you are operating under the existing legislation, which is fine, except that there were changes in the way that the rules around water measurement were done, particularly in relation to underground flows. Yes, it was existing legislation, but there were still changes in the way it was applied. That is why you obviously had a significant backlash in terms of the community down there. There were public meetings et cetera. So, absolutely, yes, current legislation, but sitting under that legislation is a whole pile of subsidiary legislation and a whole pile of directions and stuff. Some of that must have changed, even if it is to the point of instructions to your local operators, who, unfortunately, I suspect, have copped the brunt of it all. That is rather unfortunate because I do not know that many of these things are driven

specifically at a local level. But there has been a high degree of unpleasantness that has evolved all of this. Accepting that it is the current legislation, other things have changed to allow this to happen.

Ms Andrews: You are absolutely right. There is legislation. Sitting under that will be regulations, and then, sitting under that, there are going to be policies, procedures and day-to-day practices. Absolutely, we have broad responsibilities for those. Also, I would say there is a broad commitment from us. Whenever we are looking to change, there is a proper process around that in terms of consultation. We do not necessarily get every single step along that journey spot on and right, hence the openness to the feedback that we get. I hope that that is what is also an underlying message in how we have been working.

Certainly, while I have been in this role, since the middle of last year, and from what I have seen of all of my teams—we certainly, myself and two of the leaders sitting here at the table, and some of our water experts that we have in our organisation, recently visited the area, again with that, going down, wanting to hear, wanting to understand where the issues are, where the pressure points are, with a very clear intention of taking that on board in terms of finalising these guidelines, and with a commitment. If we are looking to make changes, we have to have a proper process around that. It needs to be transparent and there needs to be consultation.

If the commentary that you are suggesting is around change that is signalled in a draft guideline, the point of that draft was to elicit that feedback. However, if you are pointing to there were changes to the ground with what we were doing, equally, we are making ourselves available in multiple forums and at multiple levels to understand if that has occurred either without consultation or in a way that did not fully consider all of the consequences of that implementation.

We are very open to the discussion, the feedback and taking responsibility for being better at how we are administering the legislation in this regard. We know it is a highly contested space around the spring exemptions and that there has not been sufficient clarity in how the current legislation and regulations apply. So, that is exactly what we have been endeavouring to do—to bring clarity.

[10.50 am]

Hon Dr STEVE THOMAS: Just before we move on to you, sorry can we just summarise that the guidelines as proposed represented a change in policy; is that a fair statement to make?

Ms Andrews: Not policy as you would—a change in practice.

Hon Dr STEVE THOMAS: That is perhaps a better word.

Ms Andrews: Or a clarity around practice and some change.

Hon Dr STEVE THOMAS: The guidelines, in my view, proposed a change in practice. That is a better word when I was looking at policy at the small local level, but that is probably a better word. If we can accept that the proposed guidelines signal the change of practice and the ways that the rules are applied, and then we can get precisely to what that is and try to eke that out a bit.

Ms Andrews: Some change in practice but some clarification of existing practice, if I can put it that way as well. The guidelines were there looking to fundamentally bring clarity, but also I think you would recognise in meeting our responsibilities to administer legislation, we also have to be responsive to changing externalities whatever they are. We would not be meeting, I think, the minister's and the government's expectations and probably broadly Parliament's expectations if we concrete in a practice under legislation that does not respond and change to changing externalities, whatever they might be.

Hon Dr STEVE THOMAS: So I think we are agreeing.

The CHAIR: Did Mr Taylor want to respond as well?

Ms Andrews: If I can hand over to Mr Simon Taylor.

Mr Taylor: Look, I would reinforce what Michelle has said. What I would say is that the process that led to the development of the draft guideline was responding to a lack of clarity around the application of the exemption. It ultimately is a decision that rests with the landholder as to whether they wish to rely on the exemption or not. It is very different to a licensing process where they apply to the department. The work done with the Warren Donnelly Water Advisory Committee in the lead-up was to understand what those issues around lack of clarity were. The draft guideline was our best attempt at that time to give the landholder the best understanding of what the legislation meant, noting that it has been a source of uncertainty and clarity issues.

Since the release of the draft guideline in December, there has been a lot of work, including some field visits with members of the Warren Donnelly Water Advisory Committee, as well as some other local landholders, to understand how that guideline works on the ground as a draft and what could be done in the final form to improve its utility to landholders. There has been a lot of submissions, which have been very helpful in understanding what could be tweaked or changed or improved to assist landholders to apply the guideline in the final form. We are collating that feedback at the moment. We are engaged with the advisory committee down there, and the intent is that the guideline in its final form will be better suited to assisting landholders in that on-the-ground decision-making that they are involved with in determining whether they wish to rely on the exemption or not—and, just for clarity, it is the draft *Guideline: Spring exemptions*.

Ms Andrews: Can I circle back to a reference you made as well, which is that it is probably more than unfortunate and certainly concerning for me—I take these matters very seriously—that it has manifested in some direct targeting of some of our individual officers. For me, I both take the responsibility very seriously about how I continue to provide a safe work environment for my officers and so there is some decisions I have taken in that regard. I have also made sure that we more broadly are more present there so it is not seen as individuals responsible for any of this work going on. It is a whole of department and I want to continue to encourage—both as we have done when we visited the area all of the stakeholders, all of the individual parties, we have all got responsibilities to each other about how we work together, but, fundamentally, we are there to understand the pressures on them and to genuinely be implementing the current legislation in a way that is appropriate to the legislation, that it is informed by all their feedback and that it is not there either targeting individual sectors or unfairly.

In fact, we are looking to ensure that we are finding a pathway forward that is responsive to all the competing interests, if you like, that exist down there whether they are sectors, whether they are landholders, whether it is the environment or a sustainable future and that the broader economic opportunities that are being pursued as well. So, we see ourselves holding all those things as well, but first and foremost for me the safety and wellbeing of my staff will always be paramount and that has been something we have had to attend to around this issue as well.

Hon Dr STEVE THOMAS: No, I agree. It is unfortunate that the local representatives on the ground were seen to be applying a new set of rules and the blame was attributed locally, rather than, let us call it, a wider practice, and we do not like to see those things happening. So, can we come back to the technicalities, though. I am interested in a few things but before the guidelines were released, what was the department's previous practice in relation to spring water wholly arising on an individual property? Was that assessed? Was that licensed or, as you say—I think you said in your contribution—effectively, landowners were given the opportunity to opt out and not require licensing of those? Can you explain exactly what the situation was before the guidelines came in

place and then precisely how it is proposed or it was proposed—perhaps that might have changed now during the consultation period—what the current proposal is.

Mr Taylor: Yes. So, the situation has been that the decision rests with landholders by virtue of the way it is set up as an exemption. It is a decision whether they choose to rely on that exemption or whether in their own assessment, they believe they need a water licence to access that water, in which case they launch an application for a licence. The draft guideline is about providing a level of detail around what our understanding of the exemption is and whether they choose to apply that themselves or engage technical expertise to assess them or legal expertise to assist them is a decision that they make, and some do go down that path, which, given the complexity of some of these matters, is a prudent step. There is not an intention for the draft guideline to change the meaning. It is to clarify what that meaning is in what is a complicated space.

We worked with the advisory committee, the Warren Donnelly Water Advisory Committee, to understand what the points of uncertainty were, and a lot of work was done with the State Solicitor's Office to work through how we could accurately portray what the exemption means. The intention of that draft guideline, subject to it being finalised, is to provide clarity going forward around what our response will be where people are relying on the exemption.

[11.00 am]

Hon Dr STEVE THOMAS: Thank you for that. So, prior to the guidelines coming in, did the department make formal assessments of springs in particular on private property; and, if they did, to what extent and what level? Because my anecdotal position probably is that there would be very few landowners who registered access to a spring, particularly one that they felt was wholly encompassed by their property. We might come to, secondly, where you have an underground flow underneath a boundary and whether before the guidelines, that was being assessed, and how that compares to now, what we think we are going to get to.

Mr Taylor: Yes. So on that first matter, we would acknowledge that there had been a variability in the way that the exemption had been interpreted going back. So, there is a range of correspondence issued over probably a 10 to 20-year period where people received different views as to what that exemption meant. That is something we acknowledged locally with landholders down there. Where we are going now is to say, "Well, let us provide clarity on our understanding and let us do some rigorous work around understanding what the exemption means"—so hence a lot of work with the State Solicitor's Office around that. The guideline is currently—we are collating the feedback. I do not want to pre-empt the final outcome. It is looking at issues like the ones you raised so we can properly understand what they are—the underground flows, water coming from adjoining properties and those sorts of issues—so we are in the position to provide the clarity in the final guideline around what our understanding of the existing exemption under that section of the act means and how it will be applied, and how we would encourage landholders to apply it when they are assessing whether they are eligible for an exemption or not.

Hon Dr STEVE THOMAS: I seem to be having trouble getting my point across with this one. So, I will try to give as an example form and just see how that works. I guess by way of explanation; it would appear that your officers on the ground changed the way they made assessments at the point when the draft guidelines were being discussed. Under previous practices, in the assessment of, let us say, an application to put a dam in place, would the inspector or the officer of the department have considered—let us start with a spring arising within a property as a part of that dam application, because it would appear anecdotally that property owners who previously had not had that applied were suddenly having that applied. I mean, you might have even gone down and visited and spoken

to some of those people for whom there was a change. So, can we work out whether that would have been assessed previously and whether this is a new part of an assessment that is being applied?

Mr Taylor: I will refer to that to my colleague. Jason occupied the role prior to November.

Mr Moynihan: I can probably go back and set some context with this one.

Hon Dr STEVE THOMAS: I think your history is a bit —

Mr Moynihan: It comes down to the original comments about climate change, water availability and the pressure is on to water resources in that area in particular. Though these guidelines that Simon has spoken about are of most relevance for the Warren–Donnelly, they need to have a statewide application as well given some of the definitional requirements there. Previously, there was some local-level application of a system whereby if someone thought they had a spring—and springs obviously were not as big an issue when there was not as much contesting for water, when there was water availability there, when people could put in for an onstream water licence and it could be allocated, people could go for their spring exemptions under current legislation. The local process to try to ensure clarity—we are here now is because there have been some inconsistent approaches applied—was to ask the landowner to submit an application for a water licence that would then be assessed either for an onstream licence or make a determination if it was a spring exemption in which case it would then be returned.

Now, there were issues that were identified as part of that process that were not satisfying local community expectations. It was also part of a previous parliamentary inquiry into that space into private property rights. The actual spring guidelines are, in part, a response to that, to provide some clarity around the definitional considerations around springs, the number one really being what a watercourse is.

Hon Dr STEVE THOMAS: That is critical.

Mr Moynihan: Probably the critical point in this is a definition of “watercourse”. If someone is claiming a spring exemption for water that is rising that they may see as being the head of a river or a stream, they would then have—I am just talking generally—an exemption. If there were deemed to be a watercourse running into prior to that spring presenting, then it is considered an onstream dam, and the exemption probably is not so clear. That is where there has been a lack of clarity in the past. That is where this guideline is trying to address the issues around the definitions of a watercourse and how spring exemptions can be applied. I think the spring exemption guidelines remove that step whereby people would be asked or expected to go to a local licensing officer with an application form for what they think is a spring exemption. So, if they go through the process, they self-determine that they have a spring exemption, meet the criteria that would be in the guidelines, they satisfy themselves that they do not, you know, have a watercourse running through that or a whole range of other considerations. That is the process.

Where we, I guess, run into some issues is where, like I said, there is contested water down there. If there is a neighbouring property that might be downstream of that person who is claiming a spring exemption who has then their water availability impacted, then there is potential for complaints that are made to the department. The department then has officers that then investigate and look—they determine whether or not it is a spring-exempt piece of water or not. Does that answer the question?

Hon Dr STEVE THOMAS: I think we are getting there. Thank you. I suspected your history there might be useful to us. Not that I am casting aspersions on your age! Can I just check then —

Ms Andrews: I think I am the oldest at the table just about.

Hon Dr STEVE THOMAS: Well, I was looking at the chair but let us not go there.

The CHAIR: Resume with your questions!

Hon Dr STEVE THOMAS: I will give everybody a chance in a second, but just I guess to try to finalise that component—that was a good answer; thank you—in relation then to springs, there appears to be a different measure, if you will, around subterranean flow and subterranean streams. Can you comment on whether there is an increased focus on groundwater movement, which probably up until this last period of time was not so focused on in the assessment, particularly for water licence applications but appears to be now? Is that a specific change that we are looking at?

Mr Moynihan: My understanding is that it is not. I think that there is some detail and this is a guideline that I think when it was first developed, the expectation was that it would be quite a short sharp piece of guidance and it has ended up based on a range of feedback turning into something that is quite detailed. There may be some more detail around that, but I do not know—I cannot answer—whether there is any more specific focus put on subterranean flow. Obviously, there is some consideration around there is obviously groundwater that is presenting that creates the spring to begin with, but it is fundamentally around, you know, watercourse and surface flow is the primary factor.

[11.10 am]

Hon Dr STEVE THOMAS: Thank you. If there is supplementary information available at some point, you could take this away and have a think about and ask what if there is potentially some area around subterranean flow—I mean, where you have a spring that arises on a property that may be, basically, only arising because of subterranean flow where you have got the flow reaching a high point and coming out in winter, for example.

I have been on some properties down there where the owners have had some difficulty in the licence application because of that particular circumstance. It is also the case that they think—now, whether this is accurate or not, and again this is all going to be anecdotal for the time being and I am always cautious about one person says this is how it went and it looks a little bit different, but if there is more information available on whether the assessment includes watercourses that have a spring attached to a subterranean flow, and particularly if there is a particular practice or proposal around subterranean flow that crosses under a boundary, and it is obviously the case. So, I understand that if you have got subterranean flow, you cannot necessarily licence one person to extract all the benefit from that flow when it potentially moves down a path. But is that a part of what the department is looking at, and is there a step into how we might be managing that?

Mr Taylor: So, just in the immediate term, those were the sorts of issues that came up when we did the field visits. We had hydrogeologists with us; we had landholders with us. It is an important part of the discussion around what we do in finalising the guidelines. We do not have an answer to that right now. There is some complexity to it, particularly because you have to consider what impacts are on downstream users and other considerations like that. Our intent in working towards that final guideline is something that is clearer and simpler for landholders to apply on the ground so it is more of a field tool than the current situation with the draft where we have got something, as Jason said, in an effort to provide clarity—working through the legal issues around it—is a very detailed document, some of which is useful if you are a hydrogeologist or you are a lawyer looking at the act, but if you are standing there in the field looking at whether you believe you have a spring or not, it is quite difficult to apply. So, what we are looking at doing is producing something simpler, which is a greater aid in the field based on the work we did particularly on the ground during the consultation period.

Mr Moynihan: If I might add, you may be referring to an individual case that perhaps we do not have the details of now.

Hon Dr STEVE THOMAS: No, I do not really want to raise individual cases.

Mr Moynihan: Nor do we. And, again, for the context and the importance of, you know, the spring issue and from a water management perspective, the department has never been able to keep or kept records of water volumes that are utilised through spring extraction, which is fine. However, for water management under a drying climate with climate change and the pressures that are applied to each and every water user in that area and others, it is becoming more and more important to us that we just actually understand how much water is being extracted out from springs as well as from streamflow to inform appropriate water planning. And on that point, too, it may be helpful—the local community down there and they should be aware now that the department has commenced a review with the Warren Donnelly Water Advisory Committee of the allocation plan, so that will be a staged process where we will look at that as part of it, but there is a whole range of other things that you may be aware of that need to be factored in, together with, you know, climate change, together with the major infrastructure programs down there that need to be all considered before we can land that finalised plan.

Hon Dr STEVE THOMAS: Okay. So, we are a little bit early obviously to get the outcomes then—unless you have got a date by which all of this is likely to be concluded. That would be useful. But I think one of the other issues is that there is a feeling amongst the community that the guidelines were dropped without much pre-consultation and most of the consultation happened afterwards. So, are you in a position to outline what consultation happened prior to the guidelines being made public? It might be the department went, “Let us draw up some guidelines, put it out in the public and see what response we get”, and you might have been a bit surprised at the level of the response. What consultation occurred prior to the construction of the guidelines?

Mr Taylor: I will talk briefly to that, if I may, and then I will hand to Jason. So, there was work done with the Warren–Donnelly advisory committee including looking at drafts of the guidelines. Jason, if you want to talk to the specifics of that.

Mr Moynihan: Absolutely. When the guidelines were being developed initially, certainly the department responded to feedback that we were aware of through the previous inquiry, through the issues that we were dealing with at that time and following feedback from the Warren Donnelly Water Advisory Committee, which has been established for this purpose to oversee and assist with water management planning and processes in that part of the state. I cannot put a number to it but there were a number of draft guidance notes or drafts that were provided to the advisory committee initially, and there were updates made to those drafts and fed back to the advisory committee prior to them being more broadly circulated to the community. Obviously, the advisory committee are representative of that community also, so people would have had, you know, access to the information. It would have to be Mr Taylor that I guess would answer how many versions we may be up to now, but there have been considerable updates made based on the field visits, the comments received from earlier versions and that is, hopefully, nearing finalisation.

Ms Andrews: If I can just summarise, the draft you are referring to released formally for public consultation in December, there had been, I think, a really well-intentioned constructive process with the Warren–Donnelly committee, which is why it is there, on the development of that draft. So, it was not just developed in a back office of our department but was using the committee that has been established to help us do exactly that.

Hon Dr STEVE THOMAS: Unfortunately, in the early debate the committee probably did not necessarily talk about that a lot, so the committee did not necessarily buy into the—when the public

debate hit, the committee sort of did not come out and say, “We were a part of this and these are the versions.” It was silenced to the point potentially at the level of the committee where the committee was not seen to be present. And that may have been an issue then in the marketing and whatever you were trying to do down there, I suspect.

Mr Moynihan: If I can add a comment there, the input of the members of that advisory committee has been very useful and valued. However, they are not all in agreement on certain aspects of that guidance either. So, I think that is probably why it would have been kept within the committee and fed back to the department, because representative of the community there is different views.

Hon Dr STEVE THOMAS: I think we have looked at that fairly well.

Hon SAMANTHA ROWE: Have you got any more questions?

Hon Dr STEVE THOMAS: I have lots of other areas to go, but I think in terms of that particular policy aspect—sorry, are you deputy chair?

Hon SAMANTHA ROWE: I am deputy chair.

Hon Dr STEVE THOMAS: Sorry, I should have kowtowed as I came in. I am happy to move to a few other bits then, if that is all right. I feel like I am dominating so do not let me be the Leader of the Opposition!

Hon SAMANTHA ROWE: Brad Pettitt?

Hon Dr BRAD PETTITT: I have some non-urgent stuff, so you keep going and I will jump in. I will let you know if cross over on anything.

Hon Dr STEVE THOMAS: I still feel special. That is good.

Hon JACKIE JARVIS: You are special, Steve. We keep telling you.

Hon Dr STEVE THOMAS: Well, this is Hon Jackie Jarvis’s patch as well so she is probably interested in all this stuff.

Hon JACKIE JARVIS: I am listening.

Hon Dr STEVE THOMAS: Look, the reference is probably less important unless you are sitting on your books. We only do it because it is part of the budget process. In terms of drinking potable water for Perth—now, I know there is now money set aside for the next desalination plant; there is also a budget item in here on page 685 on the Gnangara allocation plan. Can you give us an update on the Gnangara mound impacts, the level of water extraction proposed over time and that may then lead into a conversation about desalination plant 3—just if you do Binningup as one instead of two parts—in terms of the strategy for Perth’s water supply and a sense of the timing and the urgency of it, if you could?

[11.20 am]

Ms Andrews: So, if I just again begin with some introductory comments around the *Gnangara groundwater allocation plan*, and just to signal the significance of that plan for the committee. It is really the first time we have seen a significant and important response to climate change and, in very broad terms, the requirement for all of the users of that groundwater resource to accommodate a 10 per cent reduction and the Water Corporation itself taking a significantly higher reduction, over 25 per cent.

Of course, the drivers for that are obvious. Importantly, in the planning process—again, a very extensive consultation process—the implementation of it built around that is significant supports for the different users to build that adjustment into their longer term planning. It, of course, in the end, it does speak to the wider water resource planning for the region as well, which is I think where

you were wanting to go also, but were there elements of the implementation of the water allocation plan that you wanted to explore?

Hon Dr STEVE THOMAS: Really I am interested in the volumes that look like they are ecologically sustainable at the time and what the trend is—I mean, I think we know what the trend is, but you might be able to put some numbers around it given that there will be a variation, but you might be able to give us some overall trend factors.

Ms Andrews: Absolutely. Can I hand to Jason Moynihan?

Mr Moynihan: Absolutely. And I think the comment has already been made about the driver to this being climate change—less water coming from the sky, less running into dams, less water available for public drinking supply or any other industry or green space use. The Gngangara mound or aquifer and water system north of the Swan River up to Gingin does supply about 40 per cent, presently, of the Perth drinking water supply. I think that was one point that you were interested in there.

Certainly, the planning for the allocation plan commenced around 2016, so again it is one that has been in development for a long, long period of time with different levels of reductions flagged over that period. In terms of the reductions that have been floated as part of this or are going to be implemented as part of this plan, we are talking about a 54-gigalitre reduction by 2028. The breakdown of that one is—and Michelle has already mentioned a 10 per cent reduction on current licences for most self-supplied water users. They are the people who extract it out of the ground and would have a meter—the Water Corporation is going to absorb a 27 per cent reduction, the equivalent of around 30 gigalitres. Obviously, that lines them up with pretty significant state investment in what is the next desalination plant that will come online at some stage after 2028. We have also got the domestic bore users—and Sarah may talk to this one—with the adjustment of the garden bore roster aligned to two days a week accounting for 14 gigalitres in that Gngangara allocation system. That will come into effect tomorrow.

The CHAIR: What percentage of domestic use comes from dams?

Mr Moynihan: Domestic use?

The CHAIR: Residential use.

Mr Moynihan: Through the scheme supply, that would be public drinking water component if the same water that, you know —

The CHAIR: What proportion runs from the dam?

Mr Moynihan: Very little.

Ms Andrews: From the reservoirs.

The CHAIR: Yes, from the reservoirs.

Mr Moynihan: It is mostly groundwater, and the groundwater is now stored in the dams.

The CHAIR: I know; it is just that there this perception that particularly when we have got low rainfall levels et cetera that the dams are empty and there is no water. It is just a public perception; it is ill-founded. So, what was the percentage, did you say?

Mr Moynihan: It is very little. The figures that have been used in reductions are 15 per cent of annual rainfalls since about the mid-1970s and there is an 80 per cent reduction in run-off making its way to dams. So, you know, a good majority of water that is going into the scheme is now from groundwater and desalination supplies.

Hon Dr STEVE THOMAS: Is there a measure of an ecologically sustainable take, bearing in mind that it will depend a bit on refill et cetera? Do we actually have a figure that we can use?

Mr Moynihan: The take that has been identified and the current licensing levels is what is considered now to be ecologically sustainable to—what we are trying to do is rebalance the system. Unfortunately, over the last 200 years, we have probably seen wetlands lost. I think it is around 80 per cent across that Swan coastal plain have been lost through clearing or drainage of water systems. We have also seen some pretty significant losses up around, say, Yanchep national forest and in other important wetlands. What this plan attempts to do is to try to rebalance and arrest that decline. So, I do not think that we are going to be seeing any major recovery in some of those systems that have perhaps been lost, but it is trying to reduce that.

As you would probably be aware, we need to balance out the interests of industry in arriving at some of these allocation limits together with the needs of the environment and other general water users. So, it is somewhat of a balancing act.

Hon Dr STEVE THOMAS: So, does the removal of pines from the Gnangara pine plantation impact particularly on the aquifer and the water that is available? I presume that is factored in somehow, or is that simply replaced by additional consumption as you replace trees effectively with subdivision?

Mr Moynihan: It has been factored into the modelling; the pines and the plans to remove pines have been factored in to the modelling, as has urban expansion where you tend to get some urban development that actually has a positive impact on some of the groundwater sources in those areas. So, that is all factored into the modelling, and it is underpinned by in June there was the release of the plan, a response document to submissions and a methods report that outlines the science behind where the allocation limits and where we got to with the plan.

Hon Dr STEVE THOMAS: Okay. So, then you suggested that there is a significant reduction plan by 2028. I think you said reduction of take by 54 gicalitres by 2028.

Mr Moynihan: Yes.

Hon Dr STEVE THOMAS: Presumably they would be looking at uptake from other sources but the desalination plant, you are suggesting construction is potentially not until after 2028, so is there a shortfall that needs to be addressed as part of the process?

Mr Moynihan: I think the plan is to have it close to being online by that date. That is obviously a Water Corporation piece of infrastructure and development that they would need to answer. It goes to the heart of—there is allocated water through the licensees; they have got now to 2028 essentially to find some water efficiency measures to achieve that 10 per cent reduction, and it is all been factored into the planning. Up to that 2028 date there is obviously some support measures that the government has also introduced to assist with that adjustment, whether they be water-wise initiatives for home water users, for domestic users, whether they be for irrigated agriculture. There is the expansion of a current \$600 000 water efficiency program for north Wanneroo that will expand by a million dollars into other areas to support horticultural users and there is support for local government—a \$4 million package to adjust local government. But that is with the green space element where they use quite a bit of groundwater—to adjust by that 2028 figure.

There is some support that has been put in place but it will be up to, you know, the likes of you, I, any users of water to try to find improved water efficiency measures, because the only thing that we are very confident about is that there is going to be reduced rainfall in coming years and less water available and there is not too many, you know, other options other than to make significant investments in, say, desalination plants that then makes it incredibly difficult for industry and it is hard for, say, the agricultural sector to support if it is sort of user-pay and cost recovery for the cost

of water from a desalination plant to be sustainable. So, that is why, obviously, we are very serious about the management of water availability and sustainability.

[11.30 am]

Ms Andrews: Just to circle back to the desalination investment being such an important component of this transition and, as I understand it, it is planned for 2028, so it is part of the broader water resource planning. To also circle back to your questions, chair, around the dams and just confirmed 10 per cent of rain into dams; it is a 10 per cent contribution to the water use of the region. Dams are increasingly playing a role for storing desalinated water as well, so they have an ongoing role to play.

The CHAIR: Did you say 10 per cent rain is —

Ms Andrews: So, they are they are contributing around 10 per cent of the overall supply, if you like, but it is the rain contribution, if you like; I am distinguishing it from —

The CHAIR: I see.

Ms Andrews: — desalinated water. So, dams are being used to store desalinated water as well. So, just in terms of —

The CHAIR: Just as a matter of interest, how has that shifted over the decades?

Ms Andrews: I do not know that we would have that in front of us right now.

Mr Moynihan: Since the 1980s, there has been about an 80 per cent reduction in run-off. So, if you calculate that the other way—I do not have the exact figure going back then—but it is a really, really significant reduction in water availability coming from run-off. And you might still see water in dams, but a lot of it is because desalinated water has been placed in it to store, through the pipelines and the scheme that the Water Corp maintain.

The CHAIR: In layman's terms, what would be the percentage of usage of desalinated versus dam versus groundwater?

Ms Andrews: As in today, right now?

The CHAIR: Yes, right now, and also how has that altered, say, over the last 30 years?

Ms Andrews: What does that trend shift look like? It is a really interesting question. I do not have the numbers in front of me now.

The CHAIR: It does not matter if you cannot get it now.

Ms Andrews: We can get that for you.

The CHAIR: Would you mind doing that for—what would be feasible for you guys? What figures would you be able to provide?

Ms Andrews: We would work on this with the Water Corporation. Is it useful for you to go back a couple of decades?

The CHAIR: Yes, if you do not mind. I am just trying to see that shift in trying to see that change from where we relied much more heavily on dam usage et cetera to where we are today.

Ms Andrews: In a more conventional way.

The CHAIR: Yes. So, as far back as you can go—not as far back as you can go. Whatever is feasible—say, 30 years, if you can.

Ms Andrews: We will look at 30 years.

Mr Moynihan: That information will be readily available. We just need to consult with the Water Corporation.

The CHAIR: You can do that. From 30 years ago and then how it has transitioned to today. That is okay?

Ms Andrews: Yes.

[Supplementary Information No A1.]

Mr Moynihan: If I could add just to perhaps answer the question that the member placed before about timing of desalination, the expectation is that all licensees will achieve that 10 per cent reduction and 27 per cent for the Water Corporation by that 2028 date. So, the firm expectation is that the Water Corporation will have their licences reduced, so they will need to have an alternative water source online by that 2028 date.

The CHAIR: It is pretty confronting, but pretty realistic.

Hon Dr BRAD PETTITT: If you do not mind, probably only because it flows on a little bit—apologies, it was never quite clear to me where Department of Water starts and Water Corporation stops, if that makes sense. But where I wanted to go is just to have a bit of a discussion around some of the pricing and the role that the Department of Water plays, especially with scheme water, in the pricing of that. I assume you provide advice, do you, to Water Corp on that?

Ms Andrews: No.

Ms McEvoy: We see the regulations.

Ms Andrews: We regulate the activity.

Ms McEvoy: We make the regulations for the prices, but the prices are not set by the department.

Hon Dr BRAD PETTITT: I want to unpack that a little bit. You provide recommendations on, broadly, whether pricing is cost reflective or not or that is entirely done by the —

Ms McEvoy: You are talking about price of water itself?

Hon Dr BRAD PETTITT: Scheme water; that is right.

Ms McEvoy: No, we do not make any recommendations. That is all done by the Water Corporation themselves based on government's percentage increase.

Mr Moynihan: In fact, water that is allocated through the system that we regulate as a department through water licensing is at no cost. So, there is no volumetric cost to get a water licence.

Hon Dr BRAD PETTITT: Is that for scheme water you are talking about?

Ms McEvoy: No.

Hon Dr BRAD PETTITT: I am talking about scheme water in this case. My reading of the budget papers is that there is a major subsidy for delivering scheme water from the public purse because it is not cost effective. Is that —

Ms McEvoy: We just make the regulations.

Ms Andrews: So, we probably have nothing much to contribute to that discussion.

Hon Dr BRAD PETTITT: I am trying to understand historically why that is the case, because surely if you have concerns about our water use, water allocation, pricing is a clear lever on that, so why does not the department —

Ms Andrews: Well, there are other parts of government, would be my response, that do look at that. So, that will be Treasury and Premier and Cabinet, ERA are all informing government's decision-

making around that. We have a role, if you like, to some extent in making some regulations sometimes, that sort of thing, but we are not engaged in the policy settings that sit around it.

Hon Dr BRAD PETTITT: Noting you do not do pricing, do you set targets for consumption of scheme water per household or anything like that?

Ms Andrews: We have a role around the Waterwise action planning initiative, which, I will, say, is not a statutory or regulatory initiative. It is a whole-of-government plan that is looking to take forward better water use and using the levers that currently exist in different parts of government to identify initiatives and opportunities for more sustainable use of water. So, we have an important role with that initiative, but it is not a regulatory responsibility, if I can put it that way.

Hon Dr BRAD PETTITT: No. The reason it jumps out from a budgetary sense is that on page 702 on budget paper 2, volume 2, it has got some grants there. I am almost there. So, it has got the statewide water efficiency measures. Are they administered by yourself? So, towards the bottom of page 702, about five lines up, you have got statewide water efficiency measures. Is that something that is administered by —

Ms Andrews: What that refers to is the department has a role contributing to the Water Corporation for the implementation of statewide water efficiency measures, which include the enforcement of garden bore restrictions and the establishment of a garden bore register of plans for large water users. Sprinkler restrictions and bans result in considerable water savings and are becoming accepted by the community. I think we have seen a significant shift in the community attitudes and support for these over time and an acceptance of them being a normal and permanent water efficiency measure now that we utilise here.

So, improving the efficiency of water use is the most cost-effective and immediate way to conserve water. That has been the experience to date. So, what is sitting in the budget papers there, the 2020–21 actual of \$187 000 grant payments had been paid, and then 2021–22 is an estimated actual of, I think, that is \$50 000 grant payments that were anticipated with grants of another \$50 000 expected to be paid in the 2022–23 budget year, and \$100 000 expected over the out years to 2024–25.

Hon Dr BRAD PETTITT: That was my reading as well. The question that arises from that given your actuals were \$187 000 last calendar year but you are looking at spending only \$50 000 this year, what is the reason for that steep decline in funding?

Ms Andrews: I do not have any information to hand on that.

The CHAIR: Can you take that on notice?

Ms Andrews: We can.

[Supplementary Information No A2.]

[11.40 am]

Hon Dr BRAD PETTITT: The comment on that, of course, which you highlighted yourself, is that actually more efficiency measures are some of the best things that we can do, given—I make the point—that our pricing is not cost reflective. I never understood why our state does not just have cost-reflective water. It seems like a really obvious way of encouraging people to use water appropriately. As I said, we spend money on trying to get people to be water efficient with something that we subsidise, which, of course, from a budget perspective, has some certain contradictions built into it. I just make that comment. But I do think it is interesting that at a time of drying climate and trying to reduce water use, that we are also reducing the state water efficiency measures in terms of that.

Mr Moynihan: Would you like me to try to expand on that one? It may not require a follow-up answer. If it is on that point around support for the Water Corporation in compliance activities, they manage quite a significant scheme, supply and sprinkler monitoring program. That grant is to support them with the monitoring of garden bores, so the bore components, which is somewhat less than the scheme supply. During the COVID period a reduction in compliance activity occurred. With the implementation of the garden bore roster change, there will be a lighter touch and not “straight to infringement notices” for breaches of residential garden bore changes for this financial year.

Ms McEvoy: There are also a whole lot of additional measures to support garden bore users in the change that comes into effect tomorrow that have been implemented through the Water Corporation.

Mr Moynihan: My understanding was that reduction was largely as a result of COVID impacts and a reduction in the monitoring of the compliance activity in that space during that period.

Hon Dr BRAD PETTITT: Just so I understand, last year \$187 000 was spent and we propose to spend \$50 000. Are you saying more was spent during COVID?

Mr Moynihan: No, there would have been less activity during COVID. It sounds like we will need to give you that supplementary response for that particular line item. Can we just have clarity? Are we referring to line 23?

Ms Andrews: The “State-Wide Water Efficiency Measures” line item.

Hon Dr BRAD PETTITT: I do not have the numbers on mine.

Ms Andrews: We can certainly get some information back on that. Stepping up above that, to circle back to some of your questions, there is potable water and the responsibilities of the Water Corporation. I think all of us have seen the evidence of the water efficiency measures that they have been implementing for a long time now. Built around that has been the community attitudes nudging changing practices and changing levels of acceptance around the importance of water efficiency. The Water Corporation has a very significant story to tell around that and I think a really important one that speaks to—I know we sort of step off and learn from what they do in that space. It is to be celebrated what they have achieved over decades around water efficiency and the potable water that is used across the city. That might be a place for you to interrogate more closely, the Water Corporation.

Hon Dr BRAD PETTITT: I do not want to argue. I would still say that Australia’s per capita water use is extremely high by Australian standards. Hence, my comment about pricing. I think you need both of those things together.

This is my last question, if you do not mind, Chair. Further down the page there is a line there about “Water Sensitive Cities Australia”. Is that something that falls under your remit? Can you just unpack what that is doing?

Ms Andrews: Certainly. Water Sensitive Cities Australia is the continuation of the work from the Cooperative Research Centre for Water Sensitive Cities—the CRC. That has formally concluded. As you know, that is the cycle CRCs work their way through. The program aims to enhance water security for resilience to population pressures and the impacts of climate change and climate uncertainty and to ensure quantity and quality aspects of water security are aligned to improvements in natural systems, food security, liveability and climate change mitigation. For this line item, as you can see, for 2021–22, an estimated actual of \$150 000 in grant payments were anticipated with grants of \$150 000 expected to be paid in the 2022–23 budget year, and \$300 000 expected over the out years to 2024–25.

Hon Dr BRAD PETTITT: Is that where that CRC wraps up—in 2024–25?

Ms Andrews: Yes.

Hon Dr BRAD PETTITT: I have one more question. I assume that you are having input into the sectoral emissions reduction strategies through the Western Australian climate policy, which is the last line on this. Can you unpack that a little bit for us as well around how that is travelling in terms of water and emissions reduction?

Ms Andrews: The sectoral emissions reduction strategies are one of the key planks, if you like, of the government's broader climate policy implementation. I think it was in December last year when the SERS process was initiated and announced by the Premier and the previous Minister for Environment. That process is well underway. We are not in a position yet to answer the sort of question you were asking then. It is a two-year process. It is one that quite properly is heavily front-ended with engagement with the different sectors that are working with. We are in August now, and we are six to eight months into the process. Is there something in particular that you were wanting to understand, either about the process or the —

Hon Dr BRAD PETTITT: What is in the back of my mind is that I have heard it is travelling slowly. I was after some reassurance, really, that was going well. With the budget allocation here of \$210 000 for this year and \$193 000 for last year, I assume that there have been some concrete outcomes on the back of that money that is going towards that Western Australian climate policy.

Ms Andrews: I will ask Sarah McEvoy to respond. Sarah and her team have the important and significant task of leading this whole-of-government and whole-of-sector work around the climate policy.

Ms McEvoy: As Michelle said, we are leading it. We are chairing an implementation team, which is set up across government, recognising that this is a whole-of-sector approach. The modelling, which is a key component of the SERS, is about to get underway. That is a very key milestone. We have been working really well with engaging with industry and other key stakeholders around how this will work. That includes the Water Corporation and, bringing it back to this hearing, key water sector stakeholders as well. It is obviously a complex piece of work. It has only been done in a couple of places in Australia. I think it is very exciting and I am looking forward to seeing some interesting outcomes.

Hon Dr STEVE THOMAS: I have one last question. I have had a pretty fair run today, Chair, so thanks to the committee for that.

I will finish on the water situation from the south west to the great southern. There is a drying climate everywhere. We are aware of that. Has the Department of Water looked at water needs, particularly across that great southern—virtually from Esperance north to Grass Patch, which is almost always dry, and to Salmon Gums. I am amazed that people survive there; that is usually dry. And across westward from there—that great southern area. What is the thinking around the long-term viability of supply of water? Water has been trucked there repeatedly—last year was a lot better, this year is looking okay. But I imagine we will be back to trucking it at some point. Is a wider strategic plan being developed for it?

[11.50 am]

Ms Andrews: In simple terms, there are two elements to what you are referencing. There is the work that you have just pointed to where it might be tracking—but meeting immediate water needs. There are various, as you know, arrangements put in place, and initiatives that can be triggered to deal with immediate water needs. The other part is the longer term building resilience and adapting to those changes and what does that look like? Yes, we work in both of those spaces. That is a

general response, but it may not be where you are going. I think we probably do not have the answer to what is the particular solution for particular areas.

Hon Dr STEVE THOMAS: That might be too much to expect, but I was interested in whether you were working towards an answer, perhaps.

Ms Andrews: It is exactly where our responsibilities sit, as I said, that both in the immediate but in the longer term, we understand what the modelling is telling us about the climate, climate change and how that plays out in different sectors and then what adaptation and building resilience looks like across different sectors and regions. Yes, we have responsibilities, yes.

The CHAIR: I thank you all for attending today. It is very much appreciated. Please end the broadcast.

A transcript of this hearing will be forwarded to you for correction. If you believe that any correction should be made because of typographical or transcription errors, please indicate those corrections on the transcript. Errors of fact or substance must be corrected in a formal letter to the committee. When you receive the transcript of evidence, the committee will also advise you when you should provide your answers to questions on notice—I think there are two. If you want to provide additional information or elaborate on particular points, you may provide supplementary evidence to the committee for consideration when you return your corrected transcript of evidence. Thank you once again for your time. It is very much appreciated.

Hearing concluded at 11.51 am
