



Estimates and Financial Operations Committee
2018-19 Budget Estimates hearings - Questions prior to hearings

Department of Water and Environmental Regulation

Hon Robin Chapple MLC asked:

1. I refer to the Budget Paper 2, Division 39, Part 10 and ask:
 - (a) with reference to the first dot point on page 553, will the Minister please list:
 - (i) The total number of proposals requiring assessment by the Environmental Protection Authority (EPA) in;
 - (A) 2016-17;
 - (B) 2017-18; and
 - (C) 2018-19; and
 - (ii) The names of each EPA policy and guidance framework document that will be updated;
 - (b) with reference to the 'Desired Outcomes' listed in the table on page 554 about Government Goals, including "Development and implementation of strategic policy and legislation that promoted sustainable environmental outcomes" and "Quality advice to the EPA and the Minister on significant proposals and environmental issues", what advice has the Department of Water and Environmental Regulation (DWER) taken to provide clarity to the EPA regarding:
 - (i) benchmarks for lower-emissions technologies;
 - (ii) the role, if any, for WA-based Greenhouse Gas (GHG) emissions targets or offsets;
 - (iii) expectations on minimum emissions reporting requirements and transparency; and
 - (iv) differentiation between GHG emission policies and actions for electricity generation versus other sources of emissions;
 - (c) in relation to (b) i), ii), iii) or iv), if no advice has been given by DWER to EPA, why not, given the EPA requested clarity from the State Government on these four policy issues on page 40 of the EPA's 2016-17 annual report;
 - (d) if yes to (b) i), ii), iii) or iv), will the Minister please describe the advice that has been provided;
 - (e) will this Budget enable the creation of a dedicated office tasked with implementing and monitoring climate change policies;
 - (f) if yes to (e), will the Minister please provide a reference to the relevant line item;
 - (g) if no to (e), why not;
 - (h) will this Budget enable the Government to monitor, publicly advertise and appropriately regulate GHG emissions, particularly in high emitting industries;

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- (i) if yes to (h), will the Minister please provide a reference to the relevant line item;
- (j) if no to (h), why not;
- (k) will this Budget enable the Government to monitor the effects of greenhouse offsets in reducing the carbon footprint of major projects;
- (l) if yes to (k), will the Minister please provide a reference to the relevant line item;
- (m) if no to (k), why not;
- (n) if yes to (e), (h), or (k), will the Minister please list, by item, the Budget year in which each pre-election promise will be enacted; and
- (o) if no to (n), why not?

2. *I refer to the statement found in Budget Paper 2, Volume 1, Page 553: 'Management of waste remains a Government priority and the introduction by the Chinese Government of import restrictions on recyclable waste presents challenges and opportunities not only for Australia but for countries worldwide. The Department will continue to support the Waste Authority in developing a revised waste strategy to make Western Australia into a sustainable, low-waste society in which human health and the environment are valued and protected. The Department will work with government agencies, local government and industry to encourage the use of recycled materials.'* and ask:

- (a) *how will the targets outlined in Budget Paper 2, Volume 2, Page 555 for 'Outcome: Waste avoided and the recovery of materials from landfill maximised' be achieved for:*
 - (i) *percentage of municipal solid waste reported as diverted from landfill through recycling compared to waste strategy target in the Perth Metropolitan Region;*
 - (ii) *percentage of commercial and industrial waste reported as diverted from landfill through recycling compared to the State-wide waste strategy target; and*
 - (iii) *percentage of construction and demolition waste reported as diverted from landfill through recycling compared to the State-wide waste strategy target;*
- (b) *how has the inaccuracies in reporting been rectified for:*
 - (i) *municipal solid waste that was disposed of to landfill;*
 - (ii) *commercial and industrial waste that was both recycled and disposed of to landfill; and*
 - (iii) *construction and demolition waste that was both recycled and disposed of to landfill; and*
- (c) *when will the Waste Strategy be available for public comment?*

3. *I refer to the Waste Avoidance and Resource Recovery Account and the account purpose outlined in Budget Paper 2, Volume 2, Page 568: 'Account Purpose: The purpose of the trust account is to fund nominated programs and other waste management initiatives approved by the Minister for Environment on the advice of the Waste Authority of Western Australia.'* and ask:

- (a) *what percentage and amount will be applied to programs for the following to support the implementation of the Waste Strategy for the years 2017-18 to 2020-21:*

- (i) management;
 - (ii) reduction;
 - (iii) reuse;
 - (iv) recycling; and
 - (v) monitoring or measurement of waste;
- (b) in accordance with the Waste Avoidance and Resource Recovery Act 2007 (WARR Act), each year the Minister for Environment must allocate not less than 25 per cent of the forecast levy amount to the WARR Account. Given the increase in the levy, will the Minister allocate more than 25 per cent;
- (c) if no to (b), why not; and
- (d) if no to (b), where will the extra levy or increase in levy be allocated?

4. I refer to the following statement found in Budget Paper 2, Volume 2, Page 552: 'The Government has committed to introducing a new container deposit scheme to reduce litter and increase recycling rates. Over 97% of people who responded to an online survey from the Department support a container deposit scheme for Western Australia. The Department is developing the scheme for implementation in 2020. The scheme will contribute to the protection of Western Australia's unique wildlife and scenery from the impacts of litter and also create business development and job opportunities.' and ask:

- (a) how much has been allocated in the budget to the Container Deposit Scheme (CDS);
- (b) how much has been allocated in the forward estimates to the CDS; and
- (c) CDS was expected to start in mid 2019, what is the reason behind the delay in implementing the CDS?

ANSWER

Question 1

- (a) (i) (A) 18 new proposals
- (a) (i) (B) estimated 32 new proposals
- (a) (i) (C) estimated to be a similar number of new proposals to the 2017-18 period

(a) (ii) The Environmental Protection Authority (EPA) undertook a 12-month mark review of its Guidelines and Procedures Framework that was launched in December 2016. The review was informed by advice received through EPA's Stakeholder Reference Group and was completed in February 2018.

The EPA has not advised me of the specific documents that will be updated following the review, however I understand that the following priorities have been identified:

- procedural documents for the assessment of regional and local planning schemes under Part IV Division 3 of the *Environmental Protection Act 1986* (EP Act);
- the Procedures Manual for the assessment of proposals under Part IV Divisions 1 and 2 of the EP Act; and
- five Environmental Factor Guidelines.

Any questions regarding specific changes to the EPA's guidelines or procedures for environmental impact assessment are a matter for the EPA to consider.

- (b)(i)-(iv) I am aware of the EPA's 2016–17 annual report including the request from the EPA for a climate change policy review. The Department of Water and Environmental Regulation has conducted a stocktake of climate change actions across government to provide greater clarity for both Government and the EPA on climate change policy and to guide our future approach and priorities.

The Government is committed to undertaking wider levels of consultation on climate change as part of delivering the Government's climate change policy. The climate change unit in the Department of Water and Environmental Regulation is currently examining the various policy options that may be available to the Government, including in relation to benchmarks, offsets and emissions reporting for major projects.

The climate change unit monitors national policy developments, and provides information and advice to the EPA on climate change policy matters as required.

- (c) Not applicable

- (d) The climate change unit in the Department of Water and Environmental Regulation has provided advice to Government and the EPA on Western Australia's greenhouse gas emissions, including sectoral analysis derived from the state and territory greenhouse gas inventory published by the Australian Government Department of the Environment and Energy and data collected under the *National Greenhouse and Energy Reporting Act 2007* provided to the Department by the Commonwealth.

Details of advice provided to the EPA are provided below:

- **13 February 2018**

Briefing on Australia's national climate change policy approach; Western Australia's greenhouse gas emissions, including sectoral emissions and emissions growth from 2000 to 2015; and options for managing greenhouse gas emissions under Part IV of the EP Act.

- **4 May 2018**

Written advice on current national policies, including the Australian Government's safeguard mechanism and proposed National Energy Guarantee; state and territory greenhouse gas emissions, including emission profiles, emission intensity, per capita and sectoral emissions; climate change legislation and policy approaches of other Australian jurisdictions; thresholds for consideration of greenhouse gas emissions from projects assessed under Part IV of the EP Act; the contribution of Western Australia's emissions to national emissions; and considerations related to greenhouse gas emissions offsets.

- **9 May 2018**

Briefing on the advice of 4 May 2018.

- (e) I have reinstated the climate change unit within the Department of Water and Environmental Regulation and resources are allocated for additional staff to provide policy advice on climate change.

The climate change unit coordinated the stocktake of climate change actions across government to inform future priorities, and has provided some preliminary advice on policy options that may be available to the Government. Determining the appropriate agencies for implementation and monitoring of future climate change policies will be a matter for Government and reflect relevant portfolio responsibilities.

- (f) Service 5 – Environmental Policy on page 560.
- (g) Not applicable
- (h) I have asked the EPA to inquire into the greenhouse gas conditions currently in place on the Wheatstone liquefied natural gas project to ensure that these are in line with contemporary best practice.

I have also asked the EPA to inquire into and report on the implementation of conditions and definitions in ministerial statement 800 for the Gorgon gas development on Barrow Island.

I anticipate that these reviews will assist the Government to determine the most effective and efficient means of addressing greenhouse gas emissions from high emitting industries in Western Australia.

- (i) Service 9 Compliance Monitoring Services to the Minister on page 554.
- (j) Not applicable
- (k) Where conditions relating to greenhouse offsets are imposed on implementation decisions under Part IV of the EP Act, the Department of Water and Environmental Regulation monitors compliance with those conditions, and reports any non-compliance to the Minister for Environment.
- (l) Service 9 Compliance Monitoring Services to the Minister on page 554.
- (m) Not applicable
- (n) The climate change unit has been established within the Department of Water and Environmental Regulation's existing budget.

Following receipt of the EPA's advice on the Wheatstone and Gorgon proposals, the Government will consider its response.

The Department of Water and Environmental Regulation has a compliance and enforcement function in respect to the conditions of Ministerial Statements. This function would include the monitoring of any greenhouse gas offsets set out in Ministerial Statements.

- (o) Not applicable

Question 2

- (a) The Western Australian waste strategy provides the overarching direction for waste management and recycling across all sectors, including setting targets for waste performance. I

have asked the Waste Authority to review the waste strategy. I anticipate that a new waste strategy will be released later this year.

The waste levy forms a key economic lever to drive waste avoidance and the recovery of material from landfill across all waste sectors.

The 2017-18 Western Australian Waste Authority business plan includes a number of initiatives to help achieve the targets outlined in Budget Paper 2, Volume 2, Page 555.

(i) Diversion of metropolitan municipal solid waste from landfill will be achieved through:

- the \$20 million Better Bins program which provides funding to local governments (both metropolitan and regional) to assist in implementing better practice kerbside collection services that support higher recovery of recyclable material;
- the development of better practice guidelines for other waste services and practices delivered by local government (including drop off and verge side services);
- a communications toolkit for local governments to promote consistent and effective communication to households on source separation and recycling to reduce contamination and the costs associated with recycling;
- the Household Hazardous Waste Program which provides drop-off points for householders for appropriate disposal and recovery of hazardous municipal waste; and
- local government waste plans on how to provide waste services to protect human health and the environment and achieve consistency with the waste strategy, including diversion targets for municipal solid.

(ii) Diversion of commercial and industrial waste from landfill will be achieved through:

- the development of better practice guidance to increase resource recovery in the commercial sector, including in the food and retail sectors;
- the development of a State government procurement policy to provide for greater recycling, procurement of recyclable products and reduced waste generation associated with services procured by the State government; and
- access to funding from \$1 million Community and Industry Engagement program, which funds waste management projects and the education and communication of improved waste management practices.

(iii) Diversion of construction and demolition waste from landfill will be achieved through:

- the \$10 million Recycled Construction Products Program, which provides funding to local governments, State government and the private sector to use recycled construction and demolition products in civil construction such as roads and drainage;
- a recycled product specification and testing regime for recycled construction and demolition products to build market confidence in recycled products and ensure the environment is protected; and,
- better practice guidance to increase resource recovery in the construction and demolition sector, including in the building industry.

(b)(i)-(iii) The waste diversion key performance indicator is based on the percentage of waste diverted from landfill (including recycled or recovered). Due to a misclassification of waste between the three sectors (municipal solid waste; commercial and industrial; construction and demolition), some of the Actuals data reported in 2016-17 was incorrect. The Actuals have

been recalculated following a review and audit, and revised data have been reported in the Budget Estimates. Proposed amendments to the regulations will also support more accurate data and improved methodologies for data collection are being developed.

- (c) The *Western Australian Waste Avoidance and Resource Recovery Strategy Consultation Paper* was released in October 2017 for public consultation. Feedback was received through an online survey (over 400 responses), 97 written submissions and nine public consultation workshops. The Waste Authority is analysing feedback and developing an amended draft waste strategy. The amended draft waste strategy will be open for further comment before being finalised. I anticipate that a new waste strategy will be released later this year.

Question 3

- (a) As detailed in the budget papers, it is forecast that waste levy revenue will be \$83 million in 2018-19 and each year of the out years. The expenditure limit imposed on the WARR Account is expected to be \$20.75 million.

In accordance with the *Waste Avoidance and Resource Recovery Act 2007*, funds will be allocated to a range of initiatives that address the management, reduction, reuse, recycling, and monitoring and measurement of waste. Many WARR Account funded initiatives deliver on all these objectives concurrently. Based on the 2017-18 Western Australian Waste Authority business plan, it was estimated that the following is spent on each of these areas:

- (i) management of waste – 26 per cent (\$4.9 million);
- (ii) reduction in waste generation – 16 per cent (\$3.1 million);
- (iii) reuse of resources – 20 per cent (\$3.8 million);
- (iv) increased recycling – 32 per cent (\$6.2 million); and
- (v) monitoring or measurement of waste – 5 per cent (\$0.9 million).

It is not possible to say what the split will be in the outyears as the priorities will be determined based on the revised waste strategy and a new business plan.

- (b) No.
- (c) The percentage of levy allocated to the WARR account each year must not be less than 25 per cent of the forecast levy amount. Any variation above 25 percent is at the discretion of the Minister for Environment. The levy forecast will increase from 2018/19 as a result of a scheduled increase in the levy rate to \$70 per tonne, from 1 July 2018.
- (d) At the end of the financial year, additional revenue above that allocated to the WARR account is transferred to the consolidated account held by the Department of Treasury.

Question 4

- (a) \$945,000 has been allocated to the container deposit scheme from the Waste Avoidance and Resource Recovery Account for 2018-19.
- (b) \$775,000 has been allocated for 2019-20; \$225,000 has been allocated for 2020-21.

- (c) Feedback from industry and experience from other Australian jurisdictions indicates that an implementation preparation time of at least six months after the passage of legislation and the making of regulations is key to the success of the scheme.

The container deposit scheme is planned to commence in 2020 to ensure that adequate time is available for industry and government to prepare for implementation.



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MINISTER FOR ENVIRONMENT; DISABILITY SERVICES