



**Economics and Industry
Standing Committee**

**ANNUAL REPORT
2001-2002**

**Report No. 3
In the Thirty-Sixth Parliament**

2002

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Economics and Industry Standing Committee

ANNUAL REPORT 2001-2002

Report No. 3 In the Thirty-Sixth Parliament

Presented by:
Tony McRae, MLA
Laid on the Table of the Legislative Assembly
on Thursday, 22 August 2002

COMMITTEE MEMBERS

Chair	Tony McRae, MLA Member for Riverton
Deputy Chair	Hon. John Day, MLA Member for Darling Range
Members	John Bowler, MLA Member for Eyre
	Bernie Masters, MLA Member for Vasse
	Mick Murray, MLA Member for Collie

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COMMITTEE'S FUNCTIONS AND POWERS

The functions of the Committee are to review and report to the Assembly on:

- The outcomes and administration of the departments within the Committee's portfolio responsibilities;
- Annual reports of government departments laid on the Table of the House;
- The adequacy of legislation and regulations within its jurisdiction; and
- Any matters referred to it by the Assembly including a bill, motion, petition, vote or expenditure, other financial matter, report or paper.

At the commencement of each Parliament and as often thereafter as the Speaker considers necessary, the Speaker will determine and table a schedule showing the portfolio responsibilities of the Committee. Annual reports of the government departments and authorities tabled in the Assembly will stand referred to the Committee for any inquiry the Committee may make.

Whenever the Committee receives or determines for itself fresh or amended terms of reference, the Committee will forward them to each standing and select committee of the Assembly and joint committee of the Assembly and Council. The Speaker will announce them to the Assembly at the next opportunity and arrange for them to be placed on the notice boards of the Assembly.

The general provisions for standing and select committees of the Legislative Assembly apply to the Economics and Industry Committee.

CHAIR'S FOREWORD

This is the third report of the Economics and Industry Standing Committee of the 36th Parliament and the first Annual Report of the Committee's activities.

During the past twelve months, the Committee has been primarily engaged in conducting an inquiry into the causes and effects of a fire at the Waste Control Pty Ltd hazardous waste and solvent recycling facility in Bellevue in the City of Midland on 15 February 2001.

This matter was referred to the Committee on 12 June 2001 by the Minister for the Environment and Heritage, Hon. Dr Judy Edwards. The Committee adopted Terms of Reference for its inquiry to focus on the role of government agencies in approving and regulating waste treatment at the site and in their response to the fire emergency.

The Bellevue Hazardous Waste Fire Inquiry was the first inquiry conducted by this Committee and proved challenging because of the level of community anxiety about the effects of the fire, the complexity of governance issues involved and the ostensibly competing interests of economic efficiency and human and environmental well being.

In the course of the inquiry, the Committee met with or took evidence from industry representatives, community members and government regulators in Western Australia and other Australian jurisdictions. Indeed, the Committee's first public action was to open its public hearings at the Midland Town Hall and take formal evidence from community members, local government officers and environmental activists. This and subsequent hearings and meetings were essential to appreciate the scale and complexity of the hazardous waste industry and the particular issues emerging from the Bellevue facility.

The Committee made 44 findings and 20 recommendations – most relating to the reform of laws dealing with the siting, licensing and regulation of hazardous waste facilities that have public health risks or the potential to cause environmental damage. The second volume report of the Committee's Bellevue Inquiry was presented to Parliament on the 27 June 2002 with the expectation that the Government will respond to the Committee's recommendations in the 2002 Spring Session of the Parliament.

I want to thank my fellow Committee members for their individual and collective contributions and record my appreciation for the efforts of the Committee's staff - Principal Research Officer, Melina Newnan and Research Officer, Liz Kerr. Appreciation must also be recorded for the support of Committees' Receptionist, Helen Lünsman and Parliamentary Assistant, Glen Whitting.

At the close of this reporting period, the Committee had received a number of submissions for further lines of inquiry and had embarked on a review of a broad range of issues available for investigation across the Committee's portfolio of responsibility.

It is my view that the developing role of Legislative Assembly Standing Committees will provide the people of Western Australia with a strengthened participatory democracy – an invaluable asset to our community now and in the future.

TONY McRAE, MLA
CHAIR

CHAPTER 1 COMMITTEE ACTIVITIES

1.1 INTRODUCTION

During the course of this reporting period (Table 1), the Committee:

- Completed one inquiry involving 29 meetings and two reports;
- Took evidence and was briefed by 80 persons;
- Made an investigative trip to Brisbane, Sydney and Melbourne; and
- Attended the *Sustaining our Communities – International Local Agenda 21 Conference* in Adelaide.

Table 1. *Summary of activities of the Economics and Industry Standing Committee, 30 May 2001 - 30 June 2002.*

Description	Activity
Deliberative meetings	29
Witnesses appearing	55
Reports tabled	2
Report findings tabled	44
Report recommendations tabled	20
Formal evidence hearings	49

1.2 PUBLIC HEARINGS

Pursuant to Assembly Standing Order 264, the Committee has power to send for persons, papers and records. During the period 30 May 2001 to June 30 2002, the Committee conducted one public hearing, taking evidence from numerous witnesses to assist with its investigations (Table 2).

Table 2. *Public Hearings of the Economics and Industry Standing Committee, 30 May 2001 - 30 June 2002*

Date	Witness	Position	Organisation
10 August 2001	Graeme French	Executive Officer	Environmental Protection Authority
	Ron Jones	Associate Member	Alliance for a Clean Environment
	Jane Bremmer	Secretary	Alliance for a Clean Environment
	Lee Bell	Secretary	Contaminated Sites Alliance

Date	Witness	Position	Organisation
10 August 2001	John Erceg	Manager Development Services	City of Swan
	Patsy Molloy	Convenor	Clean Air Committee
	Greg Jones	Brigade Captain	Stoneville Volunteer Bushfire Brigade
	Michael Warnock	Brigade Fire Control Officer	Stoneville Volunteer Bushfire Brigade
	Michael Bennett	Solicitor	Environmental Defender's Office of WA
	Graeme S. Dundas	Member of the Public	
31 August 2001	Charles Stewart-Robinson	President	Bellevue Residents & Ratepayers Association Inc
	Greg Jones	Brigade Captain	Stoneville Volunteer Bushfire Brigade
	Michael Warnock	Brigade Fire Control Officer	Stoneville Volunteer Bushfire Brigade
	Ron Jones	Associate Member	Alliance for a Clean Environment
	Rachel Irvine-Marshall	Industrial Chemist	Former Waste Control staff member
	Michael Hansen	WA State Manager	ERS Australia Pty Ltd
31 August 2001	Peter Di Marco	Principal Toxicologist	HDWA
	Michael Jackson	Director Environmental Health	HDWA
	Lindsay Gillam	HEAT Representative	HDWA
	Alison Daly	Manager Heath Outcomes Assessment	HDWA
	Lindsay Cuneo	Acting Director Planning Development & Special Risks	FESA
	Russell Stevens	District Manager	FESA
	John Truswell	Manager Water Resources & Special Risks	FESA
5 September 2001	Malcolm Russell	Director Explosives & Dangerous Goods Division	Department of Minerals & Petroleum Resources (formerly DME)
	Lawrence Lim	Senior Inspector Explosives & Dangerous Goods	Department of Minerals & Petroleum Resources (formerly DME)
	Dr Stephen Appleyard	Supervising Hydrogeologist	Water & Rivers Commission
	Dr Donald McFarlane	Director Resource Management	Water & Rivers Commission
	John Truswell	Manager Water Resources & Special Risks	FESA
	Nick Devine	Director Operations	FESA
	Phil Cribb	District Manager	FESA
	Russell Stevens	District Manager	FESA
	Bill Forbes	Executive Director Fire Services	FESA

Date	Witness	Position	Organisation
5 September 2001	Kenneth MacKay	Fire-fighter Manager Communications	FESA
	Dr Frank Daly	Senior Toxicologist	Royal Perth Hospital
	Dr Jeffrey Claflin	Director	Waste Control Pty Ltd
6 September 2001	Philip Hine	Assistant Director Pollution Prevention	DEP
	Fred Tromp	Former Director Pollution Prevention	DEP
	Kenneth Raine	Manager Pollution Response	DEP
	Sharon Clark	Environmental Officer	DEP
	Michael Jackson	Director Environmental Health	HDWA
	Dr Peter DiMarco	Principal Toxicologist	HDWA
	Alison Daly	Manager Health Outcomes Assessment	HDWA
	Lindsay Gillam	HEAT Representative	HDWA
	Pierina Otness	Senior Scientific Officer	HDWA
	Hazel Upton	Managing Physicist Radiation Health	HDWA
	Michael Phillips	University Lecturer	Curtin University
	John Erceg	Manager Development Services	City of Swan
	Phil Stjohn	Principal Planner	City of Swan
19 September 2001	Dr Bryan Jenkins	Former Chief Executive Officer	DEP
	Jim Malcolm	Director Waste Management Division	DEP
	Lee Ranford	Former Director General	DME
	Malcolm Russell	Director Explosives & Dangerous Goods Division	DME
24 October 2001	Rodney Mathers	Former Director	Waste Control Pty Ltd
7 November 2001	Dr Bryan Jenkins	Former Chief Executive Officer	DEP
15 May 2002	Hon Cheryl Edwardes	Former Minister for the Environment	Legislative Assembly

1.3 BRIEFINGS

In addition to gathering evidence during formal hearings, the Committee received a number of informal briefings. The briefings were used to gain information in relation to the Committee's inquiry in addition to other matters (Table 3, 4).

Table 3. Briefings provided to the Economics and Industry Standing Committee, 30 May 2001 - 30 June 2002.

Date	Witness	Position	Organisation
27 July 2001	Klaus Braun	Risk Management Consultant	ICS Group
	Ray Brown	Industrial Chemist	ALCOA
	Assoc Prof Frank Murray	School of Environmental Science	Murdoch University of W.A.
8 August 2001	Ken Raine	Manager Pollution Prevention Division	DEP
22 August 2001	William Syme	Director	Green Enviro Technologies
	John Hebenton	State Manager	Lurgi Australia Pty Ltd
15 October 2001	Prof Jeffrey Spickett	Director Research Development & Graduate Studies, Division of Health Services	Curtin University of Technology
29 October 2001	Andre Stasikowski	Principal Engineer	Stass Environmental
1 February 2002	Dick Allen	Chief Executive Officer	Toxfree Solutions Limited
4 February 2002	Michelle Andrews	Business Coordinator Environmental Regulation Division	DEP
	Doug Hide	Section Manager	DEP
	Catherine Harrison	Acting Manager Licensing Branch	DEP
	Steven Gostlow	Environmental Officer Controlled Waste	DEP
6 February 2002	Haydn Raitt	President	Dry Cleaners Association
	Gavin Evans	Vice President	Dry Cleaners Association
26 February 2002	Kathy Macklin	Senior Environmental Officer	Planning & Infrastructure
	Paul Stephens	Statutory Planner	Planning & Infrastructure
10 April 2002	Andrew Cooper	Senior Hydrogeologist	URS Australia
	Marilyn Lauria	Principal Environmental Geologist	URS Australia
	Prof Jeffrey Spickett	Director Research Development & Graduate Studies, Division of Health Services	Curtin University of Technology
23 May 2002	Dr Ivan Botica	Special Risks Officer	FESA
30 May 2002	Melinda Lizza	Account Manager	Teris Australia Pty Ltd
19 June 2002	Tim McAuliffe	Director Environmental Regulation	DEP
	Alison Clark	Legal Officer	DEP
	Fred Tromp	Director Resource Science	DEP

Table 4. *Site visits undertaken and briefings provided to the Economics and Industry Standing Committee, 30 May 2001 - 30 June 2002.*

Date	Witness	Position	Organisation	Site
27 July 2001	Dr Jeffrey Claflin	General Manager	Waste Control Pty Ltd	Bellevue
	Philip Hine	Assistant Director, Pollution Prevention	DEP	Bellevue
	Michael Hansen	State Manager	ERS Australia Pty Ltd	Maddington
	Rachel Irvine-Marshall	Technical Adviser	ERS Australia Pty Ltd	Maddington
	Sean Wilson	Service Manager	ERS Australia Pty Ltd	Maddington
	Robert Goldfinch	Branch Manager	Cleanaway	Brookdale

1.4 INVESTIGATIVE TRAVEL

During the week 15 – 19 April 2002, the Committee undertook an investigative study trip to meet with representatives from various government agencies in Queensland, New South Wales and Victoria in relation to the Bellevue Hazardous Waste Fire Inquiry.

The purpose of the travel was to ascertain whether other jurisdictions have experienced or are experiencing difficulties in relation to the regulation and monitoring of hazardous waste facilities. The Committee also met with their equivalent Parliamentary Committees in the three States visited (Table 5).

Table 5. *Interstate meetings held by the Economics and Industry Standing Committee, 30 May 2001 - 30 June 2002.*

Date	Name	Organisation	Place
15 April 2002	Dr Faiz Khan Senior Principal Policy Officer Environmental Policy & Economics Division	Environmental Protection Agency	Brisbane, QLD
	Gary O'Connor Manager Environmental Operations	Environmental Protection Agency	Brisbane, QLD
	Peter Collins Operations Manager (Licensing) Environmental Operations Southern Region	Environmental Protection Agency	Brisbane, QLD

Date	Name	Organisation	Place
	Stuart Cameron Principal Environmental Officer Sustainable Industries Division	Environmental Protection Agency	Brisbane, QLD
	Michael Logan RACE Co-ordinator CHEM Unit	Counter Disaster & Rescue Services Departmental of Emergency Services	Brisbane, QLD
	Chris Maguire Area Director Major Event Planning Group	Queensland Fire & Rescue Service	Brisbane, QLD
	Jeff Harper Manager Safety Equipment	Queensland Fire & Rescue Service	Brisbane, QLD
	Don Livingstone MP Chair	Public Works Committee Legislative Assembly	Brisbane, QLD
	Hon Kevin Lingard, MP Deputy Chair	Public Works Committee Legislative Assembly	Brisbane, QLD
	Barbara Stone, MP Member	Public Works Committee Legislative Assembly	Brisbane, QLD
	Robert Poole, MP Member	Public Works Committee Legislative Assembly	Brisbane, QLD
15 April 2002	Bob Quinn, MP Member	Public Works Committee Legislative Assembly	Brisbane, QLD
	Trevor Strong, MP Member	Public Works Committee Legislative Assembly	Brisbane, QLD
	Rachelle Stacey Senior Research Officer	Public Works Committee Legislative Assembly	Brisbane, QLD
16 April 2002	Christopher Cornish Business Manager	Brightstar Environmental	Wollongong, NSW
	Damien Farrell Government & Public Affairs Executive	Brightstar Environmental	Wollongong, NSW
	Mark Hipgrave General Manager, Projects	Brightstar Environmental	Wollongong, NSW
17 April 2002	Mark Gorta Director Chemicals Policy	Environmental Protection Authority	Sydney, NSW
	Maryanne McCarthy Acting Manager Sydney Waste	Environmental Protection Authority	Sydney, NSW

Date	Name	Organisation	Place
17 April 2002	Greg Sheehy Principal Officer Sydney Waste	Environmental Protection Authority	Sydney, NSW
	Paul Rutherford, Manager Hazardous Waste regulation Unit	Environmental Protection Authority	Sydney, NSW
	Hon Tony Kelly, MLC Chair	Standing Committee on State Development, Legislative Council	Sydney, NSW
	Hon Henry Tsang, MLC Member	Standing Committee on State Development, Legislative Council	Sydney, NSW
	Robert Stefanic Senior Project Officer	Standing Committee on State Development, Legislative Council	Sydney, NSW
18 April 2002	Bruce Dawson Manager Waste Management Unit	EPA Victoria	Melbourne, VIC
	Helen Tope Waste Management Unit	EPA Victoria	Melbourne, VIC
	Carsten Osmer Manager Operations directorate	EPA Victoria	Melbourne, VIC
	Adrian Simonetta Manager Dangerous Goods	Work Safe Victoria	Melbourne, VIC
	John Hewitson Company Manager	Teris (Aust) Pty Ltd	Dandenong, VIC
	Ravi Ketharanathan Plant Manager	Teris (Aust) Pty Ltd	Dandenong, VIC
	John Jones Quality Control Manager	Teris (Aust) Pty Ltd	Dandenong, VIC
	Cathy Brice Account Manager	Teris (Aust) Pty Ltd	Dandenong, VIC
19 April 2002	Graeme Stoney, MP	Environment & Natural Resources Committee	Melbourne, VIC
	Christine Fyffe, MP	Environment & Natural Resources Committee	Melbourne, VIC
	Brad Miles Director	Environment & Natural Resources Committee	Melbourne, VIC

1.4.1 Conferences

The *Sustaining our Communities – International Local Agenda 21 Conference* was held in Adelaide from 3 – 6 March 2002. More than 400 delegates from around Australia attended. The conference was held as part of the preparations for the United Nations World Summit on Sustainable Development to be held in Johannesburg, South Africa in August and September 2002.

Over the four-day program, delegates had the opportunity to attend a number of keynote addresses and a range of concurrent workshops covering a wide variety of topics, including:

- Governance focused on Partnerships for Sustainability;
- Natural Resource Management;
- Participatory Planning; and
- Managing Waste and Energy.

Mick Murray, MLA and the Committee staff members represented the Committee at the conference.

In addition to attending the conference, the Committee met with representatives from the South Australian Environmental Protection Agency and representatives from the Environment, Resources and Development Committee at Parliament House in Adelaide, in relation to the Bellevue Hazardous Waste Fire Inquiry (Table 6).

Table 6. *Meetings held by the Economics and Industry Standing Committee, 30 May 2001 - 30 June 2002.*

Date	Name	Organisation	Place
7 March 2002	Capt. Walter Stuart State Martine Pollution Controller	Transport SA	Adelaide, SA
	Capt. Carl Kavina Manager, Marine Environment & Safety Operations	Transport SA	Adelaide, SA
	Max Harvey Deputy Director	Environment Protection Agency	Adelaide, SA
	Kirsty Evans	Environment Protection Agency	Adelaide, SA
	Knut Cudarans Secretary	Environment, Resources & Development Committee	Adelaide, SA
	Stephen Yarwood Research Officer	Environment, Resources & Development Committee	Adelaide, SA

1.5 REPORTS TABLED

The Committee tabled two reports during the period 30 May 2001 – 30 June 2002.

1.5.1 Report 1: Bellevue Hazardous Waste Fire Inquiry Volume One.

The Committee's first report, Volume One of the Bellevue Hazardous Waste Fire Inquiry, was tabled in the Legislative Assembly on Thursday, 13 December 2001.

The report was produced as a result of community concern over potential health implications resulting from the fire that occurred at the Waste Control Pty Ltd solvent waste recycling facility in Bellevue on 15 February 2001.

The Committee found that there exists a degree of concern amongst the local Bellevue community and fire fighters that attended the incident, regarding potential health impacts, due to the nature of the business and the chemicals that were consumed by the fire.

From the evidence obtained, the Committee concluded that there is little likelihood of long-term risk to the health of fire fighters and residents living near the site of the fire. However, the report contained a recommendation for the Health Department of Western Australia (HDWA) to develop, implement and maintain a medical register of individuals who were exposed to the effects of the fire emergency in the event of any future health implications attributable to the fire at Waste Control Pty Ltd.

On 12 March 2002, the Minister for Health presented to Parliament a response to the Committee's recommendation and advised that the HDWA was in the process of developing and implementing a scientifically based and structured medical register, accessible to any person with concerns over health effects from the fire.

1.5.2 Report 2: Bellevue Hazardous Waste Fire Inquiry Volume Two.

The Committee's second report, Volume Two of the Bellevue Hazardous Waste Fire Inquiry, was tabled in the Legislative Assembly on Thursday, 27 June 2002.

The Terms of Reference for the inquiry related largely to the role of government agencies in the decade of licensing and regulation of the Waste Control Pty Ltd hazardous waste recycling facility in Bellevue, and to the post crises management and clean-up of the resulting contaminated site.

Waste Control Pty Ltd collected industrial wastes from a range of sources including dry-cleaners, printers and the motor repair industry. The Committee found that the company was under-capitalised and the small or negative commercial margins upon which the business operated became an impediment to the company undertaking necessary upgrades and complying with licence conditions. The Committee also found that the facility was inappropriately located in close proximity to residential housing, livestock yards and a primary school.

The Committee discovered a flaw in the *Environmental Protection Act 1986*, whereby regulators are unable to take effective prosecution or preventative action against a licensed site operator unless pollution is found to be migrating *from* the boundary of a premises. In reality, and almost certainly at Waste Control Pty Ltd, pollution does and was occurring within the boundaries of the premises for many years and has affected groundwater supplies in the area.

The Committee made 44 findings and 20 recommendations, largely relating to amending legislation governing the siting of hazardous waste facilities and the subsequent licensing and regulation of those industries that have the potential to cause public health concerns and environmental damage.

1.6 WORK IN PROGRESS

The Committee is in the process of determining its next line of inquiry and envisages a productive year ahead. Some areas of interest within the Committee are regional economic development and employment programs, alternative and/or renewable energy sources, transport infrastructure and Private Public Partnerships.

CHAPTER 2 FINANCIAL STATEMENT

The Economics and Industry Standing Committee does not have its own formal budget and is funded out of the budget of the Legislative Assembly. Approval for major expenditures is required on a case-by-case basis and is entirely at the discretion of the Speaker.

The Committee's expenditure for the financial year 2001/2002 (in accordance with Standing Order 276) is detailed below:

Advertising		\$2,500
Conference Fees		\$1,800
Miscellaneous		\$300
Printing		\$1,700
Protocol (food, beverages, gifts)		\$900
Travel		
Members' Fares	\$11,000	
Members' Allowances	\$5,800	
Staff Fares	\$8,500	
Staff Allowances	<u>\$4,300</u>	\$29,600
	TOTAL	\$36,800

Notes:

1. Figures rounded off to nearest \$100.
2. Salaries of committee staff not included.
3. Costs of shared administrative expenses, including lease costs for committee accommodation, not included.