

**STANDING COMMITTEE ON  
ESTIMATES AND FINANCIAL OPERATIONS**

**ONGOING BUDGET ESTIMATES HEARINGS 2010–11**

**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
MONDAY, 8 NOVEMBER 2010**

**OFFICE OF THE ENVIRONMENTAL PROTECTION AUTHORITY**

**Members**

**Hon Giz Watson (Chair)  
Hon Philip Gardiner (Deputy Chair)  
Hon Liz Behjat  
Hon Ken Travers  
Hon Ljiljanna Ravlich**

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**Hearing commenced at 2.37 pm**

**FARAGHER, HON DONNA**

**Minister for Environment, sworn and examined:**

**TAYLOR, MR KIM**

**General Manager, Office of the Environmental Protection Authority, sworn and examined:**

**FRENCH, MR GRAEME**

**Acting Director, Business Support Services, Office of the Environmental Protection Authority, sworn and examined:**

**The DEPUTY CHAIR:** On behalf of the committee, especially the Chairman, who unfortunately is unable to be here, I welcome you to this meeting. Thank you, minister, for attending. Before we begin, I am required to administer an oath or an affirmation.

[Witnesses took the oath or affirmation.]

**The DEPUTY CHAIR:** You will have signed a document entitled "Information for Witnesses". Have you read and understood that document?

**The Witnesses:** Yes.

**The DEPUTY CHAIR:** These proceedings are being recorded by Hansard. A transcript of your evidence will be provided to you. To assist the committee and Hansard, please quote the full title of any document you may refer to during the course of this hearing for the record. Please also be aware of the microphones and try to talk directly into them. Ensure that you do not cover them with papers or make noise near them. Please try to speak in turn. I remind you that your transcript will become a matter for the public record. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session. If the committee grants your request, any public and media in attendance will be excluded from the hearing. Please note that the uncorrected transcript should not be published or disclosed. This prohibition does not, however, prevent you from discussing your public evidence generally once you leave this hearing. Government agencies and departments have an important role and duty in assisting Parliament to scrutinise the budget papers on behalf of the people of Western Australia, and the committee values your assistance. Members, it would assist Hansard if, when referring to the budget statement volumes or the consolidated fund estimates, you could please give the page number, item, program and amount in preface to your questions.

**Hon SALLY TALBOT:** You obviously have a very, very big job to do, and that is acknowledged not just in the budget documents but in the strategic review and that sort of thing. I guess today we are here to work out whether you have the resources that you need to do that job as best you can. I have noticed that reference is increasingly made in the budget documents and other documents to the increased complexity and volume of matters now coming before the EPA and to things like the changing environmental and business conditions under which the EPA is operating. Can you tell the committee what is meant by complexity, volume and changing conditions?

**Hon DONNA FARAGHER:** I might make an opening remark and then hand over to Mr Taylor. The reality is that here in Western Australia we have not seen a reduction in the number of proposals that are being put forward for assessment through the Environmental Protection Authority. An additional role that has been requested of the new office of the EPA is the monitoring of the conditions that are set for projects, which is obviously something that the EPA previously had

responsibility for. From my perspective, it is very important that the office of the EPA has that responsibility in order for it to see, in effect, what works, what does not work and what can be done better in terms of ministerial conditions. Obviously, the EPA has some quite complex projects and some perhaps less complex but a number of them are very similar in terms of some of the issues that are being raised. The importance of the life cycle approach, if I can call it that, for the Office of the EPA to consider the appropriateness of conditions is something that can really be seen when we have that responsibility of monitoring the conditions that are set. Obviously, a number of projects are very complex. Perhaps Mr Taylor might be able to add some comments.

[2.42 pm]

**Mr Taylor:** With the Office of the Environmental Protection Authority being established in November last year, it has provided us a good opportunity to align the activities of the department with the EPA's statutory functions; I think that has added to the clarity and focus of the work of the Office of the Environmental Protection Authority. As the minister has also said, we have consolidated a lifecycle approach so that the Office of the EPA is involved in the compliance monitoring of the conditions, so it is not just about doing the assessments and making reports to the minister and setting conditions, but it is about reviewing compliance and looking at the effectiveness of the conditions so that we get a better environmental outcome, which is positive. As you will all be aware, the state is in expansionary phase again; we are seeing a lot of companies wanting to proceed very, very quickly with their projects to meet the market for the post-GFC world conditions. That is causing a workload on us, and a number of those are quite complex. We are seeing, in particular, for things such as dredging, very large dredging projects being required. That means we have to be on the front foot in terms of having the skills and the technical capacity there, and to see that we are putting guidelines out to proponents so that they have a clear expectation of what we want, and seeing that our systems in project tracking are improved so that we can continue to improve the efficiency and effectiveness of our projects. It is all about gearing ourselves as the Office of the Environmental Protection Authority now to have very effective and efficient processes for dealing with the complex and number of projects coming through.

**Hon SALLY TALBOT:** It sounds as if the workload is increasing, yet when we look in the budget papers at things like total appropriations, total cost of services—I can give you page numbers if you need them—and number of employees, it looks as if things are more or less flatlining. Given that the rhetoric around the creation of the new office was about boosting the role of the EPA, can you tell us a bit about how the boosting is being supported?

**Mr Taylor:** There was additional funding provided in 2008-09 and 2009-10, which has continued on through this period. It does not actually show within these budget papers, but there was additional funding provided in the two previous financial years. That has enabled us to gear up and take on extra staff, and that is assisting us to now maintain the workload with the increased number of projects we have coming through. We have actually been able to reduce the number of projects in front of us being assessed from about 108 at the end of 2007-08 year, to down to about 90 at the end of the last financial year. We have been able to get on top of the situation and get us back to about a normal situation; if we find that it starts to grow again over that period, then we will come back to the government as part of the normal budgetary processes to look for additional resources.

**Mr French:** Just from a dollar perspective, it is very difficult, I know, to work this out. Two years of finite funding was provided for major project approvals; some of that money stopped a year ago, and then about \$1 million was carried forward to 2009-10. That was supposed to be finite. The government recognised the role of the EPA and the ongoing need for resources, so that \$1 million and seven FTEs that was supposed to have finished on 30 June has actually continued on an ongoing basis to lead to what the general manager has been talking about.

**Hon SALLY TALBOT:** I think the budget papers show that there are 82 FTEs in the EIA process, and 12 FTE positions in the environmental compliance audits. Can you tell us how many people actually fill those positions?

**Mr Taylor:** I cannot tell you, sorry, exactly at the moment.

**Hon DONNA FARAGHER:** Is it 94?

**Mr French:** There are 94 approved FTEs for this year.

**Hon SALLY TALBOT:** I am interested in knowing how many bodies that is.

**Mr French:** It is very close; it is only a few short.

**Hon SALLY TALBOT:** Perhaps you would like to take that on notice.

**Mr French:** We would have to take it on notice to give you an exact answer.

*[Supplementary Information No A1.]*

**Hon KEN TRAVERS:** Are we asking about the FTE or the number of positions that are actually filled at the moment?

**Hon SALLY TALBOT:** No; I want to know how many bodies actually make up the 82 FTEs and the 12 FTEs in the two sections.

**The DEPUTY CHAIR:** So is it an issue between FTEs and bodies?

**Hon SALLY TALBOT:** Yes. Also, where are those staff physically located?

**Mr Taylor:** All in The Atrium centre in Perth.

**Hon SALLY TALBOT:** The budget papers say that the OEPA took over responsibility for the former environmental impact assessment and policies service. Do those FTE figures include staff who once worked for that service?

**Mr French:** Yes.

**Hon SALLY TALBOT:** Yes, they do?

**Mr French:** Yes; they were transferred across in a disposition list.

**Hon SALLY TALBOT:** If you cannot answer now, which I imagine you perhaps cannot off the top of your head, can we have an idea about how many of those people were transferred directly out of that section into the new OEPA?

*[Supplementary Information No A2.]*

**Hon SALLY TALBOT:** This is in relation to a recent question that I asked in the house: have the positions of strategic policy and planning services director, and the position of business support services director been filled yet?

**Mr Taylor:** No; I was appointed as permanent general manager about seven weeks ago and I have put a submission to the Public Sector Commission to establish those positions permanently, formally, and then we will go through an advertising process. But given the levels they were at, we needed the approval of the Public Sector Commission to proceed forward with those.

**Hon SALLY TALBOT:** What about the position of financial analyst? I noticed that that was a particular comment in your strategic analysis.

[2.50 pm]

**Mr French:** We advertised for that position in February and we went through the whole process; unfortunately, the recommended person took another job, so we then had to readvertise. We only filled it in September. We are very pleased now that that person is on board.

**Hon SALLY TALBOT:** So you have now appointed that person?

**Mr French:** That is right—in September.

**Hon SALLY TALBOT:** Could you tell us a bit about the June 2010 MOU that has been signed? I actually have two questions about the MOUs.

**Hon DONNA FARAGHER:** Could I just ask where you are referring to in the budget papers?

**Hon SALLY TALBOT:** Actually, it is not referred to directly in the budget papers, but it is clearly a key part of the financial operations of the OEPA. I understand that an MOU between the OEPA and DEC was finalised in June 2010. This is about optimising resource use, which is why I think it is directly relevant to this inquiry, as well as about clarifying roles and responsibilities. Can you give the committee an idea about how that MOU has done that?

**Mr Taylor:** Yes.

**The DEPUTY CHAIR:** I think it is relevant to the budget papers; thank you.

**Mr Taylor:** As members may appreciate, the OEPA has a certain amount of resource and expertise, but throughout the assessment process it relies on other government departments—whether it be DEC, Mines and Petroleum or other departments—for input on technical advice. DEC is one of the agencies that we rely highly on. To make sure that we have got clear processes of where that information is coming from in the department, and that it is signed off at the right levels, we have set up this MOU, which basically identifies the internal processes that will operate. This is so that when we ask them for information, we will know exactly what parts of the organisation it comes from, and that it comes from the right parts and that it is signed off at the appropriate level. So when it comes into our processes, we are fully assured that it reflects the formal position of the department. Does that explain —

**Hon SALLY TALBOT:** Yes; it does. You mentioned the DMP. You will know why I am asking these questions. It is not always clear to people whether the EPA is the lead agency on certain types of approval, particularly to do with mines. Is that covered in the MOU between the EPA and DMP? That would be the June 2009 MOU.

**Mr Taylor:** Yes. Where the EPA decides to formally assess a proposal under the act, it is the lead party for recommending approval on that project to the minister for the environment. Where they are smaller projects and the EPA does not need to be involved, then DMP could be the lead approval agency.

**Hon SALLY TALBOT:** And how would that decision be made—about whether it comes within the EPA's provenance?

**Mr Taylor:** Where projects are of a smaller scale, we have an MOU with DMP to say, "These projects of this type, of that scale, in these locations, don't need to come to the EPA. They don't need to be referred to the EPA." So if a project is right out in the middle of somewhere, not anywhere near a conservation reserve, and is a small project, they then know that they do not need to refer it to us. That makes it efficient in the government processes, rather than a doubling up. But if they are large projects, a major iron ore mine, or if they are projects that are close to or within a conservation reserve, they know they need to refer it to us and they refer it to us. The EPA chooses to assess and it goes through our process.

**Hon SALLY TALBOT:** So that decision is made by applying a set of guidelines rather than by individual assessment of each project.

**Mr Taylor:** It is a set of guidelines, but the protocol is if there is any uncertainty, then DMP will consult with us—in any cases where there is uncertainty. There is usually checks and balances in the process, because if there are large projects with environmental sensitivities, other parties—third parties—can refer them to us as well. So there are other checks and balances in the process.

**Hon DONNA FARAGHER:** I will just add that if it was identified initially—I will not say as a minor project but as a smaller project—through the work undertaken by DMP that there are

environmental issues that warrant further investigation, then it is incumbent upon DMP to then refer it to the EPA for assessment.

**Hon SALLY TALBOT:** And is that part of that MOU or is this some other agreement between the departments?

**Mr Taylor:** Yes.

**Hon LJILJANNA RAVLICH:** Minister, I wonder whether you could provide the committee with the MOU between your agency and DMP, and also the MOU between your agency and OEPA?

**Hon DONNA FARAGHER:** Yes; we can do that.

*[Supplementary Information No A3.]*

**Hon LJILJANNA RAVLICH:** I just want to ask, minister, how many MOUs have you signed, or has the agency signed on your behalf through your delegated authority? How many MOUs are we talking about? Are we talking about 10 or 15 major ones or are we talking about hundreds of MOUs?

**Mr Taylor:** The two key ones are with DEC and DMP. I have only been back in the job seven weeks, but I cannot recall other ones. They are not made under delegation from ministers, but are generally managed between directors general as part of the administrative efficiency between departments.

**Hon LJILJANNA RAVLICH:** Okay. I wonder whether you could perhaps take it on notice to provide information about the number of MOUs that currently exist and who they exist with? Also, if you could provide for the committee information in relation to the criteria for non-referral, that would be much appreciated.

*[Supplementary Information No A4.]*

**Hon LJILJANNA RAVLICH:** Also, could you provide information on the criteria for non-referrals and how many non-referrals there have been since September 2008?

**Hon DONNA FARAGHER:** With respect to that, I am happy to see what we can provide, but clearly some of that information is held within another agency. As much as we are able to assist, I am happy to do so, but recognising that that therefore falls within the gamut of the Department of Mines and Petroleum.

**Hon LJILJANNA RAVLICH:** Let me ask you this: would your agency or you be notified of the fact that a certain project would not be requiring your referral? So this is a decision that is actually made by the Minister for Mines and Petroleum.

**Mr Taylor:** Well, it is made by the department—the Department of Mines and Petroleum.

**Hon LJILJANNA RAVLICH:** And you would not therefore know.

**Mr Taylor:** No; that is the purpose of the MOU—to say that if they are of a certain nature they do not need to be referred.

**Hon LJILJANNA RAVLICH:** Okay. I wonder whether it is possible for you to try to get that information through the other agency; otherwise, we will —

**Hon DONNA FARAGHER:** I am happy to see what we are able to provide to the committee.

**Hon LJILJANNA RAVLICH:** Okay; thanks, minister.

**The DEPUTY CHAIR:** If it is that the delegated authority is to the DMP, to actually adjudge whether it is of environmental significance to warrant any further action, and if someone in that area has a different view to the DMP, they of course make a request to the EPA. Is that correct? And then you make a judgement on the evidence that is provided?

**Hon DONNA FARAGHER:** Yes. I will hand over to Mr Taylor, but in effect a third party who wishes to refer the proposal to the EPA is entitled to do so.

**The DEPUTY CHAIR:** Yes; okay.

**Mr Taylor:** Can I just add to the information, too? The Environmental Protection Act is quite broad in terms of what needs to be referred to the EPA; it just says any proposal which is likely to have a significant impact on the environment must be referred to the EPA—so it depends on significance. We used to have something like about 800 proposals referred to us each year, which adds a lot of load in terms of sorting out the wheat from the chaff and what we did not need to deal with. So the MOUs have added to that administrative efficiency. Now, we have about 400 a year.

**Mr French:** There was actually over one thousand each year.

**Mr Taylor:** Yes. So it has just added to the administrative efficiency. I do not think that we have had any incident that I can think of where something has not been referred and we have then had a subsequent issue that has had a significant impact. And as the minister has said, any third party can refer something to us at any time. Usually, if there is something sensitive, the community will pick it up and refer it to us as well.

**The DEPUTY CHAIR:** I understand; thank you.

**Hon SALLY TALBOT:** Mr Taylor, you spoke about third parties being able to initiate a referral to the EPA. Clearly, what we heard in the debate about the approvals and related reforms bill was about the new computer hardware and software replacement program, which is obviously going to play a key part in keeping people informed. I wonder whether you could go into some of those figures for me. It is page 844 and it is the first line item, “Computer Hardware and Software Replacement Program”. Can you explain why there is such a variation between years in projected expenditure? My reading of it is that it is something like \$45 000 this year, \$104 000 next year, down to \$68 000 in 2012–13, and up to \$146 000 in 2013–14.

[3.00 pm]

**Mr French:** I can respond to that. The reason the figure is so high in 2009–10 is that the \$377 000 includes the replacement of the marine vessel we have, and that is about \$332 000.

**Hon KEN TRAVERS:** That is computer hardware and software.

**Mr French:** I know. It is not a good title. I raised that issue the other week; that is our capital replacement program money. With that taken out, the remainder of that money was for some GIS hardware replacement, which is computer hardware replacement, and the outgoing years is part of the computer replacement program across our 100-odd staff.

**Mr Taylor:** The title is not correct.

**Mr French:** That is right.

**Hon SALLY TALBOT:** I see. Let us just take the 2013–14 figure of \$146 000. That might not be for computer hardware and software replacement.

**Mr French:** No, I have re-examined this. We have actually put through some forward figures for our computer program replacement, and they are projections out for both computers, printers and GIS equipment. They have been projected out based on our asset registers.

**Mr Taylor:** So, essentially, everything from 2010–11 onwards is computers and not related to the vessel replacement.

**Mr French:** No.

**Hon SALLY TALBOT:** Right; okay. This is not quite our subject today, but the chart on page 63 of the annual report is interesting in that light. I assume that what we read here as services and

contracts might not be to do with computer software either, but I guess we can pursue that somewhere else.

**Mr French:** I would have to have a look at that; I have not got a copy in front of me.

**Hon SALLY TALBOT:** Okay.

**Hon KEN TRAVERS:** If it relates to estimated expenditure for the 2009–10 year that is included in the budget papers, you could ask the question now.

**The DEPUTY CHAIR:** Yes, you can.

**Hon SALLY TALBOT:** That chart does not go that far, unfortunately. Thank you. May I keep going, Mr Deputy Chair?

**The DEPUTY CHAIR:** Yes, please.

**Hon SALLY TALBOT:** I just have another couple of questions about various parts of the EPA's work. The budget papers refer to providing guidance to government and the community before developments are proposed. I am particularly interested in this. Could you tell us how much of the EPA's work is to do with providing guidance before you receive proposals?

**Mr Taylor:** Sorry, Sally; I cannot give an exact amount. My estimate would be in the order of 15 per cent. We have recently released a guidance on assessment of dredging impacts on marine, on primary producers and on lights and turtles surveys. We try to produce as many of these guidance documents as we can so that proponents are aware of these things in undertaking the assessment of their projects. The other area in which the EPA provides early advice is when a sensitive area will have development coming into it. The EPA provided early advice recently on the coastal area between Dawesville and Binningup, with the sensitivities of the Yalgorup Lakes and those areas. It provided some early advice under section 16(e), and it does those things from time to time as well, so we are trying to shift the focus onto the front-end, because it improves our efficiency and also improves the quality of the outcome, but it is a continual challenge for us to take resources away from getting approvals out and getting into that element.

**Hon SALLY TALBOT:** That is really why I am interested in the answer to that question.

**Mr Taylor:** Certainly one of my aims in taking on the job is to get off the treadmill of just churning out approvals and stepping back into the front-end work. Of course, doing that while we are in an expansion phase is a challenge, but I believe that we can do that as an organisation, and I believe that the EPA is committed there as well.

**Hon SALLY TALBOT:** It did it, if I remember rightly, before your time, Mr Taylor, in relation to the four shortlisted sites in the Kimberley for the LNG hub. The reason I am particularly interested in this is that I am teasing out the implications of the comment on page 842 of the budget papers, where it states —

The Office will be expected to play its part in reducing the number of environmental issues under appeal ...

I can see that, in some senses, that could be perceived as a key performance indicator for the EPA—to reduce the number of issues. I am presuming that you would be aware that there is a large bank of community concern about the thought that the EPA itself sees the reduction of appeals as a key performance indicator. If you could take that as a supplementary question, perhaps you could give us some feeling for what those projects were; you just mentioned a couple.

**Hon DONNA FARAGHER:** Can I just also add in relation to that point, one of the aspects that also needs to be considered—this is work that is being done between the Appeals Convenor and the EPA—is actually providing greater feedback from the Appeals Convenor, because a number of the appeals that come before the Appeals Convenor and, ultimately, me, are often of a technical nature, which perhaps could be resolved at an earlier stage when looking at the approval processes that the



EPA goes through. Having said that, the EPA now puts forward, seven days before finalising its reports to me, the opportunity for proponents to identify any technical matters that might not otherwise be picked up, because we do see appeals where there is a clear technical problem—sometimes it is as small as a grammatical error—to other parts that really just have not been picked up, and that is something that we are trying to address through a variety of mechanisms. I suppose that is another flipside, if I might put it that way, in terms of the role of the Appeals Convener trying to identify with the EPA those areas that need to be looked at perhaps a little more closely. I think that that has actually been a very good process that has been undertaken over the past year.

**The DEPUTY CHAIR:** That will be supplementary information in relation to the pre-emptive analysis.

*[Supplementary Information No A5.]*

**Hon SALLY TALBOT:** Minister, when you referred to the seven days before presenting a report, were you referring to the 28-day appeal period? I am not sure where in the process you are referring.

**Hon DONNA FARAGHER:** No; Mr Taylor might like to add to this, but there was a decision made probably about four months ago, perhaps, in which the EPA made a decision that prior to finalising its reports and recommendations to me as minister, there would be a 14-day opportunity for the proponent to identify technical matters only that perhaps might not have been properly addressed in terms of the report and recommendations. It cannot go into the substantive issues, but it can identify if there is something of a technical nature within the proposed conditions that is erroneous, and there is an opportunity for it to be picked up by the EPA prior to it providing a report to me. Obviously, if there is an appeal period, and it might just be the proponent that appeals on the basis of a technical error in the proposed recommendations and conditions, that obviously provides a time lag, so we are just trying to reduce that, but it does not increase the scope in terms of the issues that the proponent can raise.

**Mr Taylor:** That covers it completely.

**Hon SALLY TALBOT:** So these would presumably be appeals that have been put in by proponents in relation to those technical issues?

**Hon DONNA FARAGHER:** Technical issues, yes.

**Mr Taylor:** There is also the consultation with the DMAs—the decision-making authorities.

**Hon SALLY TALBOT:** I have just a couple of other questions. I draw your attention to page 844 and fee for service. Given that the EPA and the OEPA are supposedly fully funded from appropriations, there is no fee for service, is there, within the EPA? Yet we have \$700 000 shown as total income. I had always understood that the EPA was not a fee-for-service agency.

[3.10 pm]

**Mr French:** I think you will find that is the fertiliser grant.

**The DEPUTY CHAIR:** I think that might be coming from grants and subsidies.

**Mr French:** It is the fertiliser action plan.

**The DEPUTY CHAIR:** Can we then have an explanation —

**Hon DONNA FARAGHER:** It is through—and I will stand corrected by Mr French, but you may recall last year the government made some announcements through the natural resource management program for funding as part of our commitment to reducing fertilisers and the trials for low soluble phosphate fertilisers, and that is that line item.

**Hon SALLY TALBOT:** Where is that money coming from?

**Hon DONNA FARAGHER:** The natural resource management program, which is within the Department for Agriculture and Food, but I am, as Minister for the Environment —

**Hon KEN TRAVERS:** Why is the Office of the Environmental Protection Authority receiving that?

**Hon DONNA FARAGHER:** Because the fertiliser initiatives actually fall within the gamut of the Office of the EPA in liaison with the Department of Environment and Conservation as well, as well as other agencies.

**Hon SALLY TALBOT:** Does that mean you are competing for funds with other groups in terms of the fertiliser action plan?

**Hon DONNA FARAGHER:** Can I just say that this funding came through prior to the separation of the Office of the EPA from the department. It had actually gone to the department, but with the transition this particular initiative then went to the Office of the EPA albeit that DEC, as well as other agencies, have input with respect to this particular initiative. It was actually transferred across.

**Hon KEN TRAVERS:** Just to follow up on this, what exactly is the office doing with this money?

**Mr Taylor:** There are a number of government agencies—sorry, if I could, just for context—involved in the fertiliser action plan to reduce fertiliser use; ourselves, DEC and Department of Agriculture and Food are the primary ones. Our role is primarily in respect to policy and implementation of regulations and the others are more on the ground. Ours is not an on-the-ground action; it is about seeing that there are policies, regulations and guidelines in place.

**Hon KEN TRAVERS:** I mean, \$700 000 per annum would be a fair few FTEs, would it not? How many FTEs has your organisation dedicated to providing services in this area?

**Hon DONNA FARAGHER:** Perhaps if I can just assist the committee. In terms of that funding, there are elements of on-ground activities and they are for the trials. We have eight trials that are currently being undertaken across a range of sites and that is part of that. In addition to that, work is, as Mr Taylor has mentioned, in terms of from a policy perspective. For example, earlier this year I announced that we will be putting restrictions with respect to domestic fertilisers. Regulations need to be put in place in relation to that. That is also the work that is being undertaken by the Office of the EPA. There is an on-ground element to it, and that is the trials.

**Hon KEN TRAVERS:** I would not have thought the on-ground element would be done by the office. Would that not be done by one of the other two agencies?

**Hon DONNA FARAGHER:** It is being done in partnership with the other two—the Department of Water as well.

**Hon KEN TRAVERS:** I am still unclear as to why. It seems an awful lot of money for policy advice and regulation preparation and the fact that it continues annually for the next four years. I mean, I could see you might get a peak in terms of preparing regulations. In fact, if you could give us an explanation as to why there is such a fluctuation between the 2008–09 actual, the estimated actual in 2009–10 and then the \$700 000 over the next four years.

**The DEPUTY CHAIR:** I wonder whether, if we had a question about what the breakdown of that \$700 000 was, you would mind giving us a breakdown as supplementary information on that, please?

*[Supplementary Information No A6.]*

**Hon DONNA FARAGHER:** Yes.

**Hon KEN TRAVERS:** I am happy with that so long as we do not get a very superficial answer and we get a full and frank disclosure of exactly what that money is being spent on and how, because, for the benefit of the other members, I am getting sick and tired of having information taken on notice and getting less information than we could have got at the hearing itself.

**The DEPUTY CHAIR:** We expect normal copies of information.

**Hon KEN TRAVERS:** I am not having a go at you, minister, but some of your colleagues.

**Hon DONNA FARAGHER:** No, look, I appreciate that. As I have said, I have tried to give you a broad outline, but I am happy to provide a breakdown of details for the committee.

**Hon KEN TRAVERS:** If we could also then get an explanation as to why it fluctuates from \$853 000 two years ago to only \$700 000 this year.

**Hon SALLY TALBOT:** You might also include some information about the working groups. I understand that the EPA actually convenes, or chairs, or in some way manages, four action groups to do with the fertiliser action plan. Is that correct?

**Hon DONNA FARAGHER:** Yes, that is right.

**Hon SALLY TALBOT:** Some information about whether any of those resources go towards that funding would be useful.

*[Supplementary Information No A7.]*

**Hon KEN TRAVERS:** Can I just get some explanation—I mean, I just want to be clear, are you holding any of this money that is then passed on to other agencies in kind? Because it does seem to be \$700 000 based on an average for your employee benefits based somewhere in the order of—it would be five FTEs, which seems an awfully large number of FTEs for the sort of work that the minister has outlined to us.

**Hon DONNA FARAGHER:** I will take this on notice, but I will provide the Hon Ken Travers with the information that he seeks. As I have said, this funding was provided to DEC prior to the transfer and then this particular initiative was transferred in terms of a responsibility, as such, to the office of the EPA. There are on-ground trials that are being undertaken across eight sites and, in addition to that, as I have mentioned, there is work with respect to domestic fertilisers and regulations, which is obviously more policy—that is not on the ground as such, but that obviously requires work from the EPA. Hon Sally Talbot does also mention the working groups. I think there are three or four, off the top of my head. I think there are four —

**Hon SALLY TALBOT:** Well, there are sort of five, really, because there is one that has just been set up.

**Hon DONNA FARAGHER:** There is a horticultural —

**Hon SALLY TALBOT:** The fifth one is the horticultural industry, established in 2010.

**Hon DONNA FARAGHER:** Yes, that is the most recent one.

**Hon SALLY TALBOT:** Then you have got the grazing working group, the urban users working group, the soil amendment working group and the bagged fertiliser industry working group.

**Hon KEN TRAVERS:** But it is five or six per cent of your total budget. That is a fairly substantial chunk of a budget.

**The DEPUTY CHAIR:** But let us get the information. I think we all understand what we need here.

**Hon SALLY TALBOT:** Just a couple more general questions about the budget items. Page 842 makes reference to an increasing number of large-scale marine dredging projects. I think Mr Taylor made passing reference to one of those earlier in this hearing. Can you tell us a bit more about those projects and why they present a specific challenge?

**Mr Taylor:** It certainly seems that the state is experiencing a significantly increased number of dredging projects over this four or five-year period. Certainly, my previous involvement had not been involved with it. I think there has been expansions at Geraldton, Dampier, the Barrow Island Gorgon gas project, the dredging that —

**Hon SALLY TALBOT:** So it does include oil and gas projects?

**Mr Taylor:** Yes, it is mainly oil and gas and minerals, particularly iron ore. As I said, we have had three big ones: Geraldton, Dampier already and Gorgon gas project. We have got dredging for Wheatstone —

**Hon LIZ BEHJAT:** Port Hedland.

**Mr Taylor:** Fremantle, that has occurred, and there are a number of other ones that have occurred. The nature of dredging is that it does cause a lot of turbidity and, therefore, it is important to have a very good understanding of what the likely impact is going to be. We have just issued a guideline to proponents and that sets out very clearly the expectation that they carry out comprehensive modelling of the tidal and wind-influenced currents, and the like, to predict where the turbidity will go and to identify all of the sensitive marine affected habitat areas, particularly corals, so that we can put in place conditions and monitoring regimes to keep those impacts to the absolute minimum. We believe that the practices that have been put in place are certainly leading edge nationally, if not leading edge internationally. They are really very strenuous in terms of protecting the marine health.

[3.20 pm]

**Hon SALLY TALBOT:** Do you have anywhere in your budget a capacity for community education programs? Do you conduct any such things? I will give you a specific example that occurred to me when you are talking. The dirtying of the port of Albany has been a highly emotive issue. Even as recently as this weekend, I am constantly bailed up in the High Street by fishermen who tell me—they are not asking me what I think; they are telling me—where all the dredging is going to go and that it is going to end up in a different place to the place that the EPA has projected it will be. Do you have any capacity to help people understand how you make these decisions?

**Hon DONNA FARAGHER:** I will defer to Mr Taylor, but what I will say in relation to Albany, for example, is that clearly that was an issue that was raised during the appeal process as well. With respect to Fremantle dredging, no appeal was actually received for that project. But, with respect to Albany, one of the outcomes from my decision was that it was important that we actually had a community reference group, with all of the key stakeholders that utilise the area to be part of it, so they could obviously be part of understanding and knowing what will be happening, and also to provide some advice on when something might be better done at another time. That is down to the port as such, but there is a requirement for the reference group to have community members as well as the key agency that would have an interest. Health, for example, would be one of those. So that was a specific decision from a determination by me as minister.

**Hon SALLY TALBOT:** Can you tell me how you invited people to belong to that reference group, to join it?

**Hon DONNA FARAGHER:** In terms of that, that is simply my determination. Then there is a requirement for the port authority to bring together the relevant groups, and that will be something then that would be monitored by the EPA as such. It is not the EPA's responsibility as such to convene that reference group, but obviously as part of monitoring conditions and my determination, that is something obviously that officers would be looking to. But Mr Taylor might go to add to that.

**Mr Taylor:** I think that covered it well. The only thing I would add is that consistent with the minister's decision on all the projects there would be conditions that would require the companies or the developers to put all the information available on public websites so that it is all very transparent and people can see the monitoring results. Fremantle Ports, in particular, had quite extensive communication on their dredging and the impacts.

**Hon SALLY TALBOT:** Thank you. You also mentioned, I think, early this afternoon the work that the EPA had done on Yalgorup. Was that in relation to the pre-assessments, which I think you

mentioned? It was in relation to my question about providing guidance before developments are proposed. Did I hear right that you mentioned Yalgorup?

**Mr Taylor:** Yes. A little while ago the EPA put out a strategic assessment on the coastal zone between Dawesville and Binningup, and that included the area around the Yalgorup lakes.

**Hon SALLY TALBOT:** I looked, but I wonder if you could tell me if I missed something in the budget papers, because I remember that one of the specific recommendations was about the acquisition of private land around the lakes. I was looking for a financial provision in relation to that recommendation.

**The DEPUTY CHAIR:** We will recess for a little bit—it is a false alarm. Okay; I think we are on Yalgorup.

**Hon SALLY TALBOT:** If it refreshes anybody's memory, mainly for the committee's benefit, the recommendation was something like: Yalgorup National Park area should be increased consolidated through the acquisition of private land around the lakes to protect the area's unique environmental values.

[Fire alarm sounds.]

**The DEPUTY CHAIR:** Okay. We will adjourn.

**Hon LJILJANNA RAVLICH:** I wonder what it is this time!

**Hon KEN TRAVERS:** Who has been smoking in the toilets again!

**Hon LJILJANNA RAVLICH:** Everybody, it is a false alarm!

**The DEPUTY CHAIR:** We reconvene the hearing. We are trying to get to Yalgorup still! I am sorry, Hon Sally Talbot, but would you just like to repeat your question?

**Hon SALLY TALBOT:** Yes. This is about the EPA's findings on the Yalgorup lakes area, and I will just read the recommendation: that the area of the Yalgorup National Park should be increased and consolidated, through the acquisition of private land around the lakes, to protect the area's unique environmental values. So my question is: have I missed something in the budget papers that actually makes some sort of financial provision for that acquisition?

**Mr Taylor:** No, there is no provision in our budget papers, but the EPA is giving advice, and as development proceeds through that area, the EPA would expect planning agencies, DEC and local government to consider the opportunities to acquire land and set aside land to expand the park. But it is not the EPA's role—we are not a land manager as such—to purchase land.

**Hon SALLY TALBOT:** Where would you expect that funding to come from—the Department of Planning or not?

**Mr Taylor:** It could through planning, DEC or local government. Often as development proceeds there are negotiations with landowners as to what part should be set aside for reserves, so there are a number of mechanisms that we looked at, but as we highlighted earlier, this is about getting advice on the table early, so as these things occur they can be taken into consideration rather than it being done in a reactive sense as development is put forward.

**Hon SALLY TALBOT:** What force does a recommendation like that have?

**Mr Taylor:** It does not have —

**Hon SALLY TALBOT:** Is there a point in the future when the EPA gets an opportunity to remind people that that recommendation is there?

**Mr Taylor:** If having given that strategic advice, a developer came forward and was proposing development of land that had high conservation values, the EPA would be likely to say, "We recommend it not be approved." And that will be part of a catalyst for a mechanism to look at acquisition or some other mechanism. So it is setting the signals there as such to say, "These areas

would be constrained in terms of development, and here are some other areas which would be more favourable for development.” It has no statutory effect; it is strategic advice upfront to give guidance to people.

**Hon SALLY TALBOT:** So it is really a direction not to approve or a recommendation not to approve development.

**Mr Taylor:** You might say the EPA is sending some signals as to what it would see as environmentally acceptable.

**The DEPUTY CHAIR:** I can pick up on that, Hon Sally Talbot. I think that makes good sense where you are being pre-emptive, but can you give us an idea of what number of recommendations you may have made in that kind of regard in different areas which are sitting with nothing being done about them for a start?

**Mr Taylor:** I could not just today.

**The DEPUTY CHAIR:** Could I put that on notice?

*[Supplementary Information No A8.]*

**The DEPUTY CHAIR:** The reason behind the question is that it seems to me to make strategic sense in what you are doing. I just wonder how easy it is to get the response that you are seeking based on your recommendation and that which records too your recommendations in the reports.

**Hon DONNA FARAGHER:** Mr Chair, I am to provide what information we can, but I think it also needs to be recognised that with respect to strategic advice, it is advice and it might not be something that might be acted upon immediately —

**The DEPUTY CHAIR:** I understand.

**Hon DONNA FARAGHER:** — because of the fact that, as Mr Taylor says, it does not stop a developer, for example, to put forward a project for approval, but it is obviously providing advice, and an early warning, I suppose, to the developer, that these are the issues that they would need to consider.

[3.30 pm]

I suppose it is difficult to give you a pinpoint answer on every aspect of recommendations because it can be utilised in different ways. In fact, you might end up having a proponent who might say, “I’m not even going to bother to put in an application for that area.” We are obviously not going to know that. Then there are other examples where perhaps it might be easier for us to provide you with that information. I am not trying to be difficult, but you can see the challenge for the office.

**The DEPUTY CHAIR:** I can.

**Hon DONNA FARAGHER:** Where we can be specific, then we are happy to. There might be some generalities there. It is only by virtue of the strategic advice, whether it relates to this or other advice, that might have been provided by the EPA previously through previous bulletins; some of these bulletins go back many, many years and are still actually utilised.

**Hon SALLY TALBOT:** Mr Chair, can I make a suggestion?

**The DEPUTY CHAIR:** Yes.

**Hon SALLY TALBOT:** I wonder whether this would answer the point that you are raising because I, too, would be interested in that information. I wonder if we might phrase it like this: the reason I have raised this question in the context of an estimates hearing is because the EPA’s recommendation specifically talks about the acquisition of private land. It specifically talks about expenditure. I wonder whether that would narrow the field so that perhaps you could give us a list of the areas where there has been a recommendation to acquire land that currently is available for development.

**The DEPUTY CHAIR:** There are now two parts. There is one issue that is narrowing it down. I guess that might be easier to extract information.

**Mr Taylor:** Possibly the easiest one would be —

**Hon DONNA FARAGHER:** Can I ask for clarity: are we talking specifically about the strategic advice to which Hon Sally Talbot referred with respect to Dawesville and Binningup, or are we referring to strategic advice bulletins that have been submitted by the EPA over a period of years? Obviously, one is quite specific; others are still specific but actually far wider in scope.

**The DEPUTY CHAIR:** In my case it is the latter, to be quite honest. The reason for the question is to get some idea of the importance they are given in our future development planning, really. I think what you are doing is pre-emptive. I think it makes good sense and therefore we should be following it, more or less. Hon Sally Talbot's question is more specific, not just to Yalgorup, but wherever land might have been acquired in relation to one of your recommendations. Am I right?

**Hon SALLY TALBOT:** Yes. The recommendation is to acquire private land.

**Hon DONNA FARAGHER:** On that basis, to assist the Office of the EPA, if we could perhaps put a time frame in terms of what Hon Philip Gardiner is seeking, so perhaps over the past three or four years; otherwise we can go back a mile.

**The DEPUTY CHAIR:** Make it three years for a start.

**Hon DONNA FARAGHER:** I know that there are quick turnaround requirements for the committee in terms of questions on notice, but appreciating that some of this would require perhaps checking with other agencies and local government, this question might take longer than what is normally the case. I ask, Mr Acting Chair, if we could have some flexibility, that would be great.

**The DEPUTY CHAIR:** If it is going to take longer, just write a quick note to us to say, "I'm sorry; we cannot do it by this time. It will take longer." I do not want it to be a huge thing. I want to get an idea about the responsiveness of government to what you are saying.

**Hon KEN TRAVERS:** The other way of maybe tackling this issue is: I would imagine you have got the strategic advice out there. In terms of the Office of the EPA, your involvement will come into play when there is a development proposed and you either knock it back or it becomes part of a negotiated settlement. I would imagine large chunks of the land that is acquired is actually acquired as part of negotiated settlements rather than where it is free of charge as part of the approvals process or —

**Hon DONNA FARAGHER:** Through an offset package.

**Hon KEN TRAVERS:** Yes; or purchased. Maybe that would be the other way of looking at it over a three-year period—how many negotiated settlements there have been, or outright refusals or conditional approvals have been given by the EPA. I can understand your difficulty would be —

**Hon DONNA FARAGHER:** You can see the challenge. I am not trying to be difficult —

**Hon KEN TRAVERS:** I understand. You have strategic advice out there, but the only time you would ever know is if a project came back. It is an interesting point, though. You probably do not know what is being approved that is not complying with the strategic assessment, but you would hope that it would be getting referred to the EPA by somebody in the system if that was the case. That might be the other way of looking at it. I would have thought you would have those records pretty close to hand.

**Hon DONNA FARAGHER:** Yes, because you would know if a development proposal has been put forward in an area to which strategic advice has previously been given. I will be guided by the committee. If that is a better way to go, I am happy to go with that.

**The DEPUTY CHAIR:** Let us try it. That is more back to what Hon Sally Talbot suggested in the first place. Let us try going back no longer than three years, if that is possible.

**Hon KEN TRAVERS:** If you are able to give us—which, again, I thought you would be able to do—what current strategic advice is out there at the moment—a list of those.

**Hon DONNA FARAGHER:** We can give you a list of that. That would be easy to do.

**The DEPUTY CHAIR:** I think that all really comes into supplementary information A7 and A8. I think that is where they all fall into.

**Hon DONNA FARAGHER:** So we are clear, it is the past three years and, in addition, those where projects have come before the EPA which have fallen within the gamut of the strategic advice that has already been given by the EPA through a bulletin of some description.

**The DEPUTY CHAIR:** Yes. That sounds fine.

**Hon SALLY TALBOT:** My question relates to the resourcing of the EPA and the OEPA. I notice that an OEPA officer recently travelled to South Australia to hold talks about the uranium mining industry. Will the EPA be the lead agency of a uranium mining industry established in WA? Is that your expectation?

**Mr Taylor:** No. That would be through DMP or State Development. We would be carrying out environmental impact assessments and recommending to the minister for approval of those, and conditions. But we are not the lead agency as such for uranium projects.

**Hon SALLY TALBOT:** I was interested because my understanding is that in South Australia the EPA is the lead agency.

**Hon DONNA FARAGHER:** DMP would be the lead agency, but, as Mr Taylor has mentioned, obviously the EPA has a role with respect to providing a report and recommendations to me with respect to each proposal that comes before it. I think there are three or four perhaps now that are before the EPA. Subsequent to that, if a project proceeds and approval is given, then through the new arrangements the Office of the EPA will be responsible for monitoring the environmental conditions as with any other project. It is from the environment perspective that the EPA would be working.

**Hon SALLY TALBOT:** Does the EPA currently have staff with knowledge and expertise of radiation protection issues? I know that the Chair of the EPA has.

**Mr Taylor:** We are fortunate to have a former head of the South Australian EPA. Honourable member, we would be relying on advice from the health department and particularly the Radiological Council. They would require approval through the Radiological Council for radiation risk issues. We would be relying on them for that element. We would have expertise in the other more general environmental matters, but we would be relying on the health department and the Radiological Council for radiation risk issues.

**Hon SALLY TALBOT:** I refer to page 842 of the budget papers under “Significant Issues Impacting the Agency”. I think we all understand that is a way of acknowledging the pressures that agencies might be under. It talks about needing more strategic approaches to manage the environmental impacts of land supply demands in relation to planning in Perth and the regions. Can you tell us what those “more strategic approaches” might comprise? It is the last dot point on page 842: “requiring the Office to consider more strategic approaches”.

[3.40 pm]

**Mr Taylor:** Again, we are trying to get in at the front end. The WA Planning Commission and the Department of Planning have prepared Directions 2031, which sets out a framework for further development. The EPA can then look at that and look at what land is forecast for development over the next 20 years and give advice ahead of rezonings so that environmental matters can be considered early in the process. So it is looking at those sorts of longer-term planning documents, in consultation with WAPC and the Department of Planning, to see where we can have input earlier. There is also a proposal to undertake a strategic assessment with the commonwealth to look at



matters of national environmental significance so that, again, a program can be put in place to look at managing those matters of national significance and an offset package if necessary. It is certainly not having to deal with these things case by case. That is the real difficulty in the Perth metropolitan area. Where you are having to deal with individual parcels of land case by case, you do not get a timely outcome and you do not get a good whole-of-area outcome in terms of environment and conservation. So it is about looking at the Perth–Peel region as whole and seeing what we need to set aside for conservation.

**Hon DONNA FARAGHER:** I suppose the Dawesville–Binningup strategic advice is also an example where there is an identification of a range of issues that need to be considered. That is not only from a conservation perspective but also for planners and developers and the like. It is that sort of information as well that is important.

**Hon SALLY TALBOT:** Would the EPA have a role in approving this new target of 47 per cent urban infill? What would the EPA's role be there?

**Mr Taylor:** We do not have any statutory capacity in relation to that. That is a planning instrument that has been put through the WA Planning Commission and the Minister for Planning. We would provide guidance and advice on that. But there are many factors that affect that 47 per cent, not just environment. It is really beyond the domain of the EPA to have a substantial input there.

**Hon SALLY TALBOT:** So it is greenfields sites?

**Mr Taylor:** The 47 per cent?

**Hon SALLY TALBOT:** Yes; does that dot point refer to greenfields developments?

**Mr Taylor:** Yes.

**Hon LJILJANNA RAVLICH:** I refer you to page 842, the first dot point under “Significant Issues Impacting the Agency”, which states that large numbers of project proposals continue to be submitted for environmental impact assessment by your office. I notice that \$12 million has been allocated to that function. But of course that also includes policies. So, if we are talking just about environmental impact assessment, how many environmental impact assessments can be undertaken for that sum of \$12 million?

**Mr Taylor:** As you say, the \$12 million includes the policy work. I am not sure what amount would be for the policy work, so without knowing the exact quantum that is just for environmental assessment, I would not be able to answer your question.

**Hon LJILJANNA RAVLICH:** Can you take that on in notice?

**Hon DONNA FARAGHER:** Obviously this is over the forward estimates and the previous, but if it is helpful, we can give you a list over the past couple of years and beyond in terms of how many projects are currently being assessed or have been assessed in each financial year or calendar year, whatever is easier for the EPA to pull together. I think that is the question that you are asking.

**Hon LJILJANNA RAVLICH:** What I would like is those figures for the 2007–08, 2008–09 and 2009–10 financial years. Are there cases where there are proposals but the assessment does not actually occur? Earlier there was mention of the fact that now there is this weeding-out process, so some of these smaller projects do not actually get that assessment. What I am trying to get a gauge on is the extent to which cost becomes a prohibitive factor in doing assessments on all projects, and whether there is some detriment to the state as a result of that.

**Hon DONNA FARAGHER:** There are projects that come before the EPA for a determination in terms of level of assessment—this is at the initial stages—and the EPA chairman may decide that a project need not be assessed, and then it can go through its normal processes. We can provide that for you, and that might be helpful to you. There are obviously other examples where people put forward a proposal and then they withdraw it prior to a determination and recommendation being

made by the EPA. So would you be seeking those where the chairman has made a recommendation that it not be assessed, in addition to those that are assessed?

**Hon LJILJANNA RAVLICH:** Yes, for the total number of projects; that is, those that have been formally assessed, and those that are not assessed. But my understanding is that there is still that third category; that is, those projects that do not actually get that far.

**The DEPUTY CHAIR:** This is not the 400 or so that you talked about originally?

**Hon LJILJANNA RAVLICH:** I do not know how many. We must be talking about more than 400.

**Hon SALLY TALBOT:** Are you talking about the mining?

**Hon LJILJANNA RAVLICH:** Yes. I am talking about the decision that is made by the department under the MOU system. How many projects are there in total? How many projects that are actually under that MOU do not get to you, because they are smaller projects? When those projects do get to the EPA, we can divide them into two categories—those that are assessed, and those that are not assessed. That is really the break-up that I am interested in. I want to know what the total quantum of projects is, and what proportion of those projects have been formally assessed, and what proportion have not been assessed; that is, do not even get there for assessment?

**The DEPUTY CHAIR:** I think that information should be fairly at hand for you, because at page 843, under the table “Environmental Impact Assessment and Policies”, you have an average cost. If you have an average cost, you must have an average number.

**Hon DONNA FARAGHER:** Yes. Having said that, though, and if we can revert to one of the earlier questions with respect to DMP, which I think is the first category that you are referring to, I think we have already taken that on notice. As far as we can provide that information, we will assist the committee in that regard, albeit recognising that that is not within my portfolio that I have responsibility for. I think that aspect is covered in one of those earlier questions that we took on notice.

*[Supplementary Information No A9.]*

**Hon LJILJANNA RAVLICH:** Can we have that trend data for 2007–08, 2008–09 and 2009–10?

I also have a question about the table headed “Outcomes and Key Effectiveness Indicators”. The last item in that table is percentage of audited projects where all environmental conditions have been met, with a figure of 85 per cent. That means that 15 per cent of projects are approved irrespective of the fact that they do not meet all the environmental conditions, or they may be projects that are rejected and do not proceed any further. What happens to the 15 per cent of projects that do not meet all the environmental conditions?

**Mr Taylor:** That relates to projects that have been approved. When projects have been approved, we then go out and do compliance auditing to see what percentage of those projects are complying with the conditions. So in that particular year, we would have gone out and audited, say, 50 projects, and of those 50 projects, 83 per cent were in compliance and 17 per cent were in non-compliance. Typically, those non-compliances related to smallish matters, sometimes administrative matters where they have not submitted a report, or other small matters, and invariably they have not resulted in significant environmental harm. If they have caused significant environmental harm, then enforcement action is implemented.

[3.50 pm]

**Hon LJILJANNA RAVLICH:** Can you list the projects that did not conform, those that did result in significant environment harm and what they were and what the harm was, and those that you considered did not meet the benchmark of being significantly harmful and that you let go by the wayside and what those projects were and what the issue was relating to?

**Mr Taylor:** My understanding is that in the case of all those, there was no significant environmental harm caused.

**Hon SALLY TALBOT:** Does that mean there was no enforcement action taken in relation to the 17 per cent?

**Mr Taylor:** No, there would have been compliance letters sent recognising they were in non-compliance and they were put on notice, in effect, that they needed to get the project back into compliance. I understand that in all cases those projects have been brought back into compliance with respect to the actions that they had not taken.

**Hon SALLY TALBOT:** In that case, could we add an extra question on the number of occasions when an enforcement has been taken in the last three years, or are you saying there have not been any?

**Mr Taylor:** There have been only a few, but we can check.

**Hon DONNA FARAGHER:** It mainly relates, as I understand it, to someone not handing in the annual report in time or they were supposed to put something on their website. As soon as that error has been identified through a compliance check, and the Office of the EPA has sent out a letter to the proponent, it is rectified. We can provide that information.

*[Supplementary Information No A10.]*

**The DEPUTY CHAIR:** We are just about out of time. We lost a little bit of time with the fire emergency. We will go over for another five minutes. Is that okay?

**Hon DONNA FARAGHER:** That is fine. I have another engagement.

**The DEPUTY CHAIR:** I have a couple of questions. Do any other members have any questions?

**Hon KEN TRAVERS:** On the issue of risk assessments, I am interested to know what statistics you keep on the number of risk assessment audits—sorry, on the number of audits you do. I assume there is a risk assessment process and there must be different levels. One would be a superficial documentation check and then there would be more substantial checks, depending on the assessment of the risk. What sorts of statistics do you keep and maintain with respect to the compliance audits?

**Mr Taylor:** Certainly over the last few years we have had good statistics. We have ranked most of the projects. We have about 13 that are ranked as high priority, and we would aim to audit those at least once a year, and another 160 that are medium priority, and we aim to audit those every three to five years. We have a clear audit program that sets out how many we will undertake. Most ministerial statements have a condition on them which says that the proponent has to put in an annual compliance report. Once we receive those, we go through those as well. We can provide that detail.

**Hon KEN TRAVERS:** It would be good if that could be taken as supplementary information.

*[Supplementary Information No A11.]*

**Hon KEN TRAVERS:** Noting your earlier comments about the significant number of projects that are coming before you, I understand that you will get some projects off your books when they get your approval. A lot of the projects would result in an increase in the number of projects that are subject to the need for environmental compliance auditing. It strikes me that there would need to be a substantial increase in your budget each year to maintain that same level of auditing of a bigger number of projects, but there does not seem to be an increase of any significance in your budget over the forward estimates. I wonder if you could explain to me how you intend to manage that issue.

**Mr Taylor:** There was a significant injection of additional resourcing a few years ago, post the Esperance lead issue. There was a recognition of the need to strengthen the compliance audit

function. The number of resources increased by about 30 or 40 per cent. That gives us a jump ahead, which has given us an adequate number. It certainly will be an area that we will continue to watch. If we feel that the load is increasing too much, we will go back to the government as part of the normal annual budget cycle.

**Hon KEN TRAVERS:** Maybe as part of the questions you take on notice, you could give us an indication of how many projects you expect to audit over each of the four years of the forward estimates.

*[Supplementary Information No A12.]*

**The DEPUTY CHAIR:** If I can ask a question on a similar theme, the compliance intrigues me because I am not sure how much of it is desktop compliance in relation to the reports you are receiving and how much is getting out into the field. I come from an agricultural field. I know how people actually take shortcuts. There must be a lot of miners who are much more aggressive in this regard, I would think. Do you have a sufficient number of people in the field to check whether the compliance is for real or not?

**Mr Taylor:** We are satisfied at the moment that we do, but we need to continue to review that. As Hon Ken Travers said, it is a growing area and it is one that we need to be on top of, and we continue to consult with government on that. We have them out in the field. That is our primary mechanism for auditing and the desktop is a secondary order of compliance auditing.

**The DEPUTY CHAIR:** Out on the field of compliance, based on the \$1.4 million, which would include overheads, you might have \$1 million for direct wages and salaries, so I guess that is about seven or eight people?

**Mr Taylor:** We have 12 people. Last year they did 50 what we call “proactive audits” and about 12 “reactive audits” where issues were drawn to our attention. It is about 60 audits a year, which may not sound large but these are fairly complex projects and a lot of planning goes into them. On top of that, we have a number of compliance reports sent to us. I have asked that question. In fact, we do not record how many annual compliance reports we get in, but I have asked them to implement that now so that we will have an understanding of how many compliance reports we are getting each year.

**Hon KEN TRAVERS:** How many of them are announced and unannounced? How many are there where the person being audited would be expecting you? I imagine that on some of the remote mine sites it would be very difficult to do an unannounced audit. How do you manage that?

**Mr Taylor:** I would have to come back with advice on that. The intention is to see that they are announced so that you can get maximum benefit in terms of the knowledge that is there, but I do understand the issues that that raises in terms of people perhaps tidying up their housework before we get there.

**Hon SALLY TALBOT:** Are these auditing offices also based at the Atrium in Hay Street?

**Mr Taylor:** Yes.

**Hon KEN TRAVERS:** Mind you, having recently visited a uranium mine, even though they knew members of Parliament were coming, they did not tidy up their house.

**The DEPUTY CHAIR:** I gave a commitment to close the hearing. We have a few more questions, but unfortunately we need to close. In conclusion, the committee will forward any additional questions it has to you via the minister in writing in the next couple of days together with a transcript of evidence, which includes the questions you have taken on notice. If members have any unasked questions, I ask them to submit these to the committee clerk at the close of this hearing. Responses to these questions will be requested within 10 working days of receipt noting what we said before, minister. Should the agency be unable to meet the date please advise the committee in writing as soon as possible before the due date. You will have to do that. The advice is to include

specific reasons as to why the due date cannot be met. On behalf of the committee, I thank you for your time and information.

**Hearing concluded at 4.00 pm**