

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

2022–23 BUDGET ESTIMATES



**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
WEDNESDAY, 22 JUNE 2022**

SESSION TWO

DEPARTMENT OF WATER AND ENVIRONMENTAL REGULATION

Members

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

Hearing commenced at 12.00 noon

Hon STEPHEN DAWSON

Minister for Emergency Services representing the Minister for Environment, examined:

Mrs MICHELLE ANDREWS

Director General, examined:

Dr SHAUN MEREDITH

Executive Director, Environmental Protection Authority, examined:

Ms SARAH McEVOY

Executive Director, Strategic Policy, examined:

Mrs HILARY MANDERSON

Chief Finance Officer, examined:

Mr EDWARD SCHULLER

Executive Director, Regulatory Services, examined:

Mr ADRIAN WILEY

Senior Policy Adviser, Minister for Environment, examined:

The CHAIR: I welcome everyone to today's hearing. The committee acknowledges and honours the traditional owners of the ancestral lands upon which we meet today, the Whadjuk Noongar people, and pays its respects to their elders both past and present.

Have you read, understood and signed the document titled "Information for Witnesses"? A collective nodding of heads is fine.

[Witnesses nodded.]

The CHAIR: Yes; all good.

Your testimony before the committee must be complete and truthful to the best of your knowledge. This hearing is being recorded by Hansard and broadcast live on the Parliament's website. The committee will place the uncorrected transcript of your evidence on the internet a few days after the hearing. When the transcript is finalised, the uncorrected version will be replaced by the finalised version. This is a public hearing, but the committee can elect to hear evidence in private. If for some reason you wish to make a confidential statement, you should request that the evidence be taken in closed session before answering the question.

Members, before asking your question, I ask that you provide the relevant page and paragraph numbers wherever possible.

Would the minister like to make a brief comment or statement?

Hon STEPHEN DAWSON: I will not, thank you.

The CHAIR: We will move to questions. We will go to the committee first. Hon Samantha Rowe.

Hon SAMANTHA ROWE: Minister, I am referring to budget paper no 2, page 685, and you will see down towards the end under "Spending Changes" and "New Initiatives" the "Sectoral Emissions

Reduction Strategies". Minister, can you please advise how SERS is going to assist WA in achieving net zero emissions by 2050?

Hon STEPHEN DAWSON: Sure. Thanks, honourable member, for the question. Can I say, as a former Minister for Environment, I am very pleased to see the launch of the sectoral emissions reduction strategies development. The strategies will form a core commitment under the WA climate policy and enable the state to responsibly—my word—achieve net zero emissions by 2050. Western Australia's approach to a statewide plan for emissions reduction recognises the value of the sectoral approach to decarbonisation but also acknowledges that different sectors can reduce emission at different rates. So, the strategies will be developed using robust modelling, producing critical insights into emissions reductions pathways for key sectors of the economy.

Some sectors have access to demonstrated and mature abatement technologies and they can reduce emissions quickly. With hard-to-abate sectors, they may require the development and, indeed, the commercialisation of emerging technologies, so as a result they will take longer. The strategy development—the intention is that it will be undertaken in consultation with business, industry, government and research institutions to ensure co-benefits and, hopefully, reduce any unintended outcomes for exposed regions or, indeed, industries or communities.

Last week, you would have seen an announcement from the Premier and the Minister for Energy that Synergy will transition out of coal-fired power and no longer burn coal for electricity by 2030. Now, as part of this transition, the state government has also committed to not commissioning any new natural gas-fired power station on the SWIS, the south west interconnected system, after 2030. The government will make a significant investment of an estimated \$3.8 billion in more renewable generation and storage over the coming decade. That is to ensure the ongoing stability of the electricity network while keeping electricity affordable. By phasing out coal-fired power, Synergy's carbon emissions will be reduced by 80 per cent by 2030, and that includes a 40 per cent emissions reduction on the SWIS compared to 2020–21 levels. The sectoral emissions reduction strategies will build on the announcement and they will map sectoral pathways that are consistent with the government's target of net zero emissions by 2050. This will be the largest infrastructure program in WA since Metronet and will set up the state for low-carbon but also reliable and affordable energy while creating thousands of what is often termed "green jobs" in regional WA.

I think this announcement sends a signal to the broader WA community that the government is serious about climate change and setting up WA for a prosperous low-carbon future. Funding has been committed to develop a package of resources that will guide and support agencies and GTEs to enhance their capability to measure and report emissions and identify emissions reduction options for their operations.

Hon JACKIE JARVIS: Minister, I refer to page 687 of budget paper No 2. I am particularly looking at dot points 11 and 12, which relate to approvals specifically around mining and mineral resources. The budget notes in the dot points, dot point 12 in particular, that there is \$40 million committed over the forward estimates for 70 FTE, and it talks about that the FTE is there to streamline the referrals to the EPA for mineral and mining exploration. In my electorate in the south west, there is a number of communities—places like Quinninup, Denmark and Margaret River—that have expressed concerns, I guess, about speculative mining or mineral exploration proposals. I guess that word "streamlining" might cause some concern. How do we balance the demands of streamlining an approval process, but also ensuring that the same rigorous environmental impact assessments remain in place?

Hon STEPHEN DAWSON: Sure. First of all, I can say streamlining does not equal reduced environmental protection, and certainly that is something that I commenced work on in my time as

Minister for Environment and then Minister Sanderson and now Minister Whitby continues that work. What we are trying to do is remove inefficiencies in the assessment processes and then target proportionality to risk, and that ensures that resources can be directed at those activities and proposals that have the potential to cause the greatest harm. This can be good for the environment but also for proponents who have to go through the assessment process. What we are seeing at the moment, and have done for the last couple of years, is a significant call for environmental approvals. We have a pipeline of projects out there and we are seeing a significant call on our resources. But notwithstanding that, I think this is a win for the environment, but also a win for proponents too. But I might ask Dr Meredith if he can elaborate further.

Dr MEREDITH: Certainly over the last two years, we have had a record number of referrals into the system, so the need for streamlining is apparent; we need to process those in a timely manner, absolutely. But I concur 100 per cent with the idea that that streamlining involves a range of measures, both legislative and otherwise, that also result in improved environmental assessments being done and the quality of those environmental assessments being more stringent than they might otherwise have been through that process as well and, based on risk, getting rid of some of the less significant issues out of the domain of the EPA process, which is the major environmental approval process.

[12.10 pm]

Hon JACKIE JARVIS: Also in the budget papers, on page 686, is the native vegetation policy for Western Australia. It talks about the recent announcement of the release of the first native vegetation policy for WA. I am just interested: why does the policy focus on government activities and not the broader community?

Hon STEPHEN DAWSON: The policy's aim is to enable all stakeholders to contribute to a net gain in native vegetation, and then also in conserving biodiversity, fixing carbon and building a restoration economy. It does start with government. The management of native vegetation is highly decentralised across more than 15 pieces of legislation, each with different purposes and objectives. There is a range of competing priorities. A whole-of-government approach is needed to promote strategic coordination across state government functions. The policy guides state government agencies to work together and with stakeholders to achieve the policy outcomes. It has been a while in the making, can I say. It took longer, and obviously COVID probably had impacts on it, but it is a significant piece of work and I think it sends all the right messages to the community. I am not sure if anyone else wants to add to that. Mr Schuller might want to add.

Mr SCHULLER: Just to add on to that is the interrelation of a lot of those programs—things like green jobs, carbon for conservation, rural community-based projects, and allowing the community to partake and introduce jobs as well.

Hon JACKIE JARVIS: As a very quick follow-up, there are only two years' funding for the line item on page 685. The line item is "Native Vegetation Policy Implementation" and there is funding for 2022–23 and then 2023–24. Is that just around the implementation plan? Is that why there is only two years' funding?

Hon STEPHEN DAWSON: Yes. Many of the actions can actually be achieved now through better coordination across government's usual business and also existing funded initiatives, but in addition, an allocation of \$3.3 million has been allocated over the two years to implement the key road map actions. They include the initial design and the consultation phase for mapping, and then the monitoring of native vegetation statewide. The outputs and the outcomes delivered in the first two years will then essentially inform and support further resource planning to help us to continue

that policy implementation. It is likely that there will be further budget requests as we progress down that pathway. Essentially, this is just the commencement of it.

Hon Dr BRAD PETTITT: I might just continue that line of questioning, because it was going to be one of mine as well. Has the department completed costings for the full implementation of the native vegetation policy; and, if so, what is the total amount required?

Hon STEPHEN DAWSON: No, we have not. As I kind of pointed out, we are doing that mapping now. That \$3.3 million in the budget now will help us shape what is needed. Once that is done, we will essentially know what it will cost and we can go back to seek further funding.

Hon Dr BRAD PETTITT: The reason I ask is that we have been contacted by several stakeholders, who are concerned that the \$3 million that you have got is not going to be nearly sufficient to do that. This probably comes back to the previous question asked by Hon Jackie Jarvis. That funding will actually increase in the out years to implement this. This is just around mapping.

Hon STEPHEN DAWSON: Once we know the problems—it is not a problem—but once we know what we need to know, we can then go back to Treasury to seek further funding for the various elements that we identify through that mapping process.

Hon Dr BRAD PETTITT: I would like to return to the sectoral emissions reduction strategies. On page 686, part 2 under the significant issues impacting the agency lists a whole range of areas that will be part of the SERS. Is this meant to be the complete list? It has Energy, Transport, Planning et cetera. Is that all of the agencies that will be doing the SERS pathways?

Hon STEPHEN DAWSON: If I can just clarify, the box at the top of page 686 lists the ongoing initiatives.

Hon Dr BRAD PETTITT: On page 686, number 2 under the significant issues impacting the agency reads —

The Department has received resourcing to lead development of the SERS. This includes coordinating modelling, analysis, consultation and policy development across the Energy; Transport; Planning; Lands; State Development, Jobs and Trade; Mines and Petroleum; Commerce; Agriculture and Food; and Hydrogen Industry portfolios.

Is that a complete list?

Hon STEPHEN DAWSON: I do not believe it is. There is work happening across all portfolios. As it says, the list includes those agencies, because they tend to be the major ones, but other agencies are involved in the process, too.

Hon Dr BRAD PETTITT: Obviously, the ones that came to mind for me were that Health is not on there and Housing is not on there. I just wanted to make sure that we were likely to see those. On the SERS, there was a time line when that was released last year around the process. Are we on track in terms of that implementation?

Hon STEPHEN DAWSON: I am advised that we are on track. The time line was towards the end of next year.

Hon Dr BRAD PETTITT: Do you know if the sectoral emissions reduction levels will be using 2005 as their baseline year? Has that been decided yet?

Hon STEPHEN DAWSON: I am advised that the answer is yes.

Hon Dr BRAD PETTITT: Thank you very much. The last bit around that is: how will you progress the SERS implementation if there is no budget allocation in the out years beyond 2023–24?

Hon STEPHEN DAWSON: It is essentially a hypothetical question, honourable member.

Hon Dr BRAD PETTITT: Why is there no budget allocation beyond that? The minister can go back a page.

Hon STEPHEN DAWSON: The intention is that the SERS will be delivered by 2023. As I indicated, we are working to meet that time line. Should it slip, obviously, it will be open to the agency to seek approval.

Hon Dr BRAD PETTITT: So individual agencies will have budget allocations for those SERS rather than it sitting within this agency?

Hon STEPHEN DAWSON: Potentially.

Hon NICK GOIRAN: If I can get the minister to turn to page 691 of the budget papers, he will see there the outcomes and key effectiveness indicators. The very final one is the one that interests me at this point—it is the number of ministerial statements audited compared to targets. As you can imagine, the expected budget in the current financial year and in the one to come is 100 per cent. Although in the 2020–21 period 98 per cent was achieved, we dropped to 83 per cent. An explanation is provided at note 11, so I do not need any witness to regurgitate what is already sitting there. What I am interested to know, minister, is: what are the ministerial statements that have not been audited in the current financial year?

Hon STEPHEN DAWSON: We are going to see if we can find out which ministerial statements have not been audited in this financial year. Essentially, compliance monitoring is managed through a structured annual compliance management program. The program sets out the number of audits to be undertaken and, using a priority matrix, identifies the ministerial statements to be audited. The minister imposes ministerial conditions on proposals to ensure that they are managed in an environmentally acceptable manner. The 2021–22 estimated actual is expected to be lower than the 2021–22 budget due to the department's refocus on the resolution of longstanding compliance issues and reduction of effort towards proactive compliance matters.

Hon NICK GOIRAN: That is the regurgitation of point 11.

Hon STEPHEN DAWSON: We will see if we can find out anything else.

Hon NICK GOIRAN: That is right: what are these ministerial statements that have not been audited?

Hon STEPHEN DAWSON: We will see. I am not taking it yet. I am going to see what I can find out. We might come back to it at the end.

The CHAIR: You will what, sorry?

Hon STEPHEN DAWSON: I have not got an answer for the honourable member yet; we are seeking it. I propose to provide the answer before we finish the session.

Hon NICK GOIRAN: I want to follow this up, so maybe, Mr Chairman, if you want to go to the next member, could I come back immediately after the next member?

The CHAIR: We may not have the answer then.

Hon STEPHEN DAWSON: It depends how long. I am happy to engage with you again.

The CHAIR: Sorry; we have not got enough time.

[12.20 pm]

Hon NICK GOIRAN: Can I ask this question, then, Mr Chairman? How many ministerial statements are there?

Hon STEPHEN DAWSON: There are about 1 200 ministerial statements, I am advised.

Hon NICK GOIRAN: All right, and are you taking on notice how many —

Hon STEPHEN DAWSON: No, not yet; I am going to see what I can provide to you.

Hon NICK GOIRAN: I will follow it up later.

The CHAIR: We will see how we go with it. We might come back to it.

Hon Dr STEVE THOMAS: Minister, I take you to budget paper No 2, volume 2, and page 694. I know there was an issue in printing some of the budget papers, but I note that mine jumps from 686 to 704 and did not have all those sections in it. I presume, given my passion for the environment, that was not a personal attack! This is the section on water regulation and licensing in government. I note that the department has once again, as it does every five to 10 years, put in, effectively, an ambit claim to extend its power over the process. For those people who are subject to the proposed water changes, can you give us an indication of what the intent of the government is, including the review of the water act? When can we expect that? Can you give us an indication of whether we are going to continue to see things like spring rights dealt with and increasingly restricted in terms of access?

Hon STEPHEN DAWSON: I am very sorry, honourable member, but we have only the environment side of the agency. The committee confirmed with us that it was only the environment side of DWER that was called. It is essentially the sections of the budget that deal with the Minister for Environment's portfolio, not the Minister for Water's, so you might have to ask those questions as part of the supplementary question process. It was clarified, I am told, but we were told that water was not required.

Hon Dr STEVE THOMAS: Given the time, chair, I suggest you move on.

Hon STEPHEN DAWSON: Before you do, you did mention the budget papers and printing. Pages 705 and 706 are not included in the printed *Budget statements* for the Department of Water and Environmental Regulation in volume 2 released on 12 May. An error occurred as part of the printing process that resulted in the missing pages being incorrectly replaced with repeated copies of pages 685 and 686. The missing pages 705 and 706 were attached and were included at the front of the printed document.

Hon Dr STEVE THOMAS: I am missing everything from 686 to 707.

Hon STEPHEN DAWSON: You got a dodgy copy!

Hon STEVE MARTIN: Minister, I seek your guidance. My question is around environmental approval for road clearing from local governments. I cannot find in the outcomes and key effectiveness indicators the correct line that I think lines up with that. Is there a measure of the approval process—the timeliness or otherwise of that—that lines up directly with one of those key effectiveness indicators? That is the first part of the question.

Hon STEPHEN DAWSON: There is not. I will ask Mr Schuller if he can comment.

Mr SCHULLER: Thanks for your question. Certainly, there is not a line item in the budget. The department aims for a 60 business day turnaround and is getting 80 per cent of those applications through in that period.

Hon STEVE MARTIN: Sorry—how many days?

Mr SCHULLER: Sixty business days.

Hon STEPHEN DAWSON: "Aims for" was the comment.

Hon STEVE MARTIN: Indeed, which is the reason for my question. I am hearing from a lot of local governments regionally that it is significantly longer than that. Does the department measure that number?

Hon STEPHEN DAWSON: I think Mr Schuller is going to look for some information. Can I just say, though, in terms of the approvals processes, quite often it relies on the application that has been provided by the proponent; in this case, it might be a local government. Sometimes the application is deficient or does not include all the required information. If that is the case, the process is stopped and we do not meet that time line and in fact it would not be captured. Do you have anything else you want to say?

Mr SCHULLER: Yes, I do. Just bear with me for a second. Certainly, over this year, we have received 276 applications and determined 267 in that period and are working solidly through that process. At present, 48 per cent of those applications are decided within the 60-day time period. We are working very hard towards improving that—that is for this financial year to date—into next year. That is obviously across the agency. There are numerous challenges around staffing pressures and having staff in place to do those approvals and experience across the broader industry with environmental scientists.

Hon STEVE MARTIN: Is that local government roads or Main Roads and local government roads?

Mr SCHULLER: That is all applications for native veg permits.

Hon STEPHEN DAWSON: So it would include both.

Hon TJORN SIBMA: I might take up where we left off on the sectoral emissions reduction strategies on pages 685 and 686. First of all, I will make the assumption that the spend on page 685 primarily relates to the task that is identified at paragraph 2 on page 686, which is the modelling and analysis component. May I ask: who will be undertaking that modelling and who will be undertaking the analysis?

Hon STEPHEN DAWSON: Thank you. I will ask Ms McEvoy if she can comment on that, please.

Ms McEVOY: The funding that is in that line item is actually not for the modelling; that is for staff for the department. The Department of Water and Environmental Regulation is leading in terms of the coordination of the sectoral emissions reduction strategies modelling and general strategy development. Each of the agencies that were previously referred to is working with its own sector, if you like, and modelling is being undertaken in each of those sectors—for example, Energy Policy WA, and DMIRS is the lead for that. That is in a different line item against the relevant agencies.

Hon TJORN SIBMA: So DWER, of itself, is not conducting overarching modelling to any degree. The funding is principally for staff to coordinate the process and the major components of the work.

Ms McEVOY: For each of the sectors that need to be modelled, there is a task in putting that together as well. You can model each sector, but you need to understand how they work together. There are a number of plausible pathways, so the modelling needs to consider if you do one thing in one sector, how it would affect the overarching reduction.

Hon TJORN SIBMA: Indeed. As the agency responsible for coordinating the process, what capacity for modelling individual sectors resides in individual departments and agencies in the public sector, and how much of that work is going to be effectively outsourced?

Ms McEVOY: It is a mix. Energy Policy WA, for example, through its whole system planning and so forth, has very significant internal capacity. Other agencies may have less. It is also something that has been built up through this process. It is a new piece of work, so we are all having to develop these capacities.

Hon STEPHEN DAWSON: If I can just add to that, a range of agencies have been funded to undertake work in relation to the SERS. DWER are piloting a sectoral adaptation plan for the health sector in collaboration with the Department of Health. Transport are doing transport SERS—freight and

regional. DPIRD has been resourced to assist in the development of the agricultural component of the SERS. JTSI have been resourced to assist in the development of the industry component of the SERS. Transport is doing some modelling in relation to the development of the fleet and a greenhouse gas emissions module for the strategic transport evaluation model. EPWA is doing work in relation to the energy sector modelling for the SERS, and then DWER has a role too.

Hon TJORN SIBMA: Is there a deadline by which that modelling work should be completed?

Hon STEPHEN DAWSON: There is not a deadline in terms of the modelling work, but the project —

Hon TJORN SIBMA: Will it be determined sector by sector, for example, in a sensible way?

Hon STEPHEN DAWSON: As I previously indicated, on the project time line, the intention is to be finished by the end of 2023, but there is no kind of mini deadline established as part of the process for the various agencies.

Hon TJORN SIBMA: Obviously, this involves deep consultation with the industry. Aside from the kick-off roundtable meeting, which I think was held at the end of last month, what follow-up consultations—in fact, what was the outcome of that consultation roundtable and what meetings have ensued since then?

Hon STEPHEN DAWSON: I will ask Ms McEvoy if she can provide what she can in response to that.

Ms McEVOY: The information that was provided by stakeholders at that roundtable was captured on the day and has been very much part of the planning of the SERS implementation team. The individual agencies that were just mentioned are each contacting their own stakeholders and starting that process of engaging with them. DJTSI, for example, is contacting the Chamber of Minerals and Energy around the process for how the industry sector will work, and that will continue to build as modelling is done and informs discussions. So it is not a static thing; they will have deeper conversations.

Hon TJORN SIBMA: At another time I might get to that consultation process, but can I determine something, please, because I asked a question on notice, I think, last week or the week before concerning the finalisation of the industries to which the SERS will apply. I suppose what you have identified in the budget papers is a series of sort of agglomerated activities, be it transport, whatever. When will you finalise the specific industries? I suppose my question here is: there is an issue between exploration geologists, mining and the oil and gas sector, and it picks up what you identified at the start, minister, that different industries, different sectors of the industries, have differing carbon footprints and differing capacities to abate. So, long question short: will you lump oil and gas in with mining? If so, why; if not, why not; and when will that determination be made?

Mrs ANDREWS: The issues that you are raising are really important part of the consultation engagement process right now, and that is one example of why it is really important in working out how to dissect these areas, but to still be looking at the whole in a way that is meaningful is really important. What I wanted to do was signal that the ministerial task force, which the Minister for Environment; Climate Action is chairing, is overseeing all of this, and to really respect the role that they are going to play in that process and the information that is going up to them to inform that decision-making.

Hon TJORN SIBMA: Thank you for that. Nevertheless, in the budget papers paragraph on climate change, I mean, you said this body of work is due to be finalised by December next year, or end of next year, 2023. Along that process, I would anticipate that a fundamental decision point is which industries the SERS are going to apply to. Internally in your schedule of work, do you have a date by which that determination will be made; and, if so, what is it likely to be?

Hon STEPHEN DAWSON: No. The Minister for Mines and Petroleum is a member of that task force that the director general alluded to. It is representative of the key agencies across government. Each minister, you would not be surprised to hear, is a champion for their own sectors, and so each minister is ensuring that all the sectors that they represent and the views of the sectors that they represent are fed into the conversation about the process and what happens when and who is captured by what.

Hon TJORN SIBMA: I might ask a different question, actually, two questions. The first one is: what emissions scopes are the SERS likely to apply to? Is the principal focus on scope 1 and, potentially, scope 2 emissions? Is there any likelihood that scope 3 emissions would be captured in any industry SERS? So what I am attempting to establish is what your terms of reference are, because they are not abundantly clear to me.

Ms McEVOY: It will not include scope 3 because it is not within the control of Western Australia. These are about things that government and industry can control and manage and reduce impacts from.

Hon TJORN SIBMA: Last one on this. Minister, you were at pains to discuss the announcement that the government made regarding the future of coal-fired power generation in Collie last week. Implicit in that was a sort of articulation of what a government SERS might be, I suppose. Is there some wisdom in the state government effectively going first and publishing its overall sectoral emissions reduction strategy as a guide to the rest of industry?

Hon STEPHEN DAWSON: First of all, member, I would not say I was at pains. I have been very happy to participate in this process and provide answers where appropriate.

Hon TJORN SIBMA: If you are happy to do it, that is fine. Nevertheless, you were diligent in articulating and re-articulating government policy, so that was a congratulation!

Hon STEPHEN DAWSON: However, all of these issues are being considered by that ministerial task force, and so I cannot say anything further about who might lead or what might come out first.

Hon Dr BRIAN WALKER: I refer the minister to budget paper No 2, volume 2, page 687 and the paragraphs headed "Addressing Impacts of Climate Change on Water Resources and Availability". A bit of background to myself: for 20 years or so, I have been acutely concerned with water and indeed, environment and sustainability. In particular, here you mentioned something that looks very enticing, and paragraph 9, especially insightful, looking to identifying improvements to water use, efficiency and alternative non-potable water sources for a variety of uses. My concerns are that we have a —

Hon STEPHEN DAWSON: Honourable member, I point out to you what I pointed out to Hon Dr Steve Thomas, and that is that we are only dealing with the environment side of the agency, not the water side. We engaged with the committee, and the committee advised that it would only be the environment portfolio rather than water, so I do not have the advisers here with me. If you have got any questions in relation to water, you may want to put them in as part of the supplementary process.

The CHAIR: Minister, can I just get some clarification that there was correspondence between the minister's office and the committee, because we are having difficulty finding it.

Hon STEPHEN DAWSON: The request from the committee was that I was being asked to represent the Minister for Environment. The Minister for Water is a different minister, and no request was made to the minister representing the Minister for Water.

The CHAIR: That actually does not reflect the correspondence we have got, so we might need to look at that.

Hon STEPHEN DAWSON: Let us check. If you could ask your advisers.

The CHAIR: I have, and that is why I am saying —

Hon STEPHEN DAWSON: Let us ask them to double-check, because the correspondence that government received came to me to represent the Minister for Environment. Previously, we have called the Minister for Water.

The CHAIR: Sorry, minister, if I can just cut across that, that may have come to you, but there are two ministers involved here.

Hon STEPHEN DAWSON: I am advised, certainly by the advisers present today, that no request was sent to the Minister for Water.

The CHAIR: As I have said, we are at cross-purposes here. I think that contradicts the advice I have received, so we will check it as well. I just ask if you would do the same.

Hon STEPHEN DAWSON: Chair, I am always very happy to provide answers and always happy to make sure that we have the right people around the table.

The CHAIR: I do not want to have a debate on it. I am just saying, we will do it. I would appreciate if you would as well.

Hon STEPHEN DAWSON: We will check as well.

Hon Dr BRIAN WALKER: Chair, I think you will find that this does actually refer to environment not specifically to water, as a way of thinking. One of the problems I have, of course, is that we are actually wasting a lot of drinking water by pooing in it and flushing the toilets. You can actually turn human waste and animal waste and household waste into ethanol or methanol, and with that provide burners that then produce electricity and have a sellable or usable by-product, which would be far more environmentally friendly. I think we would all agree that that would be very useful. Has any attention been paid—I am sure it has—from a scientific point of view to managing the environmental risks due to our wastage and management of waste.

Hon STEPHEN DAWSON: Probably—by the water side of the agency.

Hon WILSON TUCKER: My question relates to the Murujuga rock art strategy and the monitoring program on page 686. I can see that through subsequent years funding for the Murujuga rock art strategy has been decreasing. Can you please elaborate on why? Is that a downgrading in terms of the prioritisation of this strategy or is there another factor involved?

Hon STEPHEN DAWSON: As part of the Murujuga rock art monitoring process, in the early years there was the need to establish the monitoring equipment. That is now in place. It is being rolled out now, so that is funded. What is in the years going forward is what is required to do the work. We have paid for the equipment and what is left in the budget now is to do the work, essentially. There is no cut in funding. It was always the intention that we would frontload it to be able to pay for the monitoring initially, and then we would just do the work over the out years.

Hon WILSON TUCKER: To paraphrase, there is less overhead ongoing?

Hon STEPHEN DAWSON: Yes. We have got the money for the ongoing stuff, but, as I said, the equipment was frontloaded in the early years.

Hon WILSON TUCKER: Thank you. I asked a question on notice recently about the time line for this report to be produced. I asked when would the results of the monitoring program be made available for public review. The answer I received was that results from the first year of monitoring studies

would be available in 2023. Are you able to give a more concrete time line? When in 2023 do you expect public results?

Ms McEVOY: The site selection and monitoring kicked off in March this year. The installation of the air quality monitors is taking the next bit of the current year. There are some issues, like there is with a lot of supply chain issues, getting stuff from overseas, but that is expected to be in place. The monitoring of the rock art is happening as we speak. The results are expected to be completed around midyear next year, and probably September-ish, the publication of those results, including interim environmental quality criteria, will be made publicly available.

Hon WILSON TUCKER: Just to expand on that point, as part of this report we are talking about that will be made publicly available, are you able to summarise what information or what questions will be answered as part of that? There has been a report recently produced by Ben Smith, a UWA professor. He conducted some independent research and found that in his opinion and in the opinion of the report the rock art is degrading. In his mind, the only question is the time line until the facial patina of the rock is worn away by nitrogen oxide in the atmosphere produced by industry in the Burrup. I am interested in what the report in this public information will tell us when it is released.

Hon STEPHEN DAWSON: I have not got Mr Smith's thesis or views in front of me, so I cannot comment on his research.

Ms McEVOY: The report by Dr Smith was very much using the monitoring data that was collected by CSIRO between the early 2000s up to about 2012 or 2013. There have been some question marks around the validity of that information. The purpose of the current monitoring program is to answer the questions that we cannot quite answer at this stage. It is very comprehensive. It does a whole lot of laboratory-based testing of rock panels that accelerate weathering and so forth to try to work out what compounds and what emissions may be causing damage, if any. It also monitors on site, so it monitors rock art, including things like pH deposition from various things. It has air quality monitors, so it is a very comprehensive program. It is aiming to ensure that any possible explanation or any change that might be seen is able to be determined.

Hon JAMES HAYWARD: I refer to budget paper No 2, volume 2, page 685. Hopefully this falls with you guys and not Water. I want to ask about the government's plans to address climate change on the state's water resources while also moving towards a reliance on green energy sources such as pumped hydropower. On 21 April this year, the government announced that WA's first pumped hydroelectric microgrid would be located at Walpole. Are you the right people to talk to about that?

Hon STEPHEN DAWSON: I can ask Ms McEvoy to answer that.

Ms McEVOY: That funding was part of the clean energy future fund pumped up to Walpole, so it was a microgrid to provide more reliable power to Walpole, which is subject to blackouts and so forth. That is what that proposal is aimed at funding.

Hon JAMES HAYWARD: Could you perhaps in a nutshell explain how it works and what it does?

Ms McEVOY: No—it is actually moving between two dams. If you have got dams that are at different heights in the landscape, you can use gravity, basically, to produce power, as they do in Tasmania.

Hon JAMES HAYWARD: Presumably they use solar to pump the water up the hill and then in the evening, or whenever, they pump the water down the hill and use the movement of the water to generate electricity.

Ms McEVOY: The water would move through by gravity, so they do not need any power for the moving down between the two. You would need to pump it up.

Hon JAMES HAYWARD: I think the purpose of the water running down is that it uses that to create the energy; is that correct?

Ms McEVOY: Yes, that is right. It is using the difference in topography between a higher dam and a lower dam to produce the energy.

Hon JAMES HAYWARD: Obviously, it is the first one, which is terrific. Is there some capacity to see that expanded and perhaps even utilised on private property? Obviously a lot of private dams would have the potential to do this type of thing and the benefit for government may be that it can be used to assist generating power for communities. Is any work being done around potentially looking at those sorts of solutions?

Hon STEPHEN DAWSON: I am advised that that question would be better directed to the Minister for Energy, because he will know exactly what work they are undertaking in this regard. My advisers here do not know what is happening elsewhere, but I am told that there is likely something happening in that portfolio.

I have had the director general check with the Minister for Water's office. There was no request received by the Minister for Water's office to appear before estimates.

The CHAIR: Okay; thank you.

[12.50 pm]

Hon DAN CADDY: I take the minister to the same volume, page 702, "Details of controlled grants and subsidies". The minister obviously has heard me speak a couple of times about clean energy for the future. The clean energy future fund is a line item here with no descriptors. Can you give an idea of where these grants and subsidies have gone? What programs are happening or have successfully been completed?

Hon STEPHEN DAWSON: Essentially, the clean energy future fund was about supporting the implementation of innovative energy projects around the state. The first funding round results were announced in January last year and \$2.6 million was awarded to two clean energy projects. The Minister for Energy and the current Minister for Environment; Climate Action announced the second round recipients in April this year, and \$11.3 million was allocated to seven projects. Those seven projects are expected to invest about \$197 million, and most of it is in Western Australia. That will create up to 255 jobs during construction, with about 63 jobs in the operational phase. The projects are estimated to generate about 81 gigawatt hours and avoid around 132 000 tonnes of carbon emissions each year. The project's lifetime emissions reductions are estimated to be about 2.4 million tonnes, which is significant. If the two pilot projects included in round 2 prove commercially viable, the seven projects could reduce emissions by 32 million tonnes of carbon dioxide.

The projects are also expected to provide significant public good outcomes. They include Alcoa's electric calcination project, which will save eight gegalitres of water a year and provide 3.6 gigawatt hours of thermal storage, with the potential to support significant deployment of intermittent renewables on the south west interconnected system. Frontier Impact Group's biomass and Narrogin's pyrolysis project will produce 18 million litres of renewable diesel a year. Power Research and Development's pumped hydroelectric project, which I think Hon Jackie Jarvis mentioned earlier, will significantly reduce power outages for Walpole. The clean energy future fund is part of the state government's commitment to achieving that net zero by 2050, and it also supports our economic recovery from COVID-19, which is where it came from essentially.

Hon TJORN SIBMA: I have some questions around paragraphs 11 and 12 on page 687 of the budget papers, "Significant issues impacting the agency" and they relate to economic growth and regulatory

approval. At paragraph 11 there is a reference to the “backlog of applications and referrals”. It is a theme that has been addressed and returned to over a number of years. Can I first ascertain whether or not the department has a metric that measures the quantum of that backlog and how the current situation relates to, say, the last two financial years?

Hon STEPHEN DAWSON: I ask Dr Meredith to provide an answer to that.

Dr MEREDITH: Yes. We did have a metric. We keep track of that. I will work to give you the last few years. I can give you the numbers as they relate to the current situation, if that is appropriate. We have currently, approximately—it changes on a daily basis so I will give you some approximates—40 referrals of major proposals in the system. We are currently assessing 75 section 38 formal assessments as well. We are working on 30 section 45Cs, which are the minor amendments to existing proposals. We are working on 40 section 46s, which are minister request to change proposals, and relate to everything from changes in time line for proposals through to more significant changes. We have about 130 environmental management plans, which are the plans required to be delivered by proponents post-assessment. We have in the order of approximately 20 section 48As, which are scheme amendments in the system. Over the past few years, I can confirm that although those numbers do go up and down, there has been a general and slight increase in those over time.

Hon TJORN SIBMA: The concept of a backlog can, to some degree, be a value judgement; and, obviously the views of a proponent are going to differ to those of a regulator. However, of the list that you read in very helpfully, how many are overdue? What sort of backlog component constitutes that body of work?

Hon STEPHEN DAWSON: I think every proponent would say their project is overdue and they would want approval given now.

Hon TJORN SIBMA: Indeed, but the term “backlog” is used by the government. What does the government mean when it refers to a “backlog”?

Hon STEPHEN DAWSON: I will ask Dr Meredith to give an answer.

Dr MEREDITH: The numbers I gave you are the number of proposals that are currently in the system, not necessarily the backlog. Some of those have only entered the system in the past few weeks so they are clearly not a backlog. That is the total number there.

We have used “backlog” really to turn to the total volume of work that is in the department rather than having a statistic or a qualifier that determines backlog. Many of the proposals I read out, for example, will be on halt at the request of a proponent not to progress. There will be a range of other issues around complexity and others that will determine the ultimate time frame over which those proposals will be assessed. Some of them will be quite quickly; some will, obviously, take two or three years for the more complex ones as well.

Hon TJORN SIBMA: Can I ask a question about cost recovery? I think the table is on page 707. It is the cost recovery charge which has applied since January this year for the undertaking of, I think, specifically section 4—sorry, part IV, environmental assessments. I am trying to get the right reference.

There are a couple of issues here, but from the perspective of a proponent, is a proponent advised how many environmental factors will be considered by DWER or the EPA at the point of lodgement? For example, are there scenarios where there is effectively regulatory bill shock when a proponent anticipates a certain bill for that process but they get a larger one?

Hon STEPHEN DAWSON: I ask Dr Meredith to provide an answer to that.

Dr MEREDITH: The proponents are provided with an estimate of the costs based on the complexity and the number of factors that the EPA considers it is likely to assess. That is one of the main determinants of the ultimate cost. If during the course of an assessment additional factors are added, or indeed subtracted from that, the proponent is notified, so there should not be a regulatory shock, if you like, at the very end of the proposal.

Hon Dr BRAD PETTITT: I refer to page 686, “Significant Issues Impacting the Agency”, “Climate Change”. In December 2021, you released a document, Western Australian climate projections, based on AR5, which is 2014 data. When will updated climate modelling for WA based on AR6, which is 2021 data, be completed and available?

Hon STEPHEN DAWSON: I will ask Ms McEvoy to answer.

Ms McEVOY: The climate science initiative is working—are you talking about our projections or are you talking about climate science?

Hon Dr BRAD PETTITT: Yes. The Western Australian climate projections, that is right. But the previous ones were based on the old 2014 data. I am just wondering when that updated modelling will be based on the 2021 AR6 data?

Ms McEVOY: We have entered into a partnership with other state and territory governments, and also with Murdoch University, very recently as part of the climate science initiative that will be looking at AR6. We are still scoping that, so we should have downscale projections available as we work with our partners progressively. Part of that will be preparing material that is user ready so that it can be used by people who are both sophisticated and understanders of information and also people who just need ready information that can feed directly into their processes and into their planning.

Hon STEPHEN DAWSON: If I may provide an answer to Hon Nick Goiran’s earlier question. He asked about the numbers of ministerial statements and for a list of those. I am advised that the agency tries to undertake 60 audits of ministerial statements per annum. This year, it will only undertake 50. In terms of the 10 that will not take place, we will have to see what we can provide by way of supplementary.

[Supplementary Information No B1.]

The CHAIR: To finish off on the confusion with the departments—the email did go to asking for the Department of Water and Environmental Regulation to appear.

Hon STEPHEN DAWSON: That is the agency name. But it has always been the case. I have been the minister for four years.

The CHAIR: Sorry, but that is where it went. If there was any confusion, I think that is between departments. We will have to clarify that next time. I have seen the email. The email definitely went out asking for the Department of Water and Environmental Regulation.

Hon STEPHEN DAWSON: And it asked for me to represent, so let us work it out for next year. Apologies for the confusion. Let us work it out for next year.

The CHAIR: We can have Water at annual reports or something.

Hon STEPHEN DAWSON: It is not me, so it does not matter.

The CHAIR: Thank you very much for your attendance today. Members, you may submit your remaining questions through the electronic lodgement system, which will close at 5.00 pm on 1 July 2022. Witnesses, the committee will forward the uncorrected transcript of evidence with questions taken on notice highlighted as soon as possible after the hearing. Responses to questions on notice are due by 5.00 pm on 20 July 2022. Should you be unable to meet the due date, please

advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons why the due date cannot be met. Thank you once again for your attendance today.

Hearing concluded at 1.01 pm
