

**STANDING COMMITTEE ON ESTIMATES AND  
FINANCIAL OPERATIONS**

**2016–17 BUDGET ESTIMATES HEARINGS**

**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
THURSDAY, 16 JUNE 2016**

**SESSION TWO  
DEPARTMENT OF ENVIRONMENT REGULATION**

**Members**

**Hon Ken Travers (Chair)  
Hon Peter Katsambanis (Deputy Chair)  
Hon Alanna Clohesy  
Hon Rick Mazza  
Hon Helen Morton**

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**Hearing commenced at 1.30 pm**

**Hon DONNA FARAGHER**

**Minister representing the Minister for Environment, examined:**

**Mr JASON BANKS**

**Director General, examined:**

**Ms KELLY FAULKNER**

**Executive Director, Licensing and Approvals, examined:**

**Ms SARAH McEVOY**

**Executive Director, Strategic Policy and Programs, examined:**

**Mr SHAUN HODGES**

**Acting Executive Director, Compliance and Enforcement, examined:**

**Mr GRANT BAYNE**

**Acting Executive Director, Corporate Services, examined:**

**The CHAIR:** On behalf of the Legislative Council's Standing Committee on Estimates and Financial Operations, I would like to welcome you to today's hearing. Can the witnesses confirm that they have read, understood and signed a document headed "Information for Witnesses"?

**The Witnesses:** Yes.

**The CHAIR:** Thank you.

It is essential that all your testimony before the committee is complete and truthful to the best of your knowledge. This hearing is being recorded by Hansard and a transcript of your evidence will be provided to you. It is also being broadcast live on the Parliament's website. The hearing is being held in public, although there is discretion available to the committee to hear evidence in private. 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 before answering the question. Agencies and departments have an important role and duty in assisting the committee to scrutinise the budget papers and the committee values your assistance with this.

So it is formally recorded in *Hansard*, I would also like to welcome the Currumbine Primary School to the public gallery today and I hope that you all enjoy your visit to Parliament. Hopefully, I might see later in the year at one of your Anzac Day ceremonies or your graduation. All the very best to them. The other member who was waving at you is also a member for North Metropolitan Region, Hon Peter Katsambanis.

I now invite members to ask questions. Hon Adele Farina.

**Hon ADELE FARINA:** My first question relates to the "Environmental Regulation" heading on page 550. I want to know how much of the proposed 2016–17 total cost budget for service 1 is for clearing regulation activities?

**Hon DONNA FARAGHER:** I will ask the director general to say a few words. If we need to follow up, we will do so.

**Mr Banks:** Service 1 is inclusive of both our industry regulation and also our clearing regulation functions. It is not broken down by service type. The primary service cost in relation to clearing and

regulation is in relation to FTE salaries, which I think currently number—correct me if I am wrong, Kelly—around 16.

**Ms Faulkner:** Correct.

**Hon ADELE FARINA:** So you do not have officers who are specifically dealing with clearing regulations?

**Mr Banks:** Yes, around 16 FTE are dedicated to clearing regulations. The salary costs associated with those—I do not have that total figure to hand. It forms a portion of that total service 1 service cost.

**Hon ADELE FARINA:** Can we take that as a question notice?

**The CHAIR:** Yes, we can.

*[Supplementary Information No B1.]*

**Hon ADELE FARINA:** Thank you. How many of the 241 FTEs are actually involved in the clearing regulation work? Is that just the 16 that you mentioned?

**Hon DONNA FARAGHER:** Yes.

**Mr Banks:** Yes, in terms of the actual assessment and approval process, that is the 16 as well as executive oversight. Obviously, there are support services that are reflected across those services as well. That is the direct FTE involved. Compliance and enforcement around clearing regulation is performed by another area.

**Hon ADELE FARINA:** Under the draft green growth plan, it indicates that up to 9 800 hectares will be potentially cleared. Will this amount include clearing exemptions such as clearing for firebreaks on private land and under the local government and town planning schemes?

**Hon DONNA FARAGHER:** Ms McEvoy will be able to answer that.

**Ms McEvoy:** The classes of activity that are covered by the green growth plan do potentially include things that would otherwise be exempt from the requirement for a clearing permit—for example, subdivision approvals under the Planning and Development Act. The green growth plan has processes that deal with impacts on matters of NES regardless of the process.

**Hon ADELE FARINA:** Will the 9 800 hectares of proposed clearing targets include purpose permits, such as for Main Roads or Western Power activities?

**Ms McEvoy:** Potentially, yes, provided that it meets the process requirements in the strategic assessment documentation.

**Hon ADELE FARINA:** And they are?

**Ms McEvoy:** There are various different action plans depending on—I think the structure plan is, from memory, H; I would have to look to confirm that. It is still a draft so there is still some assurance work that is being developed in that regard.

**Hon ADELE FARINA:** Will the department track and report all clearing that is undertaken under the green growth plan?

**Ms McEvoy:** Where it is regulated by the Department of Environment Regulation, yes.

**Hon ADELE FARINA:** What does that mean exactly? Is there some that you will not cover?

**Ms McEvoy:** There will be total reporting of all of the classes of activity whether they be subdivisions, clearing permits or other mechanisms. The Department of Environment Regulation would be responsible for the activities that it regulates in contributing to that total reporting.

**Hon ADELE FARINA:** Has there been any assessment of whether additional FTEs will be needed under the green growth plan?

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**Ms McEvoy:** Not substantially, no; just some preliminary discussions.

**Hon ADELE FARINA:** What was the outcome of those preliminary discussions?

**Ms McEvoy:** That there may be, depending on what the processes that are finally determined are.

**Hon ADELE FARINA:** What is the time line for determining those?

**Hon DONNA FARAGHER:** Can I just point out that the green growth plan is obviously in draft at this point in time. A number of agencies are involved. The Department of the Premier and Cabinet is the lead with significant involvement with the department of environment as well as the Department of Planning. Obviously, it is out in draft at the moment. Public consultation has been completed and submissions are being worked through. The final documentation and some of those final decisions, which include what you are referring to, will obviously be finalised at a later time.

**Hon ADELE FARINA:** So no assessment has been made of any additional cost that will be involved in implementing the green growth plan?

**Hon DONNA FARAGHER:** What I can say is that there has been discussion about estimated costs over an extended period of time—around 30 years, I think—and some answers to that were given in the estimates with the Department of Planning earlier this week. Again, we took that on notice in that estimates hearing. I am happy to take it on notice for you as well, but appreciate it is not just the department of environment; it covers off on other agencies as well and it is not a finalised document yet. But I am happy to take it on notice to provide some more detail if that is useful to you.

**Hon ADELE FARINA:** That would be good, thank you.

*[Supplementary Information No B2.]*

**Hon ADELE FARINA:** My other question is in relation to service area 3 on page 551, under “Waste Strategies”. I want an understanding from government about what action has been taken towards examining a container deposit scheme in Western Australia.

**Hon DONNA FARAGHER:** I will refer to the director general.

**Mr Banks:** Thank you. There has been quite a long-running national process in relation to trying to get up a national container deposit scheme, which the departments and obviously the ministers from around the jurisdictions have been involved in. There have also been further negotiations on an updated packaging covenant, which is obviously the current regime in place. To date, there has been no consensus in relation to the outcome around a national scheme and there are also issues around the agreement to changes to the packaging covenant. In terms of government policy, obviously that is a matter for the government.

[1.40 pm]

**Hon ADELE FARINA:** There has really been no progress at all in terms of making a decision on the container deposit scheme in Western Australia. What I heard was there has been a lot of discussion, historically, but there does not appear to be anything happening currently.

**Hon DONNA FARAGHER:** I am not the Minister for Environment, obviously. If you want a more fulsome response, we can take that on notice—the minister’s response rather than the department’s response. But it is fair to say, there has been no decision made, obviously with respect to the work that has been ongoing for a number of years at the national level to identify whether or not there is capacity for a national scheme. It is recognised that there are some jurisdictions I am aware of—South Australia has had one for a long period of time. I think there are a couple of other jurisdictions that are moving in that direction. But in the immediate period is the packaging covenant, which is something that is worked through and that has been in place for a number of years.

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**Hon ADELE FARINA:** What work has been done by government to support or assist waste-to-energy proposals?

**Ms McEvoy:** The Waste Authority developed joint advice on waste-to-energy proposals with the EPA that has been used in the assessment of proposals by the EPA for waste-to-energy proposals. The Waste Authority's policy is available on its website.

**Hon DONNA FARAGHER:** For the reference of members, we did refer to a website. I know the practice of this place is that if we did want a copy of that policy, we would be happy to provide that, rather than just referencing a website.

**Hon ADELE FARINA:** That would be great; thank you.

*[Supplementary Information No B3.]*

**Hon ADELE FARINA:** Has the government made any assessment of whether there is a demand for electricity generated from waste to energy plants? If so, what is the outcome of that assessment?

**Hon DONNA FARAGHER:** I think that would probably be best addressed to the Minister for Energy. Obviously there is a regulatory role. As mentioned, we have the Office of the Environmental Protection Authority coming in later today and it might be appropriate to ask them some questions in terms of their approval processes, because I understand there have been a couple of projects that have been put forward for assessment. That might be a useful question to ask later. But for more specific general questions around energy, I am not sure whether this is the appropriate agency to refer to.

**Hon ADELE FARINA:** Then I might turn to page 556 and ask: why is there \$17 658 000 sitting unspent in the waste avoidance and resource recovery account?

**Mr Banks:** The process around the operation of the WARR account is that it is linked to an annual business plan produced by the Waste Authority. The Waste Authority flags its programs to government in that and that is subject to government approval. To date there has been a historical underspend in terms of it delivering the forecast expenditure out of the account, hence why there is an accumulation.

**Hon ADELE FARINA:** Why is there an underspend? You say you are doing forecasting and then you are underspending on the forecasting. What is going wrong?

**Mr Banks:** I guess there is probably a combination of reasons for that. There is obviously error in forecasting. There are also timing issues in terms of expectations around delivery and the result. If I may, I will ask Ms McEvoy if she can comment on that in a bit more detail.

**Ms McEvoy:** That is correct. There is often a lag time in delivery from the conceptual stage of programs to when actual funding is given through grants or other mechanisms. The Better Bins program is an example of that. There is \$20 million worth of contracts and there is some dependency on local government and its ability to reach agreement within council to be able to sign a contract. So that has delayed quite a number of contracts.

**Hon ADELE FARINA:** But more than three quarters of the money is still there, unspent. That is a significant underspend.

**Ms McEvoy:** Yes, it is \$20 million worth of contracts, so if you have a delay, that is quite a lot of money that is not spent.

**Hon ADELE FARINA:** How long are these contracts for?

**Ms McEvoy:** They are for providing improved waste kerbside infrastructure, so three bins, for example.

**Hon ADELE FARINA:** And you are saying that these are local government contracts?

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**Ms McEvoy:** They are contracts with local government for the funding, so they are continual contracts. Local government has its own procurement and other processes that it has to follow.

**Hon ADELE FARINA:** I am a bit confused here. I still do not understand why there is so much money left in this account when most local governments offer kerbside recycling.

**Ms McEvoy:** Sorry, the Better Bins program funds an extra bin. Most councils currently are delivering their waste services through the yellow top recycling bin and a green general waste bin. The Better Bins program adds a red waste bin and makes the green top a lime green top for organics processing. It is really infrastructure being rolled out to local governments through contracts.

**Hon ADELE FARINA:** Are you saying that there has not been much of an uptake?

**Ms McEvoy:** No, the uptake has been very good. They have their own processes in terms of procurement and actually being able to sign the contracts, which delays us from paying the money to local government.

**Hon ADELE FARINA:** But that is over a year.

**Ms McEvoy:** Yes.

**Hon DONNA FARAGHER:** Can I add something to this. The advice I have, and I know having moved different local authorities on occasion, is that previously there have been different approaches taken by individual local councils. I moved from one local council where there were three bins, to one that had one bin for an extended period of time, which was challenging I might add; however, that is another matter. As I understand, this is now moving to a system where there will be some consistency. Obviously some local government authorities will take longer than anticipated. That is the situation but it is moving towards a more uniform approach to waste management.

**Hon ADELE FARINA:** Would you be able to provide us with a list of those local governments that have taken up the proposal and are currently implementing it and how much money they are getting?

**Hon DONNA FARAGHER:** Yes, we can.

*[Supplementary Information No B4.]*

**Hon PETER KATSAMBANIS:** I refer to environment policy on page 550 and to full time equivalent employees around 39, current year actual in the budgeted year. How many of those FTEs are employed to work on climate change?

**Mr Banks:** There are currently four dedicated FTEs committed to climate change and they also have oversight from Ms McEvoy in terms of executive oversight and direction.

**Hon PETER KATSAMBANIS:** What sorts of areas do they work in? Do they work on adaptation measures or other issues?

**Mr Banks:** Yes, there is a focus on adaptation. Also we run a low emissions technology scheme—that is coming to conclusion but that has been very successful—as well as providing some advice on the mitigation actions being taken at a national level.

**Hon PETER KATSAMBANIS:** That leads into my next question. I was actually going to ask about the low emissions energy development fund on page 553 of the budget papers. There is about \$1 million in the forthcoming year; it was about \$2 million in this current financial year that we are finishing up on. What sorts of projects is that fund funding?

[1.50 pm]

**Hon DONNA FARAGHER:** I refer to Ms McEvoy. Are you talking historically or currently?

**Hon PETER KATSAMBANIS:** Let us say for the 2015–16 financial year, and if there is any funding already committed for the 2016–17 financial year, where that is committed to.

**Ms McEvoy:** I would need to look at the future out years, but the programs that are funded include a number of technologies such as the production of a biofuel from algae in ponds up near Karratha, a boiler using waste oat husks to produce energy in the Narrogin–Wagin area, the Carnegie Wave Energy project that has used wave energy to power parts of Garden Island and the Richgro biodigester that uses waste food to produce energy and also recycle waste food.

**Hon PETER KATSAMBANIS:** I will ask a question and then perhaps you will be able to take something on notice. Does the funding on page 553 under “Details of Controlled Grants and Subsidies” for the low emissions energy development fund go to grants or does it include an administrative component that is used by the department?

**Hon DONNA FARAGHER:** I will ask the director general to respond.

**Mr Banks:** That includes a proportion for the administration of one FTE, but the majority of it is grant money.

**Hon PETER KATSAMBANIS:** Perhaps on notice you could provide me with a breakdown of the projects that have been funded and the amount that each project has been funded?

**Hon DONNA FARAGHER:** For maybe the last couple of financial years?

**Hon PETER KATSAMBANIS:** Say, 2014–15, 2015–16 and any money that might have already been committed for 2016–17.

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

*[Supplementary Information B5.]*

**The CHAIR:** I just want to clarify something. The use of—I think you said wheat husks in Narrogin—that is a relatively recent one. Is that using some of the old plant that was being used for the mallee root generation? There was a power plant out Narrogin that I think was trying to generate power from mallee roots as part of the eucalyptus oil industry. Is it not the same? It is just completely separate?

**Ms McEvoy:** It is actually in Wagin.

**The CHAIR:** All right; you mentioned Narrogin earlier.

**Ms McEvoy:** I am geographically challenged!

**The CHAIR:** That is all right. The previous one was in Narrogin, so I wondered whether it was a new way of trying to use the facilities out there.

**Hon PETER KATSAMBANIS:** I have a couple of other questions. On page 551 you talk about the efficiency indicator being the cost of landfill levy compliance as a percentage of landfill levy income collected. The cost of compliance is going up and the fourth note there under “Explanation of Significant Movements” basically says that you are increasing compliance resourcing and there is a reduction in the income. I am not asking why the income is being reduced—hopefully we are encouraging people to use less landfill—but in relation to the increase in compliance resourcing, what is driving that? Is it a lack of awareness and education or is it people deliberately trying to avoid their compliance obligations? What is driving the increase in resourcing for compliance measures?

**Mr Banks:** With the introduction of the levy, its increase and its scheduled future increases out to 2018, the industry is very keen to make sure that there is a level playing field in terms of those parties that are captured by the levy, that they do the right thing and pay the levy, and we are very keen to make sure that we have a robust compliance program in place to make sure that people who are trying to avoid the levy are appropriately addressed and dealt with. We are making sure that that is adequately resourced. As the levy goes up, the incentives for avoidance obviously commensurately increase.

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**Hon PETER KATSAMBANIS:** Is there a need for further education about landfill and just waste generally?

**Mr Banks:** I might ask Mr Hodges to comment further, but what I can say is that we have a program in place that has been running for a number of years, so the parties that collect a levy on behalf of the state are well aware of their obligations to collect. The awareness, in my view, is quite high. It is obviously not a case of us needing to inform the general community, because it is those people who are receiving the waste who we are required to collect from, so that is a relatively targeted group that we can deal with and have educated today.

**The CHAIR:** Before Hon Adele Farina goes on, Hon Phil Edman or Hon Robyn McSweeney, do you have any questions? No? I just wanted to check. I just wanted to make sure that the Shooters, Fishers and Farmers Party was looked after!

**Hon ROBYN McSWEENEY:** Do not be so insulting!

**The CHAIR:** Sorry, you have got to have a good laugh!

**Hon ADELE FARINA:** Can I just clarify whether the department employs people with expertise in climate change policy; and if so, how many are there?

**Mr Banks:** I will pass, if I may, to Ms McEvoy to speak specifically to the individuals employed in those capacities around adaptation and innovation.

**Ms McEvoy:** Yes, people who are employed in the climate change area have climate change expertise in adaptation and mitigation policy specifically.

**Hon ADELE FARINA:** How many?

**Ms McEvoy:** There are two for adaptation and two people for mitigation.

**Hon ADELE FARINA:** Out of a total staff of?

**Mr Banks:** A total of 340.

**Hon ADELE FARINA:** Can you also give me an indication of how WA's per capita emissions compare with the other states?

**Ms McEvoy:** Western Australia's emissions are basically relatively large. There were 86.144 megatonnes of carbon dioxide. That has increased 36 per cent since 2000, but that also reflects the global resources boom during the same time. The actual emissions have become less emissions-intensive during that same period. Our emissions intensity has declined by 33 per cent in the period between 2000 to 2014. The emissions intensity of Western Australia is broadly equivalent to Victoria and less than that for Queensland.

**Hon ADELE FARINA:** And compared to New South Wales?

**Ms McEvoy:** The states in terms of emissions intensity have all tracked in the same kind of general direction, so the relative emissions have remained pretty much the same. Western Australia's emissions are higher than the average around the rest of Australia because of our gas and mining sectors. In terms of New South Wales, we are tracking on the same trajectory as they are, but with slightly greater emissions intensity than New South Wales.

**Hon ADELE FARINA:** But those emissions intensities are continuing to increase?

**Ms McEvoy:** They are continuing to decrease. The emissions intensity for Australian jurisdictions is continuing to decrease over that time.

**Hon ADELE FARINA:** And in Western Australia?

**Ms McEvoy:** It is also decreasing by the same amounts. The economy has grown 103 per cent over the period 2000 to 2014, and emissions intensity has declined by 33 per cent in that same period.

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**Hon ADELE FARINA:** I asked for the rate per capita, so when you talk about “intensity”, what are you talking about?

**Ms McEvoy:** Emissions intensity is basically the amount of greenhouse gas that is produced per capita—that is my understanding.

**Mr Banks:** Those figures are not per capita, I think. We can take that on notice.

**Ms McEvoy:** I apologise, emissions intensity is the kilograms of CO<sub>2</sub> equivalent per dollar of GDP.

**Hon ADELE FARINA:** Can I have that question put on notice, because my question was: what are our per capita emissions compared to the levels in other states? I do not think I got an answer to that question.

**The CHAIR:** I think the director general indicated that they are happy to take it on notice.

*[Supplementary Information B6.]*

[2.00 pm]

**Hon ADELE FARINA:** In relation to the department’s oversight of environmental licences issued under part V of the EP act, how many complaints relating to each category of licence have been received in the last 12 months?

**Hon DONNA FARAGHER:** We will have to take that on notice.

*[Supplementary Information No B7.]*

**Hon ADELE FARINA:** Also related to that: how many of the complaints for each of the categories of licence were investigated; investigated and found to be legitimate complaints; and, where the complaint was found to be legitimate, what action was taken against the licence holder?

**Hon DONNA FARAGHER:** We would again have to take that on notice. The director general would like to clarify one aspect.

**Mr Banks:** Can I get clarification about the term “legitimate complaint”? Can I confirm that that means an offence has been committed? “Legitimate complaint”, I guess, is not really how we record or deal with these matters. We will make a determination on whether or not the licence has been breached or an offence has been committed. I just want to clarify whether that is what you meant by “legitimacy of complaint”?

**Hon ADELE FARINA:** I just want to know how many complaints. Obviously you get complaints against breaches of licences. I want to know how many complaints were received for each category in the last 12 months. Of those, how many were investigated; how many were investigated and found to be legitimate complaints so that it was justified it was an actual breach and not someone who thought it was a breach but turned out not to be a breach; and where the complaint was found to be legitimate, what action was taken against the licence holder?

**Mr Banks:** On the basis of the fact they are breaches, yes, we can provide that data.

*[Supplementary Information No B8.]*

**Hon ADELE FARINA:** My next question relates to assessment of proposals. That is not done on a cost-recovery basis at the moment. Given that we do everything in government on a cost-recovery basis, why is cost recovery not applied to the assessment of proposals?

**Mr Banks:** Our regime under part V of the EP act is cost recovery. Our assessment of licences and our administration of them is full cost recovery.

**Hon ADELE FARINA:** It is full cost recovery?

**Mr Banks:** Yes. You may be considering the part IV process of the EP act.

**Hon DONNA FARAGHER:** Part IV is not; part V is.

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**Hon ADELE FARINA:** Why is part IV not cost recovery?

**Mr Banks:** It is a government policy.

**Hon DONNA FARAGHER:** That is a government policy position. That is historical. As I understand it, there never has been cost recovery for part IV.

**Hon ADELE FARINA:** There has been no consideration to apply cost-recovery principles to part IV?

**Hon DONNA FARAGHER:** I would have to take that on notice. I am not aware, but I am obviously not the current minister. I am happy to take that on notice. If we can provide any further detail, I will do so.

*[Supplementary Information No B9.]*

**Hon ADELE FARINA:** My next question is on Environment Regulation, “Cost per Native Vegetation Clearing Permit Application”. What effort is being made to quantify the area, in hectares, destroyed each year through illegal clearing and through clearing that is done through an exemption? When I have tried to get this information in the past, it has been very vague.

**Mr Banks:** I may have to defer to Ms Faulkner to provide a bit more detail. In terms of the exemptions, by their nature they are not reported to us; therefore, we do not have a data capture in relation to the exemptions. In terms of unlawful clearing more broadly, we operate a satellite imagery process to identify areas where there has been vegetation change and then we also go further and work out whether or not we think they may constitute unlawful clearing. I might ask Ms Faulkner to comment further.

**Ms Faulkner:** The satellite imagery program identifies vegetation change. Vegetation change can occur for a number of reasons. It could just be degradation through salinity or fires. It is imperative for people to get out on-site to see whether there has been mechanical change to that clearing and an investigation to determine whether it is unlawful clearing.

**Hon ADELE FARINA:** How frequently is satellite technology used to identify areas of clearance?

**Ms Faulkner:** There is an annual program that looks at satellite monitoring. Based on the change that they see, they will do a comparison with the data that sits within the clearing permit system. There will be a comparison to see whether clearing permits have been granted over that area and also look at whether potentially it could be exempt. It is an annual program that is rolled out through the department.

**Hon ADELE FARINA:** What is the cost of the satellite technology that is being used?

**Ms Faulkner:** My understanding is the information that we receive is from CSIRO. I am not sure that we are actually paying for that. It is a free cost. We have FTE that analyses the information and puts that through our compliance area to undertake the investigations.

**The CHAIR:** I want to go to some of the answers that you provided to questions on notice. It indicates that you have 97 contract-of-service permanent staff and 52 temporary staff. This is the thing I need to clarify: you have used contract-for-service arrangements to backfill vacancies such as leave, acting or secondments. That is nine positions. Your contract of service is 52 positions. Are you able to tell us why you use temporary staff rather than having permanent staff in those positions?

**Mr Banks:** If I can clarify: the numbers that we submitted, I assume this is in response to questions 1.16 and 1.17?

**The CHAIR:** Yes.

**Mr Banks:** It is 340. Then for 1.17, it is 319. In terms of a contract for service, we had 21, which is effectively those temporary contracted staff.

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**The CHAIR:** I might need you to run that past me again. Those figures you were just quoting, they are what you currently have; is that right?

**Mr Banks:** Yes. They have been consistent across 2015–16, and this is what is estimated for 2016–17.

**The CHAIR:** What is your total staff number?

**Mr Banks:** Total staff is 340. Contract of service—that is, permanent staff—319; and contract for service, contract staff, 21.

**The CHAIR:** Of your contract-of-service staff, how many of those are permanent and how many are on short-term contracts?

**Mr Banks:** Our total is 340—319 are permanent and 21 are on contracts.

**The CHAIR:** You do not have anyone on short-term contracts of service?

**Mr Banks:** The 21.

**The CHAIR:** Right.

**Mr Banks:** Sorry; the 21 are on short-term contracts.

**The CHAIR:** So then you do not have any contracts for service at all?

**Mr Banks:** I guess, in responding to the question, we read “contracted staff” and “contract for service” as being contracted staff. They are staff who are not permanently employed and are on fixed duration contracts. We have 21 of those. That is about eight per cent of our workforce, which again is dealing with things like maternity leave. We need to backfill maternity leave. We cannot appoint people permanently when there is maternity leave because, obviously, the substantive occupant needs the right to return to their job after they have been on maternity leave.

[2.10 pm]

**The CHAIR:** Going to your media monitoring, you are spending around \$19 000. A number of the agencies that we have asked similar questions of say, first, it costs less and, secondly, they have seen a decline in the amount they are spending on media monitoring. Have you done any benchmarking against other agencies in terms of the cost of your media monitoring?

**Mr Banks:** No, I have not benchmarked other agencies. I guess it is something that we may need to do. It is a fairly standard service offering, I guess, in terms of what we are receiving. I cannot offer an explanation as to why ours is greater than others.

**The CHAIR:** It may be that you get a broader service or you get more regional papers. There may be reasons for it, which is why I was asking if you ever do benchmarking against other agencies to see what they are paying and what you are paying and whether or not you should be trying to drive down your price a bit more.

**Mr Banks:** We do get quite a high degree of media traffic in terms of the portfolio. I think it is actually charged on per article identified. I would be happy to take something on notice. I actually think it is maybe charged per article identified as well as a flat base fee. I can confirm that; it is charged based on per article received, so that would be the most likely explanation for the cost variation.

**The CHAIR:** We will make that B10, if you are happy with that and have any details about it.

**Mr Banks:** I am more than happy to provide further information. Sure; we can give you the volume of articles if you like.

[*Supplementary Information No B10.*]

**The CHAIR:** In terms of your current assets, you have a lot of restricted cash. What is your restricted cash?

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**Mr Banks:** That is the WARR account balance.

**The CHAIR:** You collect the full waste levy and then you recoup some of it back to Treasury—the surplus funds. I assume you take your own costs out in terms of what would have been an appropriation.

**Mr Banks:** That is correct.

**The CHAIR:** And then you recoup your surplus funds to Treasury; is that right?

**Mr Banks:** Yes. We have a revenue source in terms of cost of service for our regulatory role, so we charge regulatory fees. Then there is a gap between our total cost of service, which is actually funded through the residual levy that would otherwise have been returned to Treasury rather than getting a further appropriation, and then 25 per cent of the levy collections are diverted into the WARR account for expenditure by the Waste Authority through its business plans.

**The CHAIR:** As an agency, what makes up the \$18 million for your “Other” in your current assets?

**Mr Banks:** I might have to ask the CFO to talk to that one if I may.

**Mr Bayne:** Sorry; can I just clarify which page you are looking at?

**The CHAIR:** I was looking at the statement of financial position on page 553 of the budget papers. In current assets it shows under “Other” \$18.3 million.

**Mr Bayne:** At this point, that is funds that have not been returned to Treasury. Can I double-check that for you and bring it back as a question on notice?

**The CHAIR:** All right. I might just make a couple of other points and then you can provide it all. The thing I find fascinating about it is that you have this figure of \$18 million for “Other”, which was your actual figure in 2014–15, your estimated actual for 2015–16 and then it is budgeted for every year going forward, but the budget for 2015–16 was only \$12 million. It is either some sort of fixed amount that sits there for some reason or what is it? Why does it stay constant, for want of a better term; and why in the 2015–16 budget was it expected to reduce but then did not reduce?

*[Supplementary Information No B11.]*

**The CHAIR:** In terms of contaminated sites, particularly ones that are owned by the government, once they are identified as possible contamination, what is the obligation on the government agency to then do something about that contamination and what work is done by yourselves—I assume that you are still the regulator of the government—to ensure that they are taking appropriate action to contain or manage that contamination?

**Hon DONNA FARAGHER:** I refer to the director general.

**Mr Banks:** Thank you, and Ms Faulkner may need to add some detail if I do not cover it all. The contaminated sites classification process involves ourselves and the Department of Health, so obviously on a risk basis the site is examined and classified based on the available information. Quite often that leads to an investigation process. The structure of the act requires that basically we request that the investigation be undertaken; and, if the investigation is not undertaken following those requests, we can issue statutory notices. We do that from time to time. The assessment will be made and the classification will be determined by risk, and obviously so is the requirement for remediation to clean that up.

The actual allocation of responsibility for remediation rests with the Contaminated Sites Committee—so, the determination of how much each party pays. Quite often the sites we deal with have a history and a legacy and multiple owners moving through them, but we treat state-owned sites in the same manner as we regulate privately owned sites.

**The CHAIR:** So you treat them just the same as a privately owned site in terms of the processes?

**Mr Banks:** Yes.

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**The CHAIR:** Do we have a list of the sites that are in government ownership that have been identified? As I understand it, there is a series. It is possible contamination, which is the initial stage, so there is an obligation, once it is identified as possible contamination, for the owner or, in this case, a government agency to do some work to identify the exact extent of the contamination and whether or not remedial action needs to be taken to contain that contamination; is that correct?

**Mr Banks:** Yes.

**The CHAIR:** What is the next stage after possible contamination once you get those reports back? Can they just stay as possible contamination or do they get re-classified?

**Mr Banks:** It goes through that cyclic process. The investigation will be undertaken and sometimes it can determine that they will be dropped back and say that the contamination was not substantiated—I cannot remember the categorisations but they are prescribed in the legislation in terms of the six categories or whatever we do the classification on—or they get classified as contaminated, remediation undertaken and able to be used for limited uses. It is largely a framework dealing with the protection of land use such that the contaminated sites are not used for purposes that they are not fit for. But quite often, obviously, contamination aspects go off site and have secondary impacts off the site from which the contamination originates.

**The CHAIR:** In those circumstances, you would be expecting the owner of the land to contain the contamination onto their land or to prevent the spread of it any further if it has already gone onto surrounding land.

**Mr Banks:** To the extent practical. To be honest, quite often in these instances the mechanisms available to us to restrain or to constrain contamination is limited.

**The CHAIR:** The mechanisms, as in the scientific ability to do it or your legislative power to enforce it?

**Mr Banks:** No; engineering, scientific capacity to do it. Even with one specific example, nutrient contamination, quite often the response will be to enable the background bacteria in the aquifer or whatever to reduce the level but prevent further additions of contamination. Another example is the bioremediation of soils, where they will extract the soil and treat it with bacteria and then it is fit for a better purpose.

[2.20 pm]

**The CHAIR:** I know there is an online system where you can go and see whether a site is contaminated, but is there anywhere you can get greater detail about the potential contamination and what has been identified? My experience is that does not always get shown up on the site. It just says it is a contaminated site with X classification. As a member of Parliament, are we able to get to another level of knowing what the type of contamination of that site is?

**Mr Banks:** There is the public database but, as you point out, information readily available on that is limited, but there is a public process for all people to access the additional information. It results in what is called a basic summary of records and the other one relates to what is called a detailed summary of record so, effectively, you can get generally full access to the information underpinning the contamination. It does have a different sort of information provision process than what sits for the EP act or FOI more differently. They actually set up their own regime in terms of information disclosure in the legislation.

**The CHAIR:** We need to make application or come to your offices to get that information?

**Mr Banks:** Some of it is like that. For some of the detailed reports, we do actually maintain a secure room and photocopier so that interested parties can come in because we are talking quite significant scientific reports.

**The CHAIR:** I will come and visit you about a couple of sites one day.

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**Mr Banks:** Sure.

**Hon DONNA FARAGHER:** My recall from early days is that there is additional information from what is on the website but the basic information can be received quite readily. Obviously, for more detailed information it is a separate process.

**The CHAIR:** I might ask an additional question at the end of this hearing to get some information about the site rather than going through it right now.

**Hon LYNN MacLAREN:** There was a recent situation at Gooseberry Hill near the primary school. I believe—correct me if I am wrong—in that situation the site was identified as a contaminated site. It was put under the management of either the shire or the education department to remediate it. What responsibility does the department have to ensure that that remediation has occurred?

**Ms Faulkner:** The matter has just recently been brought back to the attention of the department and contaminated sites. My staff in the contaminated sites area have met with the shire and the Department of Health has met with them as well because it is dealing with asbestos contamination. We do have an ongoing role in monitoring this and making sure that the area is secure and safe.

**Hon LYNN MacLAREN:** Basically, if a member of the public or someone reports to the contaminated sites unit, then you will investigate?

**Ms Faulkner:** Correct.

**Hon LYNN MacLAREN:** There is no monitoring in general; it is just complaints initiated?

**Ms Faulkner:** It depends on the status of the actual investigation. I am not talking specifically about Gooseberry Hill, but if something has been reported to the department and it has been identified as a contaminated site, there will be ongoing investigations and the department will be involved with that as well.

**Hon LYNN MacLAREN:** Do you know whether in that particular instance the education department or the shire is the management body of that contaminated state?

**Ms Faulkner:** In this instance, the shire has been identified as being responsible for remediation.

**Hon LYNN MacLAREN:** Thank you.

**Hon ADELE FARINA:** In relation to the site on Koombana Bay for the new DPaW offices, there has been an issue about possible contamination on that site and I just wondered there has been an assessment done in relation to contamination on that site?

**Ms Faulkner:** That site has been reported and an investigation is being conducted into that.

**Hon ADELE FARINA:** It has been conducted?

**Ms Faulkner:** It is being conducted.

**Hon ADELE FARINA:** What is the time frame for the completion of that assessment?

**Ms Faulkner:** We will have to take that on notice.

*[Supplementary Information No B12.]*

**The CHAIR:** Once a site has been identified as contaminated and someone wants to build on it—I am particularly talking about asbestos in this case and a government agent that is building within an area that is identified as a site that has potential asbestos contamination—I know there is an approval process to get that and all the rest of it, but do you do any ongoing monitoring to ensure that the proponents are complying? If so, what sort of monitoring do you do to ensure there is compliance with regard to asbestos contamination in particular?

**Ms Faulkner:** In the Contaminated Sites Act there are a number of stages of categories: investigation required, matter being investigated, remediation and then a site that has actually been remediated. It will go through the various steps.

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**The CHAIR:** This is a site that has gone through all that but now construction is occurring within the area that is marked on the maps as a contaminated site. It is the new train station at the stadium. That goes through an area that has previously been identified, contained, and signage says, “Don’t dig here.” Now there is a significant amount of construction work going on at that site. There was a management plan put in place, but what do you do as an agency to ensure there is ongoing compliance with the conditions for the construction in that area?

**Ms Faulkner:** For these sites there will be contaminated sites auditors who will be overseeing the works being carried out and those auditors will provide reports to the department, so the department will have a role in continuing to monitor.

**The CHAIR:** Is that the sole role of it? You should have reports on that then. Is monitoring those reports the only thing you would do?

**Ms Faulkner:** And take action if no action is undertaken. We have tools available to us such as abatement notices and various things like that if action is not undertaken.

Can you provide on notice the reports you have received regarding the construction work for mainly the railway works associated with the new station or any other works around the new stadium in the areas identified for asbestos contamination?

*[Supplementary Information No B13.]*

**The CHAIR:** A couple of years ago there was an increase in fines for illegal dumping of rubbish. Was that in your time, minister?

**Hon DONNA FARAGHER:** Yes, it was.

**The CHAIR:** There was a lot of publicity. It was identified immediately that there was a reduction in the amount of illegal dumping. I am particularly interested in the Gngangara mound. Has that reduction been sustained or are we starting to see an increase in the amount of illegal dumping occurring again since those changes were made.

**Mr Hodges:** I am looking for my figures on illegal dumping, if you will spare me a minute.

**The CHAIR:** I am not looking at the number of people convicted but whether you maintain the volume of rubbish that is being illegally dumped to know whether it is going up. I am interested in convictions and whether there is a process of monitoring. Are we seeing a continual decline in the amount of rubbish being illegally dumped; and, if so, is it continuing to go down or is it going up? Anecdotally, the suggestion is that we are starting to see an increase again?

**Mr Banks:** I think, anecdotally, your observations would be the same as the observations we are making that there is not a reduction. With support of the government the Waste Authority has formed an illegal dumping program, so we have far more dedicated resources focused on the illegal dumping activity. We are working closely in conjunction with local governments. We are using covert surveillance technology in terms of motion sensor cameras that are being placed. We have had quite a bit of success in detecting offences and providing deterrence in terms of illegal dumping. We are seeing the need to increase our enforcement response. Despite perhaps the initial benefit that was achieved by the penalty increase, we are seeing the need to be far more vigilant.

**The CHAIR:** Have you got the figures?

**Mr Hodges:** In 2015–16, for instance, I have got quarter 1 and quarter 2 figures here. For quarter 1, there were 36 complaints and in quarter 2, there were 41 complaints, in terms of a trend. We have got it back only as far as 2014–15. There was nothing before that and all of a sudden it came online and there was an increase.

[2.30 pm]

**The CHAIR:** Did the increase in dumping coincide with the increase in the waste levy? Are you saying you did not record it, or was there an increase when we put up the waste levy? I expect that there would have been an increase in the amount of illegal dumping. In fact, part of the reason for increasing the fines was to prevent illegal dumping.

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**Mr Hodges:** What I can see from the figures is that they may have been captured under other categories previously, and we have stripped it out now so that we can actually monitor illegal dumping. It was previously captured.

**The CHAIR:** I see that you have a spreadsheet there. It may have some other workings on it. Is that something that you can either table now or provide as supplementary information?

**Mr Hodges:** It is very messy, so it would probably —

**Hon DONNA FARAGHER:** We might ask that that be taken on notice.

*[Supplementary Information No B14.]*

**The CHAIR:** I want to be sure that I understood you correctly. The sense I am getting is that as a department, you are noticing a trend towards an increase in illegal dumping again; it has come back up since that initial —

**Mr Banks:** We do not capture any hard statistics. I guess that commentary largely comes from our media monitoring services, of all things, because we get a lot of local government papers.

**The CHAIR:** So you do not have any empirical evidence, but your anecdotal evidence is fairly similar to mine?

**Mr Banks:** It is certainly not abating.

**The CHAIR:** We have got Parks and Wildlife coming in later and they might be able to tell us specifically about Gwangara mound. You mentioned that it is about compliance. What additional resources do you have in the budget and over the forward estimates to increase your compliance?

**Mr Banks:** A program has been established, and an additional four investigators have been brought on board, as well as a manager, to coordinate this. It is a focus capability, so we will support local governments. It goes across the spectrum from littering up to what we call, I guess, commercial scale illegal dumping. We are more focused on the commercial scale. These are people who are collecting waste on the pretence that they are commercial operators of some sort and depositing it illegally.

**The CHAIR:** For how long have those four positions been in place?

**Mr Banks:** They commenced in about March of this year. It is four, plus a manager.

**The CHAIR:** So we probably will not see any benefit yet. I think I have seen pictures in the local media about some of the covert work that is being done.

**Mr Banks:** I think this year we have had 11 successful prosecutions. It has made a significant difference to our response capability in terms of enforcement. It is significant.

**The CHAIR:** Good.

**Mr Hodges:** It is a significant deterrent as well.

**The CHAIR:** One of the things about penalties is that unless people think they are going to get caught, the penalty does not have much impact on them, to be honest. If people think they can get away with it, we can increase the penalties all we like.

Thanks for that. If there are no other questions, I will bring this session to a close. On behalf of the committee, I thank you for your attendance today. The committee will forward any additional questions it has to you in writing after Monday, 20 June 2016, together with the transcript of evidence, which includes the questions you have taken on notice highlighted in the transcript. Responses to these questions will be requested within 10 working days of receipt of the questions. Should you be unable to meet this due date, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met. If members have any unasked questions, I ask them to submit these to the committee clerk at the close of the hearing. Once again, I thank you for your attendance today.

**Hearing concluded at 2.33 pm**

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