



Government of **Western Australia**
Department of **Water and Environmental Regulation**

*We're working for
Western Australia.*

Annual report

2019 – 20

Department of Water and Environmental Regulation

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We acknowledge the Traditional Custodians of the land upon which we live and work, and pay our respects to their elders past and present. We recognise the practice of intergenerational care for country and its relevance to our work. We seek to listen, learn and build strong partnerships. We aim to provide genuine opportunities for Aboriginal people within our workforce and through our business.

Director General foreword

Thank you for reading the Department of Water and Environmental Regulation's 2019–20 annual report. This document reflects our important work during the past financial year, the latter months of which saw the world face an unprecedented health crisis in the COVID-19 pandemic.

I would like to take this opportunity to acknowledge the efforts of our staff and stakeholders during this time. Our combined efforts to ensure we maintained our service delivery during the response reflects our department's 'Better Together' value and enables us to play our part in Western Australia's (WA) COVID-19 recovery.

While this pandemic has undeniably impacted us all, we have worked together as a department to remain committed to our responsibilities. We continue to be responsible for environment and water regulation, serving as a one stop shop for industry and developers – with the aim of streamlining and simplifying regulation. We continued our flexible work practices, with working from home options one of a suite of measures rolled out during the pandemic.

The year saw us achieve a number of key milestones across our business areas. This is further testament to the commitment of our team, partners, stakeholders and the community, and demonstrates our efforts to help WA move towards economic recovery.

Across our statewide programs and initiatives, key milestones included:

- Consultation to amend the *Environmental Protection Act 1986* (EP Act) began in October 2019, with the release of the *Modernising the Environmental Protection Act discussion paper*. The discussion paper presented background information on proposed reforms and was accompanied by the release of an Exposure Draft Bill. After considering the submissions and issues raised, the Environmental Protection Amendment Bill 2020 was introduced to State Parliament and passed through the Legislative Assembly on 28 May 2020. The amendments support a modern EP Act that will streamline and improve regulatory processes for the protection of the environment in WA.



Our department remains focused on delivery of the State Government's priorities and our services.

- Two consultation papers – *Closing the loop: Waste reforms for a circular economy* and *Review of the waste levy* – were released and invited Western Australians to have their say on potential reforms to guide the future of waste management in the state. The proposed reforms support implementation of the Waste Avoidance and Resource Recovery Strategy 2030 and will help the State Government meet its commitment to have at least 75 per cent of waste generated in WA being reused or recycled by 2030.
- The State Government's Waterwise Perth Action Plan was launched in October 2019 – setting the direction for Perth to become a leading waterwise city by 2030. This action plan sets targets to respond to the major impacts of climate change on water resources

and liveability, to support the 3.5 million people anticipated to reside in Perth by 2050.

- Our regulatory team worked hard throughout the year to address backlogs, reduce our approvals timeframes and develop guidance. I am pleased we improved performance across our Industry Regulation directorate this financial year – determining more works approvals and licence applications in a shorter average timeframe than in 2018–19. At 30 June 2020, 1,075 licences and 316 works approvals were active across the state – something that could not have been achieved without the hard work and commitment of our team.
- Our water regulation services introduced a number of business

improvement initiatives this year, particularly in water licensing.

Implementation of our Water Licensing Backlog Action Plan has driven a significant reduction in the number of water licence applications open for a period of more than 65 days – recording a new low of 173 applications in 2019–20. This is well within our performance target of 350 applications or less.

The average time taken to process a water licence application has also been substantially reduced – now taking 46 days to process a low-risk application (target 65 days); 85 days for a medium-risk application (target 75 days); and 87 days for a high-risk application (target 95 days).

- At the end of April 2020, the State Government opened applications for the first round of funding under the [Clean Energy Future Fund](#). Administered by the department with support from Energy Policy WA, this \$9 million* fund is expected to support the development of innovative clean energy projects.
- Throughout the year, rural water planning remained a key focus for our department – with continued dry conditions across our state because of climate change significantly impacting our agricultural sector. The Cascade area in the Shire of Esperance became the 12th water deficiency declaration since May 2019, with the State Government commencing water carting to the area on 17 June 2020. With support from the Department of Primary Industries and Regional Development and the Water Corporation, we worked to manage water carting arrangements to all water deficiency declared areas – significantly reducing the distance farmers need to travel to source emergency livestock water.

* The State Government announced an additional \$10 million to the fund on 28 July 2020.

- A trial of an algal bloom-preventing clay in the Serpentine River was undertaken through our Regional Estuaries Initiative (REI) – the largest trial of its type in WA. With REI now finalising its four-year program to ensure the health of key regional estuaries across WA, work began during the financial year to implement the State Government-funded Healthy Estuaries WA, which was announced in June 2020.
- WA is set to launch its container deposit scheme, Containers for Change, on 1 October 2020 – paving the way for reduced litter, improved recycling rates, and the creation of new business and employment opportunities across the state.
- We continue to build our regulatory capability with work progressing on development of our Environment Online initiative – a customer-focused, digital one stop shop for environmental assessment, approvals and compliance for industry and developers in WA.

In May 2020, the State Government committed an additional \$12.4 million to complete this initiative, adding to the Australian Government's \$7.5 million in funding and the department's \$8.1 million – resulting in total funding of \$28 million.

We also pressed ahead with Streamline WA – a whole-of-government initiative making it easier to do business in WA by improving regulation and regulatory practice.

- In March 2020, we launched the Index of Marine Surveys for Assessment – an online portal to information about marine-based environmental surveys in WA. Developed by our department in collaboration with the Western Australian Marine Science Institution, it is the first platform of its kind to deliver systematic capture and sharing of marine data taken as part of an environmental impact assessment.

As always, I am proud to lead an organisation that is committed to meaningful engagement with Aboriginal people and Traditional Owners across WA.

This year, we furthered these commitments by working with the Department of the Premier and Cabinet to negotiate a comprehensive water package that was included in the Yamatji Nation Indigenous Land Use Agreement – reaching a native title settlement in February 2020.

Worth \$442 million, this landmark settlement was based on a Land Use Agreement including land, housing, tourism opportunities, revenue streams and access to water. Of particular note (and unique to the agreement) is the recognition of the importance of water to Aboriginal people, not only in practising culture but also as an economic opportunity.

We also continued to work with the State Government and the Murujuga Aboriginal Corporation to protect the rock art of Murujuga – supporting co-existence between the Indigenous culture and heritage values and industry on Murujuga. Building on the release of the [Murujuga Rock Art Strategy](#) in early 2019, registered Aboriginal business Puliypang was appointed to develop and implement a scientific and monitoring analysis program for the area – another milestone in protecting this valuable area while building the state’s economy.

While 2019–20 was not the year many of us expected, it has still been a time of momentum and achievement. Our department remains focused on delivery of the State Government’s priorities and our services.

We will continue to work together – both internally and externally – to meet the water and environmental needs of our unique state as we head into financial year 2020–21.

In closing, I express again my sincere thanks, appreciation and admiration for the exceptional people who work for the Department of Water and Environmental Regulation, with a strong commitment to professionalism and public service.



Mike Rowe
Director General



2019-20 at a glance

4,058

gigalitres of water
licensed for use

30,000+

tonnes of recycled
C&D waste used in
our Roads to Reuse
pilot program

3,449

reports to
Pollution Watch
Hotline

994,532

tonnes of
controlled waste
reported to the
department

3,700+

submissions
received under
*Climate change
issues paper*

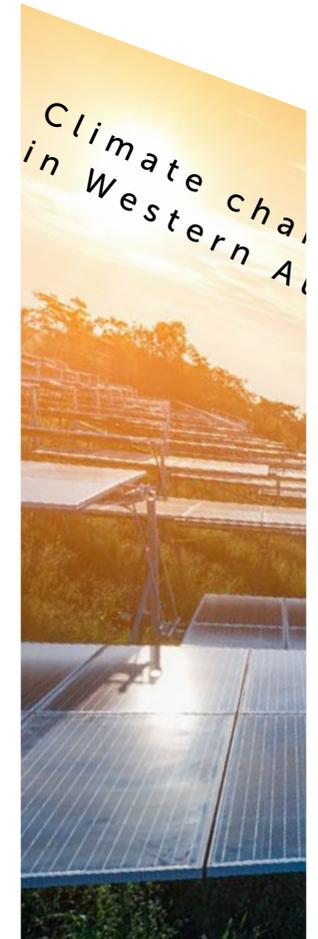


Why does the Department of Water and Environmental Regulation require me to have a licence or permit?

The Department of Water and Environmental Regulation's *Water and Irrigation Act (1914)* that governs licences and permits to take water and undertake works. Information can be found at [water licensing](#).

Do I need a licence or permit?

Information on when you may require a licence and the licensing process can be found at the Department of Water and Environmental Regulation's [Frequently Asked Questions](#) for information on the activities that require a licence. [Submit my licence application](#)



325

illegal dumping and
littering complaints
investigated



5,925

requests for water
information via
WIR portal



4,182

sites classified
under the
*Contaminated Sites
Act 2003*



214

accredited
Waste Wise
Schools



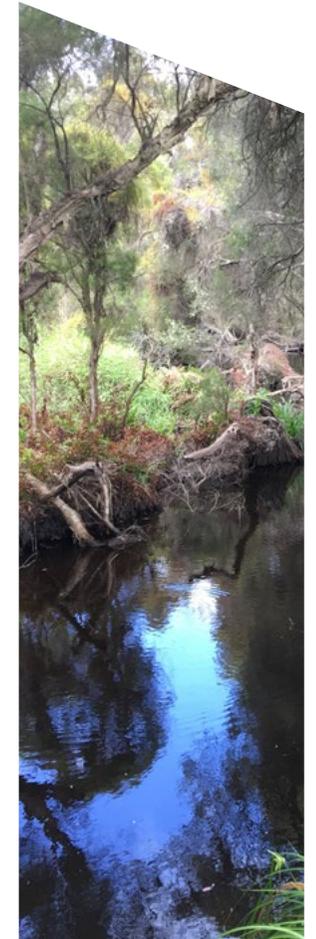
9,500

submissions
received under
*Let's not draw the
short straw reduce
single-use plastics
issues paper*



13,751

water licenses
and permits
administered
across WA



Statement of compliance

For the year ended 30 June 2020

Hon. Dave Kelly, MLA
Minister for Water

Hon. Stephen Dawson, MLC
Minister for Environment

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament the annual report for the Department of Water and Environmental Regulation for the financial year ended 30 June 2020.

The annual report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.



Mike Rowe
Director General
24 September 2020

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Setting the direction for Perth to become a leading waterwise city by 2030

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First-round funding applications opened in 2019-20

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01

Performance summary

Each year the Department of Water and Environmental Regulation (the department) is required to meet several targets set by the Government of Western Australia (State Government). These targets relate to Government-desired outcomes, financial management, services to be delivered and performance targets to be achieved. The agreement is a transparent way for the State Government to monitor the operational performance of the department.

The department evaluates, measures and reports on the effectiveness of its services in achieving its desired agency-level outcomes through key performance indicators. Key performance indicators comprise both effectiveness and efficiency indicators.

Effectiveness indicators show the extent to which the department achieved its department-level outcomes, while efficiency indicators show the cost of services delivered by the department, as summarised in the following tables.

Actual results versus budget targets

► Financial targets

	2018-19 Actual (\$'000)	2019-20 Budget ¹ (\$'000)	2019-20 Actual (\$'000)	2019-20 Variance ² (\$'000)
Total cost of services (that is endorsed expense limit)	170,919	177,058	182,634	(5,576)
Net cost of services (details in the income statement)	53,617	49,010	65,721	(16,711)
Total equity (details in the statement of financial position)	479,468	479,145	490,592	(11,447)
Agreed salary expense level	80,961	85,832	93,496	(7,664)
Working cash limit	7,548	7,607	8,328	(720)

¹ As specified in budget papers.

² Further explanations are contained in the financial statements.

Summary of key performance indicators

For a more detailed explanation of the indicators and reasons for variances, please refer to the audited key performance indicators section of this report.

► Summary of key effectiveness indicators

Outcome	Key effectiveness indicator	2018-19	2019-20			
		Actual %	Target %	Actual %	Variance %	
1 Western Australia's growth and development is supported by the sustainable management of water resources for the long-term benefit of the state	Proportion of stakeholders who perceive the department to be effectively managing the state's water as a resource for sustainable, productive use ^(a)	52	60	55	(5)	↓
	Proportion of priority growth areas that have a water supply planning strategy	46	100	77	(23)	↓
2 Emissions, discharges and clearing of native vegetation are effectively regulated to avoid unacceptable risks to public health and the environment	Percentage of regulatory compliance activities completed as planned	98	100	96	(4)	↓
	Percentage of potential environmental risks identified during compliance monitoring program that are rectified within two months	40	80	43	(37)	↓
3 Development and implementation of strategic policy and legislation that promoted sustainable environmental outcomes	Percentage of advice and recommendations that met Ministerial approval, without the need for significant modification	92	95	86	(9)	↓
4 Waste avoided and the recovery of materials from landfill maximised	Percentage of municipal solid waste reported as diverted from landfill through recycling compared to waste strategy target in the Perth metropolitan region	37 ^(a)	50	34	(16)	↓
	Percentage of commercial and industrial waste reported as diverted from landfill through recycling compared to the statewide waste strategy target	47 ^(b)	55	51	(4)	↓
	Percentage of construction and demolition waste reported as diverted from landfill through recycling compared to the statewide waste strategy target	75	60	81	21	↑
5 Quality advice to Environmental Protection Authority (EPA) and Minister for Environment on significant proposals and environmental issues	The EPA's satisfaction with the department's environmental impact assessment (EIA) service, during the year, in line with best practice principles of EIA	97	80	97	17	↑
	Percentage of project-specific conditions which did not require significant change following the appeal process	96	80	95	15	↑
	Percentage of assessments that met agreed timelines	93	75	94	19	↑
	The EPA's satisfaction with the department's provision of environmental management services during the year	93	80	95	15	↑
6 Compliance with Ministerial Statement implementation conditions are monitored effectively	The number of Ministerial Statements audited compared to targets	100	100	73	(27)	↓

(a) The 2018-19 audited figure was previously reported as 40 per cent. This has been restated as reported in *Recycling Activity in Western Australia 2018-19*.

(b) The 2018-19 audited figure was previously reported as 45 per cent. This has been restated as reported in *Recycling Activity in Western Australia 2018-19*.

► Summary of key efficiency indicators

Service	Key efficiency indicators	2018-19	2019-20		
		Actual	Target	Actual	
 Service 1 Water information and advice	Proportion of statutory referrals from decision-making authorities where advice is provided within target timeframes	92%	95%	93%	(2%) ↓
	Average cost per statutory referral assessment	\$11,442	\$14,477	\$7,182	(7,295) ↑
	Average cost per water measurement site managed	\$7,118	\$7,467	\$9,437	1,970 ↓
 Service 2 Water planning, allocation and optimisation	Average cost per plan, report or guidance document to support water planning, allocation and optimisation	\$431,338	\$342,767	\$348,488	5,721 ↓
	Average cost per hour of scientific support for water planning, allocation and optimisation	\$145	\$222	\$161	(61) ↑
 Service 3 Water regulation, licensing and industry governance	Average cost of assessing a water licence application by risk assessment category:				
	• Low-risk	\$3,788	\$3,834	\$3,284	(550) ↑
	• Medium-risk	\$5,051	\$5,111	\$4,378	(733) ↑
	• High-risk	\$6,313	\$6,389	\$5,473	(916) ↑
	Average time taken (days) to assess a licence application by risk assessment category:				
	• Low-risk	57	65	46	(19) ↑
	• Medium-risk	133	75	85	10 ↓
• High-risk	213	95	87	(8) ↑	
	Average cost of compliance monitoring and enforcement action	\$608	\$610	\$205	(405) ↑
 Service 4 Environmental regulation	Average cost per works approval and licence application	47,505 ^(a)	\$62,184	\$47,220	(14,964) ↑
	Average cost per native vegetation clearing permit application	\$29,865	\$40,192	\$17,644	(22,548) ↑
 Service 5 Environmental and water policy	Average cost per hour of policy advice and recommendations	\$84	\$76	\$118	42 ↓
 Service 6 Waste strategies	Cost of landfill levy compliance as a percentage of landfill levy income collected	2.10%	1.97%	1.94%	(0%) ↑
 Service 7 Environmental impact assessment services to the EPA	Cost per standardised unit of assessment output	\$33,082	\$30,383	\$39,924	9,541 ↓
 Service 8 Environmental management services to the EPA	Cost per standardised unit of environmental management services output	\$21,049	\$22,511	\$34,793	12,282 ↓
 Service 9 Compliance monitoring services to the Minister for Environment	Average cost per environmental audit completed	\$31,719	\$21,267	\$65,666	44,399 ↓

(a) The 2018-19 audited figure was previously reported as \$57,821. This has been restated to include applications decided as withdrawn or declined (previously excluded) to more accurately reflect the time and effort spent on assessment of applications. The restatement further allows realignment with the application assessment methodology for native vegetation clearing permit applications.





Our staff are central to our success and we will continue to create a culture of excellence and leadership, built on strong internal and external relationships.

02 Our performance

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1

Outcome one

Western Australia's growth and development is supported by the sustainable management of water resources for the long-term benefit of the state.

We work to achieve this through the following three key service areas.

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Service one: Water information and advice

The department enables investment decisions of regional and state significance by providing data and information on the quantity, quality, location of and demand for water across WA. The information also underpins policy advice for consideration by State Government and supports other government agencies and stakeholders to plan for future economic growth and urban and rural development.

Peel Integrated Water Initiative



Managed by the department, the [Peel Integrated Water Initiative](#) (PIWI) is supporting the region's growth and economic development by delivering technical information that supports both conventional and climate-independent, sustainable and secure water use options for the Transform Peel Program – while ensuring environmental benefits for future generations.

During the year, the PIWI project team worked with researchers, scientists and industry leaders to investigate how Transform Peel development opportunities could be achieved based on the region's current and future water resources.

The team focused on two main objectives:



Water quantity

Identify a range of technically viable water source and storage options to support the expected growth in demand from Peel Food Zone and Peel Business Park, and maintain the region's water balance.



Water quality

Develop strategies to protect the region's fragile ecosystem by minimising land use impacts on the environment and reducing agricultural nutrient runoff into the Peel-Harvey Estuary by 50 per cent.

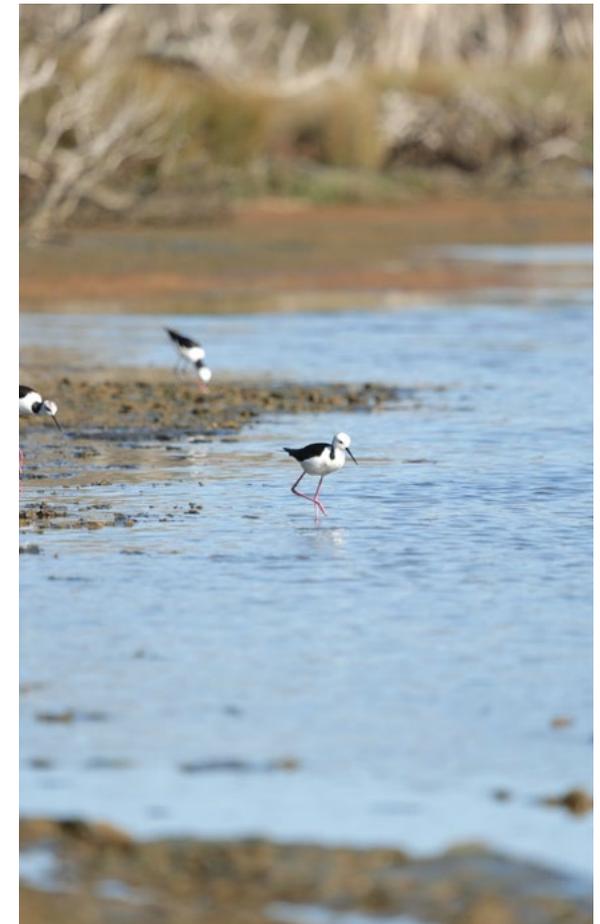
The PIWI project team undertook extensive technical analysis to model and better understand the water systems in the study area and inform decisions to support water security for the longer term. Studies included:



Managed aquifer recharge feasibility study	Investigated the possibility of storing water collected during winter by pumping it into the deep natural aquifer system for future demand.
Engineering concept design and commercial and economic feasibility study of managed aquifer recharge – Nambeelup	Assessed engineering options and commercial feasibility of the capture, treatment and storage of excess water as a water supply option from the Peel Business Park area.
Airborne electromagnetic and seismic surveys	Measured changes in below-ground conductivity (an indicator of groundwater salinity) to provide a better understanding of the regional groundwater system before validating findings through drilling and pump testing.
Ecological water requirements assessment	Defined the quantity of water needed to preserve groundwater-dependent ecosystems. This process will inform the allocation of groundwater resources in the PIWI investigation area and support the water licensing policy.
Groundwater allocation planning	Used detailed studies into ecological water requirements and the impacts of climate change to review existing groundwater allocation limits. Groundwater availability in the study area was reduced to provide water security for existing users, support more sustainable long-term decision-making, and protect water-dependent ecosystems.

Historical climate and climate change analysis	Identified the potential impact of recent and future climate change on water resources in the PIWI investigation area, including declining rainfall and fluctuating weather patterns.
Water supply-demand analysis	Provided an understanding of how more intensive land uses would increase future demand for water. This study found that, while water demand may be met through conventional sources in the short-to-medium term, innovative supply options will be needed to provide water security to meet the objectives of the Transform Peel Program. They will also be needed to enable food production for domestic and high-value international markets for the next 50 years and beyond.
Hydrological and nutrient modelling	Evaluated proposed land uses under current and future climate scenarios to identify potential surface water abstraction volumes from agricultural drains, and the associated nutrient loads within the PIWI project area.
Soil amendment and testing	Investigated how current interventions and new strategies could improve water quality in the proposed agricultural areas to reduce nutrient loads into the Peel-Harvey estuarine system.

In 2019–20, the department produced the PIWI technical report in collaboration with industry partners the Commonwealth Scientific and Industrial Research Organisation (CSIRO), the Department of Primary Industries and Regional Development, Peel Development Commission, Wallbridge Gilbert Aztec and the Shire of Murray. Finalised in June 2020, the report’s findings and recommendations will enable government, industry and the community to make more informed decisions.



Waterwise Golf Course Program

Together with the Golf Course Superintendents Association of Western Australia (GCSAWA), we established the Waterwise Golf Course Program in 2013 to ensure water-efficient operation and a resilient golf course industry.

With reduced rainfall and constrained groundwater availability, the industry is facing significant challenges. The program guides planning for efficient and sustainable irrigation, ensuring golf courses are better positioned for future challenges.

In 2019–20, the program developed industry-specific training manuals, a web-based portal and electronic workflows to help participants achieve accreditation for irrigation efficiency.

Participation in the program (which is open to all WA golf courses) doubled during 2019–20, with more than 20 golf courses now participating or registered. It continues to enable operators to maintain active sports grounds through best practice irrigation – benefiting the health of the community and providing important green spaces.

Water supply options for green space irrigation in the South West 2015–60



The department, in collaboration with stakeholders, has investigated water supply options to meet green space irrigation needs in the state's South West to 2060.

The region is one of the areas most impacted by the drying effects of climate change globally. This strategic work identifies that nearly 3.5 gigitalitres of additional water may be needed by 2060, and offers solutions to meet increasing demand.

Seven areas comprising Australind, Wanju, Central Bunbury, Boyanup, Busselton East, Busselton Vasse and Dunsborough were found to need solutions to meet future water demand by 2060.

Planning and implementation of solutions is progressing, with local government authorities (LGAs) already investigating preferred options and working towards long-term solutions.

Our work with stakeholders included LGAs, water utilities and the urban development industry.



Land use planning advice

The department’s Land Use Planning Program supports sustainable growth and economic development by providing specialised water and environmental expertise and technical information, to inform the state’s statutory and strategic land planning system.

The consultation and formal advice we provide enables the Western Australian Planning Commission, LGAs and other decision-making agencies to progress development while managing the impacts to water resources and the environment.

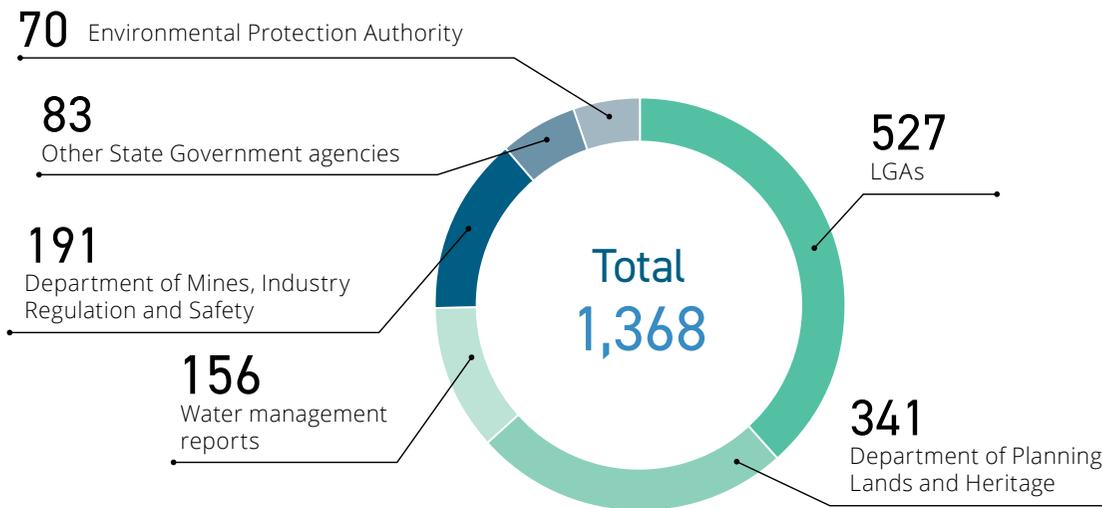
We provide specialist advice on both strategic and statutory land planning, ensuring that water challenges and cumulative impacts on the environment can be adequately planned for. Our advice supports the land planning sector to deliver quality waterwise developments.

This year, we assessed and responded to:

- 341 requests for water advice from the Department of Planning, Lands and Heritage
- 527 requests from LGAs
- 191 requests from the Department of Mines, Industry Regulation and Safety (DMIRS)
- 70 requests from the Environmental Protection Authority (EPA).

We also responded to 83 requests from other State Government agencies and advised on 156 water management reports associated with land planning and mining activities.

► Land use advice provided by segment 2019-20



Water information



Our water information reporting (WIR) and geographic information system (GIS) services provide water data and information that is used to

inform investment decisions of local, regional and state significance, and supports other government agencies and stakeholders in planning for future economic growth, and urban and rural development.

The free, online WIR portal provides reliable, customised water information quickly and easily, enabling instant access to more than 133,000 water monitoring sites.

During 2019–20, the WIR portal received 5,925 requests for water information and 153 requests for spatial information, and provided 4,066 spatial datasets.

Together, the WIR portal and GIS services provided data and information on the quantity, quality, location of and demand for water across the state. Information

from the portal is delivered instantaneously and puts vital information at the fingertips of consultants, miners, land and property developers, farmers, infrastructure providers, government agencies, researchers and students.

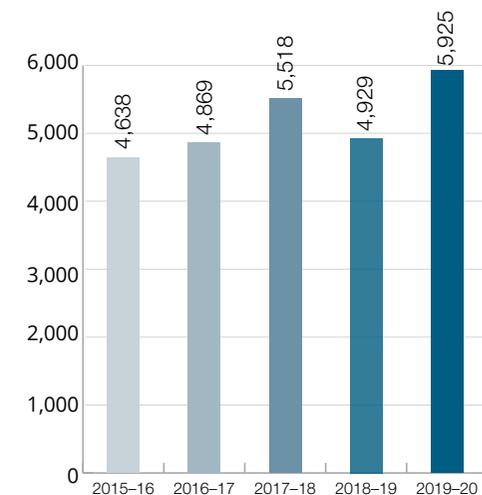
In August 2019, the department released a [floodplain mapping tool](#). This makes it easier for the community to learn about flood risk in their area. Users can view floodplain maps and flood levels, where available, as well as floodplain development strategies. The tool is also useful for industry, especially those in the property sector.

Requests for data during the financial year came mainly from the private sector, government, and the education and research sectors.

Water data and information supports a viable, sustainable resource for public benefit while enabling individual economic benefits. Scientists and planners across the public sector use the data for modelling and

assessments to help determine flood risk, drainage management, sustainable water allocations and, importantly, water resource planning for the benefit of the wider community.

► Data requests per financial year



Water Online

The Water Online system has been available to water users to lodge their water licence applications since 2015, and to departmental officers to complete online assessment of applications since June 2017.

In 2019–20, we continued to promote the uptake of the Water Online customer portal by licensees, with the number of registered customer portal users totalling 5,679 at 30 June 2020. The proportion of water licence applications submitted electronically was 53 per cent during the financial year.

We are continuing to invest in system enhancements to expand the functionality of the customer portal and improve overall user experience.



Service two: Water planning, allocation and optimisation

The department's water planning, allocation and optimisation ensures the sustainable management of water resources for the state's long-term benefit and relies on good science. This includes planning and allocating water for sustainable productive use, protecting public drinking water source areas and ensuring the sustainability of water resources and their dependent ecosystems.

Water deficiency declarations

This financial year, a further nine water deficiency declarations were announced across the state – bringing the total number to 12 since May 2019.



In 2019–20, the following areas were declared:

Fourth declaration	Ardler Road area in the Shire of Lake Grace	4 December 2019	The second for the shire since May 2019. An estimated 920,000 litres of water was carted each week to a new tank at the Ardler Road dam site, with volumes adjusted to meet farmer needs.
Fifth and sixth declarations	The Grass Patch area in the Shire of Esperance and northern part of the Shire of Jerramungup (respectively)	19 December 2019	Water was delivered to temporary tanks at the corner of Monash Avenue and Gnowangerup-Jerramungup Road in Jerramungup, and to the corner of Grass Patch Road and Coolgardie-Esperance Highway in Grass Patch. Because of the vast distances required to cart water under this declaration, farmers benefiting from the declaration worked together to ensure the volume of emergency water taken was shared equitably, and enough was available for everyone to maintain stock welfare.
Seventh declaration	The adjoining Jerramungup (east) and Ravensthorpe (west) areas within the shires of Jerramungup and Ravensthorpe	13 February 2020	An estimated 1,800 kilolitres of water was carted each week from Mount Barker, Katanning and Tambellup. Water was delivered to a new 250-kilolitre capacity tank at Fitzgerald in Ravensthorpe.
Eighth and ninth declarations	Kukerin in the Shire of Dumbleyung and the Hamilton's dam area in the Shire of Kent (respectively)	21 February 2020	With the volume of water carted to meet farmer needs, these declarations saw an estimated 2,400 kilolitres of water carted each week for the Kukerin area and 1,600 kilolitres per week for the Hamilton's area from the shires of Dumbleyung, Katanning, Broomehill-Tambellup and Kulin. Water was delivered to a series of 75,000-litre capacity portable tanks in Kukerin and a new 250,000-litre capacity tank at Hamilton's dam.
10th declaration	Salmon Gums in the Shire of Esperance	7 March 2020	An estimated 850 kilolitres of water was carted each week from Norseman to existing tanks at the Salmon Gums Quarry dam, with weekly volumes based on farmer needs.
11th declaration	Gairdner in the Shire of Jerramungup	12 June 2020	The Jerramungup declaration initially saw up to 660 kilolitres of water carted each week to two 75,000-litre mobile water tanks at the Cooperative Bulk Handling Group's (CBH) site on South Coast Highway, Gairdner, while a longer-term site was prepared.
12th declaration	Cascade area in the Shire of Esperance	17 June 2020	The Esperance declaration allowed for an estimated 640 kilolitres of water to be carted weekly from the Water Corporation's scheme at Norseman in the Goldfields region.

Managing groundwater

These nine sites are in addition to three sites declared since May 2019 (in the previous financial year, 2018–19) comprising:

- Mount Short in the Shire of Ravensthorpe, the first site announced on 7 May 2019.
- Mallee Hill area in the Shire of Lake Grace, the second site announced on 15 May 2019.
- Hollands Rock area in the Shire of Kent, the third site announced on 4 June 2019.

In light of continuing water shortages and the need to conserve this precious resource, farmers carting livestock water have been encouraged to cart to closed storages or tanks rather than into dams where water losses are high because of evaporation.

The impacts of climate change and its effects on groundwater resources is a serious issue for the department – particularly in the context of the south-west of WA experiencing a 15 per cent decline in average annual rainfall since 1975. This has reduced recharge to groundwater aquifers from Geraldton to Esperance.

Across much of the south-west corner of the state, groundwater is an important part of the water supply mix and is used for town drinking water supplies, to irrigate public open space, and for irrigated horticulture. Perth's groundwater resources provide more than 40 per cent of scheme supplies to households and businesses; almost all the water supply used for parks, sports grounds and agriculture; and one in four domestic gardens. Groundwater also plays an important role in our natural environment by supporting wetlands, lakes and deep-rooted vegetation (such as urban trees).

Managing groundwater sustainably ensures we can provide for our current needs and future generations.

Managing groundwater sustainably ensures we can provide for our current needs and future generations. It is part of our aim to ensure the amount pumped from aquifers stays in balance with the amount of recharge to groundwater aquifers from rainfall. The amount of groundwater available for use in each location is identified through the department's water allocation plans. To get this right, water allocation planning involves considerable science, including future climate projections.

Water allocation planning responds to climate change by using projected climate trends to identify water availability over the 10-year life of our plans. As rainfall in the south-west is decreasing, in many cases this means that no more groundwater can be made available for use.

Water users are responding to climate change by using the water that is available more efficiently, including through improving

irrigation technology, better design of green space, reducing leaks and wastage, and through water trading. In some locations groundwater use will need to begin to reduce as rainfall further decreases. By planning now for future water availability, we will be able to provide certainty about any changes needed, allow plenty of time to adjust, and keep the changes small.

Looking ahead to 2020–21, we are aiming to complete the Cockburn groundwater allocation plan and progress groundwater allocation planning products for Gnangara, Myalup, Perth South and Jandakot, Serpentine, Derby, Esperance and Albany.

► Fitzroy water allocation plan

The department is in the process of developing a Fitzroy River water allocation plan to support the State Government's Fitzroy election commitment for no dams, a National Park, and a management plan to protect the river and support sustainable economic development.

The water allocation plan will be built on scientific evidence and be guided by community values and government policy to provide a strong and transparent foundation for the catchment's water resource management.

No decisions have been made on the amount of water that can be sustainably taken from the river.

Following significant stakeholder consultation, draft policy positions are now being developed as a discussion paper. Stakeholder meetings to share and discuss these policy positions were originally scheduled for the first half of 2020; however,

because of the COVID-19 pandemic and the associated Remote Aboriginal Communities Directions, departmental staff were unable to travel to the catchment to undertake meetings with stakeholders and Traditional Owners.

Stakeholder meetings will be rescheduled so that feedback can be sought to inform the draft water allocation plan.

Both our department and the Department of Primary Industries and Regional Development are available to talk to stakeholders and we will continue to work on other elements of the Fitzroy commitments, with the possibility that consultation may recommence later in 2020.



► Groundwater and surface water investigations



We undertake groundwater and surface water investigations and water modelling throughout the state to ensure government and industry have timely

knowledge of resources allocated for drinking water supply, agriculture, horticulture, mining and industry in areas where it is most needed.

The combined investment of \$4.1 million in 2019–20 included \$2.5 million of investment in the State Groundwater Investigation Program, plus \$1.6 million in the Water Modelling Program. These programs completed 1,200 m of local drilling and installed 19 new monitoring bores, collected 348 samples of water for chemical analyses, built seven water models and began 20 new models.

Completed models included:

- two for understanding flood behaviour and flood risk
- models at three surface water monitoring sites to better understand the relationship between water levels and discharge
- two catchment-scale surface water models to understand the flow and water quality inputs to the Hardy and Wilson inlets.

Bores installed in the Cockburn and Peel coastal areas allow us to monitor the movement of the seawater interface and sustainably manage coastal aquifers that support the Western Trade Coast and green space in Mandurah.

Despite complexities caused by the COVID-19 pandemic, an entire drilling program was carried out in Esperance between April 2020 and June 2020 in close collaboration with Traditional Owners. This project will provide

new information to ensure the limited fresh groundwater resource can continue to support public and private water supply, without impacts from the ocean and saline lakes.

Through the East Midlands investigation, we installed a new groundwater monitoring network between Moora and Gingin, carried out all required surface water and groundwater sampling, and started building our 3D geological model. This project will improve our understanding of groundwater availability and help address water needs for horticulture and the environment, in particular for Gingin Brook. The investigation has progressed significantly, with on-ground works completed and data collected and analysed to inform planning for the use of this important resource.

Two major projects reached completion this financial year: the Western Suburbs Regional Organisation of Councils (WESROC)/Kings Park Formation and Fitzroy Valley groundwater investigations.

The WESROC/Kings Park Formation project focused on securing water for Perth's green spaces, while protecting groundwater quality, wetlands and existing groundwater users. This project updated the hydrogeological understanding of the area with a focus on aquifer connectivity, recharge and groundwater interaction with surface water. The new conceptualisation will be used in future water allocation planning and water supply planning for the area, under climate change and population growth.

The Fitzroy Valley project investigated groundwater availability in the Fitzroy River Catchment. This project updated the understanding of the geometry of the major aquifer units. As part of the project, the Poole Sandstone and Grant Group provided a regional-scale understanding of rainfall-derived recharge, and defined hydraulic connectivity between the various aquifer units and the Fitzroy River, Margaret River and significant off-stream pools and tributaries.

Two further investigations began this financial year: La Grange groundwater-dependent ecosystems in the Kimberley and the Swan Valley North East Corridor.

The purpose of the La Grange project is to determine the relationship between groundwater in the Broome and Wallal aquifers and the ecosystems in the La Grange groundwater subareas and Walyarta, including the Ramsar-listed³ Mandora Marsh, 80-Mile Beach and Roebuck Bay. Highlights for 2019–20 include:

- detailed planning including stakeholder mapping
- a project initiation document receiving endorsement from the board.

³ A Ramsar site is a wetland site designated to be of international importance under the Ramsar Convention. The Convention on Wetlands, known as the Ramsar Convention, is an intergovernmental environmental treaty established in 1971 by UNESCO, which came into force in 1975.

Two further investigations began this financial year: La Grange groundwater-dependent ecosystems in the Kimberley and the Swan Valley North East Corridor.

The Swan Valley North East Corridor investigation progressed detailed scoping and the development of a project initiation document, as well as readvertising a request for tender for an airborne electromagnetics

survey. Outputs from the Swan Valley North East Corridor investigation will provide a robust understanding of groundwater availability and salinity in the area and will be used to inform allocation reviews for a feasibility assessment of alternative water supplies, such as managed aquifer recharge. The project is being completed collaboratively with our Waterwise Perth Action Plan team.

This year, we progressed a trial of groundwater telemetry equipment which will revolutionise how we collect groundwater-level data across the state. This trial will inform wider implementation of this technology, making our data more readily available to inform our science and decision-making.

We also assessed the age and condition of our existing monitoring bore network, which provides vital information about groundwater resources and helps determine maintenance and replacement priorities.

In 2019–20, we replaced 17 deep bores – some in the Perth area up to 600 m deep – with drilling totalling more than 5,000 m. Maintenance works were undertaken across the state at a further 850 groundwater monitoring sites. This work remains essential to protecting WA’s groundwater monitoring network, which comprises about 2,500 bores.

In addition, we monitored 243 surface water sites across WA using telemetry to capture real-time information on stream flow. We also captured telemetered water quality data at 75 key locations, mainly in rivers and estuaries in the south-west.

We have instrumentation and assets at 270 operational river gauging stations and 174 operational meteorological sites.

Our monitoring program improved significantly in the past 12 months, with

changes aimed at ensuring quality data is captured, analysed and delivered to client expectations and our own standards.

Key operational achievements during the financial year included:

- Completion of hydraulic models for four monitoring stations to improve accuracy of flow data, with a further 10 models being progressed.

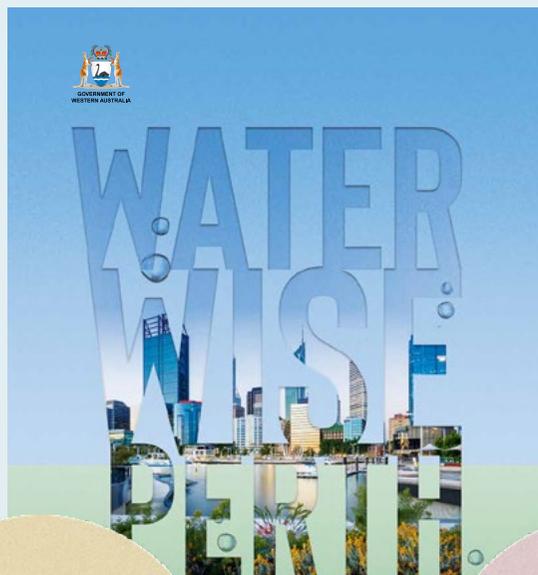
- Auto-archiving of rainfall and low-risk surface water sites to improve the availability of our data, enabling stakeholders to view and download information ranging from commencement of monitoring at a site through to present-day activity. Groundwater auto-archiving is expected to be rolled out in the near future.



Waterwise Perth Action Plan

Feature Story

The State Government's Waterwise Perth Action Plan was launched in October 2019 and sets the direction for Perth to become a leading waterwise city by 2030.



The action plan sets targets to respond to the major impacts of climate change on water resources and liveability to support the 3.5 million population forecast to reside in the Perth-Peel region by 2050. It focuses on ensuring healthy waterways and wetlands, sustainable and attractive urban spaces, water use efficiency and water security now and into the future.

Developed following engagement and collaboration with more than 50 organisations and 200 individuals, the action plan calls on everyone in the community to work together to help secure our water future – including government, businesses, industry, councils and households.

It sets a work program for the next two years and establishes a solid foundation for successive plans to achieve the 2030 targets.

The actions in the plan include:

- assistance for households to be more waterwise and reduce annual per person use to 110 kilolitres
- enhanced water management of sporting ovals and green spaces
- all government-led urban development projects in the Perth-Peel region to be 100 per cent waterwise
- METRONET precincts designed to consider all elements of the water cycle
- greater use of recycled water
- increased urban tree canopy to reduce the urban heat island effect.



Rural water planning

Our department is responsible for implementing the State Rural Water Plan and administering the State and Australian Government grants that support it – providing a foundation for an organised and structured approach to the ongoing improvement and maintenance of sustainable farmland water supplies. This plan covers all dryland of the agricultural

Developing alternative water sources is increasingly important as the population of our state grows.

solutions to overcome water deficiencies. In particular, we give priority to areas without access to reticulated (piped) water services, as these areas are the most vulnerable to serious water deficiencies.

region of south-west WA which receives less than 600 mm average rainfall annually.

The primary goal of the plan is to promote strategic development of reliable and sustainable water supplies that will provide long-term

Developing alternative water sources is increasingly important as the population of our state grows and the rural sector battles to sustain itself in the face of a drying climate. This includes fully utilising existing water resources, such as groundwater reserves, agricultural area dams and desalination options.

► Management and maintenance of strategic community water supplies

A network of strategic community water supplies has been developed across WA's dryland agricultural areas to provide an important source of emergency water for stock, firefighting and public amenity during dry seasons.

These water supplies are for emergency use at times when low rainfall causes on-farm supplies to fail and forces farmers to travel outside their farm gate to collect water for livestock and other essential farming purposes.

We stay in regular contact with rural communities to monitor the condition of strategic community water supplies and

identify and maintain department-managed water assets.

Through our dry season works program, we completed over \$1.5 million worth of works on upgrades and improvements to the department's strategic community water supplies in 2019–20.

► The Community Water Supply Program

Our Community Water Supply Program provides grants of up to \$100,000 for community water supply improvements in partnership with LGAs in eligible dryland areas.

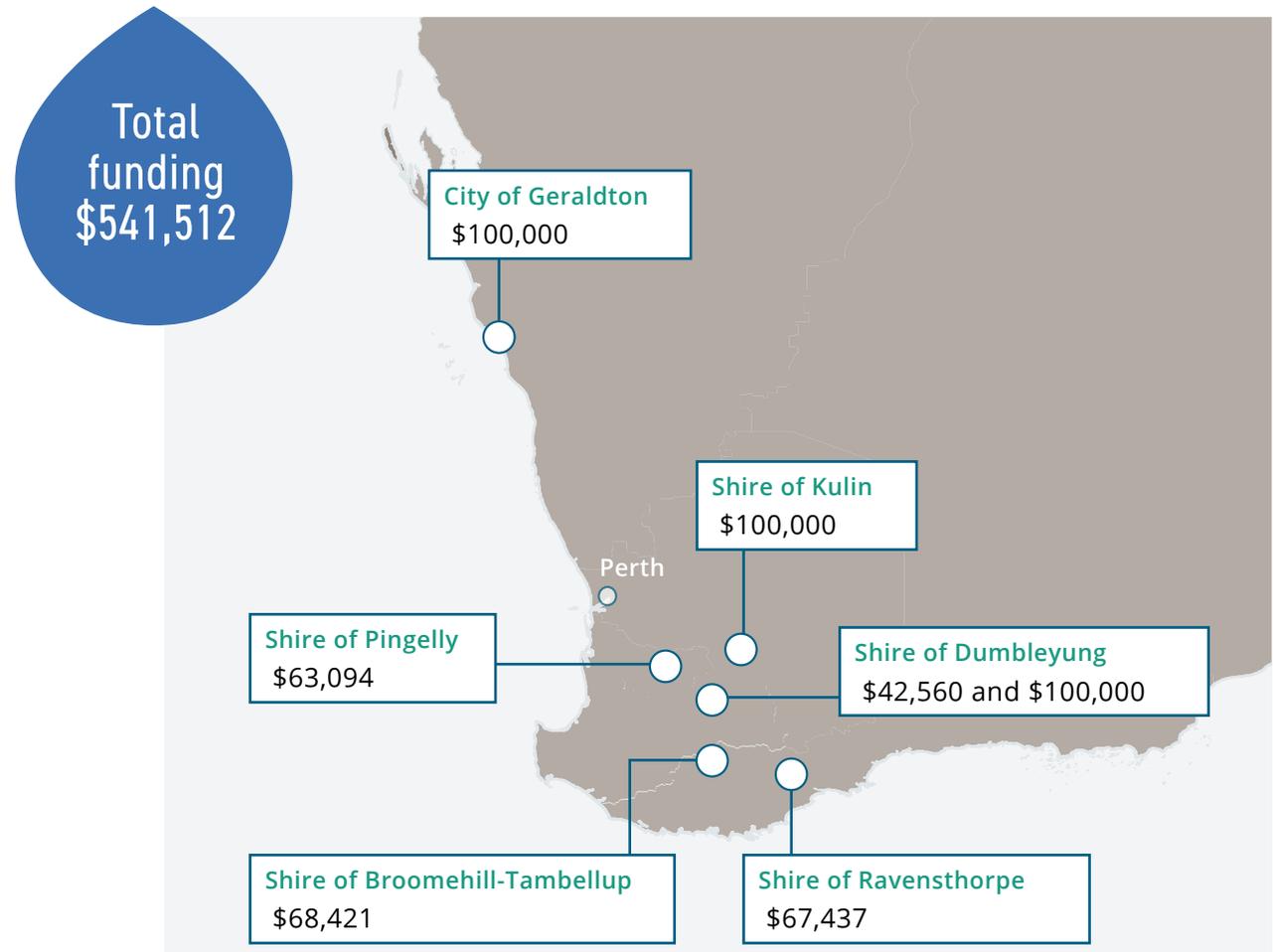
The department administers this program to encourage the planning and establishment of reliable non-potable water supplies to meet emergency farmland water needs and to reduce scheme water use.

We work with LGAs and rural communities to construct or enhance water supplies to meet emergency farmland water needs, improve townsites amenities and reduce scheme water use.

During the year, the following initiatives were funded to a total of \$541,512:

- \$68,421 to the Shire of Broomehill-Tambellup to upgrade and install additional pipelines between dams to maximise the efficient transfer and use of harvested water within the townsite and drought-proof the town.
- \$100,000 to the City of Geraldton to improve infrastructure at three strategic non-potable bores in the Mullewa region and provide fit-for-purpose water for firefighting and rural unsealed roadworks maintenance.
- \$63,094 to the Shire of Pingelly to channel crucial stormwater to the Realm Street dam and assist in watering the grounds and town oval for longer periods over summer, and increase supply for treatment and use in town resources.
- \$42,560 to the Shire of Dumbleyung to upgrade the Tarin Rock Siding dam and enhance emergency non-potable livestock water supplies in the Kukerin area.

► **Community Water Supply Program funded projects 2019-20**



- \$100,000 to the Shire of Kulin to construct a new 25,000 cubic metre capacity dam off the Pingaring-Varley Road, which will be equipped with a solar pump and 275 kilolitre capacity tank.
- \$67,437 to the Shire of Ravensthorpe to upgrade the Fitzgerald dam and enhance emergency non-potable livestock water supplies in the area.
- \$100,000 to the Shire of Dumbleyung to desilt the Kukerin stock dam and upgrade the catchment, optimising rainfall runoff and storage capacity.

► Emergency farmland water response planning

Emergency planning and response is a key part of the state Rural Water Plan, with emergency farmland water response plans outlining the process for farmers to follow in the event that emergency water is needed from off-farm sources. This includes water deficiency declarations – a State Government response to safeguard the commercial interests of farmers during exceedingly dry periods.

A declaration requires the State Government to provide water for livestock needs at a central storage point, within a 40 km radius of the farm concerned.

With areas in south and south-eastern WA experiencing extended dry conditions, the department has managed the response to an unprecedented 12 water deficiency declarations, with emergency water carted to central locations, at a cost to the state of more than \$3 million.

► National On-Farm Emergency Water Infrastructure Rebate Scheme

The Federal and State Governments have worked in partnership to deliver national rebates to livestock and horticulture (permanent plantings) farmers and pastoralists in rural WA for on-farm water infrastructure.

The National On-Farm Emergency Water Infrastructure Rebate Scheme is administered through the Rural Water Planning Program and subject to scheme funding allocated to WA by the Australian Government. Grants are made available to eligible commercial livestock and horticulture farmers and pastoralists in WA.

The rebate is for 25 per cent up to a maximum of \$25,000 for the purchase, delivery and installation of new water infrastructure to address animal welfare and permanent planting water needs and improve resilience to drought.

Because of the high volume of applications, the funding of \$3.77 million for 2019–20 was fully allocated.

► Farm Water Supply Planning Scheme

The Farm Water Supply Planning Scheme (FWSPS) encourages commercial farmers in dryland agricultural areas to participate in a comprehensive farm water audit process. This audit process provides farmers with recognised water conservation and management principles and a robust framework on which to base water resource management decisions.



The FWSPS provides a rebate of up to \$1,000 towards the cost of a farm water auditor visiting the applicant's farm to complete a farm water supply audit.

In 2019–20, a total of \$138,426 was allocated to 206 farmers under FWSPS.

Protecting drinking water sources



The department remains focused on its priority of protecting water quality in 140 proclaimed public drinking water source areas – providing safe, reliable and good-quality drinking water.

In 2019–20, we arranged the constitution of three sources – Busselton, Bunbury East and Leonora – enabling them to be recognised in land use planning decisions and to allow by-laws to be applied to protect water quality. We also abolished the Leeuwin Springs, Perenjori and Greenbushes sources because they were no longer needed to supply drinking water.

As part of our drinking water source protection program, we prepare and regularly review drinking water source protection reports for sources around the state. These reports identify water quality contamination risks and how to address them.

This financial year, we continued our work on reports for the Woodridge, Nilgen, Quinninup, South Coast and Laverton drinking water sources – all five of which are on track for completion by the end of 2020.

► Increased protection for Mundaring Weir’s drinking water

In 2019–20, we initiated works to improve water quality on department-owned land in the upper Mundaring Weir Catchment Area.

The Forest Products Commission was engaged to harvest 70 hectares of pine trees, with replanting to follow. Fallow land was prepared for establishing a pine plantation, and 10 hectares of native revegetation began alongside degraded waterways. This helps to maintain water quality in the catchment.

During the COVID-19 pandemic unauthorised camping and vehicle access spiked in the area, posing an increased risk to drinking water quality and public health.

To address this, we installed more signs and undertook patrols – supplementing the Water Corporation’s efforts around the Mundaring Reservoir.

► Mineral exploration in drinking water sources

We are working with the DMIRS to improve environmental practices for mineral exploration in drinking water catchments.

► Improved process for recreation applications

In June 2020, we updated our application process for recreation events and facilities in drinking water source areas. This expedites assessment timeframes by making it easier for applicants to let us know what their plans are, as well as identify how they will protect drinking water quality.

Drainage for Liveability



The Drainage for Liveability Program, a joint initiative with the Water Corporation, supports a waterwise Perth by making our communities more sustainable, productive, resilient and liveable.

Working with interested community groups, LGAs and the development industry, we are improving stormwater drains and basins to increase the social and environmental value of these spaces in our urban environment.

In 2019–20, we developed guidance notes to aid in the design and implementation of stormwater infrastructure, including stormwater integration into public open spaces and managing small rainfall events.

In October 2019 the program was recognised at the state Australian Water Association Awards, winning the Program Innovation Award 2019. The program went on to be a finalist at the national awards.

Landmark native title settlement recognises Yamatji Nation

In 2019–20, we worked with the Department of the Premier and Cabinet to negotiate a comprehensive water package that was included in the Yamatji Nation Indigenous Land Use Agreement – reaching a native title settlement in February 2020.

Worth \$442 million, the settlement was based on a land use agreement including land, housing, tourism opportunities, revenue streams and access to water.

Unique to the agreement is the recognition of the importance of water to Aboriginal people, not only in practising culture but also as an economic opportunity.

The negotiated water package included:

- the reservation of up to 25 gigalitres per year of groundwater for use by the Yamatji Nation
- \$20 million for groundwater investigations to support future licence applications

- funding to train Yamatji people in groundwater monitoring and contracts for delivery of departmental groundwater monitoring programs
- funding for a program to document, protect and restore cultural water sites on traditional lands
- funds for the department to employ a Claimant Liaison Officer and additional staff to implement the project.

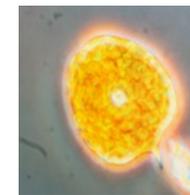
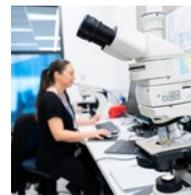
Moving forward, the project will be carried out by our Mid West Gascoyne team, who will work with the Yamatji Nation to develop and implement the agreement.

Western Australian rivers and estuaries

As the lead agency for water quality management across the state's rivers and estuaries, we lead and coordinate management actions to improve water quality based on good science in rivers and regional estuaries.

More than 80 per cent of Western Australians live around estuaries – they are central to the WA way of life, supporting businesses, recreation and tourism. Because of population pressures and intensive agriculture in the catchments, water quality in many estuaries has deteriorated.

Estuaries are where rivers meet the ocean, and their health is linked to conditions of the catchment land surrounding them, as well as conditions in the water itself. We combine the scientific understanding of how nutrient losses from catchments lead to poor water quality and the practical actions needed, such as water quality improvement plans.



For effective regional delivery, these plans rely on shared responsibility involving government agencies, LGAs, community, natural resource management groups and industry.

► Aquatic science

The department provides a centre of expertise in aquatic science to support management decisions relating to water quality in rivers, streams and other water bodies. This expertise in catchment and estuary numerical modelling, river and estuary science, remediation science and phytoplankton (microscopic algae) ecology supports all initiatives across our river and estuary programs.

In 2019–20, our Phytoplankton Ecology Unit operated out of upgraded laboratory facilities in Joondalup which greatly extended the capacity of this service.

The unit provides a statewide service to government for the identification and enumeration of phytoplankton, as well as coordinating algal bloom responses and advice.



► **Peel-Harvey Estuary Protection Plan**

The department’s Peel-Harvey Estuary Protection Plan is designed to provide guidance and direction for water quality improvement actions in the catchments and estuaries of the Peel-Harvey estuarine system.

Despite major engineering interventions in the form of the Dawesville Cut, and concerted but inconsistent catchment management since that intervention, water quality has not improved in all areas of these estuaries. Contributing factors include increased urban and commercial development, combined with intensification of agriculture.

The estuary protection plan is a commitment of the State Government which provides the opportunity to review the current condition of the catchment and estuaries and improve scientific understanding and experience gained from various nutrient reduction actions – most notably through the Regional Estuaries Initiative.

The plan will be informed by numerical modelling of catchment hydrology and

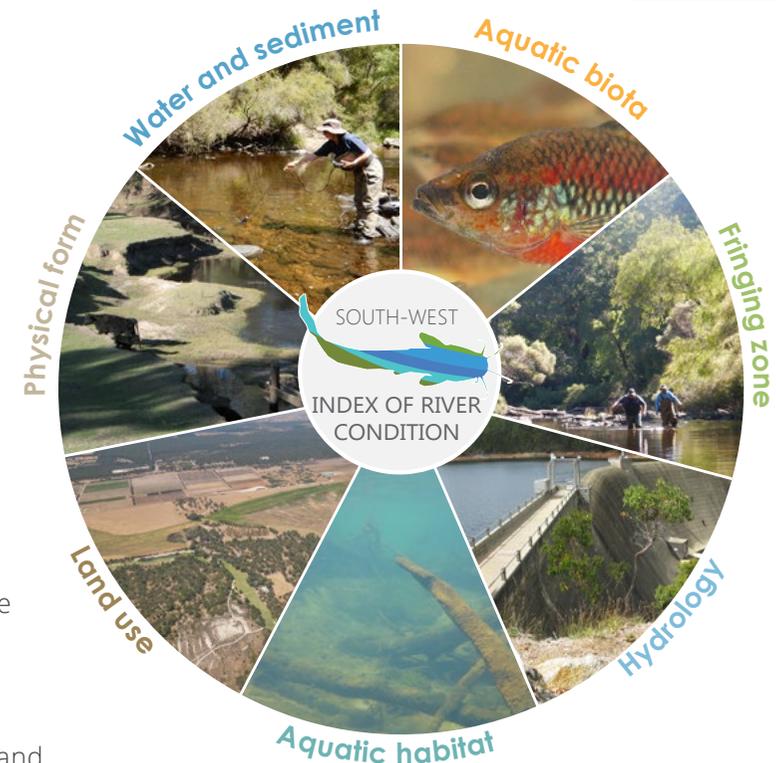
nutrient sources undertaken in partnership with university researchers through an Australian research grants linkage, from which an estuary response model has been developed.

A water quality improvement plan for Peel-Harvey is also being developed and will be released in late 2020.

► **Healthy Rivers Program**

The [Healthy Rivers Program](#) collects and interprets data about rivers and their catchments, and uses the knowledge gained to provide advice to underpin river management. Central to the program is long-term, standardised assessments of river health sites, as well as assessment of emerging issues as required. In addition to use by the department, all river health information – as well as assessment methods and guidance – is made available to support others in assessing and managing rivers.

A summary of data from river health assessments (dating back to 2007) will be published later in 2020.



► **Fish kill response**

In partnership with the Department of Health and Department of Primary Industries and Regional Development, we are responsible for coordinating the [response to fish kills](#) in the state’s inland waters (including estuaries) outside of the Swan-Canning System.

In 2019–20, the department responded to 29 reported fish kill events – investigating causes, communicating the status and risks to the community, and supporting management.

Feature
Story

Regional Estuaries Initiative

REGIONAL
ESTUARIES
INITIATIVE

The [Regional Estuaries Initiative](#) (REI) is the State Government's whole-of-government investment in the health of key WA estuaries comprising the Peel-Harvey Estuary, Leschenault Estuary, Vasse-Geographe waterways, Hardy Inlet, Wilson Inlet and Oyster Harbour.

Entering its final year of a four-year program this financial year, the initiative developed innovative on-ground actions for catchment-scale outcomes. By partnering widely, we use a system-stewardship approach, combined with good science, to improve water quality. This helps us understand the current health of our estuaries, and direct catchment investment where it will have the biggest impact.

In March 2020, we undertook a trial of an algal bloom-preventing clay in the Serpentine River – the largest trial of its type in WA.

Funded through the REI program, 18 tonnes of phosphorus-binding clay was applied to the stretch of river over the four-day trial – aiming to reduce algal growth by binding phosphorus in the water and forming a

protective layer on sediments (reducing phosphorus release).

The largest of four clay trials, it represents the next stage of our scientists working to identify ideal clay application rates for different environments, improve clay manufacturing processes and undertake a detailed risk assessment for large-scale clay applications.

The project has the potential to pave the way for future measures to reduce the risk of algal blooms across WA waterways.

Throughout the past four years, REI has:

- established 11 formal partnerships and engaged more than 200 stakeholders directly involved in steering or delivering the initiative





- directly employed more than 100 people
- engaged more than 600 farmers through the sustainable agriculture strategy
- fenced off more than 120 km of foreshore on agricultural land
- taken over 1,500 seagrass observations across four estuaries
- set up four soil amendment sites across nine hectares to trial methods of holding nutrients in agricultural soils
- been a finalist at the state Australian Water Association Awards (October 2019) – recognised for its innovative whole-of-system approach to estuary health.



The strong partnerships forged over the past four years have increased awareness of the issues facing our estuaries and connected people who can help. Now our partners are using the initiative to find partners of their own, creating further momentum for change.

The work started by REI is set to continue in coming years under Healthy Estuaries WA.

Healthy Estuaries WA will maintain the momentum built by REI and will expand to include the Torbay catchment on the south coast.



► Revitalising Geographe Waterways

The department's [Revitalising Geographe Waterways](#) (RGW) Program aims to improve water quality, waterway health, and management of Geographe waterways. It is overseen by the inter-agency Vasse Taskforce, chaired by Dr Sally Talbot, MLC.

Since establishment, the RGW Program has helped improve water quality in the Vasse Wonnerup wetlands and Toby Inlet, delivered a 75 per cent reduction in nutrients entering Geographe Catchment waterways, and enhanced community awareness and confidence in government-led water quality initiatives.



Revitalising Geographe
Waterways

VASSE
taskFORCE

In 2019–20, a further \$1.6 million was invested in the program to sustain water quality improvements and community confidence.

During the past 12 months, the RGW Program:

- worked with partners and the community to reduce nutrients entering waterways from rural and urban areas
- implemented priority actions in the Lower Vasse River and Toby Inlet
- continued monitoring of catchment waterways and the Vasse Wonnerup wetlands, assessing water quality trends over time and any potential impacts of the program.

The work started by RGW is set to continue under Healthy Estuaries WA, working in collaboration with partners and the community to undertake monitoring of priority waterways, and implement key actions from water management plans.

Healthy Estuaries WA

[Healthy Estuaries WA](#) is a \$25 million State Government commitment, building on the work of the Regional Estuaries Initiative and delivering core actions of Revitalising Geographe Waterways.

Launched by the Minister for Water, Hon. Dave Kelly, MLA in the Torbay Catchment near Albany on 5 June 2020, Healthy Estuaries WA will focus on improving the health of Peel-Harvey Estuary, Leschenault Estuary, Vasse-Geographe waterways, Hardy Inlet, Wilson Inlet, Torbay Inlet and Oyster Harbour.

This project is supported by the State Government's Royalties for Regions commitment.



Service three: Water regulation, licensing and industry governance

The department's responsible, proportional regulation ensures investment, growth and development is supported by sustainable management of the state's water resources. This service includes management of water licensing and permits. It also includes management of the legislation governing the operations of water service providers.

Water licences administered 2019–20

13,751
licences and permits 

Water licensing

WA's prosperity depends largely on secure, sustainable and fit-for-purpose water supplies, where fit-for-purpose means recognising that not all water uses – such as dust suppression and some industrial uses – call for high-quality drinking water.

Overall water use in the state has almost doubled in the past three decades and projections show demand will again double by 2050.

The rising demand is heightening competition for available water in many parts of the state and, when coupled with the impacts of climate change in the state's south-west, is increasing the number of fully allocated water resources and the complexity of water resource management.

Licensing is our principle regulatory tool for ensuring that our water resources and dependent ecosystems are protected, and that water is allocated for productive and

efficient use. We issue licences and permits to regulate the use of water for mining, agriculture, horticulture, irrigation of public parks and recreation spaces, and many other purposes that benefit the state's economy and community.

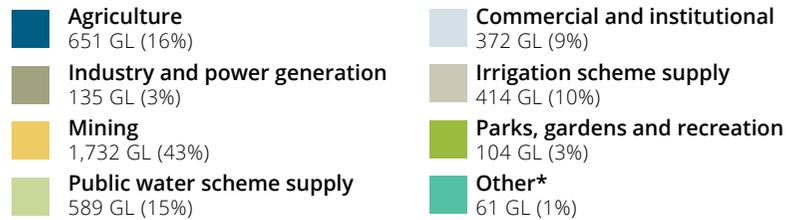
More than 71 per cent of WA's licensed water supports industry and development, while about 14 per cent is used in homes.

At 30 June 2020, we administered 13,751 water licences and permits across the state and managed 468 groundwater and 228 surface water resources respectively.

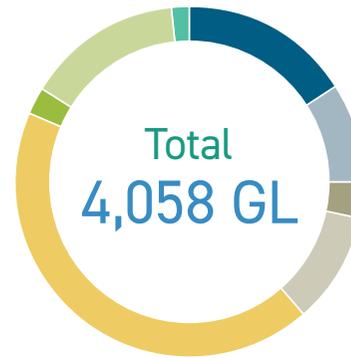
In 2019–20, a total of 4,058 gigalitres of water was licensed for use. This comprised 3,085 gigalitres from groundwater resources and 973 gigalitres from surface water resources. Surface water figures contain licensed dam storage volumes that are not always available for use because of climate and inflow variation.

► Western Australia’s water users by sector

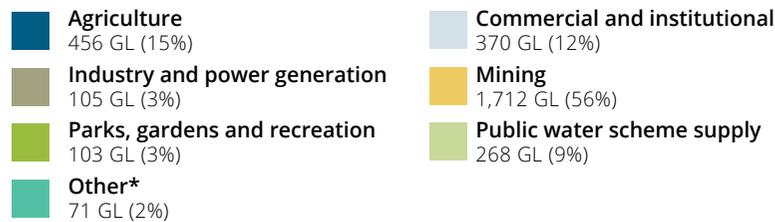
► Total licensed volume by sector



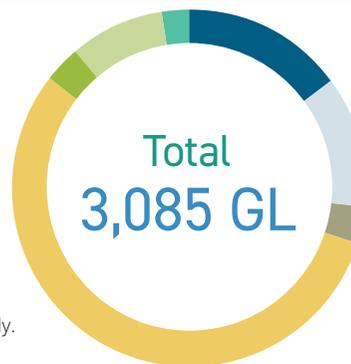
*Other includes environment and conservation, and stock and domestic.



► Groundwater licensed volume by sector



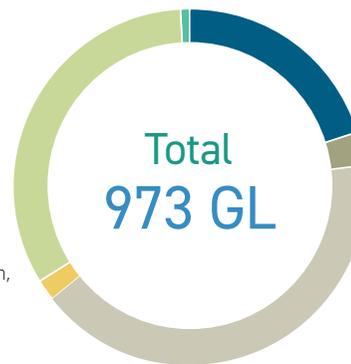
*Other includes environment and conservation, stock and domestic, and irrigation scheme supply.



► Surface water licensed volume by sector (allocated volume)



*Other includes stock and domestic, commercial and institutional, environment and conservation, and parks, gardens and recreation.



A total of 3,110 licence applications were received in 2019–20 and 3,329 were processed. A total of 2,092 were licences to take groundwater, 241 were licences to take surface water and 756 were a combination of permits to interfere with bed and banks, licences to construct wells and agreements. The remaining 240 applications were either refused, rejected, not required or withdrawn. A total of 130 private water entitlement trades between licensed water users were approved in 2019–20, comprising 90 permanent trades and 40 temporary trades equating to a total transacted volume of 19.5 gigalitres.

All water licensees across WA with a licensed entitlement above 50 ML per year are required to measure and submit their water use online. As of 1 December 2019, all Gngangara groundwater areas allocation plan water licenses with entitlements of 10 ML and over are also required to measure and report their water use.

Our measurement and monitoring of licensed water use was significantly enhanced in 2019–20, following the staged introduction of these new metering requirements over the past three years. In total, 97 per cent of all water licensed for use in WA now requires metering or alternative measurement.

Please note: The sector volumes (both individual and totalled) in each of these charts have been subject to rounding.

Delivery of water licences

Our department has introduced a number of key business improvement initiatives across our water regulation services, resulting in significant performance improvements over the past 12 months – particularly in water licensing.

Successful implementation of the Water Licensing Backlog Action Plan in early 2018 has driven a significant reduction in the number of water licence applications open for a period of more than 65 days. From a high of 589 on 31 March 2019, to a two-year low of 173 in 2019–20, we are well within the performance target of 350 applications or fewer.

The average time taken to process a water licence application has also been substantially reduced. It now takes the department 46 days to process a low-risk application, 85 days for a medium-risk application and 87 days for a high-risk application.

Notably, the average processing duration for low-risk applications (which currently represent more than 80 per cent of all water licence applications received by our department each year) is 19 days fewer than the performance target of 65 days, while the high-risk average processing duration is eight days fewer than the 95-day target.

Water compliance

Water is a precious resource, particularly within the context of climate change, increasing population and growth in the state's economy. We administer water resource management legislation that enables the taking of water while protecting our water-dependent environments.

Legislation provides the basis on which water is allocated to users in WA and also prescribes offences and penalties when statutory provisions are breached. We undertake a range of compliance and enforcement activities primarily aimed at the protection of water resources and the water-dependent environment.

In 2019–20, our on-ground compliance monitoring effort was targeted to at-risk management areas across WA. A total of 6,859 compliance monitoring events were completed, consisting of comprehensive on-ground water licence compliance inspections, water meter audits, desktop water use surveys and a review of licensee submissions.



Investigative and enforcement activities were prioritised based on the seriousness and scale of the alleged offence, the conduct of the responsible parties and public interest considerations. We focused on offences that posed the greatest risk of harm to water resources or that undermined public confidence in effective water resource management. Examples of detected non-compliance included the unauthorised taking of water, exceedance of licensed water

entitlements, and failure to install water meters and submit readings.

In 2019–20, 1,352 investigations were finalised, resulting in the issue of 288 education letters and warning notices aimed at encouraging and assisting voluntary compliance. We also continued to deliver broad-scale and targeted stakeholder education initiatives, which sought to assist licensees' understanding of their statutory

obligations and comply with the terms, conditions and restrictions of their individual water licences.

Where voluntary compliance could not be achieved, we escalated our response to statutory enforcement action. In 2019–20, 39 infringements and eight directions were issued and two prosecutions were commenced.

Water compliance in 2019–20



1,352

investigations were finalised



288

education letters and warning notices were issued

► Response to non-compliance

Category	2017–18	2018–19	2019–20
Water licence compliance checks	2,450	4,367	6,859
Incidents of suspected non-compliance identified	1,335	2,132	3,858
Incidents of suspected non-compliance resolved	878	780	1,352
Education letters and warning notices	237	278	288
Licence amendments	0	0	0
Infringement notices	54	38	39
Direction notices	14	13	8
Prosecutions	0	1	2

Water licensing fees

Contemporary water management across Australia recognises the principle of user pays, with [water licensing fees](#) for the mining and public water supply sectors paid by licensees. Before the introduction of these fees on 13 November 2018, WA was the only Australian state that did not recover the costs of licensing services from applicants or holders of water licences and permits.

The fees, made by amendments to the Rights in Water and Irrigation Regulations 2000, relate to applications for:

- a new section 5C licence to take water
- renewing a section 5C licence to take water
- licensee amendments to a section 5C licence to take water
- a section 26D licence to construct or alter wells
- section 11, 17 or 21A permits to interfere with the bed or banks of watercourses.

The mining and public water supply sectors are two of the largest water users by total volume, requiring significant effort in assessing licence and permit applications. The fees for these two sectors recognise the need to meet the costs of assessing water licence and permit applications from which the industries derive a benefit.

Only the applications that trigger assessment are subject to fees. The fee structure is based on the level of effort for assessing an application and generally increases with the scientific complexity and potential environmental impact of the application.

We aim to provide easy-to-use digital and support services to help people and companies manage their water and environmental business. By moving low-complexity interactions to digital services, we are improving the client experience, as well as reducing our costs.

Improved best management practices to address spills

In 2019–20, we produced an updated guideline on how to address contaminant spills to ensure water quality is protected.

The water quality protection note [WQPN 10: Contaminant spills – emergency response plans](#) provides businesses and industries with straightforward information about how they can prevent spills of contaminants such as hydrocarbons and chemicals. It also outlines what to do in an emergency if spills do occur.

This guideline was prepared by the department's source protection and pollution response teams, and is available on our website.



2

Outcome two

Emissions, discharges and clearing of native vegetation are effectively regulated to avoid unacceptable risks to public health and the environment.

We work to achieve this through the following key service area.

Service four:	
Environmental regulation	40
Native vegetation clearing regulation	40
Industry regulation	41
Improving delivery	42
Building our regulatory capability	43
Air quality services	46
Contaminated sites	47
Environmental noise	48
Environmental compliance and enforcement	48
Waste levy compliance	51





Service four: Environmental regulation

The department seeks to prevent, control and abate activities that have the potential to cause pollution or environmental harm. It has adopted a risk-based approach to delivering its regulatory role, which broadly fits into three main functions:

- licensing and approvals
- monitoring, audit and compliance inspections
- enforcement, including complaint and incident investigation.

Native vegetation clearing regulation



During 2019–20, the department received 335 clearing permit applications, granted 284 clearing permits and refused three applications.

In addition to these, 102 applications were withdrawn by applicants and 11 applications were declined. Of the applications received, 61 were applications to amend an existing clearing permit. The average time for determining these applications (excluding stop clocks) was 70.8 days. A total of 50 per cent of clearing permit applications were determined within the 60-day target timeframe, an improvement on the 49 per cent assessed within this timeframe in 2018–19.

Clearing permit applications are also assessed and determined under delegation by the DMIRS. The above performance figures do not include permit applications processed by DMIRS.

To facilitate further performance improvements, the State Government's increase in fees for clearing permit applications came into effect on 1 July 2019, following consideration of feedback received during consultation.

The additional revenue is being reinvested into the department to improve resourcing for assessment and compliance against clearing permit applications, and to improve business systems.

Industry regulation

To support the State Government’s COVID-19 recovery strategy, the department has added further short-term resourcing to address application backlogs. A number of internal reforms have also been prioritised which are aimed at improving the efficiency of clearing permit application assessments.

Our interactive historical [statistics webpage](#) continues to provide publicly accessible data on native vegetation clearing authorised through clearing permit applications.

Works approvals and licences place regulatory controls on the construction and operation of industrial premises to ensure there are no unacceptable impacts from emissions and discharges to public health or the environment.

In 2019–20, our industry regulation division received 541 works approval and licence applications and 458 were determined. The average time for determining applications was 80.7 days, compared with 81.6 days the previous year when the department received 479 applications.

At 30 June 2020, 1,075 licences and 316 works approvals were active across the state.

Active licences and works approvals 2019–20

 **1,075**
licences

 **316**
works approvals



Improving delivery

The previous numbers demonstrate an improved performance from our Industry Regulation directorate, with more applications received in 2019–20 compared with 2018–19, and the average timeframe for approvals also being reduced.

In 2019–20, we continued to develop our internal processes to improve the way we make decisions as well as carrying out projects to improve the timeliness and delivery of our services.

Highlights include:

- Finalising a backlog project which addressed old and invalid applications in the resources sector. A total of 100 of these applications identified in January 2019 have now been addressed.
- Continuing to explore opportunities to streamline assessment and approvals processes to reduce processing

timelines. This includes the procurement of external consultants to assist in further reducing assessment and approvals timeframes and the number of backlog applications.

- Developing the Waste Facility Fire Pollution Prevention Strategy. Following a catastrophic fire at a material recycling facility in November 2019, the department inspected and undertook statewide fire-risk assessments across more than 40 facilities accepting combustible waste. Inspections that

In 2019–20, we continued to develop our internal processes to improve the way we make decisions.

identified a potential high risk were referred to the Department of Fire and Emergency Services for further investigation. Where necessary, premises will be further regulated through licensing under the EP Act.

Better practice guidelines for the storage and treatment of waste are being developed and will include minimum standards for the prevention and control of fire risk at these types of waste facilities.

We also worked towards a community-education campaign to ensure waste is appropriately sorted at the source to help prevent items such as batteries and flares creating a fire risk at waste management facilities.

- The department has commenced the development of guidelines for the management of dust from bulk

Building our regulatory capability

handling at Port Hedland, through the engagement of a third-party independent expert. The guidelines are part of the recommendations of the Port Hedland Dust Taskforce.

The department concluded its stakeholder consultation on its Regulatory Strategy for Port Hedland which has short-term (next five years) and medium-term (5–10 years) regulatory strategies. Our objective remains to ensure that dust emissions from premises licensed under the EP Act are not increased in the short-term, and are reduced following the introduction and implementation of the dust management guidelines.

Throughout 2019–20, we remained committed to our role as a responsible and credible regulator – delivering a one stop shop for environmental and water regulation and building our collective capability across our regulatory functions.

In 2019–20, key achievements in this space included:

- Implementing a standardised policy framework across our regulatory deliveries.
- Publishing procedures for industry, native vegetation and water regulation – aligning our stages of assessment.
- Enhancing our one stop shop webpage – bringing our policies, procedures, guidance and updated application forms together for ease of access for our stakeholders.

- Integrating our regulatory performance reporting.
- Delivering inaugural Part V (industry and native vegetation regulation) training in collaboration with the Environmental Consultants Association.
- Releasing the Better Practice Composting Guidelines – the department collaborated with the Australian Organics Recycling Association to ensure industry had an opportunity to provide input into the development of these. The draft guidelines link the *Waste Resource Recovery Act 2007* and Waste Avoidance and Resource Recovery Strategy 2030 objectives to ensure waste is managed or disposed of to better practice facilities by 2030, with the department's regulation of Part V prescribed premises under the EP Act. The draft guidelines were released for public consultation in May 2020.

- Aligning regulatory reporting with other parts of the department, including significant work to ensure a consistent approach to reporting regulatory data across the board.
- Improving industry guidance, including well-progressed development and consultation on separate guidelines for:
 - » emissions to land
 - » emissions to water
 - » emissions to air
 - » noise emissions
 - » dust emissions
 - » prescribed premises categories.
- Continuing work on streamlining and simplifying our regulatory approvals processes, including developing a tiered assessment approach for our native vegetation regulation and industry regulation functions.

- Working towards the release of the department's regulatory approach in 2020 to provide clear understanding for our stakeholders on how we undertake our regulatory functions, what stakeholders can expect from us, and how all of our regulatory activities fit together to achieve water and environmental outcomes.

In 2019–20, we continued to work closely with key regulatory stakeholders through our Regulatory Stakeholder Reference Group. We have more than 20 members representing State Government, LGAs, industry, and the community. The group met on four occasions during the financial year to discuss a wide range of issues, bringing together our water and environmental regulatory deliveries as part of our one stop shop program of work.

► Streamline WA

A flagship project underpinning our work is Streamline WA – a whole-of-government initiative making it easier to do business in WA by improving regulation and regulatory practice.⁴

Together with our partners at the DMIRS, we are leading the Streamline WA initiative (supported by the Department of Treasury).

In support of the state roadmap to recovery from the COVID-19 pandemic, our department accelerated and refocused reform efforts on streamlining regulatory processes, including implementing a tiered assessment approach for clearing and industry regulation.

⁴ Launched at the end of 2018, Streamline WA is one of the State Government's Public Sector Reform initiatives to deliver better services and outcomes for Western Australians.

Feature
Story

Environment Online

In 2019–20, we continued to work towards the delivery of Environment Online – a major program under our digital strategy, which builds on investment in our Water Online platform to replace legacy environment regulation business systems.



Environment Online is a customer-focused, digital one stop shop for environmental assessment, approvals and compliance for industry and developers in WA. It will improve the transparency and consistency of environmental approvals, and reduce the time taken for major projects to navigate joint State and Australian Government approvals processes by 6–12 months.

In May 2020, the State Government committed an additional \$12.4 million to complete this initiative, adding to the Australian Government's \$7.5 million in funding and the department's \$8.1 million – resulting in total funding of \$28 million.

Environment Online will help accelerate the delivery of more than \$100 billion worth of major projects in the development pipeline and the jobs that come with them.

It will also ensure projects are delivered in a responsible way and safeguard the protection of WA's natural environment.

The initiative will be complemented by the establishment of a Biodiversity Information Office, led by the Department of Biodiversity, Conservation and Attractions, which will provide a cost-effective system to capture, store, curate, publish and analyse biodiversity data throughout WA. It extends the work of our Index of Biodiversity Surveys for Assessments.

As part of a suite of other measures to reduce assessment timeframes, we are continuing to work with the State and Australian Governments to progress bilateral approval agreements.



Air quality services

Throughout the year, the department remained focused on its role of protecting and maintaining air quality in WA.

We continued to provide strategic, technical and policy advice on air quality matters such as ambient air quality, industrial emissions, odour modelling, meteorology, health standards and air toxics.

During 2019–20, we undertook a range of operations, including:

- A particulate monitoring campaign (including installing a light detection and ranging [LiDAR] system) in Geraldton between February and May 2020. The system has the capacity to send out light beams and record the backscattering of this light from particles in the air at a distance of up to 4 km – enabling assessment of the source and pathways of particles in the air.

This program is one of a number of general surveillance programs planned over coming years to assess air quality

within major metropolitan and regional centres.

- An ongoing capital replacement program to ensure our ambient air quality network is technologically capable of providing the high-quality data required for accurate assessment of air quality. This includes Quinns Rocks – a northern metropolitan monitoring site which underwent a major upgrade (completed in April 2020).

One new site came online during the year (Mandurah: August 2019) and a second was constructed (Armadale). Data from these sites will be reported within the annual air monitoring report for WA, prepared in accordance with the National Environment Protection (Ambient Air Quality) Measure.

- A trailer-mounted instrument which allows the real-time assessment of heavy metals in ambient air was purchased by the department this financial year. Previously, heavy metals were assessed



via high-volume samplers which required long sampling times of up to 24 hours. Using our new instrument, we can assess ambient heavy metal concentrations for periods of less than one hour.

- We continued to provide scientific peer review and oversight for the Collie Airshed Study – an industry-funded study to develop a consistent, rigorous assessment and air quality management regime for the Collie Basin. Once complete, the study will help establish a reliable scientific foundation, including a comprehensive air quality and meteorological database and verified computer models.

Contaminated sites

During the year we arranged access to the Pawsey Supercomputing Centre – a world-class user facility based in WA. We ran advanced 3D weather models to simulate meteorology at a fine resolution for the Collie region.

The monitoring component of this project was completed in 2019–20 and work is now focused on developing air quality models.

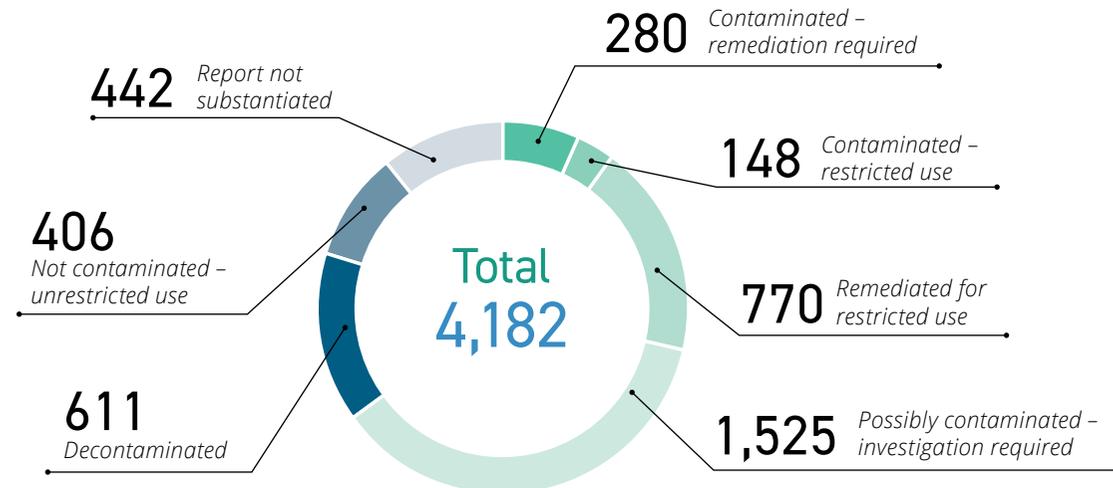
There were 194 known or suspected contaminated sites reported to us under the *Contaminated Sites Act 2003* (CS Act) between 1 July 2019 and 30 June 2020, and 356 sites were classified during the period. Each site typically is classified more than once to reflect new information. At 30 June 2020, a total of 4,182 sites had been classified under the CS Act.

In addition, we reviewed more than 115 acid sulfate soil reports and responded to about 500 requests for technical advice.

► **Number of sites reported and classified**

	Form 1 reports	Sites classified
2015–16	136	390
2016–17	371	448
2017–18	188	452
2018–19	220	368
2019–20	194	356

► **Classification of contaminated sites: Sites classified as at 30 June 2020**



Environmental noise

The department provides specialist environmental noise advice to several key stakeholders including the EPA, local and State Government agencies, and the community.

Environmental noise expertise also supports the department's policy, regulatory, and compliance and enforcement functions.

In its role of supporting WA LGAs to administer the Environmental Protection (Noise) Regulations 1997 (Noise Regulations), the department responded to eight requests for assistance with noise data analysis and about 40 requests for other environmental noise advice or support. Specialist environment noise advice was provided on 10 occasions that related to matters under EPA consideration, and in response to about 40 requests from other State Government agencies.

Further support was provided to LGAs in the form of noise regulation training, with about 45 officers being trained as at 30 June 2020.

Environmental compliance and enforcement



The department's annual compliance and enforcement program is based on risk and harm – ensuring resources are focused on premises and activities that pose the highest risk to the environment and community. The program provides periodic, systemic, documented and objective reviews of compliance status, management systems, overall environmental risk and the sufficiency of controls.

In 2019–20, we undertook 131 planned proactive prescribed premises inspections, as well as an additional 14 reactive inspections which resulted in the issuing of three statutory environmental protection notices, the amendment of four existing environmental protection notices, one prevention notice and nine formal warning letters.

Our analytical capabilities to monitor clearing of native vegetation were also boosted through the use of satellite

imagery technology – providing near real-time intelligence to proactively monitor compliance with permits and detect unlawful clearing.

We also introduced satellite tasking with the ability to provide on-demand, high-resolution satellite imagery of any location in WA – assisting with our investigations and incident response functions.

► Intelligence function

In 2019–20, we further developed and incorporated an intelligence function into our Compliance and Enforcement directorate. This function enables us to consolidate and analyse data held across our department – providing high-level customer service and managing and processing pollution reports and other information received.

The function also has responsibility for interrogating and analysing data held to determine pollution and non-compliance trends, and assisting in the development

Environmental compliance investigations 2019–20



298

enforcement actions taken



40

convictions recorded

of strategically planned compliance and enforcement activities. This enables the department to direct resources where they will have the greatest impact.

By undertaking regular assessment, we can inform decision-making and resource allocation according to risk prioritisation – enabling us to:

- use data and evidence to identify patterns of harm and trends and problems
- define problems precisely
- determine how to measure impacts
- develop solutions and interventions
- implement plans with periodic monitoring, review and adjustment
- close the intervention when a problem is solved.

► Investigations

During 2019–20, investigations were undertaken in response to pollution and intelligence reports. The investigations were prioritised based on risk and harm, and formed one part of our compliance and enforcement approach.

When prioritising matters, we consider our regulatory principles and our compliance and enforcement policy, including the seriousness and scale of the alleged offence, the conduct of responsible parties, and public interest considerations.

Investigations resulted in 298 enforcement actions being taken by the department. The enforcement actions ranged from non-statutory notices, to statutory notices and directions, and the initiation of court proceedings.

In 2019–20, 40 convictions were recorded for:

- material environmental harm
- breach of licence conditions
- breaches of the controlled waste regulations
- causing premises to become prescribed
- unauthorised discharge of waste
- unauthorised taking of water
- unauthorised clearing of native vegetation.

Some of the convictions during the financial year included:

- a company being fined \$1,000 for taking water without the correct authorisation
- a mining company receiving two modified penalty notices totalling \$37,500 for discharging about 4.7 million litres of hypersaline water into the environment

Pollution response 2019–20



3,449

reports to Pollution Watch Hotline



235

pollution and emergency incidents responded to

- a mining company being fined \$30,000 for failure to comply with licence conditions
- a company being fined \$20,000 and ordered to publish its conviction in The West Australian newspaper for unlawfully clearing about 17 hectares of native vegetation.

► Controlled waste tracking

As a department, we are responsible for administering the Environmental Protection (Controlled Waste) Regulations 2004 – regulating the transportation of controlled waste on roads in WA.

Under the regulations, carriers, drivers and vehicles involved in transporting controlled waste need to be licensed and must report the movements of controlled waste using an online tracking system (as well as a paper-based system for small business operators). Controlled waste tracked under the regulations includes substances such as sewage, heavy metals, acids, arsenic, clinical waste, organic compounds, tyres, food processing and grease trap wastes, and waste pharmaceuticals and medicines.

In 2019–20, compliance and enforcement officers conducted a program to examine the classification, transportation, tracking and disposal of medical waste at licensed facilities across the Perth metropolitan region.

This year, 481 new licences and 1,303 renewals were processed by our Controlled Waste team. Over 225,000 collections of controlled waste totalling 994,532 tonnes were reported to the department on 90,977 controlled waste forms.

► Pollution response



This financial year we continued to respond to serious pollution and hazardous materials incidents under the EP Act and the *Emergency Management*

Act 2005. Primary responsibility for responding sits with our 24-hour Pollution Response Unit. We work with LGAs and other State Government agencies to respond to incidents and emergencies statewide.

In 2019–20, we dealt with 3,449 reports to our 24-hour Pollution Watch Hotline and responded to 235 pollution incidents and emergencies, including industrial fires, chemical spills, hazardous materials releases, fuel tanker rollovers and oil spills.

We continued to work with LGAs under the Light Industry Inspection Program, educating light industries on how to reduce discharges of pollutants to the environment. This financial year, 293 light industrial inspections were completed.

Controlled waste licences 2019–20



481

new licences



1,303

renewals

Waste levy compliance

► Illegal dumping and littering

The department is responsible for investigating and prosecuting illegal dumping under the EP Act. On conviction, this offence carries a maximum fine of \$125,000 for corporations and \$62,500 for individuals.

In 2019–20, we investigated 325 illegal dumping and littering complaints. Working with LGAs and land managers, we identified offenders through surveillance footage (hidden cameras) and conducted regular patrols of known dumping sites to deter would-be offenders.

We instigated 27 prosecutions involving 52 charges for illegal dumping of waste and littering in the 2019–20 financial year, while 28 illegal dumping and littering prosecutions involving 49 charges resulted in court convictions.

Our staff also issued 150 infringement notices under the *Litter Act 1979*.

Five recipients of infringement notices elected to have the matter heard before a Magistrate, with all upheld by the court.

The waste levy helps divert the amount of waste to landfill, encouraging investment in alternative waste treatment options and other State Government initiatives to support increased recycling.

In 2019–20, we conducted 74 inspections of landfill facilities and 52 inspections of other prescribed premises used for the purpose of processing waste, targeting compliance with the levy. The inspection of landfill premises ensured that those accepting metropolitan waste made the appropriate declarations and paid the waste levy applicable. Meanwhile,

those premises processing waste ensured that when residual waste went to landfill the appropriate declarations were made and the correct waste levy was paid.

Highlights from the year included:

- information received from waste industry stakeholders resulting in further investigations related to alleged unauthorised waste activity
- relationships with LGAs regarding potential unauthorised landfilling or waste storage being strengthened, allowing early intervention and minimising environmental impacts
- further broadening the focus of our compliance program to include non-landfill waste premises, enabling us to identify and track waste to the final disposal points and reduce levy evasion.

Illegal dumping and littering investigations 2019–20



325
investigations



52
charges



49
convictions

3

Outcome three

Development and implementation of strategic policy and legislation that promoted sustainable environmental outcomes.

We work to achieve this through the following key service area.

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State Climate Policy	54
State Electric Vehicle Strategy	54
Environmental offsets review.....	55
Murujuga Rock Art Strategy	57
Native Vegetation Policy	58
Action on single-use plastics	60
Noise in entertainment precincts	60





Service five: Environmental and water policy

The department develops and implements strategic policy and legislation that promote sustainable environmental outcomes.

Policy

Our focus on developing and implementing strategic policy statewide continued throughout the financial year, with key consultation in this space including:

► **Aboriginal Water and Environment Advisory Group**

To support the development of statewide policy, our department consulted with the Aboriginal Water and Environment Advisory Group, made up of representatives drawn from regions across WA. During 2019–20, the group met twice to discuss water and environment policy matters including legislation reform, waste and water management.

► **Noongar Standard Heritage Agreements**

In 2019–20, under the terms of the South West Native Title Settlement, we entered into standard heritage agreements with six

Noongar Traditional Owner groups. These agreements will help protect Aboriginal heritage in areas where our department carries out ground-disturbing works, such as bore construction.

► **Water service domestic violence code**

As part of State Government initiatives to combat domestic violence, work commenced on development of a domestic violence code in 2019–20. The code (which applies to water utilities) will recognise the needs of people experiencing domestic violence and ensure water service providers implement supportive policies and procedures. Compliance with the code will be a requirement of water service licences.

State Climate Policy

The State Government has committed to developing a coordinated State Climate Policy to adapt to the impacts of climate change and contribute to national emissions reduction targets.

The State Climate Policy will address the challenges of climate change with a range of actions for WA.

The policy will draw together and build on current initiatives underway across government, ensuring WA captures the opportunities of the low carbon transition – working to achieve our ambition of net zero emissions for the state by 2050, as announced on 28 August 2019.

The State Climate Policy will address the challenges of climate change with a range of actions for WA.

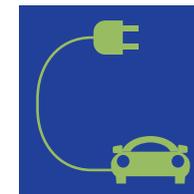
In September 2019, the department released the [Climate change issues paper](#) for public consultation, focusing on the issues and opportunities climate change presents for WA.

Over 3,700 submissions were received and these will inform the development of the new policy.

Because of the COVID-19 pandemic, it is now expected that the State Climate Policy will be finalised and published before the end of 2020.

This will allow for alignment of the policy with the State Government's support for economic recovery from the pandemic.

State Electric Vehicle Strategy



A WA Electric Vehicles Working Group, chaired by our department, is developing a state Electric Vehicle Strategy for consideration by State Government. The Electric Vehicle Strategy is being developed alongside the new State Climate Policy.

In 2019–20, the working group investigated actions to support the uptake of electric vehicles across our state, focusing on the areas of charging infrastructure, standards and guidelines, and fleets.

Input has been sought from the public through submissions to the [Climate change issues paper](#) and further targeted consultation has taken place with stakeholders from industry, academia, energy utilities, government agencies, training providers and vehicle associations, and councils.

Feature
Story

Clean Energy Future Fund

Environmental offsets review

The department continued to progress the review of the state's environmental offsets framework – assessing its effectiveness in delivering environmental objectives and preparing an implementation plan for the review's recommendations in consultation with stakeholders.

Consultation on the implementation plan was delayed as a result of the COVID-19 pandemic.

Related initiatives were progressed through the development of the Green Jobs Plan.

At the end of April 2020, the State Government opened applications for the first round of funding as part of its [Clean Energy Future Fund](#).

Administered by the department (with support from Energy Policy WA), the \$9 million* fund is expected to support the development of innovative clean energy projects.

Eligible projects can apply for funding of between \$250,000 and \$2 million per scheme, with the State Government funding up to 25 per cent of costs.

Projects will be evaluated on their capacity to reduce emissions, potential

for wider adoption, project innovation and financial viability.

First-round funding priority will be given to projects at facilities required to report under the National Greenhouse and Energy Reporting Scheme, as well as those in regional and remote areas.

All applications will be assessed by an executive group, with recommendations made to WA's Minister for Environment, Hon. Stephen Dawson, MLC and Minister for Energy, Hon. Bill Johnston, MLA who will make a final, joint decision.

In addition to initial State Government seed funding, royalties from future unconventional onshore oil and gas projects in WA will be directed to the fund.



* The State Government announced an additional \$10 million to the fund on 28 July 2020.

Feature
Story

EP Act amendments consultation

In October 2019, the State Government released the [*Modernising the Environmental Protection Act discussion paper*](#) – seeking community and industry feedback on proposed amendments to the EP Act.

The discussion paper presented background information on the proposed reforms and was accompanied by the release of an Exposure Draft Bill.

The proposed amendments aim to improve regulatory efficiency and effectiveness and facilitate the implementation of the bilateral agreements under the Australian Government's *Environment Protection and*

Biodiversity Conservation Act 1999 to deliver better environmental protection and sustainable development outcomes.

These proposed amendments have been informed by a number of reviews since 2006 and feedback from industry, conservation, government and community stakeholders.

During the consultation process for the amendments, the department delivered briefings to a number of State Government agencies and stakeholder groups across WA, as well as holding a public information session. In total, 101 submissions were received during the consultation period, which are summarised in the published consultation summary report.

After considering the submissions and issues raised, the Environmental Protection Amendment Bill 2020 was introduced to

State Parliament, and passed through the Legislative Assembly on 28 May 2020.

The amendments support a modern EP Act that will streamline and improve regulatory processes for the protection of the environment in WA. The changes will:

- deliver more efficient, risk-based and flexible assessment and approval processes
- improve enforcement powers
- support a greater focus on strategic assessments and cumulative impacts
- increase penalties for select environmental offences.

The proposed amendments were introduced into the Legislative Council on 6 June 2020.



Murujuga Rock Art Strategy

Murujuga is the traditional Aboriginal name for the Dampier Archipelago and surrounds, including the Burrup Peninsula. It is home to the Ngarda-Ngarli, a collective term for the five Traditional Owner groups – Ngarluma, Yindjibarndi, Yaburara, Mardudhunera and Wong-Goo-Tt-Oo – who have been part of this cultural landscape for tens of thousands of years and have a deep spiritual connection to it.

With more than one million images, Murujuga is home to one of the largest, densest and most diverse collections of rock art in the world. The archaeological record also includes campsites, quarries, shell middens and

With more than one million images, Murujuga is home to one of the largest, densest and most diverse collections of rock art in the world.

standing stone arrangements, including lines of up to 400 stones.

The State Government is committed to protecting the rock art of Murujuga and considers that its unique Aboriginal cultural and heritage values can co-exist with a well-regulated industry and new economic opportunities that deliver benefits to the local community.

Building on the release of the [Murujuga Rock Art Strategy](#) in early 2019, the State Government announced in February 2020 the appointment of registered Aboriginal business Puliypang to develop and implement a scientific and monitoring analysis program for the area. This will



build on work over the past 15 years to determine whether the Murujuga rock art is being subjected to accelerated change from the impacts of industry and shipping emissions.

We are working in partnership with the Murujuga Aboriginal Corporation to oversee the monitoring program, and evaluate and report on trends and changes in the condition of the rock art. The program forms an important component of the management framework required for World Heritage listing, supporting co-existence between the Aboriginal heritage values and industry on Murujuga.

The Murujuga Cultural Landscape was added to Australia's World Heritage Tentative List in February this year.

Native Vegetation Policy



In late 2019, the [Native vegetation issues paper](#) was released for public consultation on initiatives to improve native vegetation management and make regulation more efficient and effective.

More than 1,000 stakeholders from a range of sectors participated by providing submissions and attending one of the 15 workshops held across the state from November 2019 to February 2020.

Across sectors, there was broad support for the reforms proposed in the issues paper, which included a state Native Vegetation Policy and improving the information base for evidence-based decisions on native vegetation.

Using this feedback, the department has been working across government to prepare a draft of the first-ever Native Vegetation Policy for WA. A draft policy will be released in late 2020 for public consultation, along with the submissions on the issues paper and a consultation summary.

This will provide stakeholders with an opportunity to see how their input has informed policy development.

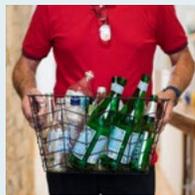
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Feature
Story

Containers for Change

Originally intended to commence on 2 June 2020, WA's container deposit scheme (Containers for Change) was delayed as a result of the impact of COVID-19 to protect public health and the financial viability of scheme participants.



Containers for Change is set to launch on 1 October 2020 – paving the way for reduced litter, improved recycling rates, and the creation of new business and employment opportunities across the state. The scheme will support WA's economic recovery from COVID-19 by providing revenue, employment, and fundraising opportunities for charities, schools, local sports clubs and other community organisations in every region of the state.

Containers for Change will enable Western Australians to claim a 10-cent refund when they return eligible beverage containers at designated refund points across WA.

The scheme is expected to create more than 500 jobs and has been designed to provide employment opportunities for people with disability, the long-term unemployed, and Aboriginal and Torres Strait Islander peoples, as well as opportunities for apprentices and trainees.

Modelling shows that over the next 20 years the scheme will recycle 6.6 billion containers, of which 5.9 billion would have

been landfilled and 706 million would have been littered.

Substantial progress was made during the year on preparations for the scheme, including a financial assistance package of up to \$3.5 million to support network participants impacted financially by deferral of the scheme because of COVID-19 – ensuring they remain viable until scheme commencement. Further grants of more than \$200,000 were also awarded to 138 refund and donation point operators to build infrastructure to support community groups, schools, sporting clubs and not-for-profit organisations to participate in the scheme.

Containers for Change will be run by WA Return Recycle Renew Ltd (WARRRL) – a not-for-profit company responsible for establishing the collection network and managing its day-to-day operation.



Action on single-use plastics

Building on the State Government's successful implementation of the lightweight plastic bag ban last financial year, we continued to work towards solutions for reducing single-use plastics more broadly across our state.

With research showing the WA community is concerned about the impact of plastics pollution on the environment, we released the [Let's not draw the short straw reduce single-use plastics issues paper](#) and survey in April 2019. We received close to 9,500 submissions, with 98 per cent of respondents supporting further action to reduce single-use plastics.

Feedback from the consultation, complemented by evidence-based research on the environmental impacts of single-use plastics and an analysis of measures implemented in other jurisdictions, has been used by the State Government to identify options for consideration.

Further action on single-use plastics in WA was delayed as a result of the impacts of COVID-19, with an announcement on additional measures set to be made later in 2020.

Noise in entertainment precincts

In late 2019, the State Government, with the City of Perth, announced new planning and environmental reforms to improve the management of amplified music noise in the state's entertainment areas while providing key protections for new residential development.

The [Managing amplified music noise in entertainment precincts consultation paper](#) recognises that noise-sensitive encroachment presents challenges for established entertainment venues, impacting their capacity to comply with current noise regulations.

The paper sets out a number of reform options, including the establishment of special entertainment precincts in town planning schemes together with venue approvals to provide an option for entertainment venues to exceed the assigned (prescribed) noise levels in the noise regulations. A total of 77 submissions were received by the department during the public consultation period.

Designating an area as a special entertainment precinct will help provide better protection for entertainment venues and clear and consistent guidelines for new developments.

The reforms also include a draft Western Australian Planning Commission position statement. The City of Perth is seeking to establish Northbridge as a special entertainment precinct through a local planning scheme amendment.



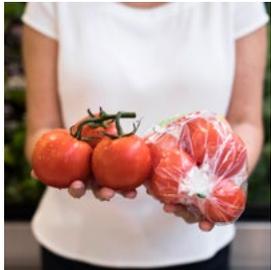
4

Outcome four

Waste avoided and the recovery of materials from landfill maximised.

We work to achieve this through the following key service area.

<u>Service six: Waste strategies</u>	62
Waste Avoidance and Resource Recovery Strategy 2030	62
Waste Reform Advisory Group	63
Council of Australian Governments waste export ban	64
Waste projects	64





Service six: Waste strategies

The department provides support for waste avoidance and to maximise the recovery of materials from landfill.

Waste Avoidance and Resource Recovery Strategy 2030

The [Waste Avoidance and Resource Recovery Strategy 2030](#) (waste strategy) envisages that the state

will become a sustainable, low-waste, circular economy in which public health and the environment are protected from the impacts of waste.

To achieve this, much of the waste we generate must be valued as a resource that can be reused or recycled for the benefit of the economy and the environment.

Materials that could be recovered are being sent to landfill, stockpiled indefinitely or disposed of illegally. Where they do not create a risk to public health or the environment, materials can be re-evaluated as fit-for-purpose products.



In 2019–20, the State Government released two consultation papers to support the implementation of the waste strategy – [Closing the loop: Waste reforms for a circular economy](#) and [Review of the waste levy](#) – which invited Western Australians to have their say on potential reforms to guide the future of waste management in the state.

The two papers also outline options for reforms to assist the State Government with its commitment to having at least 75 per cent of waste generated in WA being reused or recycled by 2030.

Closing the loop: Waste reforms for a circular economy outlines legislative proposals to improve waste management across the state including:

- reforming landfill and solid waste storage facility licensing under the EP Act

- reviewing the application of the waste levy at waste facilities, including new measures to reduce long-term solid waste stockpiling
- targeting illegal waste disposal through new compliance and enforcement mechanisms
- strengthening of waste reporting and tracking in WA to ensure the proper disposal of waste.

The *Review of the waste levy* canvasses broader strategic issues related to the levy's design (including the geographical area of the levy) and a schedule of future levy rates. To allow time for the review to be completed, there will be no increase to the waste levy for 2020–21.

Consultation for both waste reform papers commenced on 20 February 2020. To assist waste stakeholders, the consultation closing date was extended from 15 May 2020 to 15 July 2020.

The submissions received by the department will be considered in the development of future waste reform directions for WA.

Following public consultation from June–September 2019 on the issues paper [Waste not want not: valuing waste as a resource](#), the department is also progressing a proposed legislative framework to support the use of fit-for-purpose, waste-derived materials and WA's move to a circular economy.

Further public consultation is anticipated on the proposed waste-derived materials framework later in 2020.

Waste Reform Advisory Group

Following its establishment in March 2019, the Waste Reform Advisory Group informs the development of waste and recycling policy and legislation in WA as part of the waste strategy and state waste targets.

The group includes representatives from the Waste Authority, LGAs, peak industry and resource bodies, community groups, non-government organisations, and material recovery operators.

Throughout 2019–20, the group continued its inclusive approach to developing policy and legislation focused on supporting the best waste outcomes for the community, industry and the state.

Council of Australian Governments waste export ban

During the year, the department supported the design of a national policy – announced by the Council of Australian Governments – to ban the export of waste plastics, paper, tyres and glass. We also worked on a [response strategy](#) to support the implementation of these bans.

Under the policy, proposed ban dates are:

Glass	1 January 2021
Tyres	1 December 2021
Plastic	Phase One: 1 July 2021
	Phase Two: 1 July 2022
Paper	1 July 2024

Our response strategy received State Government funding, to be matched by the Australian Government, of \$15 million to support local processing of plastics and tyres and a contribution of up to \$5 million to enable access to industrial zoned land.

The strategy focuses on decreasing the amount of waste going to landfill and maximising the capability of Australia’s waste management and recycling sector to collect, recycle, reuse, convert and recover waste – ensuring we meet our ban targets going forward.



Waste projects

► Better Bins and Better Bins Plus: Go FOGO



The Better Bins Program (Better Bins) supports LGAs to move towards a three-bin kerbside collection system (general waste, co-mingled recycling and mostly garden organics, with a few instances of food organics being included)

to assist residents in improving source separation and increasing recovery of waste.

Better Bins opened in 2014 as a pilot and ran as a fully operational program from 2016 to 30 June 2019. The State Government provided over \$14.6 million to 28 metropolitan LGAs and regional councils during this time.

The program helped LGAs provide better practice kerbside services to more than 550,000 households in WA. The final round of funding for Better Bins closed on 30 June 2019.

The Better Bins Plus: Go FOGO Program supports LGAs to make the transition to three-bin food organics and garden organics (FOGO) services consisting of a red-lidded bin for general waste, a yellow-lidded bin for co-mingled recycling, and a lime-green-lidded bin for FOGO.

LGAs are now eligible to apply for funding of up to \$25 for each household receiving a three-bin FOGO collection service. It is anticipated that FOGO may also help to reduce waste management costs.

LGAs that have already rolled out FOGO kerbside collection services remain eligible to apply for this funding, but must direct it at new expenditure to support existing FOGO services. For those that have already accessed Better Bins funding of \$30 per household, an additional \$15 per household can also be applied for.

The Waste Authority's [Better practice FOGO kerbside collection guidelines](#) describe better practice three-bin kerbside collection services including mobile kerbside bins; kitchen caddies and compostable liners; complementary educational measures; and actions to support markets for FOGO-derived materials.

Better Bins Plus: Go FOGO is supported by the [WasteSorted Toolkit](#) which helps LGAs and regional councils to communicate with residents about how to sort their waste correctly.



In 2019–20, we worked with the Waste Authority (with support from the FOGO Reference Group) to deliver a series of online sessions to further support the rollout of FOGO collection services.

During April and May 2020, we delivered four sessions to participants comprising:

-
- Session 1 Setting the scene:
An overview of FOGO commitments and actions, as well as a look into key issues and challenges.
-
- Session 2 Processing and markets:
A focused look at the organics processing sector, as well as an overview of available support and guidance in this area.
-
- Session 3 LGA services:
Providing insight into managing the transition of existing services to FOGO across the state.
-
- Session 4 Engagement and education:
A summary of research findings on waste attitudes and behaviours in WA and an overview of the WasteSorted Toolkit.
-

► Waste grant funding

Delivered on behalf of the Waste Authority, the Community and Industry Engagement (CIE) Program supports organisations that promote better waste management behaviours, practices and awareness.

In September 2019, program funding of \$914,000 was awarded to 12 projects focused on improving recovery and reuse of materials identified in the waste strategy such as plastics, construction and demolition waste, food organics and e-waste, as well as initiatives promoting behaviour change.



The COVID-19 pandemic impacted delivery of the CIE Program during the financial year. This included delays to recycling equipment delivery from international suppliers; an inability to run group meetings and workshops, as well as major public campaigns and events; and difficulties arising from a weakened Australian dollar exchange rate and the sale value of recyclables.

We are continuing to keep recipients informed, and negotiate and document necessary revisions to deliverables and/or scheduling to achieve program success.

► Waste Wise Schools Program

The [Waste Wise Schools Program](#) (WWS) works with schools in WA to implement educational strategies for avoiding waste and recovering waste as a resource. It also aims to reduce waste to landfill while developing positive environmental values in students and the wider school community.



Participating schools model responsible environmental behaviours through hands-on learning experiences linked to the Australian Curriculum.

This year, highlights included:

- A total of 214 accredited WWS, 43 of which are newly accredited. In addition, 18 schools were recognised for 10 consecutive years of WWS accreditation.
- Grants being provided to 56 accredited schools for projects such as paper and

plastics recycling systems, composting and worm farming, waste wise vegetable gardens, and reuse collection infrastructure. A total of \$148,000 was awarded during the financial year.

- Delivering nine professional development workshops, while educational waste audits were undertaken at 41 schools.



Waste Wise Schools 2019-20



214
accredited schools



\$148,000
awarded

- Providing funds to support waste management activities in schools in Kalgoorlie-Boulder, the Kimberley and Perth's southern suburbs to deliver waste education workshops at early years learning services.
- Developing and providing waste management curriculum materials to schools, to support teachers in the delivery of waste wise education to Western Australian students. The program was also evaluated, with improvements set to be implemented in the next financial year.

The COVID-19 pandemic meant WWS put all waste audits and face-to-face professional workshops on hold.

During this time, resources were adapted to provide continued support to schools involved in online learning and students undertaking homeschooling.

► Roads to Reuse

The Roads to Reuse (RtR) Program is a State Government initiative administered by the Waste Authority. The objective is to encourage State Government agencies, LGAs, regional councils and the private sector to use recycled construction and demolition (C&D) products in civil applications, such as road construction. We achieve this by supporting the supply to market of recycled C&D products which meet a product specification to protect public health and the environment.

C&D waste makes up about half of WA's waste stream and represents about 45 per cent of material recovered from recycling. We are working hard to increase the recovery of C&D to meet the state's material recovery targets and the Premier's 2030 target to reuse or recycle at least 75 per cent of waste generated in WA.

In 2019, we successfully completed our RtR pilot project with Main Roads WA – utilising more than 30,000 tonnes of recycled C&D

waste in the Kwinana Freeway Widening and Murdoch Drive Connection project.

Main Roads WA is continuing to use RtR material in further project works, solidifying the success of this program and normalising the use of recycled material.

Funding for RtR can be accessed via the Waste Avoidance and Resource Recovery Account and is available for C&D recyclers through the [RtR Product Testing Scheme](#). An independent audit function, delivered by specialist auditors, was managed and overseen by the department using funds from the Waste Avoidance and Resource Recovery Account.

To increase the sustainable market for C&D materials, the State Government is encouraging more construction projects undertaken by government and the private sector to incorporate the use of recycled materials into their design and planning processes.

The department continues to work closely with Main Roads WA, Development WA, Infrastructure WA and the Department of Finance on the sustainable procurement policy to encourage greater use of recycled materials.

► Household Hazardous Waste Program

The Household Hazardous Waste (HHW) Program funds LGAs and regional councils to collect, store, recover and dispose of HHW. The program is managed by the Western Australian Local Government Association and administered by the Waste Authority on behalf of the State Government.

This year, funding of \$50,000 was allocated to construct a new HHW facility in the City of Fremantle, which is set to become operational by the end of 2020. The facility will join an existing recycling centre at Montreal Street in the city. The funding will also be used to purchase equipment to enable staff to safely accept, handle and store the dropped-off HHW materials.

Household Hazardous Waste Program 2019–20



318+ tonnes

of materials collected for safe recovery or disposal

The facility will bring the total number of permanent facilities across the state to 14 (nine metropolitan, five non-metropolitan).

Since 2008, thousands of tonnes of materials have been collected through these facilities and temporary collection events. In 2019–20, more than 318 tonnes of materials (including acids, batteries, flammable liquids, paint and cleaning products) were collected for safe recovery or disposal.

Awareness within the community is increasing; however, ongoing community education is required, with plans to encourage greater use of these free services underway.



5

Outcome five

Quality advice to the Environmental Protection Authority (EPA) and Minister for Environment on significant proposals and environmental issues.

We work to achieve this by supporting the EPA in the following two key service areas.

Service seven: Environmental impact assessment services to the EPA	70
Development proposals	71
Planning schemes and scheme amendments	72
Completed assessments	72
Other assessment work	74
Service eight: Environmental management services to the EPA	75
EPA guidelines and procedures framework review	75



Service seven:
Environmental impact assessment services to the EPA

The EPA is an independent authority that provides advice to the Minister for Environment. The department provided services to the EPA to conduct environmental impact assessments (EIA) of significant development proposals, strategic proposals and planning schemes.



Development proposals

During 2019–20, 45 development proposals were referred to the EPA for EIA.

Following examination of the referral information and any further information requested, the EPA determined that 19 referred proposals required formal assessment and 19 proposals did not require further assessment by the EPA.

Of the 19 that did not require further assessment, the EPA provided specific advice to the proponents of nine of these proposals on environmental aspects.

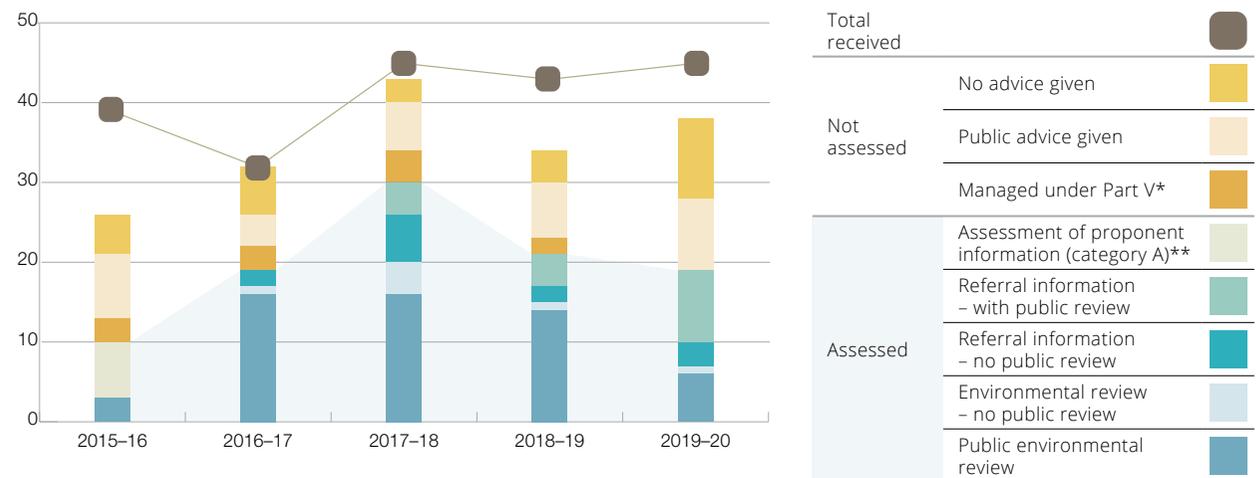
The EPA has approached the determination for the assessment on referral information level with increased flexibility. The purpose of this approach is to streamline the process for this level of assessment, by only requiring



additional information from proponents that is essential to the assessment, and ensuring relevant information is subject to public review where necessary. This is reflected by the increasing number of proposals determined as referral information, with specific requirements for additional information and/or requiring public review.

This is represented in the graph below, which shows the total number of proposals referred to the EPA and the decisions made on the level of assessment.

► Total development proposals referred to the EPA and decisions on level of assessment



* Descriptor now considered under 'Not assessed: No advice given'
 ** Level of assessment is no longer used

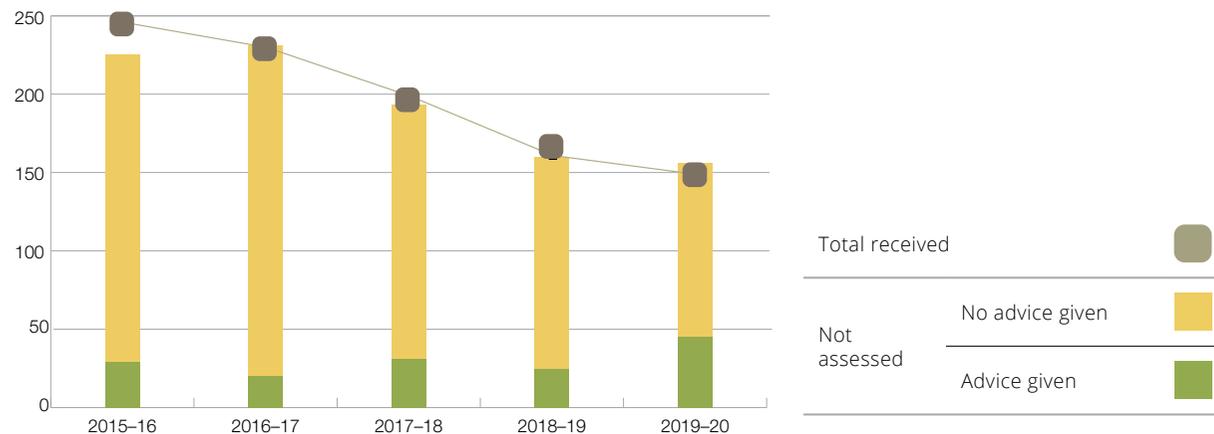
Planning schemes and scheme amendments

In 2019–20, 149 planning schemes and amendments to schemes were referred to the EPA for EIA. Because of planning reforms introduced in 2014–15, the number of these referrals continued to decline.

Following assessment of the referral information, the EPA determined 156 did not require further assessment during 2019–20.

Of the 156 that did not require further assessment, the EPA provided advice and recommendations on environmental factors to the responsible authority on the environmental issues raised by the scheme for 45 referred schemes.

► Total schemes and scheme amendments referred to the EPA and ‘not assessed’ decisions



Completed assessments

During 2019–20, we provided support to the EPA to complete 40 assessment reports to the Minister for Environment. This is a 60 per cent increase from last year, and the most reports completed since 2010–11. The majority of this work (24 reports) addressed requested changes to the conditions of existing proposals under section 46 of the EP Act.

The following map shows the location and type of all proposals for which assessment reports were completed in 2019–20.

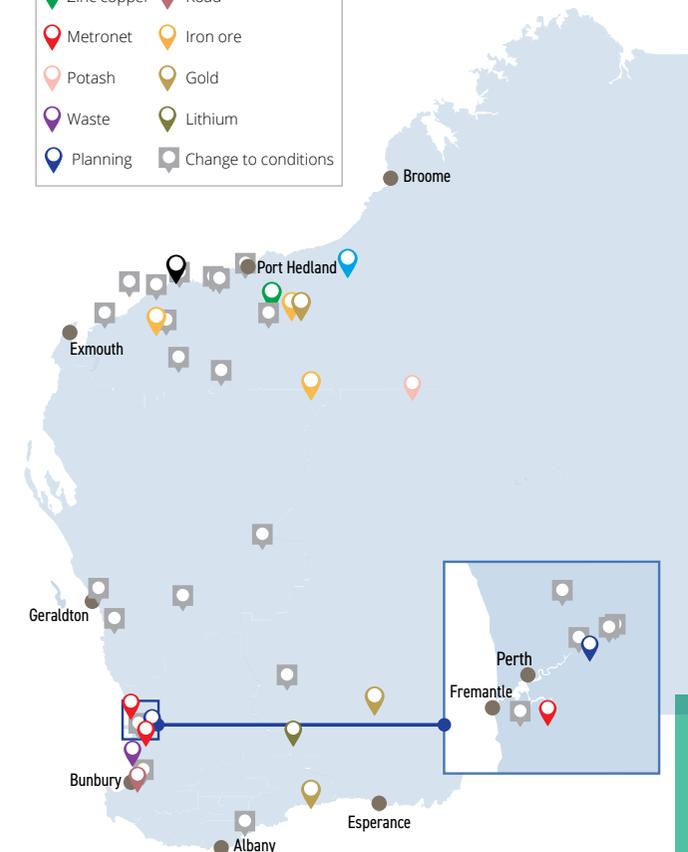
This financial year the EPA completed its assessment of the Asian Renewable Energy Hub – one of the largest renewable energy projects in the world. The proposal involves the construction of up to 1,743 wind turbines, 2,000 megawatts of solar panels, above- and below-ground transmission cables and four subsea power cables, covering an onshore and offshore development envelope of 662,400 hectares in the Pilbara. The proposal also requires 11,962 hectares of permanent native vegetation clearing.

The EPA recommended conditions requiring environmental management plans that ensure the proponent avoids, mitigates and implements management measures to minimise the potential impacts of the proposal on terrestrial fauna, flora and vegetation, marine environmental quality, marine fauna and benthic communities and habitat.

The EPA also recommended a condition ensuring sustainable decommissioning and rehabilitation of the site once operations have ceased.



► Location and type of all proposals for which assessment reports were completed in 2019–20



Type of assessment	2016–17	2017–18	2018–19	2019–20
Formal assessments				
Public environmental review	11	5	10	7
Environmental review (no public review)	-	-	2	1
Assessment on referral information (no public review)	1	5	2	3
Assessment on referral information (with public review)	-	1	1	5
Strategic proposal	-	1	-	-
Assessment on proponent information (Category A)*	5	-	-	-
Changes to conditions				
s. 46 inquiry	14	7	9	24
Total	31	19	24	40

*Level of assessment is no longer used

Other assessment work

Following the formal assessment of development proposals, the Minister for Environment may issue a Ministerial Statement so that an assessed proposal may be implemented. The statement may include conditions such as the preparation and approval of Environmental Management Plans (EMPs).



To address the growing number of EMPs submitted, the department initiated the EMP project in February 2020. The project identified 155 EMPs submitted during or before 2019 and, since February 2020, 73 have had a determination made and 82 remain active. Through this project the department has addressed almost 50 per cent of EMPs identified within the project.

During 2019–20, the department made a determination on 100 EMPs (62 were from the EMP project) and 105 remain active (82 from the EMP project are included here).

Following the issue of Ministerial Statements, proponents may request to change the characteristics of a proposal approved within a statement. During the year, department staff assisted the EPA to determine 28 requests to change a proposal after assessment, and 39 requests remain active.

Environmental Management Plans 2019–20



100
determined



105
remain active

The overall existing assessment workload for development proposals is 248. This includes EMPs, requested changes to conditions and proposals in Ministerial Statements, referrals yet to be determined, and formal assessments.





Service eight: Environmental management services to the EPA

The department supports the EPA to develop statutory policies, guidelines and strategic advice to manage environmental impacts and protect the environment.

EPA guidelines and procedures framework review

We continued to implement recommendations from the review of the EPA's guidelines and procedures framework, reported in our 2017–18 annual report. The review has ensured a clear and contemporary guidelines and procedures framework for the EPA.

In 2019–20, the EPA also published the [Environmental factor guideline – greenhouse gas emissions](#) and the [EPA policy framework manual](#). The EPA's Environmental factor guideline on dredging is also underway and is expected to be published in late 2020.

Our support for environmental protection continues as an active body of work. Some examples include:

- Regular consultation with the EPA's Stakeholder Reference Group, which ensures the direct contribution of key external stakeholders and peak

industry bodies who provide input to the EPA on its guidelines, processes and performance. The group met four times during 2019–20.

- Continued opportunities for public participation in the EIA process. These include seven-day public comment periods on referrals received and public review periods for environmental review documents. Members of the public are encouraged to participate in consultation by offering advice, identifying omitted relevant data or information, providing local knowledge and proposing alternatives.



Index of Marine Surveys for Assessment



Feature Story

In March 2020, we launched the [Index of Marine Surveys for Assessment](#) (IMSA) – an online portal to information about marine-based environmental surveys in WA.

Developed by the department in collaboration with the Western Australian Marine Science Institution, it is the first platform of its kind to deliver systematic capture and sharing of marine data taken as part of an EIA.

With an estimated \$50 million spent annually undertaking marine surveys for EIAs in WA, IMSA has been developed to centralise this data and make it publicly available. The free and easy-to-use platform provides access to marine survey reports, metadata and map layers through the department's BioCollect online portal (provided by Atlas of Living Australia), as well as processed data products and raw data packages (hosted at the Pawsey Supercomputing Centre).

By collating and providing access to existing

data, IMSA will lead to lasting environmental benefits for WA, including more efficient EIAs and an expanded knowledge base of the state's vast marine environment.

It will also deliver cost savings by reducing the need for repeated and potentially overlapping surveys, as well as improving the availability and transparency of environmental information to the community. This will give proponents and government better baseline information, while building trust in the EIA and environmental regulation process.

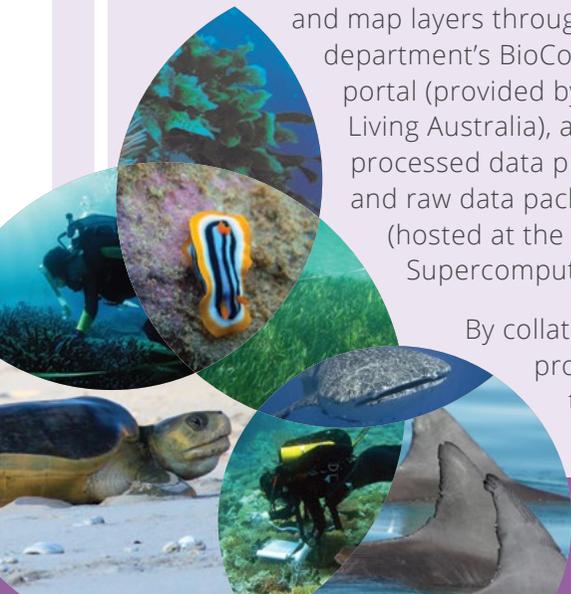
As part of the platform's implementation, everybody who conducts or uses marine-based surveys to support EIAs under parts IV and V of the EP Act is required to submit data to IMSA as part of these processes.

IMSA captures all marine survey data generated through an EIA process including oceanographic, hydrodynamic, benthic

habitat, marine environmental quality and marine fauna data. The platform answers longstanding calls to change the way environmental information is managed in WA and further supports the State Government's commitment to strengthen data sharing.

IMSA complements the Index of Biodiversity Surveys for Assessments (IBSA) – the department's online portal to information about land-based biodiversity surveys in WA. This web platform enables consultants and proponents to directly submit data packages to IBSA, replacing the previous system that relied on email submissions.

IBSA delivers greater consistency for proponents engaging with the submissions process, improves the quality of data submitted, reduces the time required to complete IBSA-related tasks, and aligns with future digital initiatives – such as Environment Online – which will further streamline the assessment process.



6

Outcome six

Compliance with Ministerial Statement implementation conditions are monitored effectively.

We achieve this by delivering the following key service area.



Service nine:
Compliance monitoring services to the Minister for Environment

The department audits compliance with conditions set under Ministerial approvals and undertakes enforcement action as appropriate.



Compliance with Part IV of the EP Act

In accordance with section 48(1) of the EP Act, the department may monitor proposals approved by the Minister for Environment, for the purpose of determining whether the implementation conditions set out in the Ministerial Statement are being complied with.

If a proponent does not ensure that implementation of the proposal is in accordance with the implementation conditions, the proponent commits an offence.

When non-compliance with an implementation condition or proponent commitment in a Ministerial Statement is identified, the proponent is issued with a 'notice of non-compliance', detailing actions required to rectify the issue and regain compliance. The Minister for Environment is informed of each non-compliance.

As outlined in Service 4: Environmental regulation – compliance, the department undertakes its environmental compliance activities through a structured annual program. The program incorporates a variety of proactive and reactive methods to monitor compliance including audits of proposals, reviews of compliance assessment reports, onsite inspections, and stakeholder engagement.

The annual program enables resources to be effectively managed to achieve the best environmental outcome. The results from the compliance audits identify areas for improving proponents' compliance and inform future annual programs and the EIA process.

Compliance and audit activity

Under our 2019–20 program, we continued to monitor significant proposals authorised under Ministerial Statements, completing 44 audits including iron ore mining activities, oil and gas facilities and large infrastructure projects. A total of 234 compliance assessment reports were reviewed and 15 notices of non-compliance were reported.





Administering our legal compliance and finances

03

Disclosures and legal compliance

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Auditor General independent auditor's report



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

DEPARTMENT OF WATER AND ENVIRONMENTAL REGULATION

Report on the financial statements

Opinion

I have audited the financial statements of the Department of Water and Environmental Regulation which comprise the Statement of Financial Position as at 30 June 2020, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, and Summary of Consolidated Account Appropriations for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information, including administered transactions and balances.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Department of Water and Environmental Regulation for the year ended 30 June 2020 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of my report. I am independent of the Department in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Director General for the financial statements

The Director General is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Director General determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director General is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Department.

Page 1 of 4

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Auditor's responsibility for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of my auditor's report.

Report on controls**Opinion**

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Department of Water and Environmental Regulation. The controls exercised by the Department are those policies and procedures established by the Director General to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Department of Water and Environmental Regulation are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2020.

The Director General's responsibilities

The Director General is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the key performance indicators**Opinion**

I have undertaken a reasonable assurance engagement on the key performance indicators of the Department of Water and Environmental Regulation for the year ended 30 June 2020. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Department of Water and Environmental Regulation are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2020.

The Director General's responsibility for the key performance indicators

The Director General is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Director General determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Director General is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

My independence and quality control relating to the reports on controls and key performance indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements and key performance indicators of the Department of Water and Environmental Regulation for the year ended 30 June 2020 included on the Department's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version of the financial statements and key performance indicators.

CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
/8 September 2020



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Certification of financial statements

For the reporting period ended 30 June 2020

The accompanying financial statements of the Department of Water and Environmental Regulation have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2020 and the financial position as at 30 June 2020.

At the date of signing, we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



Wayne Millen
Chief Finance Officer
16 September 2020



Mike Rowe
Director General
16 September 2020

Statement of comprehensive income

For the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Cost of services			
Expenses			
Employee benefits expense	2.1(a)	102,849	90,665
Supplies and services	2.3	37,013	36,708
Depreciation and amortisation expenses	4.1.1,4.2, 4.3.1	13,123	11,703
Finance costs	6.3	84	-
Accommodation expenses	2.3	8,566	8,392
Grants and subsidies	2.2	15,317	15,160
Other expenses	2.3	4,988	3,620
Loss on disposal of non-current assets	2.4	694	4,664
Total cost of services		182,634	170,912
Revenue and income			
User charges and fees	3.2	29,528	28,854
Commonwealth grants	3.3	4,971	2,800
Waste Levy	3.4	79,634	77,586
Interest revenue		396	899
Other revenue and income	3.5	2,384	4,570
Total revenue		116,913	114,709
Total income other than income from State Government		116,913	114,709
Net cost of services		65,721	56,203

	Notes	2020 \$'000	2019 \$'000
Income from State Government			
Service appropriation	3.1	81,890	83,012
State grants	3.1	2,167	2,062
Services received free of charge	3.1	2,789	2,629
Royalties for Regions fund	3.1	4,797	9,220
Total income from State Government		91,643	96,923
Surplus for the period		25,922	40,720
Other comprehensive income			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	8.10	3,880	12,835
Total other comprehensive income		3,880	12,835
Total comprehensive income for the period		29,802	53,555

The Statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Assets			
Current assets			
Cash and cash equivalents	6.4	9,348	11,958
Restricted cash and cash equivalents	6.4	64,402	65,105
Receivables	5.1	22,667	22,748
Amounts receivable for services	5.2	6,057	5,994
Other assets	5.3	2,161	2,063
Total current assets		104,635	107,868
Non-current assets			
Restricted cash and cash equivalents	6.4	1,488	1,019
Receivables	5.1	563	-
Amounts receivable for services	5.2	52,545	40,637
Infrastructure, property, plant and equipment	4.1	350,377	347,936
Right-of-use assets	4.2	3,137	-
Intangible assets	4.3	17,582	20,379
Other assets	5.3	56	-
Total non-current assets		425,748	409,971
Total assets		530,383	517,839

	Notes	2020 \$'000	2019 \$'000
Liabilities			
Current liabilities			
Payables	5.4	4,699	8,585
Lease liabilities	6.1	1,143	-
Contract liabilities	5.5	1,749	-
Employee-related provisions	2.1(b)	24,174	20,354
Other current liabilities	5.6	4	520
Total current liabilities		31,769	29,459
Non-current liabilities			
Lease liabilities	6.1	2,020	-
Employee-related provisions	2.1(b)	6,002	5,275
Total non-current liabilities		8,022	5,275
Total liabilities		39,791	34,734
Net assets		490,592	483,105
Equity			
Contributed equity	8.10	351,630	373,945
Reserves	8.10	18,020	14,140
Accumulated surplus		120,942	95,020
Total equity		490,592	483,105

The Statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2020

	Notes	Contributed equity \$'000	Reserves \$'000	Accumulated surplus \$'000	Total equity \$'000
Balance at 1 July 2018		411,761	1,305	54,300	467,366
Surplus		-	-	40,720	40,720
Other comprehensive income	8.10	-	12,835	-	12,835
Total comprehensive income for the period		-	12,835	40,720	53,555
Transactions with owners in their capacity as owners:					
Capital appropriations	8.10	4,654	-	-	4,654
Distribution to owners	8.10	(41,333)	-	-	(41,333)
Transfers to other agencies	8.10	(1,137)	-	-	(1,137)
Total		(37,816)	-	-	(37,816)
Balance at 30 June 2019		373,945	14,140	95,020	483,105
Balance at 1 July 2019		373,945	14,140	95,020	483,105
Surplus		-	-	25,922	25,922
Other comprehensive income	8.10	-	3,880	-	3,880
Total comprehensive income for the period		-	3,880	25,922	29,802
Transactions with owners in their capacity as owners:					
Capital appropriations	8.10	6,007	-	-	6,007
Distribution to owners	8.10	(24,236)	-	-	(24,236)
Transfers to other agencies	8.10	(4,086)	-	-	(4,086)
Total		(22,315)	-	-	(22,315)
Balance at 30 June 2020		351,630	18,020	120,942	490,592

The Statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2020

	Note	2020 (\$'000)	2019 (\$'000)
Cash flows from State Government			
Service appropriation		63,925	67,346
Capital contributions		6,007	4,654
Holding account drawdown		5,994	6,307
Distributions to owner		(24,159)	(41,056)
Net proceeds on sale of land remitted to consolidated account		-	(277)
Royalties for Regions fund		4,797	9,220
State grants		2,653	1,551
Net cash provided by State Government		59,217	47,745

Utilised as follows:

Cash flows from operating activities

	Note	2020 (\$'000)	2019 (\$'000)
Payments			
Employee benefits		(98,896)	(89,789)
Supplies and services		(36,030)	(32,343)
Finance costs		(83)	-
Accommodation		(8,476)	(8,269)
Grants and subsidies		(19,390)	(17,107)
GST payments on purchases		(7,667)	(6,664)
Other payments		(3,762)	(2,795)
Receipts			
User charges and fees		30,791	28,896
Commonwealth grants		6,221	1,121
Interest received		528	919
Waste Levy		78,012	77,571
GST receipts on sales		357	295
GST receipts from taxation authority		8,049	5,838
Other receipts		2,363	3,712
Recovery of Waste Levy		-	10,000
Net cash used in operating activities		(47,983)	(28,615)
Cash flows from investing activities			
Payments			
Purchase of non-current assets		(12,133)	(11,469)
Loan payments to WA Return Recycle Renew Ltd (WARRRL)		(750)	-
Receipts			
Proceeds from sale of non-current assets		105	291
Net cash used in investing activities		(12,778)	(11,178)
Cash flows from financing activities			
Payments			
Principal elements of lease payments		(1,300)	-
Net cash used in financing activities		(1,300)	-
Net (decrease)/increase in cash and cash equivalents		(2,844)	7,952
Cash and cash equivalents at the beginning of the period		78,082	70,130
Cash and cash equivalents at the end of period	6.4	75,238	78,082

The Statement of cash flows should be read in conjunction with the accompanying notes.

Summary of consolidated account appropriations

For the year ended 30 June 2020

	2020 Budget estimate \$'000	2020 Supplementary funding \$'000	Revised budget \$'000	2020 Actual \$'000	2020 Variance \$'000
Delivery of services					
Item 82 Net amount appropriated to deliver services	83,936	-	83,936	81,488	(2,448)
Section 25 Transfer of service appropriation	-	-	-	-	-
Amount authorised by other statute - <i>Salaries and Allowances Act 1975</i>	402	-	402	402	-
Total appropriations provided to deliver services	84,338	-	84,338	81,890	(2,448)
Capital					
Item 143 Capital appropriation	9,940	-	9,940	6,007	(3,933)
Administered transactions					
Administered grants, subsidies and other transfer payments	155	-	155	88	(67)
Administered capital appropriations	-	-	-	-	-
Total administered transactions	155	-	155	88	(67)
Grand total	94,433	-	94,433	87,985	(6,448)

No supplementary income was received by the department.

Notes to the financial statements

1 Basis of preparation

The Department of Water and Environmental Regulation (the department) is a Western Australian Government (State Government) entity and is controlled by the state of Western Australia (WA) which is the ultimate parent. The agency is a not-for-profit entity (as profit is not its principal objective).

These annual financial statements were authorised for issue by the Accountable Authority of the agency on 16 September 2020.

(a) Statement of compliance

These general-purpose financial statements are prepared in accordance with:

- 1) *The Financial Management Act 2006*
- 2) The Treasurer's Instructions (TIs)
- 3) Australian Accounting Standards (AAS) – Reduced Disclosure Requirements
- 4) Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* and the TIs take precedence over AAS. Several AAS are modified by TIs to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

(c) Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

(d) Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the State Government (the owner) as contributions by owners (at the time of, or prior to, transfer) before such transfers can be recognised as equity contributions.

Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly-Owned Public Sector Entities* and have been credited directly to contributed equity. The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

(e) Comparative figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current reporting period.

2 Use of our funding

Expenses incurred in the delivery of services

This section provides additional information about how the department's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the department in achieving its objectives and the relevant notes are:

	Notes	2020 \$'000	2019 \$'000
Employee benefits expense	2.1(a)	102,849	90,665
Employee related provisions	2.1(b)	30,176	25,629
Grants and subsidies	2.2	15,317	15,160
Other expenditure	2.3	50,567	48,720
Loss on disposal of non-current assets	2.4	694	4,664

2.1(a) Employee benefits expense

	2020 \$'000	2019 \$'000
Employee benefits	94,073	82,877
Superannuation – defined contribution plans	8,776	7,788
Total employee benefits expenses	102,849	90,665
Add: AASB 16 Non-monetary benefits	969	-
Less: Employee contributions	(140)	-
Net employee benefits	103,678	90,665

► **Employee benefits:**

Include wages and salaries, accrued and paid leave entitlements and paid sick leave; and non-monetary benefits (such as cars, housing and free or subsidised goods or services) for employees.

► **Superannuation:**

The amount recognised in profit or loss of the Statement of comprehensive income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs or other superannuation funds.

► **AASB 16 Non-monetary benefits:**

Non-monetary employee benefits, that are employee benefits expenses, predominantly relate to the provision of vehicle and housing benefits are measured at the cost incurred by the department.

2.1(b) Employee related provisions

Provision is made for benefits accruing to employees, in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

	2020 \$'000	2019 \$'000
Current		
Employee benefits provisions		
Annual leave ^(a)	9,939	7,993
Long service leave ^(b)	13,081	11,696
Purchased annual leave	152	410
Deferred salary scheme ^(c)	132	75
	23,304	20,174
Other provisions		
Employment on-costs ^(d)	870	180
Total current employee related provisions	24,174	20,354
Non-current		
Employee benefits provision		
Long service leave ^(b)	5,785	5,228
Other provisions		
Employment on-costs ^(d)	217	47
Total non-current employee related provisions	6,002	5,275
Total employee related provisions	30,176	25,629

► (a) Annual leave liabilities:

Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

► (b) Long service leave liabilities:

Unconditional long service leave provisions are classified as current liabilities as the department does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the department has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

The provision for long service leave liabilities is calculated at present value as the department does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

► **(c) Deferred salary scheme liabilities:**

Classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

► **(d) Employment on-costs:**

The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of Other expenses, note 2.3 (apart from the unwinding of the discount [finance cost]) and are not included as part of the department's Employee benefits expense. The related liability is included in Employment on-costs provision.

	2020 \$'000	2019 \$'000
Employment on-costs provision		
Carrying amount at start of period	227	222
Additional/(reversals of) provisions recognised	860	11
Payments/other sacrifices of economic benefits	-	(6)
Carrying amount at end of period	1,087	227

► **Key sources of estimation uncertainty – long service leave**

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating the department's long service leave provision. These include:

- expected future salary rates
- discount rates
- employee retention rates
- expected future payments.

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

2.2 Grants and subsidies

	Notes	2020 \$'000	2019 \$'000
Recurrent			
Contaminated sites management account grants		246	1,593
Grants other		65	292
National On Farm Water Infrastructure Rebate Scheme ^(a)		3,783	-
National partnership payments ^(b)		-	1,553
Rural water grants	5.4 (c)	207	27
Statewide water efficiency measures		225	180
Waste Avoidance and Resource Recovery (WARR) Account	3.4	9,107	9,029
Water innovation partnership		252	184
Water Sensitive Cities – Cooperative Research Centre		180	160
Watering Western Australia – Royalties for Regions (Regional Infrastructure and Headworks Account) ^(c)		150	1,775
Smart Farming Partnerships ^(d)		525	135
Container deposit scheme (Containers for Change)		126	-
Keep Australia Beautiful Council (WA)		112	112
Revitalising Waterways of Geographe Bay #2 – Royalties for Regions (Regional Community Services Fund)		170	-
Revitalising Waterways of Geographe Bay #1 – Royalties for Regions (Regional Infrastructure and Headworks Account)		64	-
Regional Estuaries Initiative – Royalties for Regions (Regional Infrastructure and Headworks Account)		-	120
Capital			
Establishing and Maintaining Vegetation Offsets Account ^(e)		105	-
Total grants and subsidies		15,317	15,160

Transactions in which the department provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as Grant expenses. Grants can either be operating or capital in nature.

Grants can be paid as general-purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

- (a) The State and Commonwealth Governments entered into a project agreement from 1 July 2018 for Commonwealth funding of approximately \$4.620 million for National On-Farm Water Infrastructure Rebate Scheme for farmers for emergency water supply for livestock. The scheme is intended to operate for three years to 30 June 2021. The scheme will support a range of infrastructure works that deliver water for livestock, including installing pumps and pipes for water supply and cleaning out farm dams.

Additional funding of \$1 million was agreed in February 2020 to revise the total budget to \$5.620 million with unchanged scheduled conclusion by 30 June 2021.

- (b) State Government entered into arrangements with the Commonwealth Government in May 2017 for funding of approximately \$6.286 million to be provided for the assessment and development of water infrastructure through the National Water Infrastructure Development Fund. The department currently manages the fund which was established to facilitate detailed planning to build or augment existing water infrastructure such as dams, pipelines and managed aquifer recharge.

The amended bilateral schedule negotiated with the Commonwealth in June 2018 indicated the program was to conclude in 2018–19. There is no indication of any further variation or amendment to the bilateral schedule affecting 2019–20.

- (c) Grants issued in partnership with regional local councils to deliver alternative water supply projects through stormwater harvesting, wastewater re-use, refurbishment of agricultural area dams and town dams.
- (d) The State and Commonwealth Governments entered into a project agreement signed by the department in October 2018 for Commonwealth funding of approximately \$2.365 million for Smart Farming Partnerships – National Landcare Program scheduled to conclude by 30 June 2022. The purpose of the Smart Farming Partnerships is to develop, trial and implement new and innovative tools and farm practices that support industry practice changes that will deliver more productive and profitable agriculture, fishing, aquaculture and farm industries; protect Australia's biodiversity; protect and improve the condition of natural resources (in

particular soils and vegetation); and assist Australia to meet its obligations under relevant international treaties.

The National Landcare program aims to protect, conserve and provide for the productive use of Australia's water, soil, plants and animals and the ecosystems in which they live and interact.

- (e) The Establishing and Maintaining Vegetation Offsets Account (offsets account) was established for the purpose of establishing or maintaining native vegetation (offset) as a condition of a permit to clear native vegetation, under the *Environmental Protection Act 1986*. The department may require an offset to counterbalance residual significant environmental impacts expected from clearing authorised under a clearing permit.
- » The requirement for an offset counterbalances the loss of native vegetation as a condition of a native vegetation clearing permit, after steps have been taken to avoid, minimise and mitigate the impacts of clearing.
 - » The offsets account established under the *Environmental Protection Act 1986* allows for a more strategic approach to offsets. Land purchased or revegetation undertaken using contributions made to the offsets account are published on the Environmental Offsets Register website.
 - » The department liaises with the Department of Biodiversity, Conservation and Attractions to identify and acquire appropriate areas of native vegetation for addition to the conservation estate.

2.3 Other expenditure

	2020 \$'000	2019 \$'000
Supplies and services		
Communications	2,009	1,037
Consultants and contractors	24,846	24,265
Consumables	535	301
Materials	296	131
Travel	872	1,023
Vehicle lease and hire	260	1,748
Minor plant, machinery and equipment	289	2,901
Plant, machinery and equipment lease	322	469
Chemical analysis expense	1,032	1,325
Water carting and drought relief	2,985	-
Other suppliers and services	3,567	3,508
Total supplies and services expenses	37,013	36,708
Accommodation expenses		
Rental ^(a)	6,840	6,121
Power and water consumption	626	780
Rates and taxes	64	400
Security	42	95
Repairs and maintenance	521	601
Cleaning	473	395
Total accommodation expenses	8,566	8,392

	2020 \$'000	2019 \$'000
Other expenses		
Audit fees	308	281
Equipment repairs and maintenance	1,229	1,029
Expected credit losses expense	1	159
Transfer of Water For Food funding ^(b)	-	15
Employment on-costs	1,036	317
Revaluation decrement on land and buildings	-	410
Impairment losses on plant and equipment	-	69
Insurance	477	295
Other operating expenses	1,937	1,045
Total other expenses	4,988	3,620
Total other expenditures	50,567	48,720

- (a) Included within rental costs are short-term leases with a lease term of 12 months or less and low value leases of up to \$5,000. This excludes leases with another wholly owned public sector entity lessor agency. Refer to note 4.2 for aggregate short-term and low value leases expense.
- (b) Transfer of remaining funding to the Department of Primary Industries and Regional Development relating to the Water For Food project.

► **Supplies and services**

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

► **Accommodation expenses**

Repairs, maintenance and cleaning costs are recognised as expenses as incurred.

► **Rental expenses include**

- (i) short-term leases with a lease term of 12 months or less
- (ii) low-value leases with an underlying value of \$5,000 or less
- (iii) variable lease payments recognised in the period in which the event or condition that triggers those payments occurs.

► **Other operating expenses**

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

► **Equipment repairs and maintenance**

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated.

► **Expected credit losses**

The allowance for expected credit losses of trade receivables is measured at the lifetime expected credit losses at each reporting date. The department has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

► **Employment on-cost**

Employment on-cost includes workers' compensation insurance and other employment on-costs. The on-costs' liability associated with the recognition of annual and long service leave liabilities is included at note 2.1(b) Employee related provisions. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

2.4 Loss on disposal of non-current assets

	2020 \$'000	2019 \$'000
Proceeds from disposal of non-current assets		
Land	81	277
Plant, equipment and vehicles	23	-
Carrying amount of non-current assets disposed		
Land	(184)	(320)
Buildings	(75)	-
Measurement sites	(375)	(4,621)
Plant, equipment and vehicles	(155)	-
Computer equipment	(2)	-
Works of art	(5)	-
Intangibles	(2)	-
Loss	(694)	(4,664)

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the Statement of comprehensive income (from the proceeds of sale).

3 Our funding services

How we obtain our funding

This section provides additional information about how the department obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the department and the relevant notes are:

	Notes	2020 \$'000	2019 \$'000
Income from State Government	3.1	91,643	96,923
User charges and fees	3.2	29,528	28,854
Commonwealth grants	3.3	4,971	2,800
Waste levy	3.4	79,634	77,586
Other revenue	3.5	2,384	4,570

3.1 Income from State Government

	2020 \$'000	2019 \$'000
Appropriation received during the period:		
Service appropriation ^(a)	81,890	83,012
	81,890	83,012
State grants^(b)		
Department of Communities	150	-
Department of Biodiversity, Conservation and Attractions	1,724	1,887
Fremantle Ports Authority	-	24
Department of Fire and Emergency Services	188	-
Main Roads Western Australia	91	120
Office of Emergency Management	-	17
Water Corporation	14	14
Total state grants	2,167	2,062

	2020 \$'000	2019 \$'000
Services received free of charge from other State Government agencies during the period^(c):		
Department of Finance – Accommodation lease	123	97
Department of Health – Water source and quality management	195	80
Department of Planning, Lands and Heritage – Corporate services	3	-
Department of Primary Industries and Regional Development – Spatial data	50	13
Department of Transport – Environmental assessment	-	50
Landgate – Land Information Services	373	861
Main Roads Western Australia – Clearing permit assessment	250	230
State Solicitor's Office – Legal services	1,795	1,298
Total services received	2,789	2,629
Royalties for Regions fund		
Regional Infrastructure and Headworks Account ^(d)	3,593	9,163
Regional Community Services Account ^(d)	1,204	57
Total Royalties for Regions fund	4,797	9,220
Total income from State Government	91,643	96,923

► **(a) Service appropriation**

Service appropriations are recognised as income at the fair value of consideration received in the period in which the department gains control of the appropriated funds. The department gains control of appropriated funds at the time those funds are deposited in the bank account or credited to the Amounts receivable for services (holding account) held at Treasury.

Service appropriations fund the net cost of services delivered. Appropriation revenue comprises the following:

- cash component
- a receivable (asset).

The receivable (holding account – note 5.2) comprises the following:

- the budgeted depreciation expense for the year
- any agreed increase in leave liabilities during the year.

► **(b) State grants**

State grants are recognised as income at fair value when the grant payments are received.

► **(c) Services received free of charge**

Services received free of charge are recognised as income at fair value when received.

► **(d) The Regional Infrastructure and Headworks Account and Regional Community Services Account**

The Regional Infrastructure and Headworks Account and Regional Community Services Account are sub-funds within the overarching Royalties for Regions fund. The recurrent funds are committed to projects and programs in WA regional areas and are recognised as income when the department receives the funds. The department has assessed Royalties for Regions agreements and concludes that they are not within the scope of AASB 15 as they do not meet the “sufficiently specific” criteria.

The application of AASB 15 and AASB 1058 from 1 July 2019 has had no impact on the treatment of income from the State Government.

3.2 User charges and fees

	2020 \$'000	2019 \$'000
Industry fees ^(a)	24,278	23,972
Controlled waste ^(b)	4,625	4,560
Contaminated sites	135	187
Clearing regulations	403	63
Water regulatory fees	70	57
Other charges and fees	17	15
	29,528	28,854

Until 30 June 2019, user charges and fees revenue was recognised and measured at the fair value of the consideration received or receivable.

From 1 July 2019, user charges and fees revenue are recognised at the transaction price when the department transfers control of the services to customers. Revenue is recognised for the major activities as follows:

Revenue is recognised at a point-in-time for licences, works approvals and tracking forms. The performance obligations for these user fees and charges are satisfied when the licence, works approval or tracking form is issued to the customer.

- Licensing and registration fees relating to prescribed premises under Part V of the *Environmental Protection Act 1986*.
- Fees for the licensing of vehicles transporting controlled public waste as per the Environmental Protection (Controlled Waste) Regulations 2004.

3.3 Commonwealth grants

	2020 \$'000	2019 \$'000
Commonwealth grants – recurrent	4,971	2,800

Until 30 June 2019: Income from Commonwealth grants is recognised at fair value when the grant is receivable.

From 1 July 2019: Recurrent grants are recognised as income when the grants are receivable.

Capital grants are recognised as income when the department achieves milestones specified in the grant agreement.

Details of the department's Commonwealth grants are as follows:

	2020 \$'000	2019 \$'000
Indian Ocean Territories Account	393	322
Indian Ocean Territories Water	-	5
National Pollutant Inventory	83	83
Smart Farming Partnerships – National Landcare Program	725	452
National On-Farm Emergency Water Infrastructure Rebate Scheme	3,770	250
National Water Infrastructure Development Fund	-	1,688
	4,971	2,800

3.4 Waste levy

	2020 \$'000	2019 \$'000
Waste levy	79,634	77,586

The Waste levy transaction price is determined by legislation. The Waste Avoidance and Resource Recovery Account (WARR Account) was established in 2008 under section 79 of the *Waste Avoidance and Resource Recovery Act 2007* (WARR Act). Under the Act, licensed metropolitan landfill operators are required to fund the operations of the WARR Account. The WARR Account holds revenue allocated from the levy to fund waste management programs.

The Waste levy income is recognised and accrued quarterly by the department based on estimated waste volumes and is subsequently adjusted to actual based on actual waste volume determined from the quarterly return submitted by the licensed landfill operators the following month. At the end of the financial year the waste levy is adjusted to actual before the department's financial statements are signed.

3.5 Other revenue and income

	2020 \$'000	2019 \$'000
Services rendered		
Establishing and Maintaining Vegetation Offsets Account ^(a)	192	2,540
Pilbara Environmental Offsets Fund ^(b)	685	-
Lease rentals – land and buildings	315	220
Gain on disposal of lease arrangement	1	-
Grants and subsidies revenue – recurrent	-	148
Tree annuity	58	179
Tree harvest	67	160
Recoup – expense overpaid prior year	21	55
Insurance recovery – workers' compensation prior year	95	3
Reversal of impairment losses on plant and equipment	69	-
Assets found during the period – works of art	-	146
Asset revenue ^(c)	65	689
Other revenue	816	430
	2,384	4,570

(a) The department administers the *Environmental Protection Act 1986* which regulates the clearing of native vegetation. Clearing of native vegetation requires the authority of a clearing permit unless it is of an exempt kind.

Clearing permits may include conditions requiring an offset to counterbalance the impacts of clearing. Offsets requirements are imposed in accordance with the WA Environmental Offsets Policy (2011) and the WA Environmental Offsets Guidelines (2014). Some offset requirements involve payment of a monetary contribution into the Establishing and Maintaining Vegetation Offsets Account, which is an account managed by the department.

Contributions into the Establishing and Maintaining Vegetation Offsets Account are made following the grant of the associated clearing permit, and after any related appeals have been received and determined. Revenue from the offsets are recognised at a point-in-time i.e. when the department issues an invoice to the permit holder requesting payment of the contribution into the fund.

- (b) In 2012, the WA Minister for Environment mandated that proponents in the Pilbara region pay their environmental offsets into a strategic fund for conservation. In the same year, the Federal Minister for Environment gave proponents the option of doing so. This led to the establishment of the Pilbara Environmental Offsets Fund. The fund combines money from individual offset payments required under Part V of the *Environmental Protection Act 1986* and may combine contributions required under part 9 or 10 of the *Commonwealth Environmental and Biodiversity Conservation Act 1999*. The establishment of the fund enables the State Government to combine offset money and partner with regional land management organisations to deliver projects that achieve better and more

connected biodiversity conservation outcomes. The department is responsible for managing the fund to ensure that offset payments directly benefit vegetation and habitat impacted by mining.

Despite conditions being included in Ministerial Statements from 2012, the Pilbara Environmental Offset Fund was only established on 18 April 2018. The Ministerial Statements define the proponents of the fund. Implementation conditions within these Ministerial Statements require the preparation of an Impact Reconciliation Report in order to determine the quantum of money owed to the fund by proponents.

Revenue from Pilbara Environmental Offsets Fund is recognised at a point-in-time, i.e. recognised when the department has the right to invoice the proponent. The department has the right to invoice the proponent following submission and acceptance of the proponent's Impact Reconciliation Report.

- (c) Revenue is related to an increment in value of building (2019: land) assets after revaluation. It is recognised as other revenue to the extent it reverses the loss on revaluation recognised as other expenses in previous years. No revaluation surplus existed in the previous year.

4 Key assets

Assets the department utilises for economic benefit or service potential

This section includes information regarding the key assets the department utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2020 \$'000	2019 \$'000
Infrastructure, property, plant and equipment	4.1	350,377	347,936
Right-of-use assets	4.2	3,137	-
Intangible assets	4.3	17,582	20,379
Total key assets		371,096	368,315



4.1 Infrastructure, property, plant and equipment

	Capital works in progress \$'000	Works of art \$'000	Computer equipment \$'000	Vehicles \$'000	Infrastructure \$'000	Plant and equipment \$'000	Measurement sites \$'000	Leasehold improvements \$'000	Buildings \$'000	Land \$'000	Total \$'000
Year ended 30 June 2020											
1 July 2019											
Gross carrying amount	10,404	162	522	217	4,612	5,920	170,628	11	4,630	152,712	349,818
Accumulated depreciation	-	-	(250)	(51)	(185)	(1,326)	-	(1)	-	-	(1,813)
Accumulated impairment losses	-	-	-	-	-	(69)	-	-	-	-	(69)
Carrying amount at start of period	10,404	162	272	166	4,427	4,525	170,628	10	4,630	152,712	347,936
Additions	7,994	-	76	6	557	297	14	73	46	-	9,063
Transfers in/(out) ^(a)	(10,908)	-	269	-	-	858	8,308	145	-	1,328	-
Transfers to other agencies ^(b)	-	-	-	-	(3,641)	-	-	-	-	(445)	(4,086)
Disposals	-	(5)	(2)	-	-	(155)	(375)	-	(75)	(184)	(796)
Expensed during the year	-	(54)	-	-	-	-	-	-	-	-	(54)
Revaluation increments/ (decrements)	-	-	-	-	-	-	3,029	-	77	840	3,946
Reversal of impairment losses ^(c)	-	-	-	-	-	69	-	-	-	-	69
Depreciation	-	-	(215)	(42)	(113)	(702)	(4,503)	(10)	(116)	-	(5,701)
Carrying amount at 30 June 2020	7,490	103	400	130	1,230	4,892	177,101	218	4,562	154,251	350,377
Gross carrying amount	7,490	103	784	223	1,335	6,759	177,101	229	4,562	154,251	352,837
Accumulated depreciation	-	-	(384)	(93)	(105)	(1,867)	-	(11)	-	-	(2,460)
Accumulated impairment losses	-	-	-	-	-	-	-	-	-	-	-

- (a) Transfers in/(out) from tangible capital works in progress to completed assets.
- (b) The Department of Planning, Lands and Heritage (DPLH) is the only department with the power to sell crown land. The land is transferred to DPLH for sale and the agency accounts for the transfer as a distribution to owner.
- (c) Recognised in the Statement of comprehensive income due to the fact that the increment reverses a previous decrement (in respect of the same class of assets) which was recognised as an expense in the prior period's profit or loss.

Commitments:

At 30 June 2020, the amount of contractual commitments for the acquisition of infrastructure, property, plant and equipment was \$7.7 million including GST (30 June 2019: \$9.7 million).

► Initial recognition

Items of infrastructure, property, plant and equipment costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no cost or significantly less than fair value, the cost is valued at its fair value at the date of acquisition. Items of infrastructure, property, plant and equipment costing less than \$5,000 are immediately expensed to the Statement of comprehensive income (other than where they form part of a group of similar items which are significant in total).

Assets transferred as part of a machinery of government change are transferred at their fair value.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

► Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of:

- land
- buildings
- measurement sites.

Land is carried at fair value.

Buildings and measurement sites are carried at fair value less accumulated depreciation and accumulated impairment losses.

All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Land and buildings are independently valued annually by the WA Land Information Authority (valuations and property analytics) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Land and buildings were revalued as at 1 July 2019 by the WA Land Information Authority (valuations and property analytics). The valuations were performed during the year ended 30 June 2020 and recognised at

30 June 2020. In undertaking the revaluation, fair value was determined by reference to market values for land: \$40,540,100 (2019: \$39,957,150) and buildings: \$2,631,500 (2019: \$2,631,500). For the remaining balance, the fair value of buildings was determined on the basis of current replacement cost and the fair value of land was determined on the comparison utility basis with market evidence for land with low-level utility (high restricted use land).

Revaluation model:

Where the fair value of building is determined on the current replacement cost basis, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Measurement sites are independently valued every five years by an external services valuer. In the intervening years, the measurement sites are revalued internally by use of other heavy and civil engineering construction building cost index provided by the Australian Bureau of Statistics. Groundwater measurement sites were independently revalued by Aquenta Consulting as at 30 June 2017. Fair value for measurement sites is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost.

Revaluation model:

Where the fair value of measurement sites is determined on the current replacement cost basis, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Significant assumptions and judgements:

The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis and in determining estimated economic life to assets. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

4.1.1 Depreciation and impairment

► Charge for the period

	2020 \$'000	2019 \$'000
Depreciation		
Buildings	116	119
Infrastructure	113	111
Plant and equipment	702	695
Vehicles	42	31
Computer equipment	215	99
Leasehold improvements	10	264
Measurement sites	4,503	4,292
Total depreciation	5,701	5,611

As at 30 June 2020, there were no indications of impairment on infrastructure, property, plant and equipment (2019: \$69,000).

► Finite useful lives

All infrastructure, property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule include assets held for sale, land and investment properties.

Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful Life: Years
Buildings	20–40 years
Leasehold improvement ^(b)	20 years
Measurement sites	40 years
Plant and equipment	5–20 years
Computer equipment (hardware and software ^(a))	3–5 years
Infrastructure	20–50 years
Vehicles and boating	5–6 years

- (a) Software that is integral to the operation of related hardware.
 (b) Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments are made where appropriate.

Land and works of art, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

► Impairment

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit and loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As the department is a not-for-profit agency, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from declining replacement costs.

4.2 Right-of-use assets

	2020 \$'000	2019 \$'000
Right-of-use assets		
Buildings	613	-
Computer equipment	395	-
Motor vehicles	2,024	-
Plant and equipment	105	-
Net carrying amount at 30 June 2020	3,137	-

Additions to right-of-use assets during the 2020 financial year were \$1 million.

► Initial recognition

Right-of-use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs, including dismantling and removing the underlying asset.

This includes all leased assets other than investment property right-of-use assets, which are measured in accordance with AASB 140 *Investment Property*.

The department has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low-value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

► Subsequent measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

► Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the department at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 4.1.1.

The following amounts relating to leases have been recognised in the statement of comprehensive income:

	2020 \$'000	2019 \$'000
Buildings	223	-
Computer equipment	216	-
Motor vehicles	801	-
Plant and equipment	209	-
Total right-of-use assets depreciation	1,449	-
Lease interest expense	84	-
Short-term leases	88	-

The total cash outflow for leases in 2019–20 was \$1.4 million.

The department's leasing activities and how these are accounted for:

The department has leases for vehicles, plant and equipment, computer equipment, office and residential accommodations.

The department has also entered into Memorandum of Understanding (MOU) agreements with the Department of Finance for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense as incurred.

Up to 30 June 2019, the department classified leases as either finance leases or operating leases. From 1 July 2019, the department recognises leases as right-of-use assets and associated lease liabilities in the Statement of financial position.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 6.1.



4.3 Intangible assets

	Capital Works in progress	Analytical products	Licences	Computer software	Total
Year ended 30 June 2020	\$'000	\$'000	\$'000	\$'000	\$'000
1 July 2019					
Gross carrying amount	4,029	8,857	21	18,346	31,253
Accumulated amortisation	-	(1,724)	(3)	(9,147)	(10,874)
Opening amount at start of period	4,029	7,133	18	9,199	20,379
Additions	2,568	-	18	592	3,178
Transfers in/(out) ^(a)	(1,719)	-	11	1,708	-
Disposal	-	-	-	(2)	(2)
Amortisation expense	-	(886)	(11)	(5,076)	(5,973)
Carrying amount at 30 June 2020	4,878	6,247	36	6,421	17,582
Gross carrying amount	4,878	8,857	50	20,590	34,375
Accumulated amortisation	-	(2,610)	(14)	(14,169)	(16,793)

(a) Transfer in/(out) from capital works in progress to completed assets.

Commitments:

At 30 June 2020, the amount of contractual commitments for the acquisition of intangible assets was \$405,000 including GST (30 June 2019: \$0).

► Initial recognition

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- an intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- the intangible asset will generate future economic benefit
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the ability to measure reliably the expenditure directly attributable to the intangible asset during its development.

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$5,000 or more that comply with the recognition criteria as per AASB 138.57 (as noted above), are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of comprehensive income.

Costs incurred in the research phase of a project are immediately expensed.

► Subsequent measurement

The cost model is applied for subsequent measurement of intangible assets requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

4.3.1 Amortisation and impairment

	2020 \$'000	2019 \$'000
Charge for the period		
Analytical products	886	874
Computer software	5,076	5,215
Licences	11	3
Total amortisation for the period	5,973	6,092

As at 30 June 2020 there were no indications of impairment to intangible assets.

The department held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation of finite life intangible assets is calculated on a straight-line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the department have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

Licences	3 years
Software ^(a)	3–5 years
Analytical products ^(b)	10 years

- (a) Software that is not integral to the operation of related hardware.
- (b) Analytical products are intangible assets such as geophysical datasets and surveys which are usually produced as part of project work. These products are used by the department to improve its understanding and management of water resources.

► Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in note 4.1.1.

5 Other assets and liabilities

This section sets out those assets and liabilities that arose from the department's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2020 \$'000	2019 \$'000
Receivables	5.1	23,230	22,748
Amounts receivable for services	5.2	58,602	46,631
Other assets	5.3	2,217	2,063
Payables	5.4	(4,699)	(8,585)
Contract liabilities	5.5	(1,749)	-
Other current liabilities	5.6	(4)	(520)

5.1 Receivables

	2020 \$'000	2019 \$'000
Current		
Trade receivables	1,386	1,645
Allowance for impairment of trade receivables	(168)	(167)
Accrued revenue	20,148	19,343
GST receivable	1,113	1,927
Loan to WARRRL – Facility B ^(a)	188	-
Total current	22,667	22,748
Non-current		
Loans and advances:		
Loan to WARRRL – Facility B ^(a)	563	-
Total non-current	563	-
Total receivables	23,230	22,748

The department does not hold any collateral or other credit enhancements as security for trade receivables.

Trade receivables are recognised at the original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

- (a) On 1 October 2020, Containers for Change will commence in WA. Containers for Change is the new statewide container deposit scheme and is run by WA Return Recycle Renew Ltd (WARRRL); a not-for-profit company responsible for establishing the collection network and managing the day-to-day scheme operations.

On 11 June 2020, the state – represented by the department acting for the Waste Authority – entered into a loan agreement with WARRRL to fund the initial cash flow needs of the container deposit scheme. The funds for the loan to WARRRL will be paid out of the Waste Avoidance and Resource Recovery Account (for additional information please refer to note 8.7 Special purpose accounts).

The loan agreement has two distinct facilities:

► **Facility A – An interest-bearing loan with a maximum commitment of \$16 million**

The purpose of the loan is to fund payments by the scheme coordinator (WARRRL) to scheme counterparties (such as refund point operators and logistics and processing service providers), payment of other costs reasonably incurred in the implementation of the scheme and other costs approved in writing by the state during the loan period.

The loan commitment period commenced on 11 June 2020 (the commencement date of the loan agreement) and ends on

the maturity date; being 18 calendar months after the scheme commencement date (1 October 2020).

Interest is payable at an interest rate applicable to the Public Bank Account on the first day of the interest period. The interest period will be one month, and the first interest period is the period commencing on the drawdown date for the loan.

Loan repayments commence six months after the scheme commencement date and thereafter on the last business day of each subsequent calendar month. For Facility A, i.e. the amount to be repaid is equal to the amount of the principal outstanding under Facility A on that repayment date divided by the number of periods remaining until maturity date.

Interest repayments commence six months after the scheme commencement date and for each subsequent interest payment the last day of each month.

► **Facility B – An interest-free loan with a maximum commitment of \$3.5 million**

The purpose of the loan is to fund payments by the scheme coordinator (WARRRL) to network participants approved by the state as eligible recipients whose anticipated revenue was delayed during the loan period due to the scheme's deferral because of the COVID-19 pandemic. The costs that could be met through the



loan were limited to commercial property leases, lease outgoings, property utilities costs (for example water services charges and rates); bank loans to secure property; and bank loans to fund construction and collection network employees.

The loan commitment period commenced on 11 June 2020 (the commencement date of the loan agreement) and ends 20 business days after the scheme commencement date (1 October 2020).

Loan repayments commence six months after the scheme commencement date and thereafter on the last business day of each subsequent calendar month. For Facility B, i.e. the amount to be repaid is equal to the amount of the principal outstanding under Facility B on that repayment date divided by the number of periods remaining until maturity date.

Both the loans facilities are secured by a charge over present and after acquired property, interests, rights and proceeds of WARRRL.

5.2 Amounts receivable for services (holding account)

	2020 \$'000	2019 \$'000
Current	6,057	5,994
Non-current	52,545	40,637
Balance at end of period	58,602	46,631

Amounts receivable for services represent the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

Amounts receivable for services are considered not impaired (i.e. there is no expected credit loss of the holding accounts).

5.3 Other assets

	2020 \$'000	2019 \$'000
Current		
Prepayments	2,161	2,063
Total current	2,161	2,063
Non-current		
Prepayments	56	-
Total non-current	56	-
Balance at end of period	2,217	2,063

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

5.4 Payables

	2020 \$'000	2019 \$'000
Current		
Trade payables ^(a)	1,236	2,529
Other payables ^(a)	1,194	572
Accrued expenses ^(c)	1,134	5,147
Accrued salaries ^(b)	1,135	337
Balance at end of period	4,699	8,585

- (a) Payables are recognised at the amounts payable when the department becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.
- (b) Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The department considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (see note 6.4 Restricted cash and cash equivalents) consists of amounts paid annually, from department appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee

salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

- (c) In 2018–19, accrued expenses primarily related to rural water grants of \$2,876,000 (2020: \$0). The program officially closed on 30 June 2018 and unprocessed applications for rebates were accrued as liabilities of the department.

5.5 Contract liabilities

	2020 \$'000	2019 \$'000
Opening balance at beginning of period	-	-
Initial application of AASB 15	516	-
Restated balance at beginning of period	516	-
Additions	1,749	-
Revenue recognised in the period	(516)	-
Total contract liabilities	1,749	-
Current	1,749	-
Non-current	-	-

The department's contract liabilities primarily relate to user charges and fees yet to be performed as the licence, works approval or tracking form has not been issued to the customer.

5.6 Other current liabilities

	2020 \$'000	2019 \$'000
Revenue received in advance	-	516
Stale cheque holding account	4	4
Total current liabilities	4	520

6 Financing

This section sets out the material balances and disclosures associated with the financing and cash flows of the department.

	Notes	2020 \$'000	2019 \$'000
Lease liabilities	6.1	3,163	-
Assets pledged as security	6.2	3,137	-
Finance costs	6.3	84	-
Cash and cash equivalents	6.4	75,238	78,082

6.1 Lease liabilities

	2020 \$'000	2019 \$'000
Current	1,143	-
Non-current	2,020	-
Balance at end of period	3,163	-

The department measures a lease liability, at the commencement date, at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the department uses the incremental borrowing rate provided by the WA Treasury Corporation.

Lease payments included by the department as part of the present value calculation of lease liability include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of purchase options (where these are reasonably certain to be exercised)

- payments for penalties for terminating a lease, where the lease term reflects the department exercising an option to terminate the lease.

The interest on the lease liability is recognised in profit or loss over the lease term to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Periods covered by extension or termination options are only included in the lease term by the department if the lease is reasonably certain to be extended (or not terminated).

Variable lease payments, not included in the measurement of lease liability, that are dependent on sales are recognised by the department in profit or loss in the period in which the condition that triggers those payments occurs. This section should be read in conjunction with note 4.2.

► Subsequent measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

6.2 Assets pledged as security

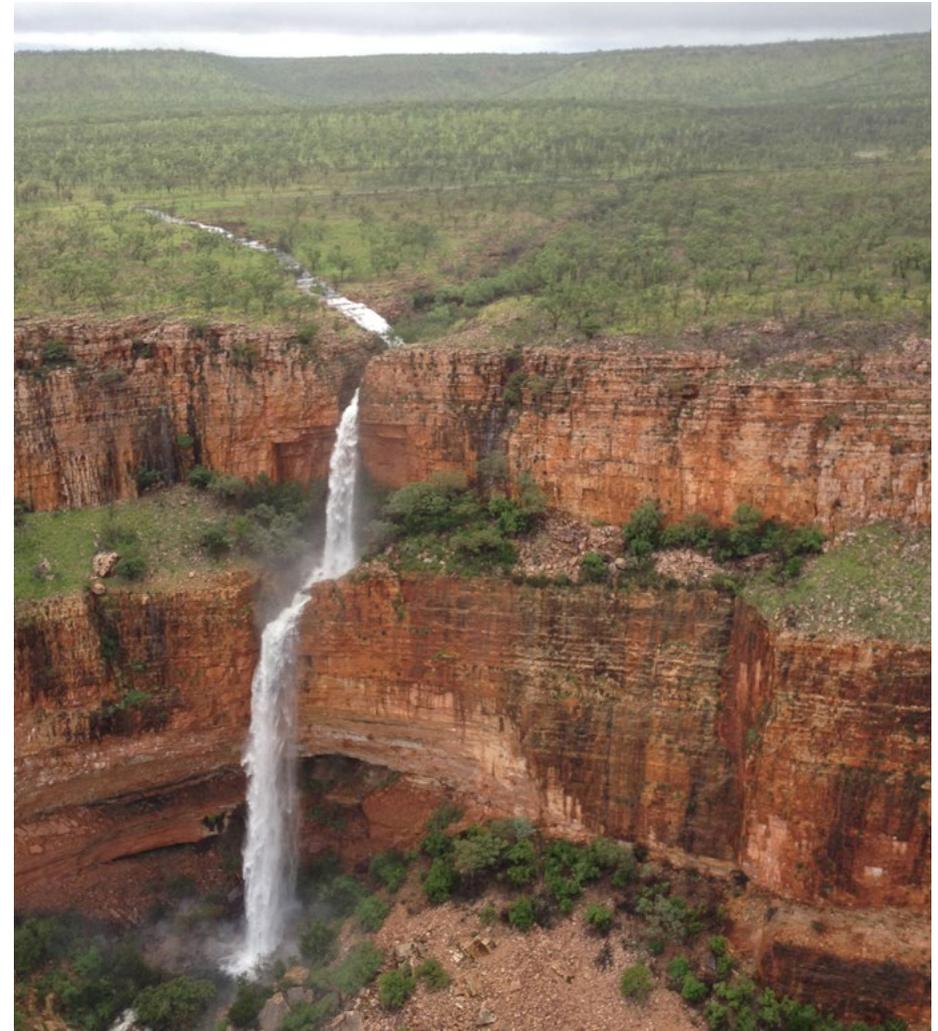
	2020 \$'000	2019 \$'000
Assets pledged as security		
The carrying amounts of non-current assets pledged as security are:		
Right-of-use asset vehicles	2,024	-
Right-of-use asset plant and equipment	105	-
Right-of-use asset computer equipment	395	-
Right-of-use asset buildings	613	-
Total assets pledged as security	3,137	-

The department has secured the right-of-use assets against related lease liabilities. In the event of default, the rights to the leased assets will revert to the lessor.

6.3 Finance costs

	2020 \$'000	2019 \$'000
Lease interest expense	84	-

Finance cost includes the interest component of lease liability repayments.



6.4 Cash and cash equivalents

	2020 \$'000	2019 \$'000
Current		
Cash and cash equivalents	9,348	11,958
Restricted cash and cash equivalents ^(a)	64,402	65,105
Total current	73,750	77,063
Non-current		
Restricted cash and cash equivalents ^(b)	1,488	1,019
Total non-current	1,488	1,019
Balance at end of period	75,238	78,082

(a) Composed of the Waste Avoidance and Resource Recovery Account (\$39.8 million), Establishing and Maintaining Vegetation Offsets Account (\$11.2 million), Low Emissions Energy Development Fund (\$9.3 million), and other funds (\$4.1 million) that are restricted in their purpose and cannot be used in general operations.

(b) Funds are held in the accrued salaries suspense account for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year. This account is classified as non-current for 10 out of 11 years.

For the purpose of the statement of cash flows, cash and cash equivalents (and restricted cash and cash equivalent) assets comprise of cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value and the funds held in the suspense account for the purpose of meeting the 27th pay.

7 Financial instruments and contingencies

	Notes
Financial instruments	7.1
Contingent assets and liabilities	7.2

7.1 Financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2020 \$'000	2019 \$'000
Financial assets		
Cash and cash equivalents	75,238	78,082
Financial assets at amortised cost ^(a)	80,719	67,452
Total financial assets	155,957	145,534
Financial liabilities		
Financial liabilities at amortised cost	7,862	8,585
Total financial liabilities	7,862	8,585

(a) The amount of Financial assets at amortised cost excludes the GST recoverable from the ATO (statutory receivable).

7.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

7.2.1 Contingent assets

The following contingent assets are excluded from the assets included in the financial statements:

	2020 \$'000	2019 \$'000
Benefit potentially receivable in relation to Supreme Court action concerning land leased by the Water Resources Ministerial Body.	180	-
Benefit potentially receivable in relation to Supreme Court action involving Fobbing Hall Pty Ltd.	-	100
Benefit potentially receivable in relation to Supreme Court action involving R.C.G Technologies Pty Ltd.	-	2,940
Benefit potentially receivable from the state's claim for outstanding waste levies involving the City of Armadale.	-	5,070
	180	8,110

7.2.2 Contingent liabilities

The following contingent liabilities are excluded from the liabilities included in the financial statements:

	2020 \$'000	2019 \$'000
Costs potentially payable in relation to WA Industrial Relations Commission action involving termination of a registered employee.	-	180
Costs potentially payable in relation to Supreme Court action involving Fobbing Hall Pty Ltd.	-	100
Costs potentially payable in relation to Supreme Court action concerning land leased by the Water Resources Ministerial Body.	200	-
Potential exposure in relation to current litigation with a former employee. The matter is still on-going, and a further conciliation conference is about to proceed in the Equal Opportunity Commission.	75	-
Contaminated sites		
Under the <i>Contaminated Sites Act 2003</i> , state agencies are required to report known and suspected contaminated sites to the department. In accordance with the Act, the department classifies these sites on the basis of risk to human health, the environment and environmental values. Where sites are classified as <i>contaminated – remediation required</i> or <i>possibly contaminated – investigation required</i> , the department may have a liability in respect of investigation or remediation expenses.		
There is an outstanding contingent liability in relation to the remediation of the Brookdale Liquid Waste Treatment Facility in agreement with the Water Corporation.	400	400
	675	680

8 Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	8.1
Initial application of Australian Accounting Standards	8.2
Key management personnel	8.3
Related party transactions	8.4
Related bodies	8.5
Affiliated bodies	8.6
Special purpose accounts	8.7
Indian Ocean Territories Account	8.8
Remuneration of auditors	8.9
Equity	8.10
Supplementary financial information	8.11
Explanatory statement (controlled operations)	8.12

8.1 Events occurring after the end of the reporting period

There are no significant events that occurred after the end of the reporting period.

8.2 Initial application of Australian Accounting Standards

► **AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities**

AASB 15 *Revenue from Contracts with Customers* replaces AASB 118 *Revenue* and AASB 111 *Construction Contracts* for annual reporting periods on or after 1 January 2019. Under the new model, an entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer and is based upon the transfer of control rather than transfer of risks and rewards.

AASB 15 focuses on providing sufficient information to the users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with customers. Revenue is recognised by applying the following five steps:

- identifying contracts with customers
- identifying separate performance obligations
- determining the transaction price of the contract
- allocating the transaction price to each of the performance obligations
- recognising revenue when or as each performance obligation is satisfied.

Revenue is recognised either over time or at a point in time. Any distinct goods or services are separately identified and any discounts or rebates in the transaction price are allocated to each separate element.

In addition, income other than from contracts with customers are subject to AASB 1058 *Income of Not-for-Profit Entities*. Income recognition under AASB 1058 depends on whether such a transaction gives rise to liabilities or a contribution by owners related to an asset (such as cash) received by the department.

The department adopts the modified retrospective approach on transition to AASB 15 and AASB 1058. No comparative information is restated under this approach, and the department recognises, if applicable, the cumulative effect of initially applying the standards as adjustments to the opening balance of accumulated surplus/(deficit) at the date of initial application (1 July 2019).

Under this transition method, the department applies the standards retrospectively only to contracts and transactions that are not completed at the date of initial application (1 July 2019).

Refer to notes 3.1 to 3.5 for the revenue and income accounting policies adopted.

There was no material impact of adopting AASB 15 and AASB 1058.

► **AASB 16 Leases**

AASB 16 *Leases* supersedes AASB 117 *Leases* and related Interpretations. AASB 16 primarily affects lessee accounting and provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

The department applies AASB 16 *Leases* from 1 July 2019 using the modified retrospective approach. As permitted under the specific transition provisions, comparatives are not restated. The cumulative effect of initially applying this standard is recognised as an adjustment to the opening balance of accumulated surplus.

The main changes introduced by this standard include identification of lease within a contract and a new lease accounting model for lessees that require lessees to recognise all leases (operating and finance leases) on the Statement of financial position as right-of-use assets and lease liabilities, except for short-term leases (lease terms of 12 months or less at commencement date) and low-value assets (where the underlying asset is valued less than \$5,000). The operating lease and finance lease distinction for lessees no longer exists.

Under AASB 16, the department takes into consideration all operating leases that were off balance sheet under AASB 117 and recognises:

- (a) right-of-use assets and lease liabilities in the Statement of financial position, initially measured at the present value of future lease payments, discounted using the incremental borrowing rate (2.5%) on 1 July 2019
- (b) depreciation of right-of-use assets and interest on lease liabilities in the Statement of comprehensive income
- (c) the total amount of cash paid as principal amount, which is presented in the cash flows from financing activities, and interest paid, which is presented in the cash flows from operating activities, in the Statement of cash flows.

In relation to leased vehicles that were previously classified as finance leases, their carrying amount before transition is used as the carrying amount of the right-of-use assets and the lease liabilities as of 1 July 2019.

The department measures concessionary leases that are of low-value terms and conditions at cost at inception. There is no financial impact as the department is not in possession of any concessionary leases at the date of transition.

The right-of-use assets are assessed for impairment at the date of transition and the department has not identified any impairments to its right-of-use assets.

On transition, the department has elected to apply the following practical expedients in the assessment of its leases that were previously classified as operating leases under AASB 117:

- (a) a single discount rate has been applied to a portfolio of leases with reasonably similar characteristics
- (b) the department has relied on its assessment of whether existing leases were onerous in applying AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* immediately before the date of initial application as an alternative to performing an impairment review. The department has adjusted the right-of-use asset at 1 July 2019 by the amount of any provisions included for onerous leases recognised in the Statement of financial position at 30 June 2019
- (c) where the lease term at initial application ended within 12 months, the department has accounted for these as short-term leases
- (d) initial direct costs have been excluded from the measurement of the right-of-use asset
- (e) hindsight has been used to determine if the contracts contained options to extend or terminate the lease.

The department has not reassessed whether existing contracts contained a lease at 1 July 2019. The requirements of paragraphs 9–11 of AASB 16 are applied to contracts that came into existence post 1 July 2019.

Measurement of lease liabilities:

	\$'000
Operating lease commitments disclosed as at 30 June 2019	68,770
Add: Operating lease commitments previously not disclosed	1,704
Less: Government office accommodation – arrangements not in AASB 16 scope	(66,792)
Adjusted operating lease commitments as at 30 June 2019	3,682
Discounted using incremental borrowing rate at date of initial application ^(a)	3,556
Add: Finance lease liabilities recognised as at 30 June 2019	-
Less: Short-term leases not recognised as liability	-
Less: Low-value leases not recognised as liability	-
Lease liability recognised at 1 July 2019	3,556
Current lease liabilities	1,181
Non-current lease liabilities	2,375

- (a) The WA Treasury Corporation incremental borrowing rate was used for the purposes of calculating the lease transition opening balance.

8.3 Key management personnel

The department has determined key management personnel to include Cabinet Ministers and senior officers of the department. The department does not incur expenditures to compensate Ministers and those disclosures may be found in the annual report on state finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the department for the reporting period are presented within the following bands:

	2020	2019
Compensation band (\$)		
\$350,001–\$360,000	1	1
\$250,001–\$260,000	1	-
\$240,001–\$250,000	-	1
\$230,001–\$240,000	-	2
\$220,001–\$230,000	1	2
\$210,001–\$220,000	2	2
\$200,001–\$210,000	2	-
\$190,001–\$200,000	1	-
\$110,001–\$120,000	1	-
\$80,001–\$90,000	-	1
\$60,001–\$70,000	1	-
	2020 \$'000	2020 \$'000
Total compensation of senior officers	2,050	2,037

Total compensation includes the superannuation expense incurred by the department in respect of senior officers.

8.4 Related party transactions

The department is a wholly owned public sector entity that is controlled by the state of WA.

Related parties of the department include:

- all Cabinet Ministers and their close family members and their controlled or jointly controlled entities
- all senior officers and their close family members and their controlled or jointly controlled entities
- other departments and statutory authorities including related bodies that are included in the whole-of-government consolidated financial statements (i.e. wholly owned public sector entities)
- associates and joint ventures of a wholly owned public sector entity
- the Government Employees Superannuation Board.

► Material transactions with other related parties

Outside of normal citizen type transactions with the department there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

8.5 Related bodies

The department currently does not provide any assistance to other agencies which would deem it to be regarded as related bodies under the definitions included in TI 951 Related and Affiliated Bodies.

8.6 Affiliated bodies

The department currently does not provide any assistance to other agencies which would deem it to be regarded as affiliated bodies under the definitions included in TI 951 Related and Affiliated Bodies.

8.7 Special purpose accounts

► Reserve 31165 trust account⁽ⁱ⁾

The purpose of the account is joint management as specified in clause 9 of the agreement and in relation to land south of Lake Argyle for the purposes of protecting the water resource value of Lake Argyle and the Ord River Dam. Lake Argyle Reserve 31165 (Reserve 31165 trust account) has been held under joint vesting by the Water Resources Ministerial Body and the Yawoorroong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation (MG Corporation). The transfer of the vesting of Reserve 31165 trust account solely to the MG Corporation was completed by registration of a Management Order in March 2020. MG Corporation now has the care, control and management of Reserve 31165 trust account and is also the sole lessor for leases over Argyle Downs, Spring Creek and Lissadell cattle stations.

	2020 \$'000	2019 \$'000
Balance at start of period	597	481
Receipts	124	123
Payments	(721)	(7)
Balance at end of period	-	597

► Contaminated sites management account⁽ⁱⁱ⁾

The purpose of the account is to enable investigation or remediation of any site where the state or a public authority (excluding local government) is responsible for remediation. The account also funds the department's costs of investigation and ensuring compliance with notices.

	2020 \$'000	2019 \$'000
Balance at start of period	557	1,863
Receipts	135	187
Payments	(346)	(1,493)
Balance at end of period	346	557

► Waste Avoidance and Resource Recovery Account⁽ⁱⁱ⁾

The purpose of the account is to encourage the conservation of resources and energy through waste reduction and recycling; to promote support and encourage viable alternatives to landfill disposal of waste; and to encourage applied research and the development of appropriate waste management, waste reduction, recycling infrastructure and markets. The account is used to fund nominated programs and other waste management initiatives approved by the Minister for the Environment on the advice of the Waste Authority of WA.

	2020 \$'000	2019 \$'000
Balance at start of period	39,980	38,581
Receipts	21,276	21,663
Payments – loan to WARRRL ^(a)	(750)	-
Payments	(20,711)	(20,264)
Balance at end of period	39,795	39,980

(a) For additional information please refer to note 5.1 Receivables.

► Pilbara Environmental Offsets Fund⁽ⁱⁱⁱ⁾

The purpose of the account is to deliver environmental offset projects in the Pilbara bioregion of WA in partnership with traditional owners, conservation agencies, industry and government.

	2020 \$'000	2019 \$'000
Balance at start of period	-	-
Receipts	684	-
Payments	(188)	-
Balance at end of period	496	-

(i) Established under section 16(1)(c) of the *Financial Management Act 2006*

(ii) Established under section 16(1)(b) of the *Financial Management Act 2006*

(iii) Established under section 16(1)(d) of the *Financial Management Act 2006*

8.8 Indian Ocean Territories Account

► Indian Ocean Territories Account

The purpose of the account is to account for Commonwealth funds for service delivery arrangements by the department to the Indian Ocean Territories.

	2020 \$'000	2019 \$'000
Balance at start of period	(12)	7
Receipts	435	327
Payments	(376)	(346)
Balance at end of period^(a)	47	(12)

(a) Under the terms of the Service Delivery Arrangement, the department is to provide a statement of operating and capital expenditure and revenue for the previous financial year to the Commonwealth by 31 August each year.

This notification enables adjustments to biannual payments to be made early in the financial year to take into account any under or overspends against budget estimates from the previous financial year.

8.9 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2020 \$'000	2019 \$'000
Auditing the accounts, financial statements, controls and key performance indicators	283	298

8.10 Equity

	2020 \$'000	2019 \$'000
Contributed equity		
Balance at start of period	373,945	411,761
Contributions by owners		
Capital appropriation	6,007	4,654
Total contributions by owners	379,952	416,415
Distributions to owners		
Transfer to consolidated account	(24,236)	(41,333)
Transfer to other agencies:		
Land transferred to the Department of Planning, Lands and Heritage	(432)	(87)
Infrastructure and land transferred to the Department of Biodiversity, Conservation and Attractions	(3,654)	(1,050)
Total distributions to owners	(28,322)	(42,470)
Balance at end of period	351,630	373,945
Asset revaluation surplus		
Balance at start of period	14,140	1,305
Net revaluation increment:		
Land, buildings and measurement sites	3,880	12,835
Balance at end of period	18,020	14,140

8.11 Supplementary financial information

► (a) Write-offs

	2020 \$'000	2019 \$'000
The accountable authority	86	17
The Minister	-	-
Executive Council	-	-
	86	17

► (b) Losses through theft, defaults and other causes

	2020 \$'000	2019 \$'000
Losses of public money and property through theft or default	-	-
Amounts recovered	-	-
	-	-

► (c) Gifts of public property

The department had no gifts of public property during the financial year (2019: None).

8.12 Explanatory statement (controlled operations)

All variances between annual estimates (original budget) and actual results for 2020, and between the actual results for 2020 and 2019, are shown below. Narratives are provided for key major variances which are generally greater than 10% and \$1 million for the statements of comprehensive income and cash flows and the Statement of financial position.

8.12.1 Statement of comprehensive income variances

	Variance note	Estimate 2020 \$'000	Actual 2020 \$'000	Actual 2019 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2020 and 2019 \$'000
Expenses						
Employee benefits expense	a	95,752	102,849	90,665	7,097	12,184
Supplies and services		36,184	37,013	36,708	829	305
Depreciation and amortisation expense	1, b	23,127	13,123	11,703	(10,004)	1,420
Finance costs	2	3,167	84	-	(3,083)	84
Accommodation expenses	3	2,032	8,566	8,392	6,534	174
Grants and subsidies		15,372	15,317	15,160	(55)	157
Other expenses	4, c	1,424	4,988	3,620	3,564	1,368
Loss on disposal of non-current assets	d	-	694	4,664	694	(3,970)
Total cost of services		177,058	182,634	170,912	5,576	11,722
Revenue and income						
User charges and fees		32,610	29,528	28,854	(3,082)	674
Commonwealth grants	5, e	2,470	4,971	2,800	2,501	2,171
Waste levy		83,000	79,634	77,586	(3,366)	2,048
Interest revenue		750	396	899	(354)	(503)
Other revenue and income	6, f	6,551	2,384	4,570	(4,167)	(2,186)
Total revenue		125,381	116,913	114,709	(8,468)	2,204
Gains						
Gains on disposal of non-current assets		-	-	-	-	-
Other gains		-	-	-	-	-
Total gains		-	-	-	-	-
Total income other than income from State Government		125,381	116,913	114,709	(8,468)	2,204
Net cost of services		51,677	65,721	56,203	14,044	9,518

	Variance note	Estimate 2020 \$'000	Actual 2020 \$'000	Actual 2019 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2020 and 2019 \$'000
Income from State Government						
Service appropriation		84,338	81,890	83,012	(2,448)	(1,122)
State grants		2,667	2,167	2,062	(500)	105
Services received free of charge	7	1,743	2,789	2,629	1,046	160
Royalties for Regions fund	8, g	7,639	4,797	9,220	(2,842)	(4,423)
Total income from State Government		96,387	91,643	96,923	(4,744)	(5,280)
Surplus		44,710	25,922	40,720	(18,788)	(14,798)
Other comprehensive income						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus		-	3,880	12,835	3,880	(8,955)
Total other comprehensive income		-	3,880	12,835	3,880	(8,955)
Total comprehensive income for the period		44,710	29,802	53,555	(14,908)	(23,753)

► Major estimate and actual (2020) variance narratives

1. Depreciation and amortisation expense decreased by \$10.0 million (43.3%) mainly because Government office accommodation (GOA) agreements were initially in the scope for the purposes of AASB 16 *Leases*.
2. Finance costs decreased by \$3.1 million (97.3%) mainly because GOA agreements were initially in the scope for the purposes of AASB 16 *Leases*.
3. Accommodation expense increased by \$6.5 million (321.6%) mainly because GOA agreements are now out of scope for the purposes of AASB 16 *Leases* and as such are expensed as incurred.
4. Other expenses are \$3.6 million (250.3%) higher than the estimate mainly due to the cost of water carting emergency water supplies for animal welfare needs.
5. Commonwealth grants increased by \$2.5 million (101.3%) mainly due to additional funding for the National On-Farm Emergency Water Infrastructure Rebate Scheme.
6. Other revenue and income decreased by \$4.2 million (63.6%) mainly due to a reduction in offset revenue from the Establishing and Maintaining Vegetation Offsets Account.
7. Services received free of charge increased by \$1.0 million (60.0%) mainly due to a higher cost of legal advice obtained from the State Solicitor's Office.
8. Royalties for Regions fund income decreased by \$2.8 million (37.2%) mainly due to a deferment of programs to 2020–21.

► Major actual (2020) and comparative (2019) variance narratives

- a) Employee benefits expense increased by \$12.2 million (13.4%) mainly due to the hiring of additional fixed-term staff to address business demand and due to COVID-19 pandemic leave not being taken by staff.
- b) Depreciation and amortisation expense increased by \$1.4 million (12.1%) mainly due to the recognition of depreciable right-of-use assets in terms of AASB 16 *Leases*.
- c) Other expenses increased by \$1.4 million (37.8%) mainly due to the cost of water carting emergency water supplies for animal welfare needs.
- d) The loss on disposal of non-current assets decreased by \$4.0 million (85.1%) mainly due to the high number of measurement site bores that were decommissioned in the previous financial year.
- e) Commonwealth grants increased by \$2.2 million (77.5%) mainly due to additional funding for the National On-Farm Emergency Water Infrastructure Rebate Scheme.
- f) Other revenue and income decreased by \$2.2 million (47.8%) mainly due to a reduction in offset revenue from the Establishing and Maintaining Vegetation Offsets Account.
- g) Royalties for Regions fund income decreased by \$4.4 million (48.0%) mainly due to a reduction in income related to the Watering WA and Regional Estuaries Initiative programs.

8.12.2 Statement of financial position variances

	Variance note	Estimate 2020 \$'000	Actual 2020 \$'000	Actual 2019 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2020 and 2019 \$'000
Assets						
Current assets						
Cash and cash equivalents		5,110	9,348	11,958	4,238	(2,610)
Restricted cash and cash equivalents		54,064	64,402	65,105	10,338	(703)
Receivables		30,457	22,667	22,748	(7,790)	(81)
Amounts receivable for services	1	10,085	6,057	5,994	(4,028)	63
Other current assets		1,597	2,161	2,063	564	98
Total current assets		101,313	104,635	107,868	3,322	(3,233)
Non-current assets						
Restricted cash and cash equivalents		1,351	1,488	1,019	137	469
Receivables		-	563	-	563	563
Amounts receivable for services	a	53,679	52,545	40,637	(1,134)	11,908
Infrastructure, property, plant and equipment		338,386	350,377	347,936	11,991	2,441
Right-of-use assets	2, b	64,245	3,137	-	(61,108)	3,137
Intangible assets	3, c	21,421	17,582	20,379	(3,839)	(2,797)
Other non-current assets		-	56	-	56	56
Total non-current assets		479,082	425,748	409,971	(53,334)	15,777
Total assets		580,395	530,383	517,839	(50,012)	12,544

	Variance note	Estimate 2020 \$'000	Actual 2020 \$'000	Actual 2019 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2020 and 2019 \$'000
Liabilities						
Current liabilities						
Payables		7,881	4,699	8,585	(3,182)	(3,886)
Lease liabilities	d	280	1,143	-	863	1,143
Contract liabilities	4, e	-	1,749	-	1,749	1,749
Employee-related provisions	5, f	19,613	24,174	20,354	4,561	3,820
Other current liabilities		355	4	520	(351)	(516)
Total current liabilities		28,129	31,769	29,459	3,640	2,310
Non-current liabilities						
Payables		1,658	-	-	(1,658)	-
Lease liabilities	6, g	66,391	2,020	-	(64,371)	2,020
Employee-related provisions		5,072	6,002	5,275	930	727
Total non-current liabilities		73,121	8,022	5,275	(65,099)	2,747
Total liabilities		101,250	39,791	34,734	(61,459)	5,057
Net assets		479,145	490,592	483,105	11,447	7,487
Equity						
Contributed equity		118,642	351,630	373,945	232,988	(22,315)
Reserves	h	1,305	18,020	14,140	16,715	3,880
Accumulated surplus		359,198	120,942	95,020	(238,256)	25,922
Total equity		479,145	490,592	483,105	11,447	7,487

► **Major estimate and actual (2020) variance narratives**

1. Amounts receivable for services decreased by \$4.0 million (39.9%) compared to the estimate mainly because Government office accommodation (GOA) agreements were initially in the scope for the purposes of AASB 16 *Leases*.
2. Right-of-use assets decreased by \$61.1 million (95.1%) compared to the estimate mainly due to the fact that the GOA agreements were initially in the scope for the purposes of AASB 16 *Leases*.
3. Intangible assets decreased by \$3.8 million (17.9%) mainly due to a deferral of the Environment Online program into 2020–2021.
4. Contract liabilities increased by \$1.7 million (100%) due to replacement of AASB 118 *Revenue* and AASB 111 *Construction Contracts* by AASB 15 *Revenue from Contracts with Customers* that requires the separate disclosure of contract liabilities.
5. Employee-related provisions increased by \$4.6 million (23.3%) mainly due to an increase in staff leave provisions and reduced leave taken due to the COVID-19 pandemic.
6. Lease liabilities decreased by \$64.4 million (97.0%) mainly because GOA agreements were initially in the scope for the purposes of AASB 16 *Leases*.

► **Major actual (2020) and comparative (2019) variance narratives**

- a) The increase in amounts receivable for services increased by \$11.9 million (29.3%) due to a deferral in capital programs, land acquisitions and asset replacements.
- b) Right-of-use assets increased by \$3.1 million (100%) due to the fundamental changes represented by AASB 16 resulting in a significant change to the measurement and recognition of most operating leases in that, for example, a right-of-use asset is recognised.
- c) Intangible assets decreased by \$2.8 million (13.7%) mainly due the amortisation expense for the year exceeding asset additions.
- d) Lease liabilities increased by \$1.1 million (100%) due to the fundamental changes represented by AASB 16 resulting in a significant change to the measurement and recognition of most operating leases in that, for example, a lease liability is recognised.
- e) Contract liabilities increased by \$1.7 million (100%) due to replacement of AASB 118 *Revenue* and AASB 111 *Construction Contracts* by AASB 15 *Revenue from Contracts with Customers* that requires the separate disclosure of contract liabilities.
- f) Employee-related provisions increased by \$3.8 million (18.8%) mainly due to an increase in staff leave provisions and reduced leave taken due to the COVID-19 pandemic.
- g) Lease liabilities increased by \$2.0 million (100%) due to the fundamental changes represented by AASB 16 resulting in a significant change to the measurement and recognition of most operating leases in that, for example, a lease liability is recognised.
- h) Reserves increased by \$3.9 million (27.4%) due to an increase in the revaluation of land, buildings and measurement sites.

8.12.3 Statement of cash flows variances

	Variance note	Estimate 2020 \$'000	Actual 2020 \$'000	Actual 2019 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2020 and 2019 \$'000
Cash flows from State Government						
Service appropriation		61,211	63,925	67,346	2,714	(3,421)
Capital appropriations	1, a	9,940	6,007	4,654	(3,933)	1,353
Holding account drawdown		5,994	5,994	6,307	-	(313)
Distributions to owner	2, b	(44,276)	(24,159)	(41,056)	20,117	16,897
Net proceeds on sale of land remitted to consolidated account		-	-	(277)	-	277
Royalties for Regions fund	3, c	7,639	4,797	9,220	(2,842)	(4,423)
State grants	d	2,667	2,653	1,551	(14)	1,102
Net cash provided by State Government		43,175	59,217	47,745	16,042	11,472

	Variance note	Estimate 2020 \$'000	Actual 2020 \$'000	Actual 2019 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2020 and 2019 \$'000
Cash flows from operating activities						
Payments						
Employee benefits	e	(95,701)	(98,896)	(89,789)	(3,195)	(9,107)
Supplies and services	f	(34,431)	(36,030)	(32,343)	(1,599)	(3,687)
Finance costs	4	(3,167)	(83)	-	3,084	(83)
Accommodation	5	(2,042)	(8,476)	(8,269)	(6,434)	(207)
Grants and subsidies	6, g	(15,372)	(19,390)	(17,107)	(4,018)	(2,283)
GST payments on purchases	h	(7,458)	(7,667)	(6,664)	(209)	(1,003)
Other payments	7	(1,434)	(3,762)	(2,795)	(2,328)	(967)
Receipts						
User charges and fees		32,610	30,791	28,896	(1,819)	1,895
Commonwealth grants	8, i	2,470	6,221	1,121	3,751	5,100
Interest received		750	528	919	(222)	(391)
Waste levy		83,000	78,012	77,571	(4,988)	441
GST receipts on sales		634	357	295	(277)	62
GST receipts from taxation authority	9, j	6,834	8,049	5,838	1,215	2,211
Other receipts	10, k	6,551	2,363	3,712	(4,188)	(1,349)
Recovery of waste levy	l	-	-	10,000	-	(10,000)
Net cash used in operating activities		(26,756)	(47,983)	(28,615)	(21,227)	(19,368)
Cash flows from investing activities						
Payments						
Purchase of non-current assets	11	(16,506)	(12,133)	(11,469)	4,373	(664)
Loan payments to WARRRL		-	(750)	-	(750)	(750)
Receipts						
Proceeds from sale of non-current assets		-	105	291	105	(186)
Net cash used in investing activities		(16,506)	(12,778)	(11,178)	3,728	(1,600)
Cash flows from financing activities						
Payments						
Principal elements of lease payments	12, m	(3,712)	(1,300)	-	2,412	(1,300)
Net cash used in financing activities		(3,712)	(1,300)	-	2,412	(1,300)
Net increase/(decrease) in cash and cash equivalents		(3,799)	(2,844)	7,952	955	(10,796)
Cash and cash equivalents at the beginning of the period		64,324	78,082	70,130	13,758	7,952
Cash and cash equivalents at the end of the period		60,525	75,238	78,082	14,713	(2,844)

► **Major estimate and actual (2020) variance narratives**

1. Capital appropriations were lower than the estimate by \$3.9 million (39.6%) mainly because Government office accommodation (GOA) agreements were initially in the scope for the purposes of AASB 16 *Leases*.
2. Distributions to owners were lower than the estimate by \$20.1 million (45.4%) mainly due to the retention of adequate restricted and working cash.
3. Royalties for Regions fund was lower than the estimate by \$2.8 million (37.2%) mainly due to a deferment of programs to 2020–21.
4. Finance costs were lower than the estimate by \$3.1 million (97.4%) mainly because GOA agreements were initially in the scope for the purposes of AASB 16 *Leases*.
5. Accommodation expenses were higher than the estimate by \$6.4 million (315.1%) mainly because GOA agreements were initially in the scope for the purposes of AASB 16 *Leases*.
6. Grants and subsidies were higher than the estimate by \$4.0 million (26.1%) mainly due to a carryover of rural water planning programs into 2019–20 and additional payments for the National On-Farm Emergency Water Infrastructure Rebate Scheme.
7. Other payments were higher than the estimate by \$2.3 million (162.3%) mainly due to payments made for COVID-19 pandemic expenses (\$0.4 million) and a payment made to MG Corporation for taking over the Reserve 31165 trust account (\$0.7 million).
8. Commonwealth grants were higher in 2019–20 by \$3.8 million (151.9%) mainly due to funding for the National On-Farm Emergency Water Infrastructure Rebate Scheme.
9. GST receipts were higher in 2019–20 than the estimate by \$1.2 million (17.8%) mainly due to increased value of cash spent on the purchases of taxable supplies and services.
10. Other receipts were lower than the estimate by \$4.2 million (63.9%) mainly due to a lower recovery in environmental vegetation offsets and delays in invoicing in the Pilbara Environmental Offsets Fund.
11. Purchase of non-current assets were lower than the estimate by \$4.4 million (26.5%) mainly due to a deferment of land acquisitions and the Environment Online program to 2020–21.
12. Principal elements of lease payments were lower than the estimate by \$2.4 million (65.0%) mainly because GOA agreements were initially in the scope for the purposes of AASB 16 *Leases*.

► **Major actual (2020) and comparative (2019) variance narratives**

- a) Capital appropriations increased by \$1.4 million (29.1%) mainly due to a change in the recognition of leases under AASB 16.
- b) Distributions to owners decreased in 2019–20 by \$16.9 million (41.2%) mainly due to the retention of adequate restricted and working cash in 2019–20.
- c) Royalties for Regions fund decreased in 2019–20 by \$4.4 million (48.0%) mainly due to a deferment of revenue for Watering WA and the Regional Estuaries Initiative programs to 2020–21.
- d) State grants increased by \$1.1 million (71.0%) mainly due the grant cash inflow received from the Department of Biodiversity, Conservation and Attractions compared to the previous year.
- e) Employee benefits expense increased by \$9.1 million (10.1%) mainly due to the hiring of additional fixed-term staff to address demand and reduced staff leave taken due to the COVID-19 pandemic.
- f) Supplies and services increased by \$3.7 million (11.4%) mainly due to the additional costs of carting emergency water supplies for animal welfare needs.
- g) Grants and subsidies were higher in 2019–20 by \$2.3 million (13.3%) mainly due to the National On-Farm Emergency Water Infrastructure Rebate Scheme.
- h) GST payments on purchases were higher in 2019–20 by \$1.0 million (15.1%) mainly due to the increased value of cash spent on the purchases of taxable supplies and services.
- i) Commonwealth grants were higher in 2019–20 by \$5.1 million (455.0%) mainly due to funding for the National On-Farm Emergency Water Infrastructure Rebate Scheme.
- j) GST receipts were higher in 2019–20 than the estimate by \$2.2 million (37.9%) mainly due to an increase of net cash refunds from the Australian Taxation Office that resulted from the increased value of cash spent on the purchases of taxable supplies and services.
- k) Other receipts were lower in 2019–20 by \$1.3 million (36.3%) mainly due to lower receipts from the Establishing and Maintaining Vegetation Offsets Account.
- l) Recovery of the waste levy was lower in 2019–20 by \$10 million (100%) mainly due to the settlement of Eclipse Resources Pty Ltd's overdue waste levies in 2018–19.
- m) Principal elements of lease payments increased by \$1.3 million (100%) due to the fundamental changes represented by AASB 16 resulting in a significant change to the measurement and recognition of most operating leases in that, for example, principal elements of lease payments are recognised.

9 Administered disclosures

This section sets out all of the statutory disclosures regarding the financial performance of the department.

	Notes
Administered income and expenses	9.1
Explanatory statement for administered items	9.2
Administered assets and liabilities	9.3

9.1 Administered income and expenses

	2020 \$'000	2019 \$'000
Income		
For transfer:		
Regulatory fees and other charges ^(a)	89	102
Total administered income	89	102
Expenses		
Payments into the consolidated account ^(a)	88	103
Total administered expenses	88	103

- (a) Payments into the consolidated account included water fines collected on behalf of the Water Corporation, and environmental infringement regulatory fees and fines collected on behalf of the State Government.

9.2 Explanatory statement for administered items

All variances between annual estimates and actual results for 2020, and between the actual results for 2020 and 2019 are shown below. Narratives are provided for key major variances, which are generally greater than 10% and \$1 million.

	Variance note	Estimate 2020 \$'000	Actual 2020 \$'000	Actual 2019 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2020 and 2019 \$'000
Income from administered items						
Income						
For transfer:						
Regulatory fees and other charges ^(a)		155	89	102	(66)	(13)
National partnership payments		-	-	-	-	-
Total administered income		155	89	102	(66)	(13)
Expenses						
Payments into the consolidated account ^(a)		155	88	103	(67)	(15)
Grants and subsidies – recurrent		-	-	-	-	-
Total administered expenses		155	88	103	(67)	(15)

(a) Payments into the consolidated account included water fines collected on behalf of the Water Corporation, and environmental infringement regulatory fees and fines collected on behalf of State Government.

9.3 Administered assets and liabilities

	2020 \$'000	2019 \$'000
Assets		
Current assets		
Cash and cash equivalents	1	1
Total administered current assets	1	1
Total administered assets	1	1
Liability		
Current liability		
Payables	-	1
Total administered current liabilities	-	1
Total administered liabilities	-	1





Certification of key performance indicators

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of Water and Environmental Regulation's performance, and fairly represent the performance of the Department of Water and Environmental Regulation for the financial year ended 30 June 2020.

Mike Rowe
Director General
16 September 2020



Outcome-based management framework

Government goal Better places: A quality environment with liveable and affordable communities and vibrant regions			
Agency outcome	Key effectiveness indicators	Agency services	Key efficiency indicators
1 Western Australia's growth and development is supported by the sustainable management of water resources for the long-term benefit of the state	<ul style="list-style-type: none"> Proportion of stakeholders who perceive the department to be effectively managing the state's water as a resource for sustainable, productive use Proportion of priority growth areas that have a water supply planning strategy 	 1. Water information and advice	<ul style="list-style-type: none"> Proportion of statutory referrals from decision-making authorities where advice is provided within target timeframes Average cost per statutory referral assessment Average cost per water measurement site managed
		 2. Water planning, allocation and optimisation	<ul style="list-style-type: none"> Average cost per plan, report or guidance document to support water planning, allocation and optimisation Average cost per hour of scientific support for water planning, allocation and optimisation
		 3. Water regulation, licensing and industry governance	<ul style="list-style-type: none"> Average cost of assessing a water licence application by risk assessment category Average time taken (days) to assess a licence application by risk assessment category Average cost of compliance monitoring and enforcement action
2 Emissions, discharges and clearing of native vegetation are effectively regulated to avoid unacceptable risks to public health and the environment	<ul style="list-style-type: none"> Percentage of regulatory compliance activities completed as planned Percentage of potential environmental risks identified during compliance monitoring program that are rectified within two months 	 4. Environmental regulation	<ul style="list-style-type: none"> Average cost per works approval and licence application Average cost per native vegetation clearing permit application
3 Development and implementation of strategic policy and legislation that promoted sustainable environmental outcomes	<ul style="list-style-type: none"> Percentage of advice and recommendations that met Ministerial approval, without the need for significant modification 	 5. Environmental and water policy	<ul style="list-style-type: none"> Average cost per hour of policy advice and recommendations

Agency outcome	Key effectiveness indicators	Agency services	Key efficiency indicators
<p>4 Waste avoided and the recovery of materials from landfill maximised</p>	<ul style="list-style-type: none"> Percentage of municipal solid waste reported as diverted from landfill through recycling compared to waste strategy target in the Perth metropolitan region Percentage of commercial and industrial waste reported as diverted from landfill through recycling compared to the statewide waste strategy target Percentage of construction and demolition waste reported as diverted from landfill through recycling compared to the statewide waste strategy target 	<p> 6. Waste strategies</p>	<ul style="list-style-type: none"> Cost of landfill levy compliance as a percentage of landfill levy income collected
<p>5 Quality advice to the Environmental Protection Authority (EPA) and Minister for Environment on significant proposals and environmental issues</p>	<ul style="list-style-type: none"> The EPA's satisfaction with the department's environmental impact assessment (EIA) service, during the year, in line with best practice principles of EIA Percentage of project-specific conditions which did not require significant change following the appeal process Percentage of assessments that met agreed timelines The EPA's satisfaction with the department's provision of environmental management services during the year 	<p> 7. Environmental impact assessment services to the EPA</p> <p> 8. Environmental management services to the EPA</p>	<ul style="list-style-type: none"> Cost per standardised unit of assessment output Cost per standardised unit of environmental management services output
<p>6 Compliance with Ministerial Statement implementation conditions are monitored effectively</p>	<ul style="list-style-type: none"> The number of Ministerial Statements audited compared to targets 	<p> 9. Compliance monitoring services to the Minister for Environment</p>	<ul style="list-style-type: none"> Average cost per environmental audit completed

Following the machinery of government changes, the Department of Water, the Department of Environment Regulation and the Office of the Environmental Protection Authority were amalgamated and formed the Department of Water and Environmental Regulation (the department) on 1 July 2017. This is the third reporting period for the department post amalgamation.

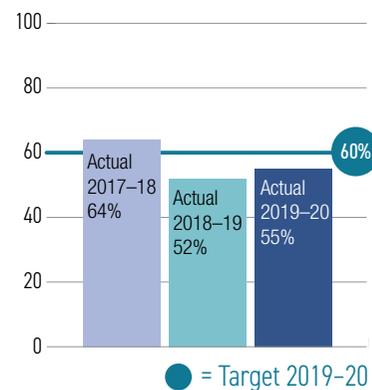
Results with significant variances of 10% or more compared with the target and prior year results are explained. The majority of the movements between the 2019–20 Target and the 2019–20 Actual are due to changes in cost-allocation methodology.

Key effectiveness indicators

Proportion of stakeholders who perceive the department to be effectively managing the state's water as a resource for sustainable, productive use^(a)

(a) The 2019–20 survey results have a confidence interval of +/-4.31% at 95% confidence level. Other survey statistics include:

- population size: 1,355 stakeholders
- population character: stakeholder contacts provided by the department
- stakeholders invited to participate: 1,355 stakeholders
- number of respondents: 374
- response rate: 28%
- how sample was selected: Total population as provided by the department contacted by email or mail (for those without email contact details). The initial contact sought assistance with an online survey. Phone follow-up interviews were sought with stakeholders who did not respond to the online self-completion invitation.



The management of the state's water resources to enable growth and development is a core objective for the department, and this occurs within the context of ensuring the sustainability of the resources and their dependent environments.

The department has many stakeholders with competing interests, including those from industry, investment, community and environmental sectors.

A survey was conducted between 20 January and 6 February 2020 with the intent to determine the extent to which stakeholders perceive the department to be effectively fulfilling the statutory and other obligations that form its core role rather than satisfaction with a particular decision or handling of a specific issue.

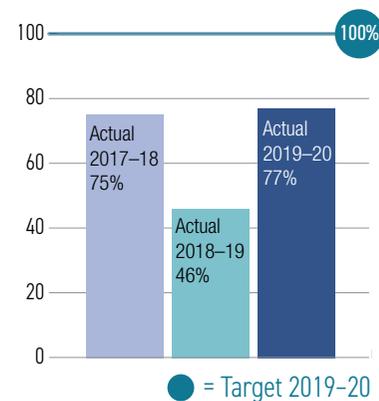
The indicator is based on feedback received from the stakeholders through the survey. It is calculated as a percentage of respondents answering 'very effective' or 'quite effective' to a question in the survey about their perception of the department effectively managing the state's water as a resource for sustainable productive use. The other options for selection included 'neither one nor the other', 'quite ineffective', 'very ineffective' or 'don't know'.

Proportion of priority growth areas that have a water supply planning strategy

‘Priority growth areas’ refers to a list of significant projects and water resources areas. For each priority growth area the department, or key stakeholders in collaboration with the department, develops a water supply plan or strategy to identify current and future water resource and supply options to meet demand for industry and population growth over the long-term. This supports the timely development of resource and supply options to meet demand in areas of state priority.

Projects included in the priority growth areas have strategic significance for the state; and include areas identified through the Water Supply-Demand Model as having a gap between future water demand and water availability.

The indicator is calculated as a percentage of the priority growth areas with a water supply planning strategy (or advisory report for key stakeholders) out of the total priority growth areas that the department is currently working on.



► Variance analysis

Before 2018-19, the proportion of priority growth areas with implemented water supply planning strategy was based on the five-year water supply strategic plan for the period 2013-14 to 2017-18. The five-year plan ended in 2017-18. The approach for establishing the total priority growth areas has changed since 2018-19, where a list of total priority growth areas will be reset every three years so that the target and actual percentage of priority growth areas with a water supply planning strategy or advisory report will be reported on cumulative number of areas that have a water supply planning strategy over a three-year period.

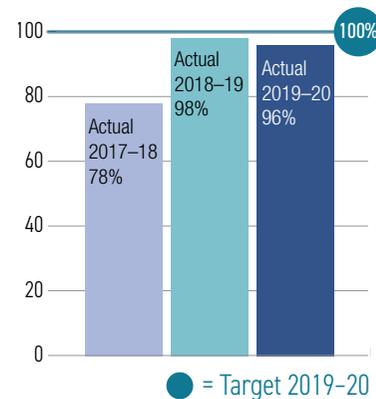
A list of 13 new priority growth areas were established for the period covering 2018-19 to 2020-21, of which six (46%) outputs were completed in 2018-19 and four (31%) outputs were completed during 2019-20 with a cumulative 10 (77%) outputs completed during the period 2018-19 to 2019-20. The remaining three (23%) outputs are expected to be completed for the three-year cycle ending 2020-21.

Percentage of regulatory compliance activities completed as planned

Compliance activities are an integral part of the department's regulatory work and include promotion, monitoring and enforcement. Information gathered and assessed through compliance activities is also used to inform and revise both regulation and policy frameworks as well as to inform legislative reform programs.

The department is a risk-based regulator that channels its resources to address the greatest risks to public health, the environment and water resources and is responsive to emerging risks and issues.

The prescribed premises compliance monitoring program is focused on the assessment of emissions and discharges from premises to ensure they are managed appropriately by the current instrument and relevant legislation to ensure there is no unacceptable risk to public health, the environment or water resources. The program identifies premises and targets activities based on a risk assessment informed by environmental and operational risk including type of activity, compliance history and intelligence gathered including from complaints and incidents. The nominated inspections are scheduled.



The waste sector compliance monitoring program assessed compliance at landfills and associated industries with the requirements of the landfill levy.

► Variance analysis

The department conducted 231 of the 240 planned inspections in 2019-20. In addition, 26 unplanned inspections were completed for the landfill levy compliance monitoring program.

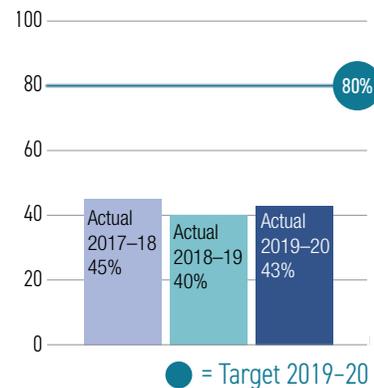
The reduction in percentage of regulatory compliance activity from 98% in 2018-19 to 96% in 2019-20 is in part due to a reduction in the number of planned inspections for 2019-20, to allow more time to dedicate to emerging issues and risks through unplanned inspections.

Percentage of potential environmental risks identified during compliance monitoring program that are rectified within two months

Non-compliances identified through inspections undertaken as part of the prescribed premises compliance monitoring program and the waste sector compliance monitoring program are recorded and the length of time taken for these non-compliances to be rectified is tracked.

Non-compliances vary in nature, they may be administrative, technical, or operational. Administrative and technical non-compliances generally pose a low risk to public health, the environment or water resources, whereas operational non-compliances and emissions may pose a higher risk.

As compliance monitoring programs target inspections at areas of greatest risk, the resolution of non-compliance is often protracted and relies on work by third parties, therefore requiring longer than the two calendar month target timeframe.



► Variance analysis

During 2019-20, a total of 292 non-compliances were identified due to inspections under the waste sector program and prescribed premises compliance program. The target of 80% of non-compliances being closed within two calendar months was not achieved; 43% of non-compliances were closed within the specified timeframe. As a result of the prescribed premises compliance program targeting its inspections at areas of greatest risk, resolution of non-compliances is often protracted, and relied upon work undertaken by third parties requiring longer than the two calendar month timeframe.

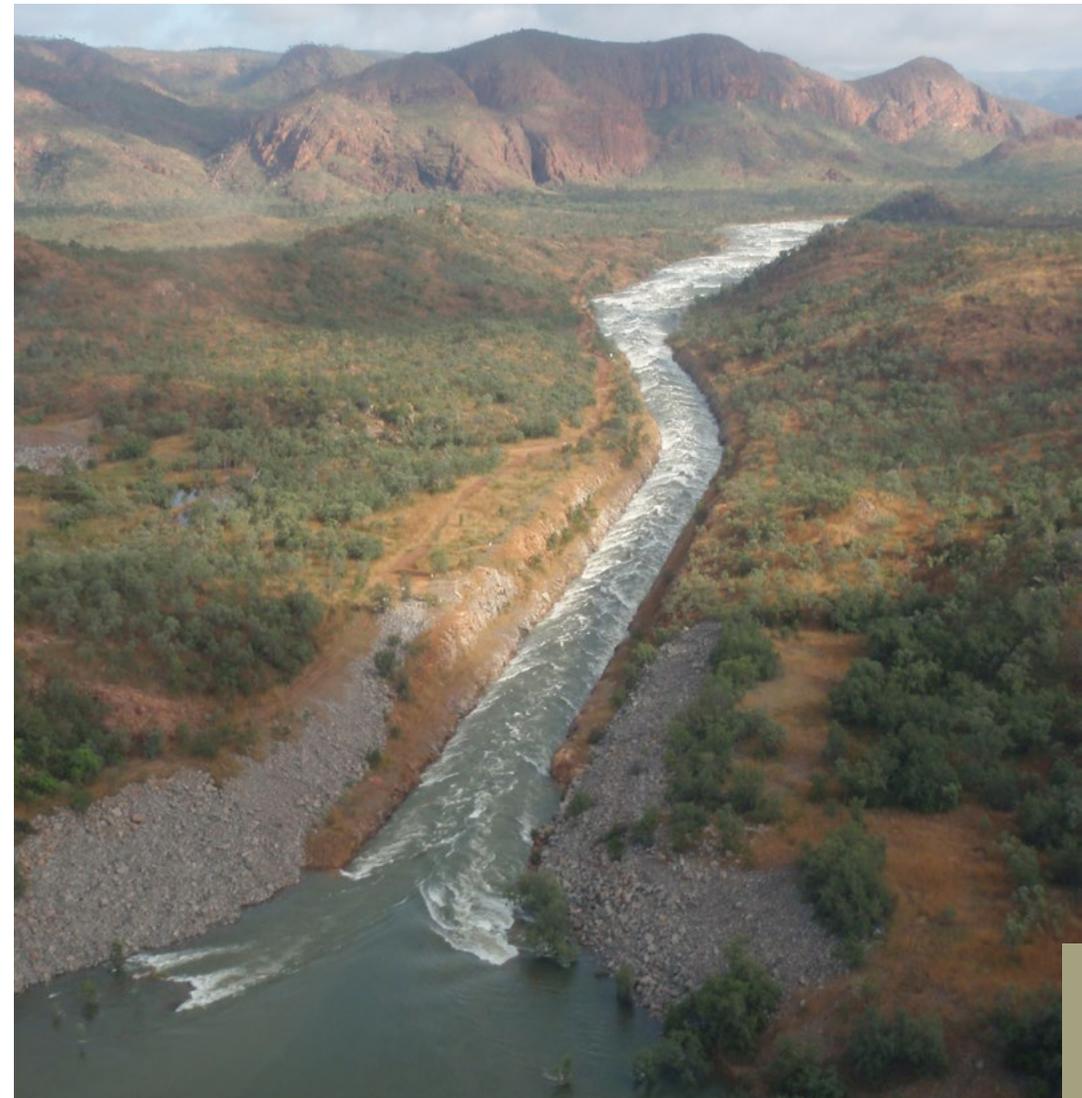
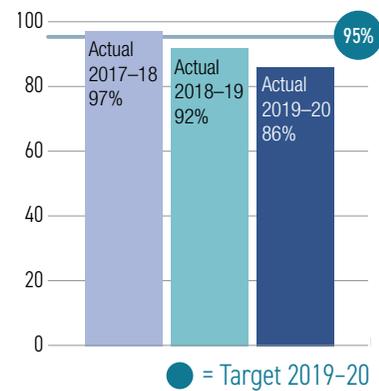
The decrease in the Actual for 2019-20 from the 2019-20 Target is due to the prescribed premises compliance program targeting its inspections at areas of greater risk which increased the protracted work by third parties.

Percentage of advice and recommendations that met Ministerial approval, without the need for significant modification

This indicator seeks to ensure that the advice provided by the department is consistent with the State Government's policy direction by measuring how well it meets the Minister for Environment's expectations.

► Variance analysis

The variance is primarily due to a change in the way that modifications have been classified by the Minister's Office.

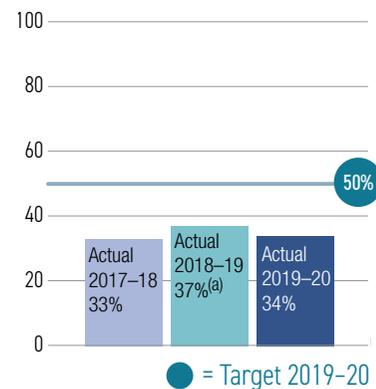


Percentage of municipal solid waste reported as diverted from landfill through recycling compared to waste strategy target in the Perth metropolitan region

The indicator is a direct measure of the effectiveness of the State Government's waste management goal of diverting waste from landfill and reflects the target in the waste strategy.

Municipal solid waste (MSW) may include construction and demolition (C&D) waste generated by local governments.

Due to the significant time required to gather the relevant information, 2018–19 data, as reported in *Recycling Activity in Western Australia 2018–19*, was used to calculate this indicator for 2019–20, the same basis as used in previous years.



(a) The 2018–19 audited figure was previously reported as 40. This has been restated as reported in *Recycling Activity in Western Australia 2018–19*.

► Variance analysis

Two-bin kerbside waste services typically only divert about 20% of waste from landfill. The State Government has promoted adoption of a three-bin model which can deliver MSW diversion rates greater than 50%. In 2018–19, only 11 Perth local governments reported providing a three-bin waste collection service. Under the Better Bins Plus funding program this is expected to increase to about 18 local governments by 2020–21. More recently the State Government has set a goal for all local governments in the Perth metropolitan and Peel regions to introduce food organics and garden organics (FOGO) services by 2025. These services can recover 65% or more of kerbside collections.

The report *Recycling Activity in Western Australia 2018–19* includes a redistribution of MSW diversion to commercial and industrial (C&I) waste diversion before 2018–19 due to an error by the consultant when preparing the earlier reports. Overall diversion has not changed significantly.

Percentage of commercial and industrial waste reported as diverted from landfill through recycling compared to the statewide waste strategy target

The indicator is a direct measure of the effectiveness of the State Government's waste management goal of diverting waste from landfill and reflects the target in the waste strategy.

Due to the significant time required to gather the relevant information, 2018–19 data, as reported in the *Recycling Activity in Western Australia 2018–19*, was used to calculate this indicator for 2019–20, the same basis used in previous years.



(a) The 2018–19 audited figure was previously reported as 45. This has been restated as reported in *Recycling Activity in Western Australia 2018–19*.

► Variance analysis

Increases in the waste levy rate since 2015 have increased the cost of landfilling but led to a more limited response from the industry than expected. Although organic waste already represents a significant proportion of recovered materials from the C&I stream, there are likely to be significant opportunities to improve performance against this target with increased recovery of this material type. C&I diversion is also strongly influenced by international markets for waste materials, which have been increasingly uncertain.

The report *Recycling Activity in Western Australia 2018–19* includes a redistribution of MSW diversion to C&I diversion before 2018–19 due to an error by the consultant when preparing the earlier reports. Overall diversion has not changed significantly.

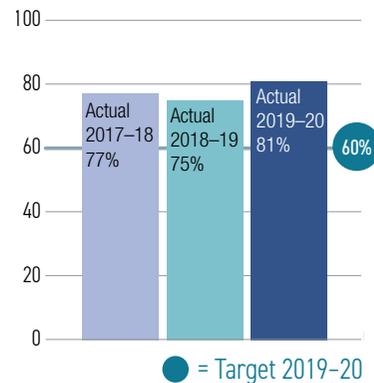
Percentage of construction and demolition waste reported as diverted from landfill through recycling compared to the statewide waste strategy target

The indicator is a direct measure of the effectiveness of the State Government's waste management goal of diverting waste from landfill and reflects the target in the waste strategy.

Due to the significant time required to gather the relevant information, 2018-19 data, as reported in *Recycling Activity in Western Australia 2018-19*, was used to calculate this indicator for 2019-20, the same basis as used in previous years.

► Variance analysis

The variance between the 2019-20 Target and the 2019-20 Actual is primarily due to a decrease in the total amount of construction and demolition (C&D) waste reported as being disposed of to landfill rather than an increase in the amount recycled. Scheduled increases in the waste levy since 2015 have made C&D waste landfilling more cost-prohibitive. Furthermore, it is likely that industry has engaged in more stockpiling of C&D waste in lieu of disposal which has contributed to the decrease in the quantity of C&D disposed of to landfill, thus increasing the overall diversion rate. Waste levy avoidance may also contribute to the reported diversion rate.



The EPA's satisfaction with the department's environmental impact assessment (EIA) service, during the year, in line with best practice principles of EIA

The indicator is determined through surveys of the Environmental Protection Authority's (EPA) members (service recipients) who rate the quality of each service against best practice principles (currently, the International Association for Impact Assessment's Principles of EIA Best Practice).

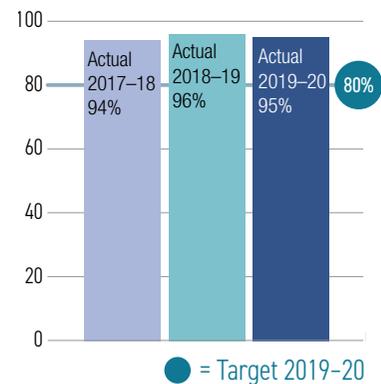
► Variance analysis

The department strives to ensure that all advice provided to the EPA is as practical, efficient, rigorous, participative and fit-for-purpose as possible. In line with this goal, this year the EPA considered the EIA services provided by the department were of a very high standard, which resulted in the KPI being exceeded by more than 10%.



Percentage of project-specific conditions which did not require significant change following the appeal process

The indicator assists stakeholders in ascertaining the quality of conditions recommended by the department's EIA services. The department provides periodic reports to the EPA outlining the results of the appeals process and drawing attention to significant changes to the recommended conditions. This provides an important part of the State Government's expectation of a 'continuous improvement loop' in the appeals process.



A significant change can be deemed as a substantial change to the form of a condition, the deletion or addition of a new condition, a substantial change to the outcome or objective specified in a condition. A substantial change to the specified requirements of an environmental management plan or environmental monitoring plan and a change to a prescribed action are determined on a case-by-case basis.

► Variance analysis

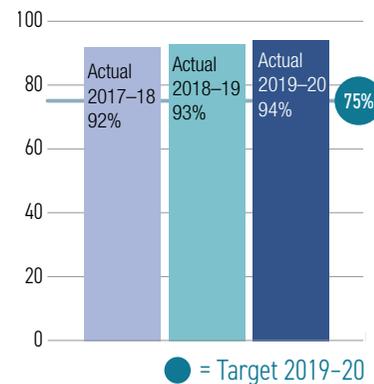
The department strives to ensure the conditions recommended to the EPA are as robust and comprehensive as the project requires and therefore does not require substantial change by the Office of the Appeals Convenor. In line with this goal, this year the department's recommended conditions required minimal substantial changes and therefore exceeded the KPI by more than 10%.

Percentage of assessments that met agreed timelines

The agreed timeline is stated in the EPA's report and recommendations and refers to the time between the endorsement of the final assessment document and the release of the report and recommendations. The timeline for an assessment may vary according to the complexity of the project and is usually agreed with the proponent soon after the level of assessment is determined.

► Variance analysis

The department strives to ensure that assessments are completed in a timely manner and within the timelines published in EPA guidelines. In line with this goal, this year the department exceeded the KPI by more than 10%.



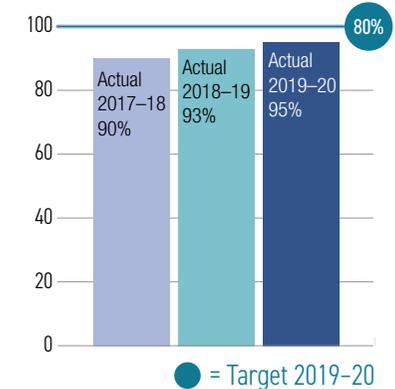
The EPA's satisfaction with the department's provision of environmental management services during the year

The level of quality is determined by the EPA with reference to the desirable underlying qualities of good environmental management advice. The EPA rates the quality of advice on strategic advice, statutory policies or guidelines provided by the department.

Each of the EPA members who participate in a decision rates the product on a scale of one to five (poor to excellent) and the scores of each member are averaged, combined, and proportionally adjusted to a percentage. The final indicator is the average rating awarded to all environment management services endorsed by the EPA during the period.

► Variance analysis

The department strives to ensure that all environmental management services provided to the EPA have a clear purpose, are rigorous, readable, applicable and consistent, and informed by stakeholder input as possible. In line with this goal, this year the EPA considered the environmental management services provided by the department were of a very high standard, which resulted in the KPI being exceeded by

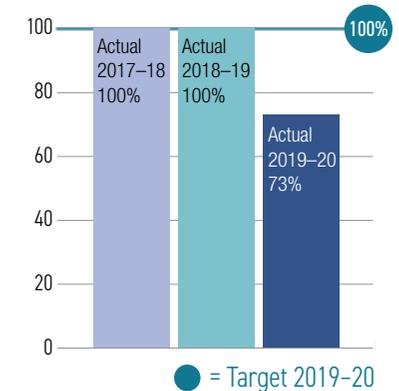


more than 10%.



The number of Ministerial Statements audited compared to targets

Compliance monitoring is managed through a structured annual compliance management program. The annual 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 conditions on proposals to ensure that they are managed in an environmentally acceptable manner.

► Variance analysis

The variance between the 2019-20 Actual and the 2019-20 Target is due to reallocation of compliance resources to priority areas of achieving assessment performance, resulting in under-achievement of the planned target.

Key efficiency indicators

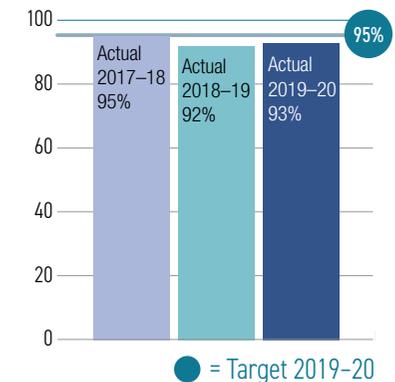
Service 1: Water information and advice

The department enables investment decisions of regional and state significance through the provision of data and information on the quantity, quality, location of, and demand for, water across the state. The information also underpins policy advice for consideration by State Government and supports other government agencies and stakeholders in their planning for future economic growth and urban and rural development.

Proportion of statutory referrals from decision-making authorities where advice is provided within target timeframes

Technically proficient, reliable, and timely advice on the state's water resources enables effective decision-making by decision-making authorities (DMAs) that directly supports growth, development and investment for the long-term benefit of the state. DMAs include the:

- Department of Water and Environmental Regulation
- Department of Planning, Lands and Heritage
- Department of Mines, Industry Regulation and Safety
- Department of Local Government, Sport and Cultural Industries.



This includes advice about water availability; the avoidance, management, and mitigation of impacts on water resources; and the protection of public drinking water sources.

This indicator represents a measure of the department's timeliness with respect to the provision of advice on various statutory referrals from DMAs. It demonstrates the efficiency with which the department is meeting statutory timeframes in providing water information and advice.

A statutory referral is a formal request for water advice from a DMA that has a statutory timeframe associated with the provision of that water advice. This indicator is calculated as a percentage of the total number of statutory referrals from DMAs to the department for advice that met the 35-business-day timeframe within the period.



Average cost per statutory referral assessment

Actual 2017-18 \$	Actual 2018-19 \$	Target 2019-20 \$	Actual 2019-20 \$
13,072	11,442	14,477	7,182

This measure provides information on the amount of operational expenditure being used for statutory referrals that enable decisions on proposals that support the state's growth and development.

The indicator is relevant to the service because it is a directly attributable operational cost incurred in service delivery to meet the desired outcome.

An assessment is generated from both a formal request for water advice from a DMA or proponent such as under the Better Urban Water Management Framework. The indicator is calculated using the total cost of the water information and advice service divided by the total number of assessments conducted within the period.

► Variance analysis

The reduction in the Actual for 2019-20 from the 2018-19 Actual and 2019-20 Target was driven by an increase in the volume of statutory referral assessments and a reduction in the total costs due to changes in cost-allocation methodology to allocate cost to this service.

Average cost per water measurement site managed

Actual 2017-18 \$	Actual 2018-19 \$	Target 2019-20 \$	Actual 2019-20 \$
8,754	7,118	7,467	9,437

Access to reliable and current information about water resources – quantity and quality – is a core input to decision-making by State Government and water-dependent businesses that enables growth and development of the state.

Stakeholders access water information and data to support investment and business decisions. It also supports accurate water resource management decisions and advice. To service this need, the department measures or holds water data for more than 116,000 groundwater and surface water field sites, verifies and stores the data and makes it available as water information.

Regular or periodic field measurements are essential to maintain up-to-date data, and verification, storage and accessibility are essential to make data available as reliable information.

This indicator is calculated by dividing the annual cost of water measurement and water information functions by the number of active sites.

► Variance analysis

The increase in the Actual for 2019-20 from the 2018-19 Actual and 2019-20 Target resulted from increases in the total cost for measurement sites managed due to changes in cost-allocation methodology to cost to this service, with the volume of sites managed remaining relatively consistent.



Service 2: Water planning, allocation and optimisation

The department undertakes and facilitates water planning, allocation, and optimisation to ensure the sustainable management of water resources for the long-term benefit of the state, which relies on good science. This includes planning and allocating water for sustainable productive use, protecting public drinking water sources, and ensuring the sustainability of water resources and their dependent ecosystems.

Average cost per plan, report or guidance document to support water planning, allocation and optimisation

Actual 2017-18 \$	Actual 2018-19 \$	Target 2019-20 \$	Actual 2019-20 \$
417,794	431,338	342,767	348,488

Water resources need to be sustainably managed to achieve sufficient water quantity and quality for current and future needs. Increasingly precise, systematic, and transparent management is produced in science-based water allocation and optimisation plans, reports and guidance documents. They guide and define management decisions to meet demand and avoid, mitigate, or minimise unsustainable impacts on resources. With this in place, sufficient good-quality surface and groundwater will remain an ongoing part of future water supply for economic and population growth and the liveability of towns and cities.

Average cost is calculated by dividing the cost of the services by the total number of the following types of documents or advice produced:

1. Plans

- Water allocation plan
- Drinking water source protection plan
- Statement of response to public submissions

2. Plans for public comment

- Water allocation plan for public comment
- Water source protection plan for public comment

3. Technical reports

- Drinking water source protection area assessments
- Environmental water requirements report, or provisions report
- Allocation limits methods report

4. Guidance documents

- Water quality protection notes and information sheets
- Local water licensing strategy (for example Indigenous Land Use Agreement, allocation statement)

5. Status reports including:

- Annual or tri-annual compliance Jandakot, and Gnangara compliance reports
- Water allocation plan evaluations
- Drinking water source protection reviews
- Statewide planning reports (e.g. water resources inventory)
- Pre-planning or implementation phase status reports (e.g. discussion paper, review of allocation limits or components)
- Communication products (or sets of communication products) (e.g. water availability outlooks, website text, fact sheets)

► Variance analysis

The decrease in the Actual for 2019–20 from the 2018–19 Actual, was mainly the result of changes in cost-allocation methodology to allocate cost to this service. There were also fewer documents or advice delivered as a result of impacts to staffing during the COVID-19 pandemic, delaying consultation on planning deliverables and reprioritisation of senior staff onto priority projects in other areas of the business (water, industry regulation, licensing advice, EPA assessments and advice, and State Administration Tribunal cases).

Average cost per hour of scientific support for water planning, allocation and optimisation

Actual 2017-18 \$	Actual 2018-19 \$	Target 2019-20 \$	Actual 2019-20 \$
196	145	222	161

The sustainable management of water resources for the long-term benefit of the state relies on quality and contemporary water science. The indicator will enable judgement about the efficient application of the department's science capacity.

This indicator shows the average cost of providing scientific support for the achievement of water planning, allocation and optimisation outcomes.

This indicator is calculated by dividing annual cost of full-time equivalent (FTE) and operational expenses by total hours worked by employees directly supporting scientific outcomes for this service.

► Variance analysis

The movement in the Actual for 2019-20 from the 2019-20 Target and the 2018-19 Actual is largely due to an increase in the number of hours of scientific support for water planning, allocation and optimisation due to changes in cost-allocation methodology to allocate cost to this service.



Service 3: Water regulation, licensing, and industry governance

Responsible, proportional regulation ensures investment, growth and development is underpinned by sustainable management of the state's water resources for the long-term benefit of the state. This service includes the management of water licensing. It also includes the management of the legislation governing the operations of water service providers.

Average cost of assessing a water licence application by risk assessment category

Risk assessment category	Actual 2017-18 \$	Actual 2018-19 \$	Target 2019-20 \$	Actual 2019-20 \$
Low risk	3,400	3,788	3,834	3,284
Medium risk	4,534	5,051	5,111	4,378
High risk	5,667	6,313	6,389	5,473

Water licenses or access entitlements are a fundamental asset for giving confidence in investment decisions. Responsible, proportional regulation gives confidence that Western Australia's water resources are being sustainably managed for the long-term benefit of the state. The average cost by risk category enables judgement about the efficiency of water license assessments by risk category.

Licensing is the main tool for sharing and allocating the state's water resources. A water licence grants a licensee an entitlement to an allocation of a particular water resource and is the regulatory tool to ensure efficient and sustainable productive use of available water.

The indicator is calculated by using the departmental cost of the water licencing service divided by the number of licence and permit applications assessed by risk category within the period.

► Variance analysis

The variance between the 2019-20 Actual costs and the 2019-20 Target costs and 2018-19 Actual costs reflects an overall increase in the total number of water licence application assessments completed in 2019-20 relative to the 2019-20 budgeted volumes and the 2018-19 Actual volumes, and a reduction in the total costs allocated to this indicator in 2019-20 relative to the budgeted costs for 2019-20.

Average time taken (days) to assess a licence application by risk assessment category

Risk assessment category	Actual 2017-18 (Days)	Actual 2018-19 (Days)	Target 2019-20 (Days)	Actual 2019-20 (Days)
Low risk	73	57	65	46
Medium risk	134	133	75	85
High risk	158	213	95	87

Investment decisions by licensees, existing and prospective, are time-bound and require that applications for access to water are dealt with by the department in a timely manner. Water licenses are one of the fundamental assets that support investment decisions.

The department ensures that the level of assessment applied to an application is consistent with the risk posed should a licence be granted.

The indicator enables judgement about the department's efficiency in decision-making about license applications within this risk-based framework.

Licensing is the main tool for sharing and allocating the state's water resources. A water licence grants a licensee an entitlement to an allocation of a particular water resource. Licensing application assessment times will vary according to the category level of the licence being processed. Higher-risk licence applications are generally more complex and require more time to administer.

This indicator shows the average time taken to assess a licence or permit application by risk category grouping. The indicator includes applications for permits to interfere with bed and banks, licences to construct a well, licences to access water, renewal of and amendments to existing licences to access water, trades, transfers and agreements.

Risk categories for licence or permit applications guide the level of assessment that is carried out by the department based on the risk should a licence or permit be granted. Risk categories are defined as low, medium or high. Primary factors considered when assigning an assessment risk category are the volume of water being requested, how much water is available in the resource where the water is being requested, and potential impact of the proposed water use on other water users and/or the environment, including cumulative impacts.

The indicator is calculated using the total time taken to assess all licence and permit applications within each risk category completed within the period. The measurement of time includes 'stop the clock'.

'Stop the clock' means the time measure excludes the time taken by processes outside of the department's control. When an application process is outside of the department's control the time taken during this process is not included when calculating assessment times. The 'clock is stopped' in these instances.

► **Variance analysis**

The average time taken to process a water licence application has been significantly reduced in 2019–20 across all water licence application risk categories, driven by the successful implementation of the water licensing backlog action plan and several other water licensing business performance initiatives. The 2019–20 Target was achieved across the low and high-risk categories, while the 2019–20 Actual for medium-risk category applications was reduced to 85 days from 133 days in 2018–19 (a 36% reduction).

Importantly, it should be noted that the average processing duration for low-risk applications, which currently represent more than 80% of the total water licence applications processed in 2019–20, is 19 days (or 29%) less than the target of 65 days.



Average cost of compliance monitoring and enforcement action

Actual 2017-18 \$	Actual 2018-19 \$	Target 2019-20 \$	Actual 2019-20 \$
743	608	610	205

The department relies on water usage information for accurate water resource management advice and decisions. The department's compliance monitoring of licensed use provides accurate information on actual licensed water use to ensure the sustainable management of water resources for the long-term benefit of the state.

The department undertakes compliance monitoring and, where appropriate, enforcement action when licensed water use is found to be not in accordance with terms, restrictions, and conditions. Compliance monitoring within a risk-based framework ensures the department fulfils its legislative requirements, while ensuring efficient and sustainable productive water use.

Investment decisions by licensees, existing and prospective, are time-bound and require that applications for access to water are dealt with by the department in a timely manner. Water licenses are one of the fundamental assets that support investment decisions.

This indicator is calculated using the departmental cost of compliance and enforcement activities divided by the number of compliance and enforcement actions undertaken by the department during the year.

The enforcement actions include the following activities undertaken by the department when licenced water use is found to be inconsistent with the licencing terms, restrictions and conditions:

- incidents of suspected non-compliance identified
- educational letters
- licence amendments
- warnings, infringements, or direction notices
- prosecutions.

► Variance analysis

The significant reduction in the average cost of compliance monitoring and enforcement action for the 2019-20 Actual from the 2019-20 Target and 2018-19 Actual reflects a significant increase in compliance monitoring events and incidents in 2019-20 as an outcome of compliance monitoring event backlog reduction initiatives and expanded regional compliance monitoring scheduling driven by the commencement of stage three of the water metering regulations, and a reduction in the actual costs of service (driven by changes in the cost-allocation methodology to allocate costs to this service).



Service 4: Environmental regulation

The department seeks to prevent, control and abate activities with the potential to cause pollution or environmental harm. It has adopted a risk-based approach to delivering its regulatory role, which broadly fits into three main functions:

1. approvals and licensing
2. monitoring, audit and compliance inspections
3. enforcement, including complaint and incident investigation.

Average cost per works approval and licence application, Average cost per native vegetation clearing permit application

	Actual 2018-19 \$	Target 2019-20 \$	Actual 2019-20 \$
Average cost per works approval and licence application	47,505 ^(a)	62,184	47,220
Average cost per native vegetation clearing permit application	29,865	40,192	17,644

(a) The 2018-19 audited figure was previously reported as \$57,821. This has been restated to include applications decided as withdrawn or declined (previously excluded) to more accurately reflect the time and effort spent on assessment of applications. The restatement further allows realignment with the application assessment methodology for native vegetation clearing permit applications.

These measures of efficiency were established to reflect the costs per regulatory action for an instrument for the department's industry regulation and native vegetation regulation functions. These are considered relevant efficiency indicators as they:

- capture the primary regulatory functions of the department
- measure the amount of resources required to assess and determine an industry regulation instrument and native vegetation instrument
- are of interest to parties paying regulatory fees
- are relevant to the review and determination of the department's regulatory fees and charges.

The indicators are considered relevant to the service as they can track the efficiency of the assessment of regulatory instruments over time and provide a simple metric for users of the department's budget statements and annual report.

The indicator is calculated by dividing the total group costs deemed relevant to the agency activity of carrying out and administering the function of works approvals and licences – being applications assessment and decision-making on works approval and licence applications under Part V Division 3 of the *Environmental Protection Act 1986* by the number of work approvals, licences, licence renewals and amendments assessed to provide the average cost.

► **Variance analysis**

The reduction in average cost per works approval and licence application between the 2019–20 Target and the 2019–20 Actual is due to an increase in the number of works approval and licence applications decided as 'withdrawn, declined, returned or expired' not previously included, and changes in cost-allocation methodology to allocate the costs to this service.

The reduction in average cost per native vegetation clearing permit application from the 2018–19 Actual and the 2019–20 Target to the 2019–20 Actual is due to an increase in the number of native vegetation clearing permit applications decided and changes in cost-allocation methodology to allocate the costs to this service.

Service 5: Environmental and water policy

Develop and implement policies and strategies that promote environmental outcomes.

Average cost per hour of policy advice and recommendations

Actual 2017-18 \$	Actual 2018-19 \$	Target 2019-20 \$	Actual 2019-20 \$
89	84	76	118

This measure of efficiency was established to reflect the cost per hour of policy advice. This is considered a relevant efficiency indicator as it:

- captures a significant function of the department
- measures the amount of resources required to develop and implement policies and strategies
- is of interest as it shows the cost of policy development
- is relevant to the use of funds being expended to develop and implement strategic policy and legislation that promotes sustainable environmental outcomes.

The indicator is relevant to this service as they can track the efficiency of the policy development and implementation over time and provide a simple metric for users of the department's budget statements and annual report.

The indicator is calculated by totalling the functional group costs associated with agency activity of carrying out and administering the function of providing policy advice and recommendations. The advice and recommendations mainly relate to the development, review and amendment of environmental policy, national policy, primary and subsidiary legislation, and environmental programs, providing advice to the Minister and the State Government in relation to legislation administration. The total number of available FTE hours for the services are divided into the costs to provide an average cost per hour of policy advice and recommendations.

► Variance analysis

The significant increase in average cost per hour of policy advice and recommendations from the 2018-19 Actual and the 2019-20 Target to the 2019-20 Actual is largely due to changes in cost-allocation methodology to allocate costs to this service.



Service 6 Waste strategies

Waste avoided and the recovery of materials from landfill maximised.

Cost of landfill levy compliance as a percentage of landfill levy income collected

Actual 2017-18 %	Actual 2018-19 %	Target 2019-20 %	Actual 2019-20 %
1.31	2.10	1.97	1.94

This measure of efficiency was established to reflect the cost of levy compliance as a percentage of the landfill levy income collected. This is considered a relevant efficiency indicator as it:

- measures the amount of resources applied to the waste avoidance strategies and landfill diversion strategies
- is of interest as it shows the cost of managing the waste strategies
- is relevant to the use of funds being expended to develop and implement strategic policy and legislation that promotes sustainable environmental outcomes.

The indicator is relevant to the service as it can track the efficiency of managing waste strategies and provides a simple metric for users of the department's budget statements and annual report.

The cost of landfill levy compliance as a percentage of landfill levy income collected is determined by totalling those functional group costs deemed relevant to the department's activity of carrying out and administering the function of providing landfill levy compliance – being the administration of the landfill levy returns, auditing of those returns, processing of exemptions and undertaking inspections at a range of waste facilities, and carrying out unauthorised waste activity investigations. The indicator is calculated by dividing the cost of levy compliance by the amount of landfill levy income collected for the year.



Service 7: Environmental impact assessment services to the EPA

Conduct, for the EPA, environmental impact assessments of significant proposals and schemes.

Cost per standardised unit of assessment output

Actual 2017-18 \$	Actual 2018-19 \$	Target 2019-20 \$	Actual 2019-20 \$
34,681	33,082	30,383	39,924

While the variation in assessment complexity is reflected in the level of assessment set, several other factors affect how complex a proposal is to assess. To account for this range in difficulty, each assessment completed is assigned a weighting.

The difficulty often influences the amount of time spent dealing with a proposal, how the complexity weightings were allocated and trialled, in consultation with experienced officers, according to inherent proposal characteristics that cause a proposal to be more difficult rather than what causes an assessment to take more time to complete. This ensures that the indicator measures the efficiency of the department's provision of EIA advice to the EPA rather than the department's cost per hour. The total complexity is calculated by summing the individual complexities allocated to each assessment according to their inherent characteristics.

The cost per standardised unit of assessment output is calculated by dividing the total cost of assessments (including an allocation of post-approval costs and a portion of costs for policy and administrative support) by the total complexity weighting of assessments completed during the financial year.

► Variance analysis

The increase in cost per standardised unit of assessment output from the 2018-19 Actual and the 2019-20 Target to the 2019-20 Actual is due to changes in cost-allocation methodology to allocate cost to this service. In 2019-20 the department received additional funding to support strategic projects. Outputs of these projects will be realised in 2020-21 and are not reflected in the 2019-20 outputs.

Service 8: Environmental management services to the EPA

Develop, for the EPA, statutory policies, guidelines, and strategic advice to manage environmental impacts and protect the environment.

Cost per standardised unit of environmental management services output

Actual 2017-18 \$	Actual 2018-19 \$	Target 2019-20 \$	Actual 2019-20 \$
31,377	21,049	22,511	34,793

Due to the variation in complexity of environmental management services provided, an average cost per piece of advice provided would not fairly represent the department's efficiency in providing such advice to the EPA. In fact, such a measure could provide a perverse incentive to produce many straightforward pieces of advice rather than tackling more complex issues that are more difficult to investigate. To account for this range in difficulty, each assessment completed is assigned a weighting.

The difficulty often influences the amount of time spent investigating a matter, how the complexity weightings were allocated, in consultation with experienced officers, according to inherent characteristics that cause a piece of environmental management advice to be more difficult rather than what causes it to take more time to complete. This ensures that the indicator measures the efficiency of the department's provision of environmental management advice to the EPA rather than the department's cost per hour.

The cost per standardised unit of environmental management services output is calculated by dividing the total cost of environmental management services (including an allocation of administrative support) by the total complexity weighting of environmental management services endorsed during the period.

► Variance analysis

Strategic advice and support for environmental management services to the EPA is provided by a dedicated EPA services directorate within the department with support from other functions of the department for specialist environmental services. The Actual cost per standardised unit of environmental management services output is higher than the Target for 2019-20 and 2018-19 Actual due to changes in cost-allocation methodology to allocate cost to this service. Additional advice and support were provided by the department in 2019-20.

Service 9: Compliance monitoring services to the Minister for Environment

Audit the compliance with conditions set under Ministerial approvals and undertake enforcement action as appropriate.

Average cost per environmental audit completed

Actual 2017-18 \$	Actual 2018-19 \$	Target 2019-20 \$	Actual 2019-20 \$
18,069	31,719	21,267	65,666

The indicator is calculated by dividing the total cost (including an allocation of administrative overheads) allocated to compliance monitoring services by the total number of audits (not including desktop scans) completed during the period.

► Variance analysis

Compliance monitoring services to the Minister for Environment are provided by a dedicated compliance and enforcement directorate within the department with support from other functions of the department. The Actual average cost per environmental audit completed in 2019-20 is higher than the 2019-20 Target and 2018-19 Actual due to changes in cost-allocation methodology to allocate costs to this service and reallocation of staff to priority areas, than previously predicted.



Other legal requirements

Expenditure on advertising, market research, polling and direct mail

In accordance with section 175ZE of the *Electoral Act 1907*, the department incurred the following expenditure in advertising, market research, polling, direct mail and media advertising. Total expenditure for 2019–20 was \$155,530.29 (excluding GST).

Expenditure	Total	Expenditure paid to	Amount
Advertising agencies	Nil		Nil
Market research organisations	Nil		Nil
Polling organisations	Nil		Nil
Direct mail organisations	Nil		Nil
Media advertising organisations	\$149,034.78*	State Law Publisher	\$6,495.51
		Big Head Digital	\$2,520.00
		Facebook	\$18,665.89
		Google	\$834.16
		Initiative Media Australia	\$117,944.70
		Email media	\$600.00
		Independent and general media	\$8,470.03
Total			\$155,530.29

*Please note: Total media advertising organisations' expenditure does not include the State Law Publisher spend of \$6,495.51.



Disability Access and Inclusion Plan

We recognise that people with disability, their families and carers have the same rights as other members of the community to access employment and services, information and facilities, and to participate in community consultation.

In support of our commitment to improved disability access and inclusion, our equity and diversity panel has championed a number of initiatives under our five-year [Disability Access and Inclusion Plan](#).

Critical to the plan, a diversity mission statement was approved by our Corporate Executive to embed diversity and inclusion in all that we do.

Every day we support and inspire each other to be our whole selves and best selves – to thrive and reach our full potential. We celebrate, acknowledge, respect and embrace differences because we know that when people from different backgrounds and with different points of view work together, we create the most value and reflect the community we serve.

Public sector standards and ethical codes

Five claims of breaches of the Western Australian Public Sector Standards in Human Resources (Employment Standard) were lodged in the fiscal year. Zero were upheld.

Every day we support and inspire each other to be our whole selves and best selves – to thrive and reach our full potential.



Recordkeeping

We are committed to continuously improving our recordkeeping culture, tools and practices to ensure compliance with the *State Records Act 2000* and best business outcomes for the department. In line with the State Records Commission (SRC) Standard 2, Principle 6, the following information is provided.

In 2019–20, our recordkeeping manual and a disaster recovery plan for hard records was completed and communicated to staff. A risk assessment with a roadmap to implement an information classification scheme was also completed.

Activities continued this year using the online training system (Blueprint) and the deployment of a mandatory records awareness module for staff.

We continued training on the Business Toolbox which helps staff create, collaborate and share documents more effectively and securely, while supporting mobility and ensuring the integrity of our information assets. This provided staff with effective business tools to collaborate during the COVID-19 pandemic and remain open for business across the department.

In 2019–20, 40 per cent of staff training was completed in regional offices including training to the Office of the Appeals Convenor.

Our paper-lite initiative continued, reducing our use of physical documents. When files are recalled from offsite storage now, they are scanned into a digital format complying with SRC Standard 8. This approach reduces

impacts on the environment, improves information availability and enhances the digital workplace.



Government policy requirements

Substantive equality

We are committed to implementing substantive equality measures and strive to make our services available to all Western Australians in a form that meets individual needs.

We deliver this by ensuring our processes associated with water and environmental management and planning practices are developed with input from the public and stakeholders as well as broad public invitations to comment on draft documents.

Our equity and diversity panel has oversight of the development and implementation of an equity framework which integrates substantive equality strategies.

Following the launch of our first Reconciliation Action Plan, we are continuing our work to build sustainable relationships with the Aboriginal community.

Importantly, we seek to listen, learn and build strong partnerships with the Traditional Custodians of the land.

We aim to provide genuine opportunities for Aboriginal people within our workforce and through our business.

Following the launch of our first Reconciliation Action Plan in 2019 during National Reconciliation Week, we are continuing our work to build sustainable relationships with the Aboriginal community.

Our Disability Access and Inclusion Plan provides the framework for universally inclusive access.

Occupational health, safety and injury management

Providing safe spaces

We understand that family and domestic violence is a complex issue. We also recognise the adverse impact it can have on our employees and fully support the State Government's Safe Spaces initiative.

We acknowledge there is a strong need to provide affected employees with appropriate levels of support, as and when required.

In 2019–20, as part of the 16 days in WA to Stop Violence Against Women Program, we partnered with the City of Joondalup to host a special event to shine a spotlight on all forms of abuse and call us to action against it.

We invited a number of guest speakers to the event, including Dr Ann O'Neill who founded and directs [Angel Hands](#) – a not-for-profit organisation assisting those affected by homicide or other personal violence.

As part of this, we coordinated the creation of hundreds of 'angel packs' (small calico bags) which our staff filled with donated toys and treats for children affected by trauma. These were provided to Dr O'Neill for use by her charity which distributes them to the WA Police Force and other emergency responders to give to children.

In addition, we coordinated the donation of bags filled with toiletries and other essential items set for distribution to individuals who have been impacted by domestic abuse.



► Occupational safety and health and injury management

As a department, we recognise that our strength is in the work of our dedicated employees and we are committed to providing a safe and healthy workplace for all.

We have established a three-tier occupational safety and health (OSH) consultation system that includes an OSH Steering Committee (meets quarterly), OSH Reference Group (meets quarterly), area committees, and safety and health representatives.

These groups focus on the continuous improvement of our OSH systems, processes and performance, workplace safety, and risk and hazard awareness. Our Steering



Committee is also responsible for ensuring that our department-wide OSH Action Plan is implemented and meets its targets.

The OSH committees, which include employee representatives, are integral to effective OSH consultation within our department. The locations and details of our safety and health representatives, as well as associated documents and forms, are available to all staff through our intranet.

► Mechanisms for consultation with employees

The primary mechanism for consultation with employees is through our OSH committees and representatives.

We also have an incident management reporting system in place that clearly articulates notification protocols and escalation points.

Our online platforms provide us with another method to ensure effective and inclusive engagement with our staff for their feedback on department policy and procedures, as well as updating and announcing events occurring in our safety and wellbeing space.

► Commitment to return employees back to work after injury

To address any workplace injuries that occur, our department has a workers' compensation and injury management policy and guidelines to assist injured employees to return to work as soon as medically appropriate.

This system ensures we can intervene promptly and effectively in injury management, enabling injured employees to remain at work or return to work at the earliest possible time.

This system and our return to work programs are compliant with the requirements of the *Workers' Compensation and Injury Management Act 1981* and have been reviewed and approved by RiskCover, our department's insurer.

► Performance

In managing the health and safety of our people, our obligations are primarily set out under the Public Sector Commissioner's Circular – *Code of Practice: Occupational Safety and Health in the Western Australian Public Sector*, as well as the requirements of the *Occupational Safety and Health Act 1984* and the *Workers' Compensation and Injury Management Act 1981*. The department complies with the code and the requirements of the Acts.

Our performance against the targets set in the code is demonstrated on the next page.

Measure	Results 2017-18	Results 2018-19	Results 2019-20	Targets	Comments towards targets
Number of fatalities	0	0	0	0	The department has had 0 fatalities.
Lost time injury and disease incidence rate	1	5	3	0	While the number of lost time injuries is low, we are continuously reviewing better and more efficient ways of managing risk and injuries in the workplace to reach our target of zero time lost to injuries.
Lost time injury and disease severity rate	0	0	0	0	Severe claims are measured against those which have lost 60 days or more.
Percentage of injured workers returned to work (i) within 13 weeks	100%	100%	100%	100%	Injured employees must return to work within some capacity before 13 weeks, with restrictions on work in the original area of employment or other meaningful work.
Percentage of injured workers returned to work (ii) within 26 weeks	100%	100%	100%	100%	We have put strategies in place to ensure all claimants return to work within 13 weeks, as guided by the clinical advice.
Percentage of managers trained in occupational safety, health and injury management responsibilities, including refresher training within three years	0 ⁵	0 ⁶	Injury management training 77% Online training modules for managers 79%	100%	We will continue to provide injury management training, with all managers required to complete this. Refresher training will occur for online modules every two years.

⁵ Regarding the 2017-18 and 2018-19 managers training numbers: 2017 was the year in which our amalgamated department emerged from machinery of government. As a result, all programs were 'reset' and redeveloped for the department with 2017-18 and 2018-19 the formative years for this training development and release, and 2019-20 demonstrating our program success rates.

⁶ As explained above.

► **Manager and supervisor training in occupational safety, health and injury management responsibilities**

In 2019–20, we trained one new safety and health representative (with three new representatives awaiting), with training conducted centrally for all representatives through a recognised provider.

We require all our managers and employees to undertake annual OSH training, which is made available through our online learning system.

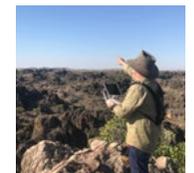
Our managers are trained in occupational safety and health through use of the department’s learning management system. Training modules cover all aspects including the OSH legal framework, duty of care, hazard and risk management, incident management, OSH training and injury management, and return to work programs.

We require all our managers and supervisors to complete this training every two years, achieving a pass mark of at least 80 per cent. In 2019–20, we achieved a success rate of

79 per cent, with further retraining scheduled to occur in the 2020–21 financial year.

In 2019–20, we commenced injury management training for line managers – recording a 77 per cent completion rate.

Further fundamental health and safety training will commence in the 2020–21 financial year, with all managers and employees (both metropolitan and regionally-based) to be trained by an external training provider.



Freedom of information

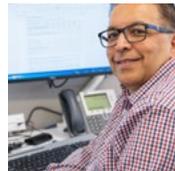
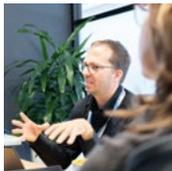
In accordance with section 10 of the *Freedom of Information Act 1992* (FOI Act), a person has a right to be given access to documents of an agency subject to and in accordance with the FOI Act. It is our commitment to make information available as soon as possible and at the least possible cost.

For the 2019–20 period, we received 348 FOI applications and, of these, seven applications progressed to an internal review and three to external review with the Office of the Information Commissioner.

This financial year:

- the average time taken to process FOI applications was 39 days⁷
- we received 11 applications for personal information
- we received 337 applications for non-personal information
- in addition to the 348 FOI applications received by the department, we handled a further 42 consultations from other agencies.

⁷ The mandatory requirement under the FOI Act is 45 days.



Appendices

Appendix A: Legislation

Legislation administered by the Department of Water and Environmental Regulation as at 30 June 2020

- *Carbon Rights Act 2003*
- *Contaminated Sites Act 2003*
- *Country Areas Water Supply Act 1947*
- *Environmental Protection Act 1986*
- *Environmental Protection (Landfill) Levy Act 1998*
- *Litter Act 1979* (The Department of Water and Environmental Regulation is the agency principally assisting the Minister for Environment in the administration of this Act assisted by the Keep Australia Beautiful Council [Western Australia])
- *Metropolitan Arterial Drainage Act 1982*
- *Metropolitan Water Supply, Sewerage and Drainage Act 1909*
- *National Environmental Protection Council (Western Australia) Act 1996*
- *Plumbers Licensing Act 1995* (except part 5A which is administered by the Minister for Commerce principally assisted by the Department of Mines, Industry Regulation and Safety) – alternative citations are *Water Services Coordination Act 1995* and *Water Licensing Act 1995*
- *Rights in Water and Irrigation Act 1914*
- *Waste Avoidance and Resource Recovery Act 2007* (The Department of Water and Environmental Regulation is the agency principally assisting the Minister for Environment in the administration of this Act assisted by the Waste Authority)
- *Waste Avoidance and Resource Recovery Levy Act 2007* (The Department of Water and Environmental Regulation is the agency principally assisting the Minister for Environment in the administration of this Act assisted by the Waste Authority)

Regulations administered by the Department of Water and Environmental Regulation as at 30 June 2020

- *Water Agencies (Powers) Act 1984*
- *Water Agencies Restructure (Transitional and Consequential Provisions) Act 1995*
- *Water Corporations Act 1995*
- *Water Efficiency Labelling and Standards Act 2006*
- *Water Resources Legislation Amendment Act 2007*
- *Water Services Act 2012*
- *Water Services Coordination Act 1995*
- *Water Services Licensing Act 1995*
- *Waterways Conservation Act 1976*
- Clean Air (Determination of Air Impurities in Gases Discharged to the Atmosphere) Regulations 1983
- Contaminated Sites Regulations 2006
- Country Areas Water Supply (Clearing Licence) Regulations 1981
- Environmental Protection (Abattoirs) Regulations 2001
- Environmental Protection (Abrasive Blasting) Regulations 1998
- Environmental Protection (Clearing of Native Vegetation) Regulations 2004
- Environmental Protection (Concrete Batching and Cement Product Manufacturing) Regulations 1998
- Environmental Protection (Controlled Waste) Regulations 2004
- Environmental Protection (Fibre Reinforced Plastics) Regulations 1998
- Environmental Protection (Goldfields Residential Areas) (Sulfur Dioxide) Regulations 2003
- Environmental Protection (Kwinana) (Atmospheric Wastes) Regulations 1992
- Environmental Protection (Metal Coating) Regulations 2001
- Environmental Protection (NEPM-NPI) Regulations 1998
- Environmental Protection (NEPM-UPM) Regulations 2013
- Environmental Protection (Noise) Regulations 1997
- Environmental Protection (Packaged Fertiliser) Regulations 2010

- Environmental Protection (Petrol) Regulations 1999
- Environmental Protection (Plastic Bag) Regulations 2018
- Environmental Protection (Recovery of Vapours from the Transfer of Organic Liquids) Regulations 1995
- Environmental Protection (Rural Landfill) Regulations 2002
- Environmental Protection (Solid Fuel Burning Appliances and Firewood Supply) Regulations 1998
- Environmental Protection (Unauthorised Discharges) Regulations 2004
- Environmental Protection Regulations 1987
- Litter Regulations 1981
- Noise Abatement (Noise Labelling of Equipment) Regulations (No. 2) 1985
- Plumbers Licensing and Plumbing Standards Regulations 2000
- Rights in Water and Irrigation Regulations 2000
- Waste Avoidance and Resource Recovery (Container Deposit Scheme) Regulations 2019
- Waste Avoidance and Resource Recovery Regulations 2008
- Waste Avoidance and Resource Recovery Amendment Regulations 2019
- Waste Avoidance and Resource Recovery Levy Regulations 2008
- Water Agencies (Entry Warrant) Regulations 1985
- Water Agencies (Infringements) Regulations 1994
- Water Corporations (Transitional Provisions) Regulations 2013
- Water Services Regulations 2013
- Water Services Coordination Regulations 1996
- Water Services (Water Corporations Charges) Regulations 2014
- Waterways Conservation Regulations 1981

Other subsidiary legislation affecting our activities

For all other subsidiary legislation including by-laws, notices, declarations, proclamations, approvals, exemptions, orders, policy, pollution control areas, vesting orders, irrigation districts, standards and guidelines, please visit www.legislation.wa.gov.au.

Other key legislation affecting our activities

In the performance of our functions, the department complied with the following laws:

- *Aboriginal Heritage Act 1972*
- *Auditor General Act 2006*
- *Corruption and Crime Commission Act 2003*
- *Disability Services Act 1993*
- *Equal Opportunity Act 1984*
- *Financial Management Act 2006*
- *Freedom of Information Act 1992*
- *Government Employees Housing Act 1964*
- *Industrial Relations Act 1979*
- *National Environmental Protection Council Act 1997 (Cwlth)*
- *Long Service Leave Act 1958*
- *Minimum Conditions of Employment Act 1993*
- *Native Title Act 1993 (Cwlth)*
- *Occupational Safety and Health Act 1984*
- *Public Interest Disclosure Act 2003*
- *Public Sector Management Act 1994*
- *Salaries and Allowances Act 1975*
- *State Records Act 2000*
- *State Supply Commission Act 1991*
- *Workers' Compensation and Injury Management Act 1981*

Appendix B: Shortened forms

Term	Definition
AAS	Australian Accounting Standards
CBH	Cooperative Bulk Handling Group
CEFF	Clean Energy Future Fund
CIE	Community and Industry Engagement Program
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DMIRS	Department of Mines, Industry Regulation and Safety
DPLH	Department of Planning, Lands and Heritage
EIA	Environmental impact assessment
EMP	Environmental Management Plan
EPA	Environmental Protection Authority
FOGO	Food organics, garden organics
FTE	Full-time equivalent
FWSPS	Farm Water Supply Planning Scheme
GCSAWA	Golf Course Superintendents Association of Western Australia
GIS	Geographic information system
HHW	Household hazardous waste
IBSA	Index of Biodiversity Surveys for Assessment
IMSA	Index of Marine Surveys for Assessment

Term	Definition
LGA	Local government authorities
LiDAR	Light detection and ranging
MLA	Member of the Legislative Assembly
MLC	Member of the Legislative Council
NEPM	National Environment Protection Measure
NPI	National Pollutant Measure
OSH	Occupational safety and health
PIWI	Peel Integrated Water Initiative
REI	Regional Estuaries Initiative
RGW	Revitalising Geographe Waterways
RtR	Roads to Reuse
SRC	State Records Commission
TI	Treasurer's Instructions
WA	Western Australia
WARR	Waste Avoidance and Resource Recovery
WARRL	WA Return Recycle Renew Ltd
WESROC	Western Suburbs Regional Organisation of Councils
WIR	Water information reporting
WWS	Waste Wise Schools

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Feedback form

Your feedback on our 2019–20 annual report would be greatly appreciated. We will use your comments to help improve the clarity and presentation of our publications. Thank you for your input.

- Did the report help you understand the department, its purpose, services and performance?
not at all | not really | somewhat | yes | absolutely
- Did you find the design and presentation functional and effective?
not at all | not really | somewhat | yes | absolutely
- Was the report clear, concise and easy to read?
not at all | not really | somewhat | yes | absolutely
- Did you find the structural format of the report simple and logical?
not at all | not really | somewhat | yes | absolutely

Please return completed feedback forms to:

Corporate Communications

Email: dwer.publishing@dwer.wa.gov.au

or

Mail to:

Department of Water and Environmental Regulation
Locked Bag 10, Joondalup DC WA 6919

Please send your comments by 5pm, Friday 4 December 2020

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