



Department of **Water and  
Environmental Regulation**

*Annual report*  
*2021-22*

## Department of Water and Environmental Regulation

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## Statement of compliance

For the year ended 30 June 2022

Hon Dave Kelly MLA  
**Minister for Water**

Hon Reece Whitby MLA  
**Minister for Environment; Climate Action**

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 2022.

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



Michelle Andrews  
Director General  
22 October 2022





The department's Prime House head office. Picture: Davin Storey

We acknowledge the Traditional Owners, the Whadjuk people of the Noongar Nation 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 bringing it to life on Whadjuk Noongar Boodja\*. We seek to listen, learn and genuinely engage and build strong partnerships. We aim to provide sustainable opportunities for Aboriginal people within our workforce and through our business.

Country is a term used by Aboriginal people to describe the lands, waterways and seas to which they are intrinsically linked. The wellbeing, law, place, custom, language, spiritual belief, cultural practice, material sustenance, family and identity are all interwoven as one.

Working with the community, we move forward with a shared commitment to protect and conserve Country for our future generations.

\*The Department of Water and Environmental Regulation's head office, Prime House, is located in Joondalup, on Whadjuk Noongar Boodja. The above Acknowledgement of Country was endorsed by the department's Aboriginal Water and Environmental Advisory Group.



## From the Director General

Thank you for taking the time to read the Department of Water and Environmental Regulation's annual report for 2021–22.

Our department is now five years old, and for two-and-a-half of those years we have been faced with a global pandemic. COVID-19 has posed unprecedented challenges to our state over this period. I am very proud that we have continued to deliver on our core promise to support Western Australia's community, economy and environment by managing and regulating the state's environment and water resources.

We are recognised for our professionalism and scientific expertise and we must nurture this because it will be essential to inform our response to the environmental challenges our state faces.

No project better exemplifies this than the *Gnangara groundwater allocation plan*, which the Minister for Water launched in June 2022. The plan outlines the changes which need to be made to adjust the taking of groundwater to climate change and better match the groundwater recharge from rainfall.

Work to develop a new Gnangara groundwater allocation plan involved detailed scientific assessments and advanced groundwater modelling of recharge and abstraction. This included a four-year, \$7 million investigation into the Perth region's deep aquifers, local groundwater studies, and development of options to achieve sustainable management by sharing the required reductions to groundwater abstraction across water users and groundwater resources. Working with licensees, including local governments, to give effect to this new allocation plan will be a significant focus over the years ahead.

Beyond our commitment to science, we are honest in our reflections as an agency and because of this continue to strive to be better, together. It is for this reason that this past financial year has been – and the year ahead will be – one of reform.

Reform of our processes and business practices is central to every division and every business unit. It is the primary way to manage workload and to deliver higher-quality services to people within and outside the department.

We are leading in the delivery of Streamline WA initiatives, and it is the Streamline principles that we will be applying to everything we do: reduce duplication and overlap, make timely and transparent decisions, apply regulation that is proportionate to the risk, and improve our online service delivery.

Environment Online is our flagship business transformation project and one that will become a vehicle for integration that benefits all business areas.

In December 2021 we hosted Streamline WA's second Common Understanding Workshop. More than 180 people attended the event, which explored challenges faced by frontline approvals and assessment officers across the mining and environment sectors, and provided opportunities for networking and knowledge sharing.

Reform of  
our processes and business  
practices are central to every  
division and every business unit.

These workshops are important tools in creating a whole-of-government approach to regulatory practice and a contemporary regulatory culture. More than 80 per cent of attendees reported being 'satisfied' or 'very satisfied' – with many speaking positively about the event's ability to 'build relationships across agencies' and 'effectiveness in identifying ways to streamline processes'.



In April, the department launched the Reduced Reporting Burden Pilot, which has stopped or halved the environmental reporting requirements for lower-risk industry licences. The changes are expected to benefit more than 60 per cent of about 1,000 licences granted under Part V, Division 3 of the *Environmental Protection Act 1986* relating to industrial premises that can cause emissions and discharges to air, land or water. This will save significant time and cost for licence holders and reduce the administrative load for departmental officers who can then concentrate on higher-risk matters.

The Reduced Reporting Burden Pilot is just one of many projects we are leading that will make it easier to do business in WA.

We are aware that there are opportunities to further integrate our business. This will be an important objective – not only to reduce duplication and overlap but to ensure our Ministers and our boards and committees receive integrated, big-picture advice. Ultimately, our structure must support our services. We are at our best when we are outward looking and think and operate as one department with a one-government mindset.

Another vital vehicle in our reform mindset is the Public Sector Commission's Agency Capability Review Program, something I have embraced as the Director General.

Our department, along with the Department of Biodiversity, Conservation and Attractions and the Department of Mines, Industry Regulation and Safety, has been chosen to take part in this program trial. The reviews consider if the departments have the right structures, processes, use of resources, systems and governance in place, and how well they are working. It will drive continuous improvement and high performance to deliver even better services to Western Australians now and into the future.

Our new *Strategic plan 2022–26* is our blueprint for high performance, continued reform and exemplary service delivery. We recently finalised the plan, after considering the priorities of the State Government, the input of our officers and stakeholders, the issues on the horizon and the needs of our organisation.

It is affirmation of our strategic goals to:

- lift our performance as a regulator
- better manage our environment
- pursue strategic solutions to big environmental challenges.

Speaking of goals and big environmental challenges, on 24 June 2022 the Premier announced a 2030 target for the State Government to reduce its greenhouse gas emissions by 80 per cent of 2020 levels.

The State Government will deliver a range of initiatives to reduce its net emissions, including energy-efficiency measures, procurement of renewable energy, reduced emissions in the government vehicle fleet and the use of local offsets.

Action on climate change is crucial to diversifying the WA economy, creating long-term jobs, managing environmental impacts, and protecting the health and wellbeing of Western Australians. As the agency leading the State Government's response to climate change, we will be at the forefront of this. Indeed, the response to climate change touches every aspect of the department's operations.

This emissions target is ambitious and it matches our ambition as an agency.

We look forward to what the year ahead will bring.



Michelle Andrews  
Director General



Our Frankland-Denmark team meet with Mount Barker Elders



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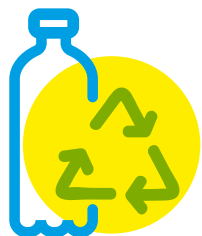
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## Our 2021–22 at a glance

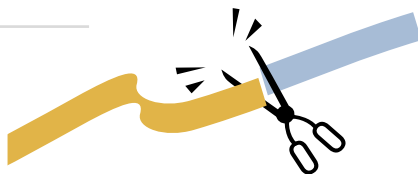


**1.47 billion**

containers now recovered since the start of Containers for Change

**300**

Industry Regulation licence holders no longer required to submit annual environmental reports under Streamline WA



**\$3.1 mil**

Climate Science Initiative being delivered by the department



**298**

native vegetation clearing permit applications received



**45**

illegal dumpers prosecuted

**84,000**



waterwise plants planted under the Waterwise Perth Action Plan



**54 GL**

of groundwater will be saved each year under the Gnamptara groundwater allocation plan



**7,146**

requests for water information via the Water Information Reporting portal

**1.2 million+**

tonnes of controlled waste tracked on WA roads



**700+**

requests for floodplain management advice



**\$126,967**

in grants awarded to 41 WasteSorted schools



**9 categories**

of plastic phased out under Stage 1 of the WA Plan for Plastics



**\$1,263,059**

allocated for 18 Community Water Supply Partnership Program projects started in 2022



**12,677**

water licences managed across 486 groundwater and 216 surface water resources

**\$11.3 mil+**

in grants to seven projects in round two of the Clean Energy Future Fund

**CleanEnergy  
FutureFund**

# Who we are

As Western Australia's primary water and environmental regulator, the Department of Water and Environmental Regulation has a responsibility to be an influential and future-focused organisation.

## Our vision

Our vision is for a low-carbon Western Australia with a healthy environment and secure water resources for future generations.

## Our mission

**Environment:** We act to make sure that environmental values are protected, and that development is sustainable.

**Water:** We act to ensure our water resources meet the needs of the community, ecosystems and economic development.

**Waste:** We act to reduce the harmful impact of waste and create a low-waste circular economy.

**Climate:** We act to reduce emissions, mitigate climate change impacts and build greater environmental and community resilience.





## Our new strategic plan

Our new [Strategic plan 2022–26](#) reflects how we have matured as an agency and sets our direction to meet the challenges of managing the environment of Western Australia (WA) and our water resources for the next four years.



The Department of Water and Environmental Regulation (the department) was formed in 2017 with the merging of three agencies – the Department of Water, the Department of Environment Regulation and the Office of the Environmental Protection Authority. We were made responsible for ensuring

the state's water resources and environment are healthy, and able to support a strong economy and thriving communities.

This challenged us to develop new ways of working internally, and externally, with government, industry and community stakeholders. We chose the concept of system stewardship which brought together the functions of science, advice, assessment, regulation, policy and engagement. This was the drive behind our first [Strategic plan 2018–21](#).

This approach recognised that the department plays an important role in not only understanding the environment, but having oversight of the system and how it is used, managed and protected.

Our second strategic plan was 18 months in the making. It was informed by:

- State Government priorities from the Minister for Environment; Climate Action, and the Minister for Water
- the work we have undertaken as part of our participation in the Public Sector Commission's Agency Capability Review Program
- the cross-government Streamline WA reform initiative
- extensive internal and external consultation.

Use of consultation work from major initiatives such as water allocation planning, the Plan for Plastics, waste reform, native vegetation policy and regulatory strategy has also helped in mapping out themes for the new strategic directions.

In this process we identified the major trends informing our plan. These are:

- population growth
- urbanisation and densification
- climate change and extreme weather events
- loss of biodiversity and ecosystem damage

- sustainability, waste and pollution
- social attitudes.

These combined pressures demand a strong commitment to sustainable development principles, effective regulatory practice and long-term strategic approaches.

### 3 Strategic goals in next 4 years

The department has decided to focus its efforts into achieving three strategic goals over the next four years:

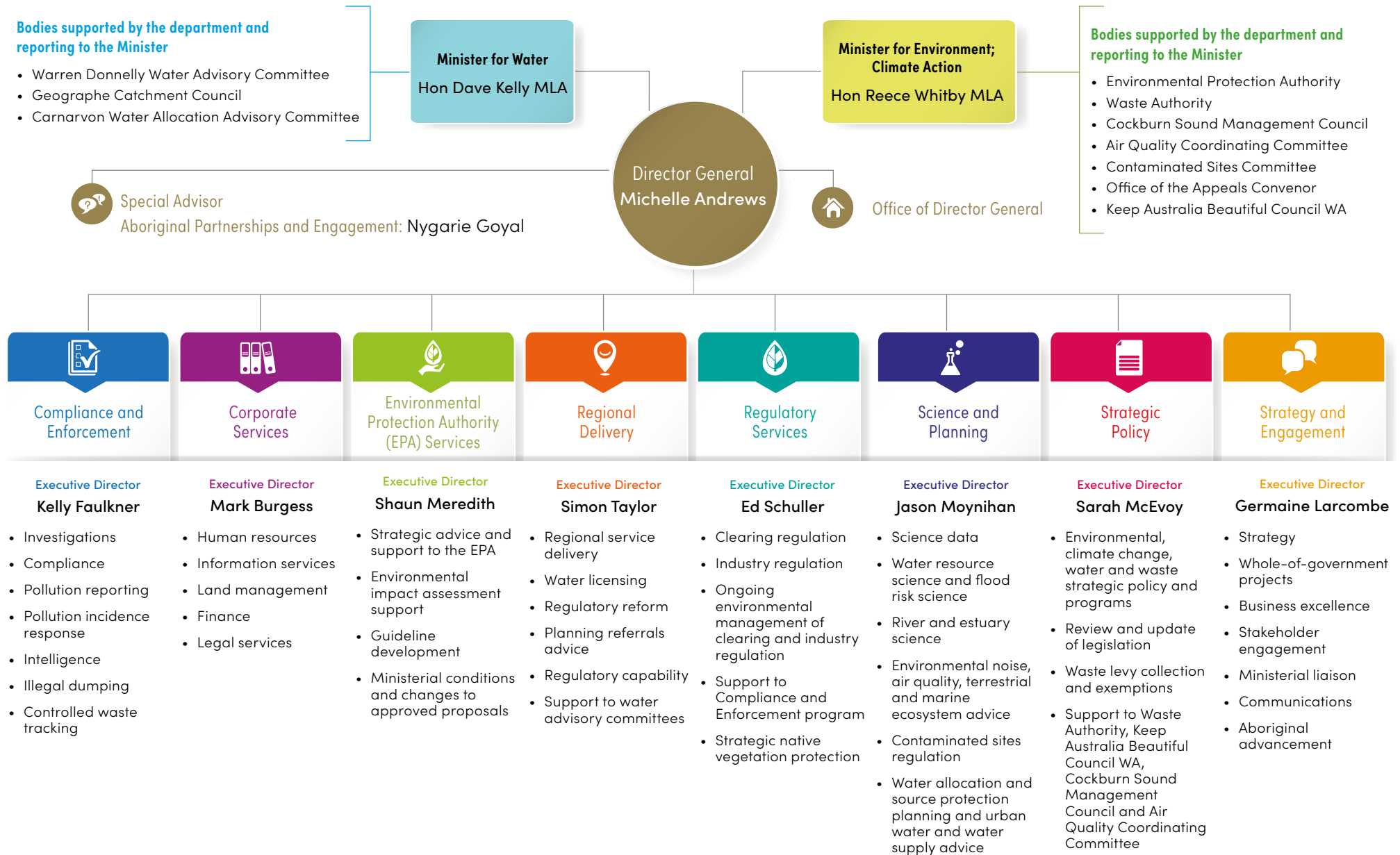
1. Improve our regulatory capability.
2. Better manage the environment.
3. Pursue strategic solutions to our big environmental challenges.



Director General Michelle Andrews, left, with members of our Corporate Executive on a visit to the Pilbara



## Our structure



# Our evolving department

## Inclusive employer recognition

We are proud to have been named an Inclusive Employer for 2021–2022. This achievement recognises that we are active and committed to inclusion.

Our Workforce and Diversity Plan affirms that by bringing together people from different backgrounds and with different points of view, we create the most value and better reflect the community that we serve.






As part of this commitment, in October 2021 staff were invited to participate in the Diversity Council of Australia's [Inclusion@Work Index](#) to measure and track our progress in creating a diverse and inclusive workplace. We were assessed as an Inclusive Employer, based on exceeding the National Index Benchmark on at least five out of six of the following measures:

1. Awareness
2. Engagement
3. Inclusive organisation
4. Inclusive leadership
5. Inclusive team
6. Exclusion.




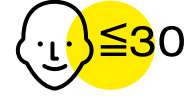



The survey also provided a snapshot of our workforce diversity, based on responses from 438 staff.

### ► Snapshot of our diversity

					
Our Result	0.9%	52%	32%	68%	11%
DCA* members	2.4%	44%	33%	66%	9%
Australian workforce	1.7%	38%	38%	62%	9%

					
Our Result	62%	26%	5%	7%	17%
DCA* members	59%	24%	9%	14%	18%
Australian workforce	47%	30%	11%	24%	20%

\*Diversity Council of Australia

Responding to this, and as part of our commitment under our first [Reconciliation Action Plan](#) (RAP) 2019–2021, we commissioned the preparation of the Aboriginal Employment Recruitment and Retention Strategy – 2022–2027. The review of recruitment and retention processes was carried out by an Indigenous consultant and resulted in a number of suggestions and recommendations now under consideration.

## Our refreshed values

Our values have been central to helping build and improve our department's culture and identity since its establishment in 2017. We try to live our values in our day-to-day work and how we interact with each other.

In October 2021 the Our People Program team held an online Yammer event to review our values and seek contributions from staff.

There was broad support to retain our five values, given their acceptance across the department. Ideas were also shared on refining and developing our behaviours to ensure staff know how they can live our values.

A survey of staff and further engagement followed before the updated behaviours within each value were endorsed by our Corporate Executive and launched on 24 June 2022.

They complement our new Strategic Plan and play an important role in developing the capability and effectiveness of the department.

### ► Our refreshed values



#### WE SERVE TO MAKE A DIFFERENCE

- We are professionals who deliver sustainable outcomes for current and future generations
- We align our work with the department's priorities and government's direction
- We continue to improve our engagement with Aboriginal people for everyone's prosperity
- We recognise the practice of intergenerational care for Country by Traditional Custodians
- We plan with the future in mind, regularly reviewing our efforts to focus on the right priorities at the right time



#### WE BUILD TRUST

- We engage early, listen to understand, and respond consistently
- We ensure our work is transparent, evidence-based, and accountable
- We are respectful, honest and kind, and demonstrate empathy
- We operate with the highest levels of integrity
- We hold ourselves and each other to account



#### WE CARE

- We work as a team, valuing the expertise of each other
- We take time to build capability and contribute to the development of our people
- We contribute to an inclusive, safe and healthy workplace
- We are upstanders and support one another to respectfully challenge inappropriate behaviour



#### OPEN MINDS

- We embrace new ideas and innovation
- We are mindful of both the big picture and local place-based information in our work
- We are flexible and seek better ways to do our work, and we learn from our mistakes
- We are adaptable and resilient in the face of change



#### BETTER TOGETHER

- We work inclusively and collaboratively and have a 'one Government' mindset
- We value our differences and use them to expand our thinking
- We actively share knowledge and information
- We engage in a practical and courteous way with those affected by our work
- We lead at all levels and empower our people to make decisions



## Our Graduate Program

The department launched its new Graduate Program on 19 November 2021. The program supports youth targets in alignment with the [Workforce Diversification and Inclusion Strategy for WA Public Sector Employment 2020–2025](#). This plan aims to increase the representation of youth in the public sector to 5.8 per cent and supports inclusive work environments.

It is also intended that our Graduate Program will foster Environment Online capability, identifying a pipeline of talent that brings an ‘ability to learn’, currency in technology and an adaptability to support our transformative digital-driven initiatives.

Our social media and radio advertising campaign targeted graduates across Australia. We also sought to engage with Aboriginal talent through regional advertising and Facebook messages. We received 114 applications to participate in the program and nine graduates, including an Aboriginal graduate, were selected.

Our graduates are now completing a 12-month rotational development program designed to introduce them to a variety of work across the department and build their [carbon literacy](#) and leadership skills. Once they have successfully completed the program they will transfer to a permanent position.

## Our Agency Capability Review

The department has been participating in the Public Sector Commission’s Agency Capability Review Program trial since August 2021.

Led by an independent reviewer appointed by the Public Sector Commission, the review aims to drive excellence and continuous improvement in agencies by identifying areas of good performance and areas for improvement. We were among the first three of eight departments selected in the first sector-wide approach to identify the capabilities needed to be a high-performing public sector agency in WA.

Each review covers the breadth of the agency capability framework with documentary evidence and robust analysis complemented by interviews and focus groups with agency staff and stakeholders. Self-reflection and assessment by the agency on its own capabilities are features of the review.

As part of the review our staff participated in an agency-specific iThink Challenge where 139 ideas were received. Over a third of staff also completed a staff capability questionnaire, with 321 responses received. The department’s stakeholders were consulted, and they provided six written submissions and participated in 33 interviews.

The review team has been working with our Corporate Executive and stakeholders on the final stages of the review, and developing a report from which the department will make commitments.



Director General Michelle Andrews and Minister Reece Whitby with some of our 2022 graduates

## Stakeholder, customer and community insights

Stakeholder research is required to fulfil our key performance indicator (KPI) reporting requirement about the proportion of stakeholders who perceive the department to be effectively managing the state's water as a resource for sustainable productive use.

This year's key effectiveness indicator is statistically on par with last year's result, with six in 10 stakeholders rating us as effective in this.

In addition to the long-running KPI research about the perceptions of our key stakeholders, we recently conducted research about the perceptions of our customers and the community.

The research provides:

- long-term trends to help adapt our business strategically to better meet stakeholder, customer and community needs over time
- medium-term trends to inform the success and delivery of our Strategic Plan priorities
- snapshot information about topical areas.

This year's results show our increased focus on stakeholders is having a positive impact.

Top Priority and Key Stakeholders are those we have identified for active stakeholder management to build relationships with, under our Stakeholder Management Framework. There was an improvement in the ratings from these groups this year, with nearly 70 per cent rating the department as effective. This response is driven by our engagement and ability to provide information and advice.

Our stakeholders were also more positive about the department's water management and the balance it achieves between environmental management and development. The research also showed an improvement in the perception of how the department is managing waste.

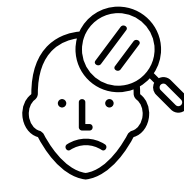
There is also continued interest in approved timeliness of decision-making and improvement of our e-business capabilities, matters which are being addressed through Streamline WA and Environment Online.

The research provides a sampling accuracy of +/- 4.07 per cent at the 95 per cent confidence level, which exceeds the requirements of the Auditor General.



### ► What our stakeholders want to see more of:

- Long-term water planning.
- More support and regulations for waste recovery and recycling.
- A more strategic approach to land clearing.



### ► What our stakeholders are increasingly concerned about:

- Climate change.
- Waste generation and air pollution.



The environment of Western Australia is under pressure from climate change, development and people. These combined pressures demand a strong commitment to sustainable development principles, effective regulatory practice and long-term strategic approaches.



# Our performance summary

## Actual results versus budget targets

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.

### ► Financial targets

	2020–21 Actual (\$'000)	2021–22 Budget (\$'000)	2021–22 Actual (\$'000)	2021–22 Variance (\$'000)
Total cost of services (that is endorsed expense limit)	183,694	254,636	182,373	72,263
Net cost of services (details in the income statement)	63,290	109,595	45,369	64,226
Total equity (details in the statement of financial position)	523,091	509,801	566,945	-57,144
Agreed salary expense level	90,312	100,414	92,872	7,542
Working cash limit	8,264	11,688	8,376	3,312

## Summary of key effectiveness indicators

Outcome	Key effectiveness indicator	2020–21	2021–22		
		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	62	62	59	-3 ↓
	Proportion of priority growth areas that have a water supply planning strategy	100	14	10	-4 ↓
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	100	100	87	-13 ↓
	Percentage of potential environmental risks identified during compliance monitoring program that are rectified within two months	20	40	34	-6 ↓
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	99	4 ↑
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	31	65	32	-33 ↓
	Percentage of commercial and industrial waste reported as diverted from landfill through recycling compared to the statewide waste strategy target	44	70	40	-30 ↓
	Percentage of construction and demolition waste reported as diverted from landfill through recycling compared to the statewide waste strategy target	81	75	84	9 ↑
5. Quality advice to the 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	96	80	95	15 ↑
	Percentage of project-specific conditions which did not require significant change following the appeal process	98	80	89	9 ↑
	Percentage of assessments that met agreed timelines	92	75	79	4 ↑
	The EPA's satisfaction with the department's provision of environmental management services during the year	94	80	97	17 ↑
6. Compliance with Ministerial statement implementation conditions are monitored effectively	The number of Ministerial statements audited compared to targets	98	100	57	-43 ↓

## Summary of key efficiency indicators

Service	Key efficiency indicators	2020–21	2021–22				
		Actual %	Target %	Actual %	Variance %		
Service 1	Water information and advice	Proportion of statutory referrals from decision-making authorities where advice is provided within target timeframes	93%	95%	92%	-3%	↓
		Average cost per statutory referral assessment	\$5,125	\$8,073	\$5,418	-2,655	↑
		Average cost per water measurement site managed	\$7,437	\$9,741	\$5,944	-3,797	↑
Service 2	Water planning, allocation and optimisation	Average cost per plan, report or guidance document to support water planning, allocation and optimisation	\$233,709	\$212,216	\$268,753	56,537	↓
		Average cost per hour of scientific support for water planning, allocation and optimisation	\$172	\$196	\$185	-11	↑
Service 3	Water regulation, licensing and industry governance	Average cost of assessing a water licence application by risk assessment category:					
		• Low-risk	\$3,412	\$3,203	\$3,348	145	↓
		• Medium-risk	\$4,549	\$4,271	\$4,464	193	↓
		• High-risk	\$5,686	\$5,339	\$5,580	241	↓
		Average time taken (days) to assess a licence application by risk assessment category:					
		• Low-risk	30	65	35	-30	↑
		• Medium-risk	39	75	52	-23	↑
		• High-risk	47	95	65	-30	↑
		Average cost of compliance monitoring and enforcement action	\$118	\$173	\$130	-43	↑
Service 4	Environmental regulation	Average cost per works approval and licence application	\$51,891	\$59,155	\$55,425	-3,730	↑
		Average cost per native vegetation clearing permit application	\$33,217	\$53,613	\$30,353	-23,260	↑
Service 5	Environmental and water policy	Average cost per hour of policy advice and recommendations	\$148	\$295	\$273	-22	↑
Service 6	Waste strategies	Cost of landfill levy compliance as a percentage of landfill levy income collected	1.60%	1.50%	1.87%	0.37%	↓
Service 7	Environmental impact assessment services to the EPA	Cost per standardised unit of assessment output	\$62,466	\$54,409	\$45,444	-8,965	↑
Service 8	Environmental management services to the EPA	Cost per standardised unit of environmental management services output	\$34,572	\$49,963	\$26,706	-23,257	↑
Service 9	Compliance monitoring services to the Minister	Average cost per environmental audit completed	\$56,117	\$60,013	\$51,684	-8,329	↑



# Our priorities

Our department is responsible for ensuring the state's water resources and environment are healthy and able to support a strong economy and thriving communities. This section reflects our work delivering on the priorities of the State Government.

## Environment Online

Environment Online will be our digital, customer-focused 'one stop shop' platform for water and environmental regulation in WA, bringing the department's assessment and regulated activities into one online platform.

This \$28 million project – funded by the State Government and Australian Government – will transform our business and introduce greater efficiency in assessments and approvals.

Technology company Insight was awarded the \$23 million build contract in August 2021 and has been working with department business areas and subject matter experts to integrate our processes into the technical build.

Program presentations, common process workshops and design workshops with external stakeholders have been held to assist co-design of actions and functions.

More than 200 stakeholders attended the first Environment Online showcase on 15 December 2021 for a look at the online platform, including examples of how Environmental Protection Authority (EPA) referrals will move through the system. In February 2022 the department unveiled Environment Online to a group of stakeholders who were given the opportunity to road-test the system.

The project was subject to small delays as a result of the COVID-19 pandemic but Release 1 – environmental impact assessment and approvals functions under Part IV of the *Environmental Protection Act 1986* (EP Act) – was scheduled for launch in August 2022. The full functionality of the program is set for completion in 2024.



## Streamline WA

The department is a partner agency to Streamline WA, a whole-of-government initiative to make it easier to do business in our state by improving regulation and regulatory practice.

In July 2021, the State Government announced a \$120 million investment in Streamline WA to improve WA's approvals system, allocating additional frontline approvals and reform officers.

In December 2021, the department hosted a Common Understanding Workshop for frontline officers involved in mining and environmental approvals, to increase collaboration and information sharing, and identify opportunities for process or system enhancements. The workshop resulted in 16 ideas for improvement, including development

of a shared communication platform for frontline officers, delivering coordinated training and improving information available to proponents to enable high-quality applications.

Reducing the reporting burden on licensees is a key initiative of Streamline WA. As a pilot project, the department reviewed all Industry Regulation licences and identified about 60 per cent could have reporting requirements reduced. As a result, about 300 licence holders are no longer required to submit annual environmental reports, and a similar number are now reporting biennially instead of annually.

Reducing the reporting burden on licensees is a key initiative of Streamline WA.

We have started drafting a Transparency First policy, to make regulatory information more transparent and accessible for the benefit of our stakeholders and the WA community, and to build public confidence in the compliance performance of our regulated proponents.

We are leading the development of a Compliance and Enforcement Compact between seven regulatory agencies. This will empower the sharing of data, intelligence, people and equipment between these agencies to maximise their regulatory capabilities and achieve more effective outcomes, for example when building a prosecution case.



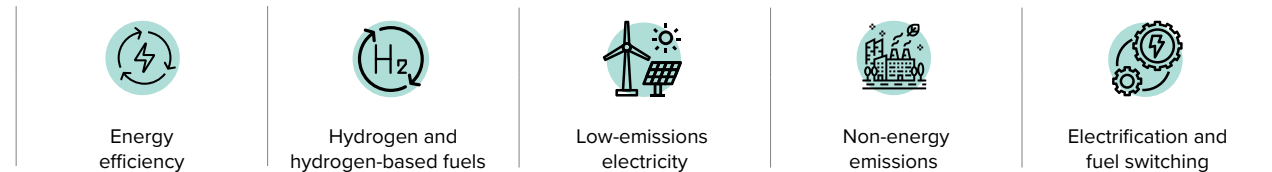
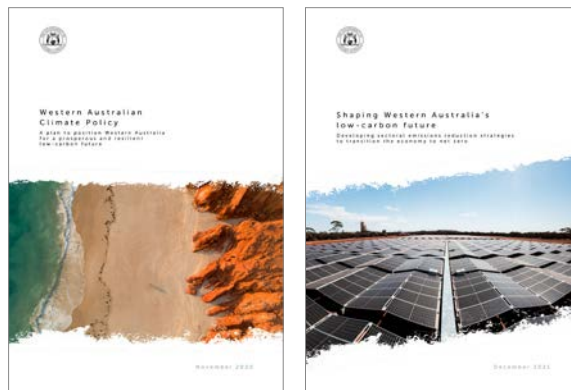
The department hosted a Common Understanding Workshop in December 2021



## Climate Action

The department coordinates the implementation of the [Western Australian Climate Policy](#) and the [State Electric Vehicle Strategy](#), and leads development of the State Government's response to climate change.

Core initiatives to be progressed under the WA Climate Policy over 2022–23 include the development of the Climate Adaptation Strategy to enhance climate resilience, and development of the [Sectoral Emissions Reduction Strategies](#) (SERS) to support transition of WA's economy to net zero emissions by 2050. The department is also delivering the \$3.1 million Climate Science initiative to enhance understanding of our future climate.



Key pillars of decarbonisation ([Shaping Western Australia's low-carbon future](#), 2021)

We are now working with other agencies to help the State Government reduce 2030 greenhouse gas emissions to 80 per cent below 2020 levels.

The target was announced by the Premier, Hon Mark McGowan MLA, and the Minister for Environment; Climate Action, Hon Reece Whitby MLA, on 23 June 2022. It applies to emissions from all State Government agencies, including Transport, Health and Education, and emissions generated by Government Trading Enterprises.

To help achieve the 80 per cent target the State Government will deliver a range of initiatives, including energy-efficiency measures, procurement of renewable energy, reduced emissions in the government vehicle fleet and the use of local offsets.

The commitment builds on the announcement that Synergy, the State Government-owned energy provider, will transition out of coal-fired power generation by 2030. An estimated \$3.8 billion will be invested, through Synergy, in new green power infrastructure in the South West Interconnected System (SWIS), including wind generation and storage, to ensure emissions reduction, continued stability and affordability. The State Government has also committed to not building any new natural gas-fired power stations on the SWIS after 2030.

The Water Corporation, the water utility owned by the State Government, has also secured up to 400 megawatts (MW) of additional renewable wind energy to power its two existing desalination plants and another planned for 2028.

The Water Corporation has also committed to achieving net zero emissions across all operations by 2035.



## Climate Science Initiative

The Climate Science Initiative will provide the most up-to-date assessment of how WA's climate may change over the next century.

By understanding the changing climate and the impact on our communities, industries and environment, we can better prepare and adapt for the future.

This year the department joined two new partnerships to help implement the Climate Science Initiative and boost climate science capability in WA.

By understanding  
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better prepare and adapt  
for the future.

In January 2022, we joined the next generation of the New South Wales and Australian Regional Climate Modelling Project (NARClIM 2.0) to ensure projections produced by the Climate Science Initiative are consistent and comparable with projections across the country.

The New South Wales Government leads NARClIM 2.0 in partnership with the Australian Capital Territory, South Australian and WA governments, and with contributions from the University of New South Wales and Murdoch University.

NARClIM 2.0 brings together a team of data specialists, climate scientists, modellers and science communicators to help governments, business, scientists and the community better anticipate, manage and act on climate risks.

The second partnership will see the department team up with Murdoch University to produce detailed climate change projections for WA. It will co-fund two new research scholarships to advance scientific knowledge of our state's climate and build local climate expertise.

The Climate Science Initiative will be the first project to translate the latest findings from the [Intergovernmental Panel on Climate Change](#) into projections for WA. The new climate projections are expected to be delivered in 2024.

## Sectoral Emissions Reduction Strategies

The development of the SERS is a core commitment of the WA Climate Policy.

It will deliver robust and credible emissions reduction pathways for WA with tangible actions for reducing emissions consistent with the State Government's target of net zero emissions by 2050. The strategies will recognise the importance of significant action this decade to reduce emissions, transition emissions-intensive industries, and protect WA's economy from carbon transition risks.

The department is leading the development of the strategies during 2022 and 2023 in collaboration with key State Government agencies including the Departments of the Premier and Cabinet; Treasury; Mines, Industry Regulation and Safety (DMIRS); Jobs, Tourism, Science and Innovation (JTSI); Transport; Primary Industries and Regional Development (DPIRD); and Planning, Lands and Heritage (DPLH).

The department is developing the SERS in consultation with business, industry associations, research institutions, the community and environmental organisations. The SERS will align to strategic objectives for effectiveness, resilience, fairness, business certainty, prosperity and collaboration.

## Rebalancing our precious groundwater systems

### Gnangara groundwater allocation plan

The Gnangara groundwater system – Perth’s largest, most accessible, lowest-cost source of fresh water – has become out of balance through less rainfall because of climate change and continued groundwater use.

On 3 June 2022 the Minister for Water, Hon Dave Kelly MLA, launched the [Gnangara groundwater allocation plan](#), which aims to rebalance the amount of water we take from our aquifers with the amount recharged by rainfall. The new plan will reduce groundwater abstraction from the Gnangara system,

to secure long-term use and significantly improve the protection of its important environmental values.

Climate change has reduced Perth’s long-term average rainfall by about 15 per cent since 1975. This combined with groundwater abstraction is having a measurable and visible impact on the water balance of the Gnangara groundwater system and significantly affecting its long-term sustainability as a natural, good quality source of water.

The aquifers of the Gnangara groundwater system provide about 40 per cent of Perth’s drinking water and almost all the water used north of the Swan

River to Gingin for parks, sports grounds and other green spaces, industry, horticulture and gardens watered with bore water.

The Gnangara system also provides social, environmental and cultural value and amenity to Perth, supporting our natural environment, including wetlands, banksia woodlands and cave systems.

Developed following extensive consultation with stakeholders and based on robust scientific research and modelling, the 10-year plan sets a pathway to reduce the volume of water taken from the Gnangara groundwater system.



Department staff celebrate the release of the Gnangara groundwater allocation plan with Minister Dave Kelly

Once fully implemented, the plan will save 54 gigalitres (GL) of groundwater per year – the equivalent to 54 Optus Stadiums full of water.

Under the plan, groundwater abstraction by the Water Corporation and commercial and local government water licence holders will be reduced.

Most licensed groundwater users will need to reduce their use by 10 per cent from 2028. This will allow water users time to transition their operations, such as through increased water use efficiency or securing additional water through water trading.

This relatively small reduction is possible because the plan includes a 27 per cent reduction in water taken by the Water Corporation for Perth's drinking water supplies. The State Government has provided \$1.4 billion in funding to the Water Corporation for [Perth's next desalination plant](#). The plant is expected to be operational by 2028 and it will provide a long-term, climate-independent drinking water source for Perth.

## Changes to the garden bore sprinkler roster

As part of the Gnangara groundwater allocation plan, the domestic garden bore sprinkler roster was changed to two days per week in the Perth and Mandurah area from 1 September 2022.

Most (70 per cent) households in Perth and Mandurah that do not have access to a garden bore have adapted their lawns and gardens to watering twice a week using scheme water.

Domestic garden bores are not licensed and there is no limit to the volume of water able to be taken collectively. Various studies on residential water use over the past two decades have found that, on average, households with domestic garden bores use significantly more water on their gardens than scheme water users.

By reducing the garden bore sprinkler roster to two days per week, up to 30 GL of groundwater can be saved every year across the Perth and Mandurah area. These savings will mean that more groundwater is retained in the Superficial aquifer and we will see watertables rise or stabilise, particularly in urban areas. This will help increase the climate resilience of street trees and our important urban wetlands.

To support this change the State Government, through the Water Corporation, is committing \$6.5 million to assist householders with making their gardens more water efficient. Funded programs will include waterwise offers such as rebates on smart irrigation technology and spring sprinkler system checks, and waterwise garden workshops.





## Plan for Plastics

The department implements the [WA Plan for Plastics](#), which sets out a roadmap to address the impacts posed by single-use plastics on the environment, waste streams and human health. Western Australians use hundreds of millions of disposable plastic items each year. The Plan for Plastics aims to avoid unnecessary plastic consumption.

The first stage of regulations phases out disposable plastic straws, cutlery, stirrers, thick plastic bags, bowls and containers without lids, plates, cups for cold drinks, expanded polystyrene food containers and helium balloon releases. They were gazetted on 17 December 2021 and enforcement of these bans started on 1 July 2022 for all items other than cups, which starts on 1 October 2022.

The Stage 1 regulations were developed in consultation with businesses and the Single-Use Plastic Working Group. This working group was an expansion of the Plastic Straws Working Group which informed development of exemption provisions to ensure plastic straws would remain available to people who require them to maintain their quality of life.

The Plan for Plastics aims to avoid unnecessary plastic consumption.

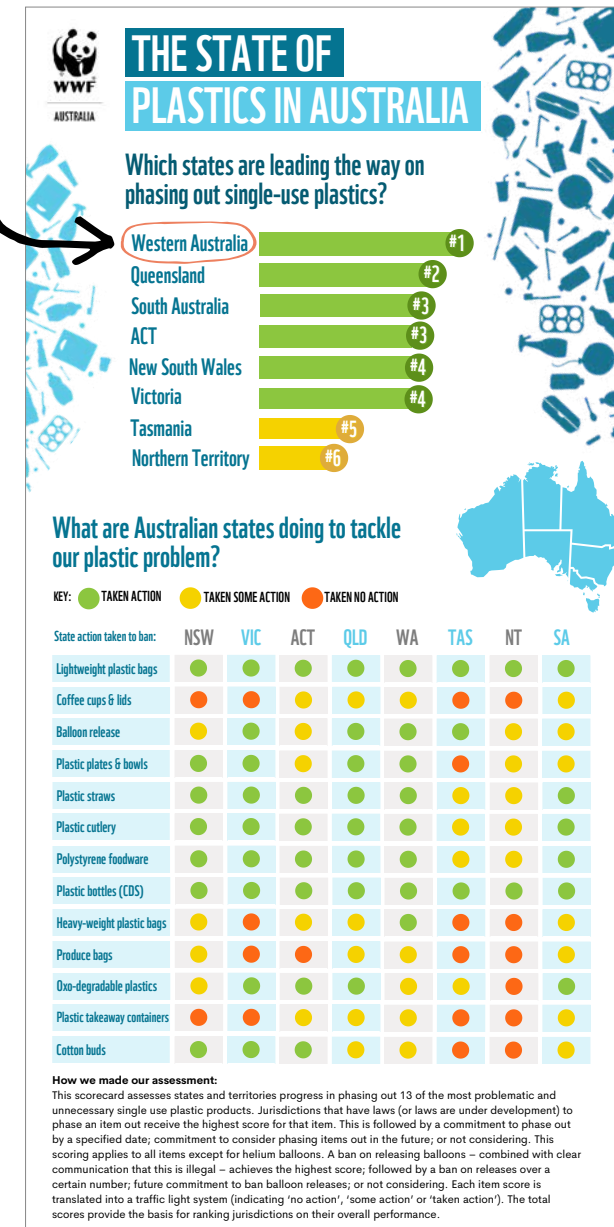


A department survey of plastics at the Canning River

The department engaged the National Retail Association to provide businesses with support and education for their transition away from banned items in Stage 1 regulations. Support for community-focused behaviour and social change saw preliminary information material launched in December 2021 and a targeted campaign in the lead-up to July 2022.

The Plastic Free Places program is a key strategy in the plan and was launched on 14 April 2022 by the Minister for Environment; Climate Change. The program, led by the Boomerang Alliance in partnership with the department, will support hospitality businesses and the events sector to

WA is the leading state!



## E-waste and material recovery

transition away from plastic and ultimately adopt alternatives with better environmental outcomes, such as reusable cups.

The department also administers the [Premier's Circular – reducing the use of disposable plastic 2021/13](#). The Circular provides instruction for State Government agencies to reduce the use of disposable plastic through improved procurement processes and support. This includes replacing commonly purchased single-use plastic items with reusable, compostable or recyclable alternatives and reviewing existing contracts to achieve improved pricing and integration of environmentally friendly options.

Recent actions have included development of an inter-agency guidance toolkit to reduce plastic purchased across the public sector. The program has also been working with the Department of Finance to amend common use agreements so suppliers provide suitable plastic-free alternatives for government purchase, such as for stationery and cleaning products.

On 1 July 2022, WWF-Australia updated its plastics scorecard and hailed WA as a plastic-free leader for the second year in a row.

The State Government has committed to ban the disposal to landfill of waste electrical or electronic equipment (e-waste) by 2024. This will help protect the environment and recover more value from e-waste.

E-waste is one of the fastest-growing waste streams worldwide. In WA, according to the [Western Australian Material Flows Analysis Report](#), 853,000 tonnes of e-waste will be generated from 2020 to 2030, with 240,000 tonnes of this recycled, based on current recovery rates.

The potential value of all Australian e-waste material in 2019 was about \$820 million, with the recovered value estimated at \$145 million (only 18 per cent of the total potential value) according to the Australian Government report [E-product stewardship in Australia](#).

E-waste also contains a wide range of potentially hazardous substances, from lead contained in cathode-ray tube glass, to mercury in fluorescent lamps.

The ban on e-waste to landfill by 2024 will be supported by policy and regulatory changes, and a new grants program for e-waste collection and recycling infrastructure.

### New Industries Fund: WasteSorted E-waste Grants

Work on recovering values from e-waste has started. Grants to support the collection of e-waste and development of innovative processes for e-waste recycling saw \$1 million invested in nine initiatives.

The grants complement the [WA Waste Avoidance and Resource Recovery Strategy 2030](#) (waste strategy) and provide support for accelerating new and emerging businesses. They were funded by the New Industries Fund and administered by JTSI in partnership with our department.

Three recipients each received \$200,000 for research projects on recovering metals and useful end products from e-waste, under a stream of grants funding for innovative processes.

A further six recipients received a total of \$400,000 for projects to increase the volume of e-waste collected in WA. Regional projects included recycling stations in the Pilbara, a permanent e-waste drop-off facility in Bunbury and eight e-waste drop-off day events. In the metropolitan area, a recycling and collection program was funded, as was the development of a portable data destruction and reuse solution, for use at collection events statewide.

## Aboriginal engagement and partnerships



Our staff out on Country with Karajarri Elders

Our department was proud to achieve 84 per cent of its commitments in our first RAP, which ran from 2019–2021. This was a result of the efforts of our RAP Working Group and other departmental staff who have a passion for reconciliation and empowerment of Aboriginal people.

The other 16 per cent of commitments centred around improving employment outcomes for Aboriginal people in our workforce. To address this consultant Christine Ross, an Arrernte-Eastern Arrernte-Kaytetye woman, has been working with us to develop our Aboriginal recruitment, employment and retention strategy.

Our efforts in this area were boosted in 2022 with three appointments. Jillian Collard, a Noongar leader with connections to the Whadjuk, Ballardong and Wilman groups, joined as Senior Manager Aboriginal Engagement and Partnerships, while Badimia-Yamatji woman Humera Rind moved internally to become Aboriginal Affairs Coordinator. Furthermore, Kamilaroi woman Nygarie Goyal moved from the role of Executive Director Strategy and Engagement to the new position of Special Advisor Aboriginal Partnerships and Engagement.





Our first RAP focused on the key elements of building ‘relationships’, creating ‘opportunities’ and fostering mutual ‘respect’ with Aboriginal and Torres Strait Islander peoples. One major commitment was to create our first Aboriginal Engagement Strategy, and it was launched internally on 9 December 2021.

Many of our RAP commitments are now embedded in the way we work, such as:

- the establishment and ongoing advice of the Aboriginal Water and Environment Advisory Group
- inclusion of the State Government’s [Aboriginal Procurement Policy](#) into our processes
- supporting the Public Sector Commission Aboriginal Traineeship program
- the practice of Acknowledgement of Country at department meetings and external meetings hosted by the department
- encouraging our Aboriginal and Torres Strait Islander staff to celebrate their heritage each year through NAIDOC Week and National Reconciliation Week.

Our commitments to increase engagement and participation of Aboriginal peoples into stewardship of land and water are manifest in work such as:

**the Bindjareb Djlba  
(Peel-Harvey estuary)  
Protection Plan**

**development of water  
allocation plans in the  
Fitzroy and Derby areas**

**delivery on the water  
components of the  
Southern Yamatji native  
title settlement**

**Green Jobs  
projects and  
working collaboratively  
with Ranger groups,  
including our work in the  
La Grange groundwater  
area on water  
management and  
science**

**the Pilbara  
Environmental Offsets  
Fund management and  
delivery**

**Murujuga Rock Art  
Strategy implementation  
and partnership with the  
Murujuga Aboriginal  
Corporation**

Our second RAP, which is being launched in the second half of 2022, will build on our four-year reconciliation journey. This will focus on the key principles of the Uluru Statement – race relations, historical acceptance, institutional integrity, equality and equity – to strengthen partnerships, collaboration and understanding, and empower our directorates to deliver on our commitments.

## Yamatji settlement

We are committed to including Aboriginal people in water policy and water management processes, thereby protecting Indigenous cultural, social and economic values, and strengthening opportunities.

In an historic first, the 2020 [Yamatji Nation Indigenous Land Use Agreement](#) (ILUA) provides members of the Yamatji Nation with access to and rights to trade the use of 25.8 GL of groundwater under the Yamatji Strategic Aboriginal Water Reserve, across a range of aquifers in the Arrowsmith groundwater area 200 km north of Perth.

In November 2021 the Minister for Water announced the first lease agreement for access to water from the Yamatji Strategic Aboriginal Water Reserve had been executed between Yamatji Southern Regional Corporation (YSRC) and Perpetual Resources Limited.

The agreement provides Perpetual Resources Limited access to a 560,000 kilolitres per annum water allocation from the Yamatji Strategic Aboriginal Water Reserve to support its proposed Beharra silica sands project near Dongara.

The landmark lease agreement creates an opportunity for the YSRC to generate economic revenue from the reserve and will support the

implementation of its strategic plan and water business through Yamatji Enterprises Limited. Perpetual Resources Limited's Beharra project will require environmental approvals before it starts.

This agreement is an important step for Yamatji people as it represents the first water lease in the Yamatji Strategic Aboriginal Water Reserve. The Yamatji Nation is also receiving \$2 million per year for 10 years, to help develop water resources under the reserve for use or trade.

The department has project agreements in place for the delivery and management of the below water projects, totalling \$2.54 million

over nine years, with two ILUA implementation support staff. A Yamatji water monitoring trainee started employment in March 2022, hosted by the department at our Geraldton regional office. We have also directly employed a part-time program manager and Aboriginal liaison officer to support the department-coordinated projects.

The YSRC recently formalised cultural committees for the Traditional Owner groups in the settlement area. It is anticipated that these committees will be in a position to engage with us in the near future to start negotiations on delivery of activities associated with the Aboriginal Water Sites Restoration Project.

### ► Two key projects

The department is involved in the coordination and delivery of two key projects as an outcome of the ILUA:



#### Water Monitoring Training Project

This aims to provide an opportunity for Yamatji Nation Traditional Owners to develop accredited monitoring skills and deliver monitoring services to the department, other government agencies and the private sector. A total of \$455,000 of funding is allocated to this project, with additional funding of \$900,000 to employ qualified Yamatji water monitors in service contracts with the department for a period of up to seven years starting from year three of the ILUA.



#### Aboriginal Water Sites Restoration Project

The department is working with the Yamatji Nation people to identify water sites of cultural significance and to develop plans to protect and restore these sites for ongoing cultural benefit. Project delivery details are to be developed through a working group, established with the Yamatji Southern Regional Corporation and other key stakeholders, with \$311,840 of funding for operational activities over five years.

## Green Jobs

Green Jobs is a flagship program as part of the WA Recovery Plan to support the state's economic recovery from COVID-19.

The [Green Jobs Plan](#) is a \$60.3 million commitment to create jobs in revegetation and conservation. It uses funds from the native vegetation clearing permit offsets fund to undertake on-ground works in areas where clearing has previously occurred. The on-ground works are designed to maximise opportunities for people who face barriers to employment, including youth, Aboriginal people, residents in regional areas and people with disability.

There is a focus on skills development across projects. This includes safe work practices, plant identification, seed collection, drying and cleaning, brush mulching, horticultural practices, propagation, retail nursery operations, installation of nesting boxes, fire training and trade tickets in chainsaw use and tractor driving.

The projects have a strong emphasis on incorporating local Aboriginal knowledge into the process and supporting Aboriginal communities in maintaining connection to Country. The initiative also forms effective Aboriginal on-ground partnerships, with TAFEs and Registered Training Organisations (RTOs) delivering training and supporting attainment of qualifications for the Certificate II in Conservation and Land Management, ongoing studies and continued employment for participants.

Seed collection for propagation and revegetation is central to the success of these projects. During the year 153 kg of seed was collected across seven projects and 60 hectares (ha) of land was revegetated across two projects.

### ► Supporting Aboriginal employment across the regions

More than 90 people have been employed and received training in projects delivered throughout WA.

#### Wheatbelt

The Noongar Boodjar Ranger team has been able to purchase equipment needed to provide a commercial seed collection and propagation service to the market, and contribute to state native vegetation restoration goals.

#### Perth NRM

A total of 60 kg of native seed suitable for Carnaby's cockatoo habitat was collected with the assistance of 43 participants who were recruited, employed and given industry experience. Some 67 people have been provided short-term employment and/or partially funded employment in the environmental sector, and 40 per cent of the recruited participants gained ongoing employment beyond the life of the project.

#### Peel-Harvey

The department worked with the Peel-Harvey Catchment Council to engage with local Aboriginal service providers. This has resulted in 45 per cent of participants now engaged in ongoing education and/or employment. This work has been highlighted by enthusiasm and commitment by local business, private landholders and agencies to provide sites for seed collection. The knowledge of local Bindjareb Elders has been significant in helping identify sensitive sites in the work areas and appropriate work protocols.

#### South West

Five Wadandi Aboriginal people have been trained at the Leschenault Community Nursery in propagation and maintenance of native plants, as well as the management of orders, quality control, retail nursery operations, general nursery maintenance and industry-specific health and safety awareness. Two of the participants have now become permanent staff and other participants continue to work as volunteers.

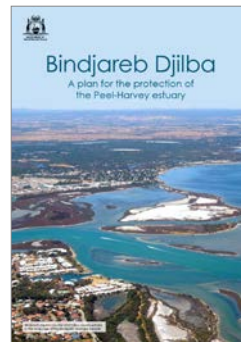
#### South Coast

Work with Mount Barker Rangers included seed collection, tree planting and fire training in the Monjebup area, east of the Stirling Range National Park.





## Bindjareb Djilba: A plan for the protection of the Peel-Harvey estuary



The [Bindjareb Djilba Protection Plan](#) is a whole-of-government plan to protect the Peel-Harvey estuary and its internationally recognised values. The plan collates actions and asks for many groups to work together to 2030 to improve the estuary's water quality. The

actions focus on reducing nutrients from catchment sources such as agriculture and minimising future nutrient enrichment through more effective land-use planning.

Implementation of the protection plan is a State Government election commitment and is supported by \$5 million in funding over four years. This has allowed the department to expand Healthy Estuaries WA projects and its partnerships with Bindjareb Noongar Traditional Owners, DPIRD, and the Peel-Harvey Catchment Council in fertiliser management, riverbank revegetation and related actions to reduce nutrients and restore waterway health.

A major milestone this year was our establishment of a cross-agency Policy and Planning Coordinating Committee chaired by the Member for Mandurah, Hon David Templeman MLA, and Member for Dawesville, Lisa Munday MLA. This brings together government agencies and partners to share development information, collaborate and coordinate work across the complex regulatory, policy and planning reform actions that are required to safeguard the future health of the estuary.

The Policy and Planning Coordinating Committee is supported by an Aboriginal-led yarning circle (Bindjareb Djilba Kaadadjan Bidi) to voice Bindjareb perspectives and work towards a genuine partnership in the management of the estuary. The aspiration is that custodial responsibilities, and spiritual and cultural knowledge is preserved, and Noongar values are considered in planning decisions.

The protection plan was launched in 2020 and was developed with key stakeholders. It builds on the extensive research and work carried out over the past two decades in managing the estuary as part of the Water Quality Improvement Plan.

Above: The Aboriginal-led yarning circle (Bindjareb Djilba Kaadadjan Bidi)

Below: The Bindjareb Djilba Protection Plan committee

## Murujuga rock art

The [Murujuga Rock Art Monitoring Program](#) reached an important milestone with publication in April 2022 of the [Monitoring studies data collection and analysis plan](#). Development of the plan was undertaken with significant stakeholder engagement and a comprehensive peer review by national and international experts.



Minister Reece Whitby (back row second left) and (back row from third right) MAC Chief Executive Officer Peter Jeffries, Member for the Pilbara Kevin Michel MLA and Director General Michelle Andrews with MAC staff at the first monitoring station

Murujuga comprises the Burrup Peninsula and surrounding islands 25 km west of Karratha, and is home to one of the largest and most diverse collections of rock art in the world. The petroglyphs are of immense cultural and spiritual significance to Aboriginal people, and are of state, national and international importance.

The Murujuga Aboriginal Corporation (MAC) and the department have worked together to finalise the new monitoring studies plan. It details the scope of the scientific studies and monitoring required to understand any potential changes to the rock art.

The plan was reviewed by the Murujuga Circle of Elders to ensure sites were culturally appropriate. MAC Rangers are working alongside scientists on Country to undertake monitoring. This will help MAC transition to a central role in managing the Murujuga Rock Art Monitoring Program and support local jobs for Aboriginal people.

The monitoring program covers an area of more than 50,000 ha, including islands of the Dampier Archipelago. It is funded by industry operating on Murujuga – Rio Tinto, Woodside Energy and Yara Pilbara – through a Memorandum of Understanding with the State Government.



Curtin University scientists engage with Aboriginal Elders as they select rock art to monitor

## COVID-19 response



The department started 2021–22 with a campaign to increase staff vaccination rates aligned with the State Government's [Roll Up for WA](#) campaign. The COVID-19 Incident Management Team was also reconvened in October 2021 to develop

an implementation plan in response to the State Government's COVID-19 mandatory vaccination policy.

The policy primarily impacted staff who conduct functions at workplaces or sites where access is restricted to vaccinated people under the Public Health Act.

As part of this work the department asked staff to voluntarily provide vaccination status information to support workforce planning. We created secure systems for verification of evidence of vaccination status for roles required to be vaccinated under the government mandate.

Through the second half of 2021–22 the department had a consistent fully vaccinated rate of more than 90 per cent and was fully compliant with Public Health Act Directions.

### COVID-19 Business Continuity Plan

The department developed a COVID-19 Business Continuity Plan (BCP) in early 2022 in preparation for the State Government's Safe Transition Plan.

It ensured risks to our workforce were identified, mitigated and managed, so we could continue to serve the WA community, and set out how we would respond to escalating levels of community transmission, and any resultant risk to our workforce and service delivery.

Our four response levels were informed by guidance from the Public Sector Commission and independent of the State Government's levels of public health and social measures. Decisions to enact changes in response levels were informed by ongoing risk assessments and government advice, and made by the Crisis Management Team with guidance from the Incident Controller, in line with the BCP governance arrangements.



### Managing COVID-19 cases in the workplace

The department put in place a response framework for managing confirmed positive COVID-19 cases in our workplaces.

These processes were rolled out in workshops across the department and supported by documents providing guidance on how to respond to COVID-19 contact or confirmed cases.

Central to our successful management of COVID-19 cases and business continuity at the department was the development of the 'Away from the workplace app', a secure platform that helped us remain agile and adapt to changing circumstances when employees were away from work whether isolating, quarantining, or caring for others because of COVID-19. The app allowed the department to monitor and support our people in various situations, and to monitor workforce impacts in real time.



Our performance



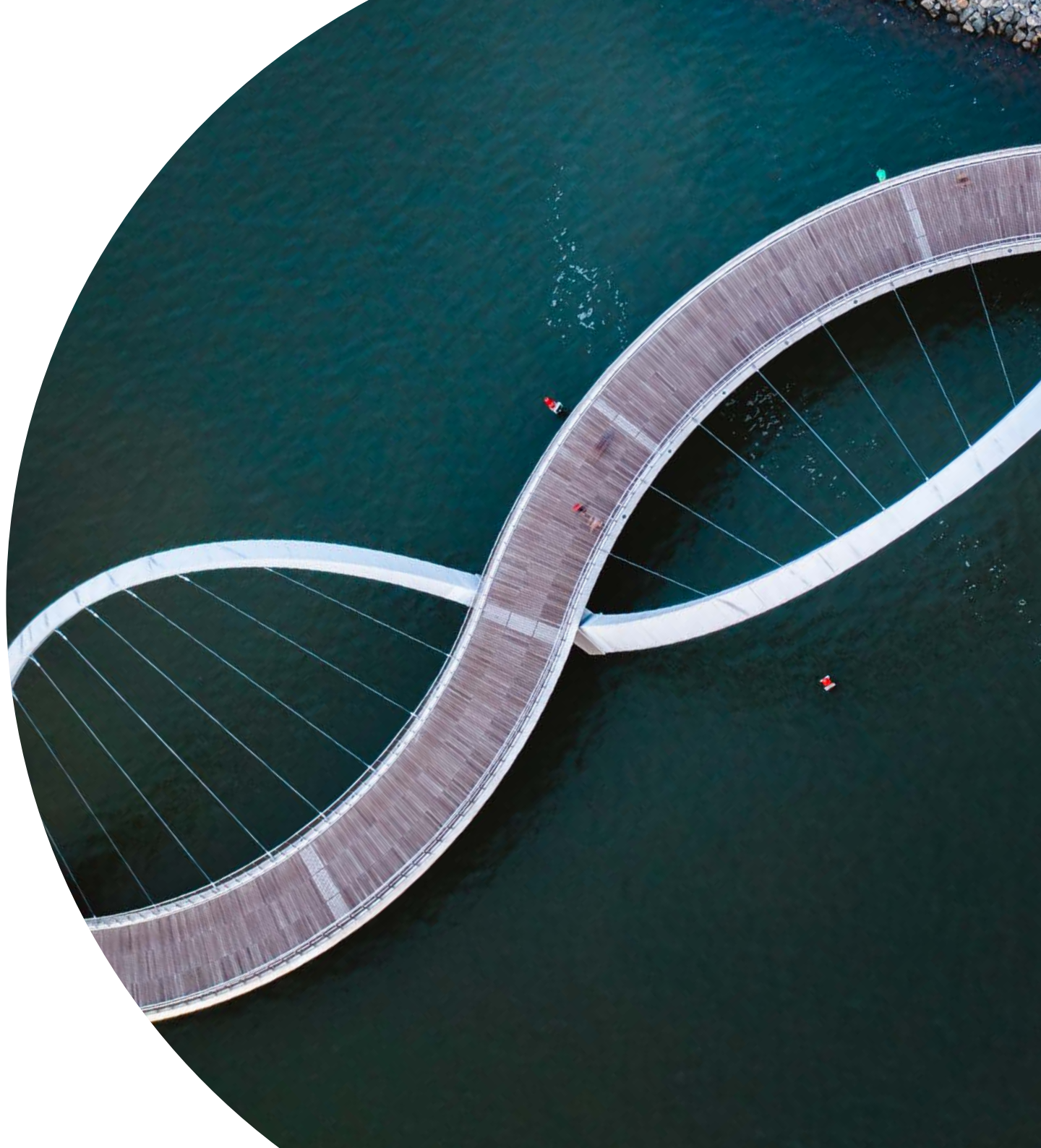


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## Outcome one

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



## Service one – Water information and advice

### Water measurement

The department collects hydrological data from about 2,400 groundwater bores, 280 river gauging stations and 170 meteorological sites across WA to monitor the condition of the state's ground and surface water resources.

This information is provided free of charge to industry, members of the public and government. Accurate water-monitoring data supports our water allocation, water licensing, water quality management and flood risk assessment programs, and is vital for the state's flood warning service.

Our staff can spend days to weeks in remote locations maintaining our monitoring instrumentation systems and collecting new hydrological measurements. The department's ground and surface water asset management programs upgrade and replace our monitoring infrastructure to enable the safe and efficient collection of accurate data. We are constantly evaluating and implementing new technology and techniques to improve the efficiency of the measurement program, and the quality and availability of the information.

We have trialled new technology to automatically transmit groundwater level data by mobile and satellite 'telemetry' systems from our remote bores to our database systems. We are planning how we

can implement 'groundwater telemetry' across our monitoring network to reduce monitoring expense and provide data at the frequency it is required by our scientists, planners and the wider community.

### Water information

Much of the water data we collect is made available through our online systems. The [Water Information Reporting \(WIR\) portal](#) provides instant access to more than 134,000 water monitoring sites. This data is used for environmental assessments, research and investigation, mining and minerals exploration, infrastructure and urban development, industry and commerce, and agriculture.

WIR is a great example of how we can transform and improve our business through online services, and how our stakeholders are benefitting from our efforts.

The 2021–22 year was the biggest ever for WIR data, with 7,146 requests for water information. We continued to deliver automated information, meeting our KPI with an average turnaround time of 26 seconds.

Analysis of data use shows most of these requests relate to environmental assessment, and research and investigation. There was an increase in requests for mining and exploration in 2021–22 compared with the previous year.

Water Information Reporting data use 2021–22 (financial year)

Purpose	18–19	19–20	20–21	21–22
Environmental assessment	2,117	2,670 ↑	2,467 ↓	2,547 ↑
Research and investigation	1,082	1,035 ↓	1,444 ↑	2,242 ↑
Other	289	505 ↑	393 ↓	364 ↓
Mining and exploration	382	435 ↑	495 ↑	573 ↑
Agriculture	260	309 ↑	286 ↓	269 ↓
Domestic supply	99	248 ↑	172 ↓	194 ↑
Water source protection	108	231 ↑	216 ↓	292 ↑
Infrastructure	275	226 ↓	350 ↑	335 ↓
Property dev./land use planning	259	212 ↓	187 ↓	223 ↑
Industry and commerce	45	39 ↓	92 ↑	78 ↓
Recreation	13	15 ↑	81 ↑	29 ↓



## Water and land use planning advice

We are now navigating far more constrained land to build our future neighbourhoods, manage their water supplies and protect critical ecosystems such as wetlands.

In alignment with the [Draft State Planning Policy 2.9 Planning for Water](#) and the [Draft State Planning Policy 2.9 Planning for Water Guidelines](#), the department provides site-specific advice to local governments and land planning agencies on water and environmental regulation and water resource management in urban areas to minimise the effects on natural systems and support sustainable development. Water resources should be considered at each planning stage.

Continuous improvements in our investigative and modelling programs, and the integration of all of our science and expertise, have increased our ability to inform land use changes at structure, precinct, district and regional levels. This will not only protect, but optimise, our groundwater resources through waterwise design, irrigation systems and practices.

Early planning at the right scale is critical in order for flood, drainage and environmental factors to be considered, and to ensure adequate time to plan for water supply, infrastructure and service provision options that meet regulatory requirements.

The department continued this year to investigate solutions through better collaboration, focusing on opportunities for industry to engage with our, and other, departments before the start of statutory planning processes, and to determine a common understanding of development challenges. This role extends to pre-emptively scoping regulatory processes under Part V of the EP Act and *Contaminated Sites Act 2003* (Contaminated Sites Act), to ensure proponents are adequately informed of other legislative requirements pertaining to development proposals through a whole-of-department consolidated approach.

Proponents will be supported by improvements in how we do business through Streamline WA and Environment Online.

In the last financial year, the department assessed and responded to:

- 1,470 requests for water advice from DPLH
- 833 requests from local government authorities (LGAs)
- 168 requests from DMIRS
- 59 requests from the EPA
- 351 requests from other stakeholders, including other State Government agencies and utilities, and industry.

We also advised on 124 water management reports associated with land planning.

## Land development fronts

The Perth and Peel @ 3.5 million planning frameworks identify areas for urban expansion for a projected population of 3.5 million by 2050.

We have used the land use planning and infrastructure frameworks to determine long-term water demands and provide the Western Australian Planning Commission (WAPC) with strategic flood risk management and land capability advice.

Work in Perth development fronts (such as East Wanneroo) has shown that land use changes as a result of urbanisation and other changes to Perth's footprint have had a significant influence on groundwater recharge and Superficial aquifer water levels, as well as on the health of our groundwater-dependent ecosystems, rivers and waterways.

To address the risk that urbanisation will bring to drinking water quality, environmental assets and urban infrastructure water management plans will be prepared by DPLH and proponents under the East Wanneroo district water management strategy. These will outline acceptable land uses and propose measures to address water quality impacts, and protect environmental assets and urban infrastructure from rising groundwater levels.



## Drainage planning and floodplain modelling

The department works collaboratively with local governments, other State Government agencies, service providers, the community and natural resources management agencies to support the delivery of better water and environmental outcomes in the urban environment.

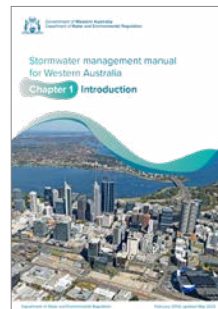
We do this by producing strategic catchment-scale flood models for priority development areas and major state projects, and delivering guidance on stormwater and groundwater management to assist developers and decision-makers to identify and resolve issues at the earliest stages of the land planning process. Key achievements include the following:

### **Strategic drainage investigations to support WAPC decision-making for Perth and Peel @ 3.5 million**

The department provided strategic flood risk management and land capability advice to the WAPC to inform their comparative analysis between East of Kwinana and Ravenswood and Pinjarra Planning Investigation areas in the Perth and Peel @ 3.5 million frameworks. This advice was underpinned by the department producing two flood modelling and drainage studies which

included two sophisticated flood models, using national standards, to determine the flood extent of the areas. It was also supported by a flood risk management and land capability assessment report.

### **Capacity building for local government and industry**



Through a continuous improvement program, we are streamlining existing guidance, aligning with national standards and producing new work on catchment drainage modelling, and stormwater and groundwater management issues for urban development.

Key achievements include:

- the development of strategic guidance, including presentations to industry at the Institute of Public Works Engineering Australasia (IPWEA) and Hydropolis on the transition to [Australian Rainfall and Runoff](#)
- minor updates to the [Stormwater Management Manual for Western Australia](#) as part of a continuous improvement program.

### **Floodplain mapping and advice**

The flooding in the Eastern States this year has again highlighted the need for proactive management of floodplains to mitigate the risk of flooding to people, property and infrastructure. The department plays a key role in managing floodplains and responded to more than 700 requests for floodplain management advice in 2021–22.

Our online floodplain mapping tool has been updated to include eight additional waterways in Bunbury, Moora, Boddington and the suburbs of Haynes and Hilbert in the City of Armadale.

In June 2021 we released a [report](#) on our assessment of the February 2021 Gascoyne River flood at Carnarvon. We also provided advice and analysis to the preparation of the [Carnarvon Floodplain Management Working Group Report](#) released in May 2022. The State Government accepted all 27 recommendations of the working group that will support the Carnarvon horticulture area to recover from the 2021 flood event and reduce the risk of impacts from future flooding.

## Service Two – Water planning, allocation and optimisation

### Water allocation plans

Water allocation plans are the department's key documents to support our regulatory water licensing approach. They establish how much water is available from aquifers and rivers for sustainable use and licensing, and how much water remains in the system for the environment. They also establish:

- objectives for how water resources should perform over time
- local policies to guide licensing decisions
- monitoring to ensure we achieve the plan's outcomes.



Gngangara groundwater allocation plan started

2016

The public comment period for draft Derby groundwater allocation plan closed

2021 May

The public comment period for Managing water in the Fitzroy River Catchment closed

2021 Aug

The Gngangara groundwater allocation plan was released

2022 Jun

Work to develop a new Gngangara groundwater allocation plan started in 2016. As part of this, the department completed detailed scientific assessments and advanced groundwater modelling of recharge and abstraction under climate change. This included a four-year \$7 million investigation into the Perth region's deep aquifers, local groundwater studies, and developing options to sustainably manage groundwater by sharing the required reductions to abstraction across water users, aquifers and areas.

In addition to science, decisions in the draft plan were informed by extensive consultation with stakeholders to consider approaches for each sector's ability to transition and adapt to reduced groundwater use. Through the public comment period, the department received about 200 submissions that were considered to improve and finalise the plan.

Between 19 November 2021 and 28 February 2022, the State Government sought feedback on the [Gngangara groundwater allocation plan: draft for public comment](#).

The [Gngangara groundwater allocation plan](#) was released on 3 June 2022, along with the [Methods report](#) and [Statement of response](#). The Statement of response details our responses to the comments we received and how they informed the final plan.

We have also continued to review groundwater allocation limits and plans to manage the impacts of climate change from Geraldton to Esperance, including under the [Waterwise Perth Action Plan](#).

In the Kimberley, work is underway to finalise the Derby groundwater allocation plan and develop a plan for the Fitzroy area. Since the public comment period for the department's [draft Derby groundwater allocation plan](#) closed on 31 May 2021, we have collated submissions and are working with respondents on the complex issues raised. Further engagement with Traditional Owners will be undertaken before finalising the plan.

The public comment period for [Managing water in the Fitzroy River Catchment: Discussion paper for stakeholder consultation](#) closed on 31 August 2021. The department received more than 43,000 submissions and we are working on a response, which will inform the next steps on the complex and important issues raised.

We continue to evaluate our water allocation plans and consider changes to this resource, including the impacts of climate change on water availability.

Stakeholder consultation submission



**43,000+**

Fitzroy River catchment stakeholder submissions in response to discussion paper

## Water investigations

The department continues to deliver targeted groundwater investigations to ensure government and industry have timely knowledge of water resources suitable for drinking water supply, agriculture, horticulture, mining and industry in areas where it is most needed.

The flagship State Groundwater Investigations Program (SGIP), funded by the State Government, invested \$5.451 million across 18 concurrent projects from La Grange in the Kimberley to Esperance on the South Coast.

We also continued our partnership projects with leading research organisations, universities and industry, ensuring the department keeps pace with contemporary scientific methods. This included collaborations with the University of Western Australia, Australia's national science agency CSIRO and the Water Corporation on two complementary projects to improve estimates of rainfall recharge in the Perth Basin. Using a combination of field data collection and numerical modelling simulations, these projects will refine our understanding of recharge processes and how active management of recharge can affect groundwater replenishment rates.

The department has a reputation for using cutting-edge science. Innovative technology, designed and manufactured in Perth, was trialled as part of our investigation into groundwater resources in Perth's Swan Valley.

Together with CSIRO, we are using a Loupe portable electromagnetic survey tool during the Swan Valley North-East Corridor groundwater investigation project. This is designed for rapid data collection and mapping electrical conductivity near the ground surface.

### Highlights of the SGIP included:

- **Progression of the La Grange project collecting LIDAR (Light Detection and Ranging) data and the start of ecological surveys to investigate where important cultural and ecological values are maintained by groundwater.**

La Grange (Port Hedland to Broome) is an area of high water demand and the project will provide new information to protect groundwater-dependent values and provide security for water users. As part of this we developed a Collaboration Agreement with the Nyamba Buru Yawuru people, built on the principle of mutual respect, that will allow the department to meet our responsibilities while also supporting the aspirations of the Yawuru people.

- **Completion of a 3-D hydrogeological model for the Dandaragan Plateau between Moora and Gingin, which synthesises new stratigraphy, water-level, water chemistry and airborne electromagnetic survey data into one groundwater assessment tool.**

The model significantly updates our previous understanding from the 1990s. We have identified additional areas of recharge to the Leederville-Parmelia aquifer and improved mapping where fresh or marginal groundwater supplies may be available. The model will inform a review of allocation limits in the next Gingin Water Allocation Plan, which is due in 2025.

- **Progression of our Seawater Interface suite of five projects across the state, which will help us manage and protect the limited fresh groundwater resources along our coasts for public water supply and private use.**

This included installing 33 new groundwater monitoring bores along an 80 km stretch of coastline between Dunsborough and Busselton. Improved monitoring of the interface will be used to better define its location and, in the longer term, the data will inform how to best minimise the potential movement of the seawater interface from cumulative impacts of pumping from hundreds of groundwater users in the area.

- **Completion of phase two of the Groundwater Telemetry Trial, successfully testing monitoring units in the Kimberley and Perth-Peel regions.**

The final technical assessment report is now complete and the telemetry will revolutionise our work in this area. It will enable us to provide high-frequency data from thousands of remote groundwater monitoring bores to our hydrologists, planners, industry and the community, with reduced operational effort and cost.



The work being undertaken through this new project will provide important additional information on groundwater quality close to the Swan River. This follows an airborne electromagnetic survey of the Swan Valley project area and its groundwater flows in 2020.

### ***Novel science connecting groundwater and seagrass in Karajarri Country***

We joined forces with Karajarri Rangers this year and used our aquatic and groundwater science expertise to conduct a leading-edge scientific investigation in Karajarri Country, in the south-west Kimberley.

This project draws on the experience of our Aquatic Science branch, SGIP and marine environmental science consultants O2 Marine. The first-time study looks for connections between the marine ecosystem and the freshwater aquifer, including seagrass.

While the work we are doing is aquatic science, it is part of the SGIP La Grange Groundwater Dependent Ecosystem studies to inform water resource management decisions in the area.

The potential groundwater dependence of this area was first identified through a Commonwealth Environment Protection and Biodiversity Conservation Act assessment of water abstraction

on adjacent pastoral lands. This triggered research into the dependency of this environment, the seagrass and the ecosystem it supports on groundwater throughflow. This coastal area has strong environmental values and is an important habitat for dugongs, turtles, dolphins, humpback whales and other marine life.

Work on Karajarri Country is in partnership with the Karajarri Rangers on behalf of the Karajarri Traditional Lands Association. These environmental values are of extreme importance to community

aspirations for healthy Country, and connected to the cultural and spiritual beliefs of the Traditional Owners, specifically the Naja Naja clan of the Karajarri people, who have used this area for food and cultural activities for millennia.

Our staff in the North West region monitor groundwater levels in the area, as do licensees, and the data is incorporated into this project. Over two days the team launched a boat from Purnturrpurnturr area (Port Smith lagoon) and travelled to Mirntanymartaji area (Gourdon Bay), where they conducted the fieldwork.

A newly acquired instrument (Rad7 with RadAQUA) enabled the continuous monitoring of radon in water. Radon-222 is a chemical element naturally occurring in aquifers as a by-product of uranium. Its presence is considered a tracer of groundwater.

Work on Karajarri Country is in partnership with the Karajarri Rangers on behalf of the Karajarri Traditional Lands Association.





## Water source protection

Our water source protection work helps maintain safe, reliable and affordable drinking water supplies. The department is responsible for managing about 140 public drinking water source areas (PDWSAs) across the state. This number varies as new sources are proclaimed and old sources are abolished.

All active PDWSAs are covered by drinking water source protection reports, which are subject to ongoing review by the department in consultation

with the State Government, local governments, Traditional Owners, landowners, industry and the community. We work with our stakeholders to implement recommendations in the reports which address water quality risks and help keep the source safe. The reports provide a boundary, priority areas and protection zones for each source.

We provide technical advice on how to manage risks in PDWSAs to other agencies, local governments, developers, industry and other stakeholders.

### Key projects this year included...

specialist advice on Environment Online

implementing our commitments under the South West Native Title Settlement

preparing guidelines for conducting risk assessments in PDWSAs, abolishing legacy sources

updating our website

providing advice to the Minister for Water on recreation proposals in PDWSAs.

We protect water through these key projects.

## Water supply planning

Our work in this area informs the water planning for new industries and agriculture, as well as WA local governments looking for solutions to irrigate parks and gardens in new urban development's where groundwater is not available. We also work with water service providers on strategic planning for future public water supplies.

Over the last year, our water supply planning has focused on supporting the implementation of the [Waterwise Perth Action Plan](#) and work to inform future submissions on the Infrastructure Australia high-priority listing for 'Perth and south-western coast water security'. This will support future non-potable water project proposals for consideration by State and Australian Governments.

In addition, the department maintains the statewide Water Supply Demand Model to periodically estimate future water demand and supply availability on a regional and subregional scale across water use sectors. This statewide outlook is used to communicate emerging water supply demand trends to government and inform discussions with industries, local governments and development agencies. In 2021–22 our water use trend analysis and demand projections were used to evaluate existing water supply strategies for the Mid West and Great Southern regions.



## Waterwise actions and plans

One of the State Government's priorities is to create waterwise cities and towns that are cool, liveable, green and sustainable – places where people want to live, work and spend their time. Our economic, social and environmental future is dependent on securing our water resources in the context of climate change.

The state's first Waterwise Perth Action Plan was launched by the State Government in October 2019 and is led by our department. It provides a strategic, whole-of-government approach to planning and addressing water-related issues associated with urban intensification, more frequent and hotter days, and the increasing demand for water in the face of climate change.

Over the past two years the plan has involved eight partner agencies and multiple industry and community stakeholders. It has encompassed 38 key actions that have helped conserve water resources and enhanced urban green spaces, while educating and engaging the community and delivering government-led water-sensitive policy, planning and development.

As of 30 June 2022 the department was working on Kep Katitjin – Gabi Kaadadjan Waterwise Perth Action Plan 2, to be released later in 2022. The Noongar name Kep Katitjin – Gabi Kaadadjan means 'water knowledge' in both the Whadjuk and Bindjareb dialects, to reflect the Country and Traditional Owners that the plan covers. The management of our precious water with shared knowledge and wisdom is at the heart of this plan.

## Waterwise development guide

We partner with the Water Corporation to jointly and individually manage seven Waterwise programs and initiatives that build strong relationships with local governments, industry and the community to improve water efficiency, climate resilience and liveability, including the [Waterwise Developer Program](#).

Many actions in the Waterwise Perth Action Plan focus on creating waterwise and climate-resilient public open space and recreational areas.

A joint initiative between DevelopmentWA, the Water Corporation and our department, the [Guide to a Waterwise Development](#) was created by sustainability experts Josh Byrne & Associates to demonstrate the benefits of waterwise design in homes and communities of the future. Design options investigated in the guide can be applied to all types of developments, and support efforts by developers, local governments, urban water professionals and others to deliver future communities that use and reuse water efficiently.

The waterwise development guide is one of many water-saving initiatives undertaken to support Perth's transition to a leading waterwise city by 2030.

## Major achievements delivered through the Waterwise Perth Action Plan included:



**84,000 waterwise plants**

planted across Perth and Peel suburbs



**3,500 trees**

planted across 18 Perth and Peel local governments



**300 million litres**

of water saved through the Leak Assist Rebate Scheme



**92 million litres**

of water saved through the Water-efficient Showerhead Swap Scheme



**142.7 million litres**

of water saved through retrofitting 735 public housing properties with 1,348 water-efficient fixtures



**49,000 students**

participating in the Waterwise Schools Program, with 10,209 downloads of lesson plans from the Water Corporation's [education website](#)



**The release**

of the [Managed Aquifer Recharge Policy](#), which enables innovative alternative water solutions.

The goal is to make water-sensitive urban design mainstream practice in Perth's development industry, supported by demonstrated examples through government-led Waterwise developments such as [OneOneFive Hamilton Hill](#). The guide will be updated to include lessons learnt and insights captured during the construction and occupation phases of this exemplar project.

By incorporating water-sensitive urban design, communities can reduce reliance on scheme water, better utilise local water sources and create cooler microclimates that support local biodiversity. Our work under the Waterwise Perth Action Plan, including this guide, makes it easier for developers to integrate water-sensitive urban design into new estates.

### ***New research hub***

Our Waterwise actions and plans have been supported by our work with the WA Water Sensitive Transition Network and other local partners, and joining forces with the Monash Sustainable Development Institute to launch the Water Sensitive Cities Australia WA hub in October 2021.

The hub will ensure the latest science is applied to local water-focused projects and priorities. It will draw on the institute's diverse and strong research capabilities and experience in delivering practical research and tools to advance waterwise cities.

It will provide a proven mechanism and enhanced capability for WA industry, local governments, the State Government and researchers to keep



The launch of the Water Sensitive Cities Australia WA hub

collaborating and make waterwise practice mainstream.

The new hub further extends the important role the WA Water Sensitive Transition Network plays in making our cities more waterwise and climate resilient.

Water Sensitive Cities Australia was established at Monash University's Monash Sustainable Development Institute to continue the mission of the Cooperative Research Centre for Water Sensitive Cities.

This centre's extensive body of research has demonstrated that waterwise cities practices and principles work. The next step is to make them the norm. This is now the mission of Water Sensitive Cities Australia and is being delivered through the State Government's Waterwise Perth Action Plan as well as many other projects and initiatives.

### ***Waterwise Councils irrigation training program***

The department launched the three-year Waterwise Councils irrigation training program in May 2021, to equip local government staff with the skills and knowledge to ensure best practice in efficient water use through improved irrigation design, installation and maintenance. The program will fully subsidise up to three training positions for parks and irrigation staff of eligible local councils endorsed as Gold under the existing Waterwise Council Program.

The program was fully subscribed in the first year, with the 33 available training positions awarded to 13 different Gold waterwise local governments who expressed interest in the program.

### ***Waterwise Council Program***

The [Waterwise Council Program](#), run jointly with the Water Corporation since 2009, supports local governments to improve water efficiency and help create waterwise communities. The program recognises the work of local governments leading by example and inspiring residents to be waterwise.

The City of Joondalup was awarded the 2022 Platinum Waterwise Council of the year. The shires of Exmouth and Harvey are WA's newest Waterwise Councils, while the City of South Perth was acknowledged for becoming one of only 26 local governments to achieve Gold recognition. There are 48 councils statewide now endorsed through the Waterwise Council Program.



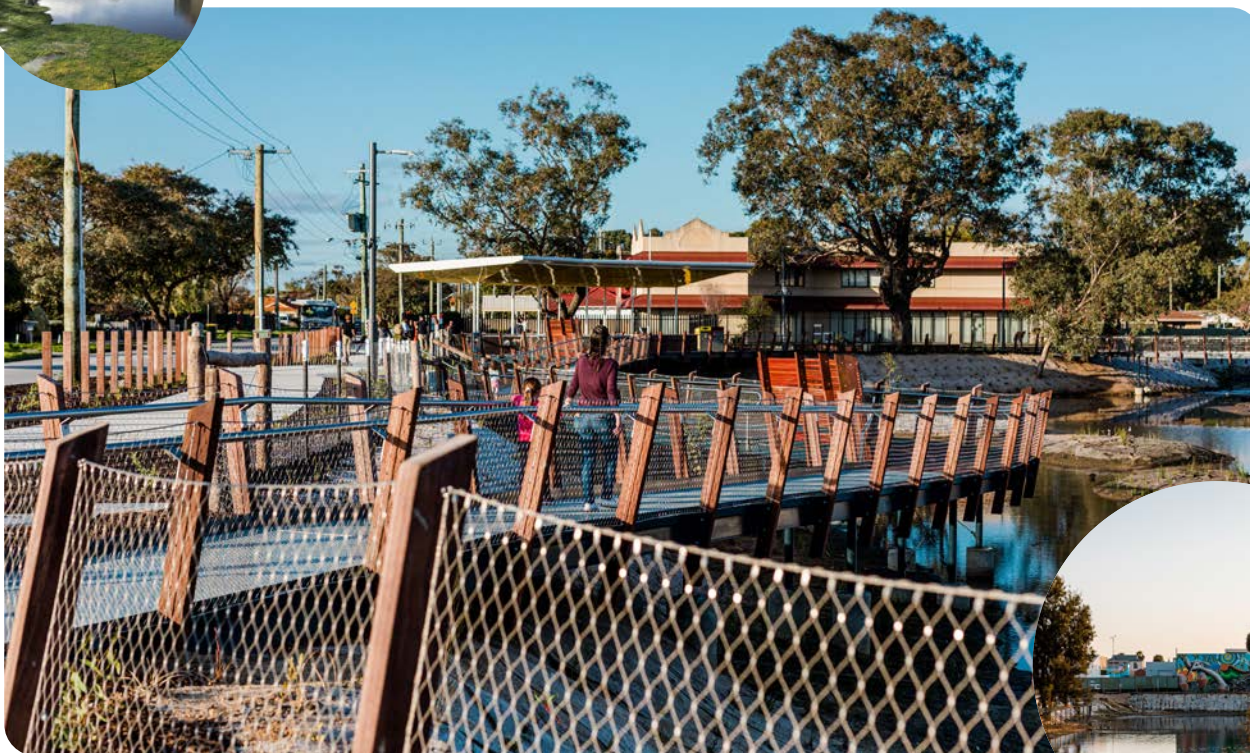
## Drainage for Liveability

The [Drainage for Liveability Program](#) is a joint initiative with the Water Corporation that 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 2020–21 we developed a new guidance note that outlines the approach of the department and the Water Corporation to implementing [Australian Rainfall and Runoff – A Guide to Flood Estimation](#).



Wharf Street Basin Next Generation Community Park, before and after



## Wharf Street Basin Next Generation Community Park

The department, in partnership with the Water Corporation and the City of Canning, provided a WA-first pilot project to turn a stormwater basin in the City of Canning into a community smart park.

The [Wharf Street Basin project](#) used water-sensitive infrastructure and technology such as smart bins and solar power to transform the area into a park that provides benefits to the environment and community. The project has won multiple awards including:

- a 2022 Stormwater Western Australia Award for Excellence in Research and Innovation and Excellence in Infrastructure
- an Australian Water Association Awards (WA) Infrastructure Project Innovation Award (Metro)
- an IPWEA Australasia Excellence Awards Best Public Works Project \$2m–\$5m
- a commendation for the 2022 PLAWA Regional Awards for Excellence, Best use of technology Award for the Smart Canning App.





## Rural water planning

Through the Rural Water Planning Program, the State Government continues its commitment to assist 64 shires in the dryland agricultural area to address non-potable water needs and build resilience in small rural communities. Support has been provided through the Community Water Supply Program, Agricultural Area (AA) capital works program and water carting under the water deficiency declaration and water carting under water deficiency declarations.

The 2021–22 year started with two declarations in place in Salmon Gums and Grass Patch in the Shire of Esperance. These were revoked in July 2021 because of above-average rainfall and on-farm water supplies being adequate to meet livestock demand. Water deficiency declarations were again announced in Salmon Gums and Grass Patch because of poor summer rainfall and prolonged dry conditions, and water carting started on 1 March 2022. This was suspended on 6 May 2022 because of adequate rainfall and run-off into on-farm dams. During the year, \$82,270 was spent on water carting.

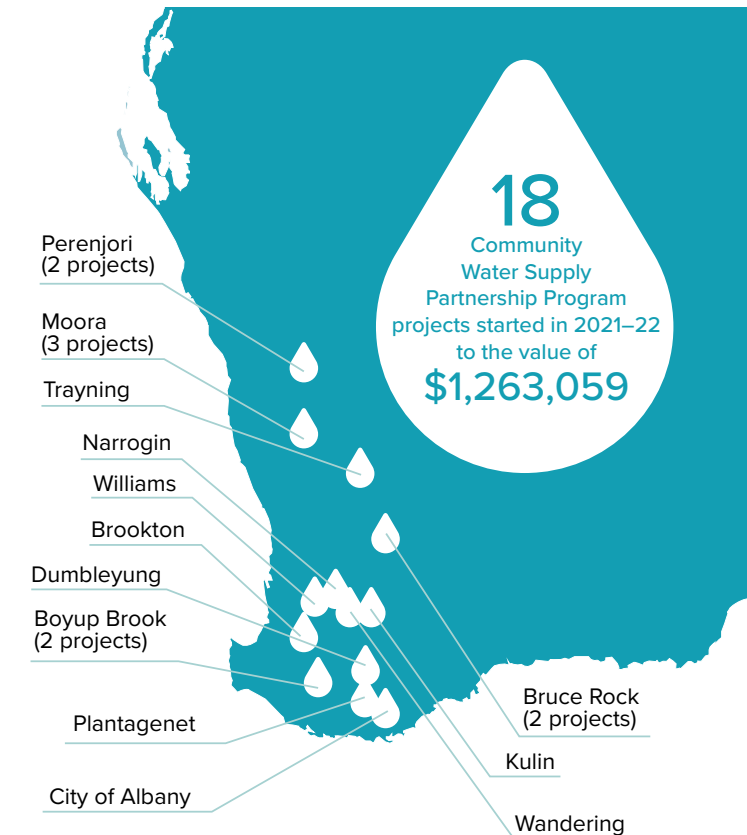
The Rural Water Planning works program has invested \$279,395 this year to upgrade 14 AA dams and supplies vested with the department or in priority areas.

More than 100 community water projects have been completed across rural and regional WA, with \$4.27 million spent by the State Government.

Under the two-year (July 2021–June 2023) National Water Grid Connections Fund, the State Government has committed to \$3.65 million in funding towards the AA dams and Strategic Community Dams project, and \$1.6 million for the Community Water Supplies Partnership Program with local government. These Australian Government co-funded projects will increase water security in dryland agricultural areas vulnerable to dry conditions and the effects of climate change. The projects will provide emergency water for firefighting and farming needs as well as fit-for-purpose irrigation water for townscape and sporting facilities.

The AA dams project will ensure non-potable water infrastructure is developed at 70 priority sites in 37 shires. The Community Water Supplies Partnership Program projects will boost the Community Water Supply Program, and provide funding assistance (up to \$100,000 per project) to local governments and rural communities to develop and upgrade their non-potable water supplies.

Eighteen Community Water Supply Partnership Program projects started in 2021–22, to the value of \$1,263,059. They are in the City of Albany and shires of Boyup Brook (two projects), Brookton, Dumbleyung, Kulin, Narrogin, Perenjori (two projects), Trayning, Williams, Bruce Rock (two projects), Moora (three projects), Plantagenet and Wandering.



The planning and delivery of the AA dams and Strategic Community Dams projects is progressing within 37 shires. Works to the value of \$954,070 have started in many parts of the dryland agricultural area and these supply points will be maintained to provide sources of emergency water, which can be accessed by farmers in times of serious on-farm water deficiency.

## Rivers and estuaries

We provide a centre of expertise in aquatic science and coordinate evidence-based management actions to improve water quality in rivers and regional estuaries. Our expertise in river and estuary science, catchment and estuary numerical modelling, remediation science, seagrass and phytoplankton (microscopic algae) ecology supports our river and estuary programs.

### *Healthy Estuaries WA*

Estuaries, where rivers meet the ocean, are central to our way of life and economy in WA. More than 80 per cent of our population lives around them and they support industries including tourism and fisheries. Their health is linked to the land use of surrounding areas and the conditions of the catchment areas and rivers that flow into them. Intensive population growth and agriculture in the catchments of our estuaries have negatively impacted their water quality.

We combine the scientific understanding of how nutrient losses from catchments affect water quality with the strategic and practical actions needed to reduce these losses in the long term. We lead water quality improvement planning for priority estuaries to drive efforts across all levels of government, natural resource management groups, industry and the community to address declining water quality and its ecological impacts.

Our world-class work to achieve outcomes for our estuaries and the communities that live and work around them continues with [Healthy Estuaries WA](#). This program works in partnership with community, science, government and industry to reduce the amount of nutrients and organic matter entering waterways. Healthy Estuaries WA works in the priority catchments of Peel-Harvey estuary, Leschenault Estuary, Vasse-Geographe waterways, Hardy Inlet, Wilson Inlet, Torbay Inlet and Oyster Harbour.

We work with natural resource management groups and the agriculture industry to foster implementation of best practices in fertiliser management, dairy effluent management, and fencing and revegetation of areas adjacent to streams and drains. We are investigating innovative remediation techniques to reduce nutrient loads in agricultural areas. Our scientists monitor the water quality and ecology in estuaries and the rivers that flow into them, contributing important data to inform management decisions.



## Healthy Rivers

A healthy river supports the natural ecosystem as well as a range of commercial activities and social amenity for our communities. Cultural and spiritual values are also intricately linked to river environments and the unique biodiversity they support. Human activity in and around rivers and their catchments, coupled with reduced rainfall because of climate change, has resulted in considerable and increasing pressure on our rivers. Maintaining healthy rivers requires contemporary, adaptive management supported by good science.

Our Healthy Rivers program delivers monitoring, research, partnerships and advice to protect and improve the health of our rivers. Long-term, standardised river health assessments are an integral part of the program, providing knowledge to determine ecological requirements and assess environmental risks and impacts. In 2021–22 about 80 river health assessments were conducted at sites from Geraldton in the north through to Pemberton in the south. In addition to the long-term monitoring network of more than 150 strategic river health sites, assessments are also conducted in response to unforeseen events and emerging issues. Summaries of findings and methodology

from river health assessments are publicly available on the department's [Healthy Rivers](#) website.

Our Healthy Rivers team provides technical advice to support land use and water allocation planning, licensing and approvals, assessment of compliance, management of environmental water releases and evaluation of waterway management activities. This includes responding to a growing number of public inquiries via the Healthy Rivers website. The team is also progressing scientific studies in support of management decisions, including studies on ecotoxicity and evaluation of the success of river restoration projects.





## Service Three – Water regulation, licensing and industry governance

### Water licensing

Water is an especially precious resource in WA within the context of climate change, increasing population, and continued growth in the state's economy. Water resource management legislation, including the *Rights in Water and Irrigation Act 1914* (RIWI Act), provides the statutory basis on which water is allocated to users in certain areas and for certain water-use activities, through water licences that are granted by the department in the interests of the state.

Licensing is our principal regulatory tool for ensuring our water resources and dependent ecosystems are protected, and water use is productive and sustainable. Water licences stipulate how much water can be taken by the licence holder or an approved third party, what resource it can be taken from, where it can be used and for what purpose. They are generally issued for a term of 10 years and are subject to other terms, conditions and restrictions relevant to individual circumstances which must be complied with by the licence holder.

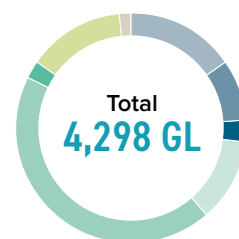
At 30 June 2022, we managed 12,677 water licences across 486 groundwater and 216 surface water resources. These licences authorise the taking of 4,298 GL of water – 3,241 from groundwater resources and 1,057 from surface water resources. The licences are issued across a range of water-use sectors, including the mining, public water supply, agricultural and industrial sectors.

Water licences managed 2021–22

12,677

### Western Australia's water users by sector

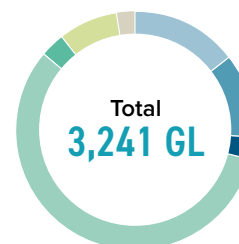
Please note: The sector volumes (both individual and totaled) in each of these charts have been subject to rounding.



#### Total licensed volume by sector

<b>Agriculture</b> 663 GL (15%)	<b>Commercial and institutional</b> 373 GL (9%)
<b>Industry and power generation</b> 132 GL (3%)	<b>Irrigation scheme supply</b> 504 GL (12%)
<b>Mining</b> 1,872 GL (43%)	<b>Parks, gardens and recreation</b> 106 GL (3%)
<b>Public water scheme supply</b> 582 GL (14%)	<b>Other*</b> 67 GL (2%)

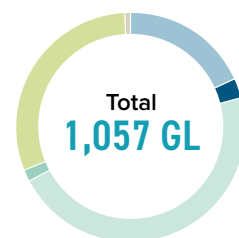
\*Other contains environment and conservation, and stock and domestic.



#### Groundwater licensed volume by sector

<b>Agriculture</b> 472 GL (15%)	<b>Commercial and institutional</b> 370 GL (11%)
<b>Industry and power generation</b> 101 GL (3%)	<b>Mining</b> 1,853 GL (57%)
<b>Parks, gardens and recreation</b> 105 GL (3%)	<b>Public water scheme supply</b> 261 GL (8%)
<b>Other*</b> 79 GL (2%)	

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



#### Surface water licensed volume by sector (allocated volume)

<b>Agriculture</b> 191 GL (18%)	<b>Industry and power generation</b> 30 GL (3%)
<b>Irrigation scheme supply</b> 490 GL (46%)	<b>Mining</b> 19 GL (2%)
<b>Public water scheme supply</b> 320 GL (30%)	<b>Other*</b> 6 GL (0.6%)

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



In certain areas, the construction of water-use infrastructure including bores and dams, and the disturbance or interference of the beds and banks of watercourses, are also subject to authorisations requiring licences and permits. As of 30 June 2022, there were 952 licences to construct and alter groundwater wells and 525 permits to interfere with beds and banks granted across the state.

In 2021–22 the water licensing target timeframes for average application processing (65 days low risk, 75 days medium risk and 95 days high risk) were achieved for all application risk categories. The average assessment timeliness performance for low, medium and high-risk water licence applications were 35 days, 52 days and 65 days, respectively, remaining well under established timeliness targets.

As at 30 June 2022 there were 265 water licence applications in backlog. The 2021–22 backlog result was 245, meaning there was an 8 per cent increase in the backlog. However, this remains well within the target threshold of 350 applications.

#### Water Online users 2021–22



**1,958**

new registered external users



**56%**

applications are submitted online

### Water Online

The [Water Online](#) portal is available to licensed and prospective water users to lodge water licence and permit applications. The portal also allows for licensees, and approved third parties acting on their behalf, to submit reports and meter readings electronically and in real time in accordance with the conditions of their licences and permits.

In 2021–22 we continued to promote the uptake of the Water Online customer portal by licensees, with 1,958 new registered external users from a total of 8,187 external registered users. The percentage of applications submitted electronically continues to rise and 56 per cent of applications were submitted online in this financial year.

Water Online was updated to support implementation of the Gngangara Water Allocation Plan and ensure a continued streamlined water licence application assessment process.

#### Water compliance in 2021–22



**5,400**

incident reviews and investigations



**107**

letters of education



**37**

infringement notices

### Water compliance and enforcement

To ensure the community makes best use of available water resources, the department administers a suite of water resource management legislation in a manner that is open, fair and reasonable. We also undertake compliance initiatives and programs aimed primarily at promoting and encouraging protection of water resources and the water-dependent environment. We provide a range of support mechanisms to licensees which promote self-regulation in complying with the terms, conditions and restrictions of their individual water licences, a key objective of our [Compliance and Enforcement Policy](#).

Our 2021–22 compliance monitoring program consisted of on-ground and off-site monitoring activities, with 426 on-ground water licence compliance inspections and water meter audits conducted, and 1,336 desktop water use surveys and compliance reports submitted. We also processed 4,170 meter reading submissions.

As an outcome of these monitoring activities, 5,400 incident reviews and investigations were undertaken, and we responded to 279 confirmed incidents of non-compliance with a combination of statutory and non-statutory enforcement actions. We issued 107 letters of education, 99 warning notices and 37 infringement notices, and gave 34 statutory directions.

As of 30 June 2022, 6,234 water licences (representing 4,202 GL of water) were subject to metering and alternative measurement requirements under the Rights in Water and Irrigation Regulations 2000.

### Gnangara Mound Metering Program

The [Gnangara Metering Project](#) was funded by the State Government to install water meters on licensed groundwater bores drawing groundwater from the Gnangara groundwater system. A total of 1,269 state-owned water meters were installed at a variety of semi-rural and lifestyle properties,

horticultural and viticultural precincts, and commercial or industrial premises.

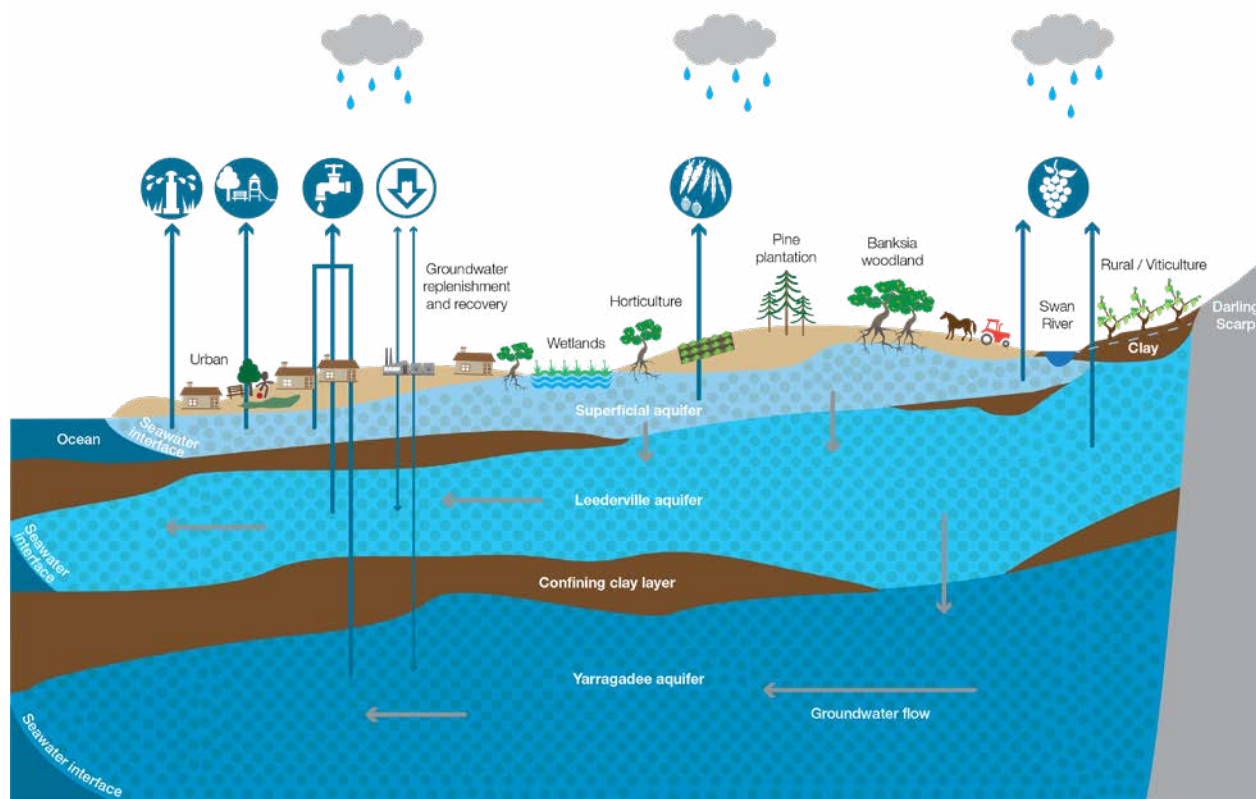
Data gathered from the program was used to undertake a number of specialised water resource management and planning activities. Landholders were encouraged to analyse their water use practices and make changes to improve their water use efficiency.

Under our [Measuring the taking of water](#) policy, most of the state's water licensees are required to install, maintain and read their own meters. As part of implementing this policy, licensees who received a state-owned meter were given the opportunity to take over ownership or request removal of the meters. 2021–22 saw the completion of this four-year program and resulted in 1,188 meters being handed over to licensees and 81 meters being removed.

### Domestic garden bores

The department is responsible for regulating the take of water, including domestic garden bores.

Permanent watering restrictions for garden bore owners in the Perth metropolitan area came into effect in 2007, restricting watering to three rostered days per week and between the hours of 6pm and 9am. A total winter sprinkler ban then came into effect in 2010, imposed by the Water Agencies (Water Use) By-laws 2010. Under the by-laws, regional areas of WA are restricted to watering once per day between 6pm and 9am.



The Gnangara groundwater system has three main aquifers and supports Perth's water supplies, wetlands and bushland areas

In June 2022, the State Government announced that the sprinkler roster for garden bores in the Perth and Mandurah area would be reducing from three days to two rostered days per week, as of 1 September 2022. This is necessary to address the impacts of climate change. The change will save about 30 GL of groundwater every year. It will mean more groundwater is retained in the system and will see the watertable stabilise, particularly in urban areas.

The department will assist the Water Corporation in providing educational material to householders to adapt their gardens to the new sprinkler roster. In addition, the Water Corporation will make available rebates on smart irrigation technology, spring sprinkler system check-ups and waterwise workshops to assist households with the transition.



Water Minister Dave Kelly launches the draft Gnangara groundwater allocation plan, which proposed changes to the garden bore sprinkler roster

## Water services

Government-owned water utilities Water Corporation, Busselton Water Corporation and Bunbury Water Corporation (Aqwest) are established under the *Water Corporations Act 1995*. The *Water Services Act 2012* provides powers to enable licensed service providers including the water corporations to deliver water supply, sewerage, irrigation and drainage services. In addition to the three utilities, there are 26 other licensed water service providers in WA, including eight local governments, four irrigation cooperatives, four mining companies, nine developers and the Rottnest Island Authority.

The Water Services (Water Corporations Charges) Regulations 2014 and the Water Services Regulations 2013 are amended annually to publish the fees and charges for Aqwest, Busselton Water and Water Corporation. The department is responsible for amending the regulations, in consultation with the three water corporations, so they take effect from the beginning of each financial year.

The department has been working closely with the Water Corporation and the Department of Communities to ensure a smooth transition for the Water Corporation to become the licensed water service provider in several large Aboriginal communities and town-based communities, under the *Water Services Act 2012*. The Water Corporation is starting upgrades and the department is assisting it to meet its regulatory obligations in this transition, including wastewater

treatment plant licensing, native vegetation clearing permits, water resource licensing and public drinking water source protection.

## Managing public water supply

The department regulates the Water Corporation by licensing it under the RIWI Act to take groundwater from the Gnangara and Jandakot groundwater systems to supply Perth's Integrated Water Supply Scheme.

Under the 2022 [Gnangara groundwater allocation plan](#), the Water Corporation's abstraction from the Gnangara groundwater system for the Integrated Water Supply Scheme will be reduced by 30 GL/year in 2028. To supplement this reduction, the Water Corporation has proposed a new 100 GL/year desalination plant at Alkimos, with the first 50 GL stage expected by 2028.

We continue to work with the Water Corporation to annually revise the distribution of groundwater abstraction for the scheme to limit impacts on significant groundwater-dependent ecosystems and other groundwater users. Since 2012, this work has greatly improved abstraction patterns, ensuring less groundwater is taken from the most sensitive areas of the Gnangara and Jandakot groundwater systems.

We work closely with the Water Corporation to assess options to meet demand for the scheme and better manage water resources. Through this work, we have supported the Water Corporation to



develop its groundwater replenishment scheme, which is a climate-independent water source. Groundwater replenishment involves treated wastewater being further treated to drinking water standards and then recharged into aquifers for later use as public water supply.

In 2016, we supported a proposal from the Water Corporation to expand Perth's groundwater replenishment scheme from 14 to 28 GL. Our Perth Regional Confined Aquifer Capacity study, [\*Studying Perth's deep aquifers to improve groundwater management\*](#), guided the Water Corporation

on suitable locations for recharge and abstraction for the expansion. These locations support full recovery of the volume of water being recharged and provide improved water resource and environmental outcomes. Integrated Water Supply Scheme dams are also licensed by the department. The dams play a vital role for storage of water in wetter years and storage of desalination water, and by directly supplying metropolitan and some regional communities. Licence conditions require the Water Corporation to periodically release water from selected dams to ensure there are sufficient flows downstream to benefit the environment and other surface water users.



## Water fees

The department regulates the taking of water to protect the state's water resources and to support the sustainable use of water across WA. Fees for water licence and permit applications have been in place for the mining and public water supply sectors since 2018. The revenue from these fees has been used by the department to improve application assessment timeliness and to address a backlog in water licence and permit applications.

We have achieved a reduction in the water licence and permit application backlog, from a high of 673 applications at the end of March 2019 to 265 at June 2022.

During 2021–22, we spent \$13,834,515 on the assessment of all water licence and permit applications, and collected \$903,058 in fees from 252 licensees for 352 application assessments.

## Water policy

In December 2021, the department released the [\*Draft Guideline: Spring Exemptions\*](#) for public comment. The draft guideline provides a voluntary process and step-by-step guide to assist landholders in determining whether a spring exemption under the RIWI Act applies on their property.

During the public consultation period, we field-tested the draft guideline over two days with members of the Warren Donnelly Water Advisory Committee and landholders at various properties in the Warren and Donnelly river catchments. A series of online forums were also held with key stakeholder groups.

We received 73 submissions over the public consultation period, which ended on 31 May 2022. Most of the submissions received were from the south-west of the state, with many from Manjimup, Bridgetown and Pemberton. Feedback was received from a variety of stakeholders which will be used to improve the guideline and make it simpler for landholders to understand and apply.

A report summarising the feedback received, and how it has been considered in developing the final version of the guideline, will be published by the department alongside the final version of the guideline.

## Outcome two

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



## Service Four – Environmental regulation

### A responsive and credible regulator

We discharge regulatory functions under the EP Act, RIWI Act and Contaminated Sites Act. Throughout 2021–22, we have continued to assess and issue approvals or assessments under these acts, as well as conduct associated compliance activities.

The practices set up during the first year of the pandemic continued. We increased engagement with stakeholders to navigate advice, assessments and approvals, and to deal with compliance issues in the best and most efficient manner without compromising outcomes.



### Industry regulation

In 2021–22 the Industry Regulation division received 586 applications, an 8.8 per cent decrease when compared with the previous year. This reverses the trend of increasing application numbers seen over recent years.

The department experienced a 40 per cent reduction in applications received from the resources industries between quarters one and three. Over the same period, applications from the waste sector reduced by 31 per cent, and applications from the process industries sector remained steady across all quarters.

The reduction in applications can be attributed to the impact of industry conditions, particularly in the petroleum and resources sectors, which have resulted in the easing of some commodity prices (noting too that some have also strengthened), supply chain challenges and labour shortages. However, when viewed across the past three financial years, the 2020–21 number of applications is unusually high and exceeding workforce capacity, with the 2021–22 number more reflective of a typical year.

The Industry Regulation division has additionally set up a Major Projects Team as part of the Process Industries Group. It has been tasked with streamlining assessments for applications referred

through the Lead Agency Framework along with other applications of state or strategic significance.

The Process Industries Group has seen strong growth in agribusiness applications and is predicting this trend will continue into 2022–23, particularly in the areas of alcoholic beverage manufacturing and red meat industries.

Labour shortages have placed pressure on all sectors, including Industry Regulation. These shortages combined with an increase in assessment complexity have resulted in a significant decrease in determined applications in quarter three. This decrease was particularly clear across resource and process industries.

Significant recruitment and performance improvement strategies have been put in place which, combined with reform work, have seen an improvement in performance during quarter four 2021–22. This is expected to result in sustained improved performance by quarter one 2022–23.

Industry Regulation staff have shown continued resilience despite this challenging environment. The average processing time across all applications was 80 working days; although higher than the previous year it is lower than the average 81 working days of the previous two financial years. As of 30 June 2022, there were 278 open applications.



## ***Industry Regulation reform initiatives***

An environment of continuous improvement to increase efficiency continues to be a focus:

### **► Schedule One review**

A review and update of Schedule One is needed as part of the third tranche of EP Act amendments. This review is focused on changing from regulating premises to regulating activities and the incorporation of works approvals into licensing.

### **► Port Hedland Dust Monitoring Network**

On 1 January 2022, as part of the State Government's response to the Port Hedland Dust Management Taskforce Report recommendations, the department took over control of the air quality monitoring network from the Port Hedland Industries Council (PHIC). We are focused on working with industry to implement a new dust management guideline with a self-assessment tool and we held industry workshops on this in Port Hedland in May 2022.

### **► Southwest Landfill Strategy**

The aims of the strategy include:

- a comprehensive review of waste disposal operations in the region
- providing direction and coordination in response to the Stanley Road Waste Management Facility
- coordinating stakeholder communication and engagement
- identifying and managing risks in the region.



## Native vegetation regulation

The department received 298 native vegetation clearing permit applications in 2021–22, about 16 per cent less than for 2020–21.

We have continued to work to reduce the number of backlog applications and improve response timelines. This is reflected in the average number of working days taken to make a decision remaining fairly steady, from 68.5 days in 2020–21 to 72 days in 2021–22. As a result of the focus of reducing the number of backlog applications, the percentage of applications decided within a timeframe of 60 working days decreased from 57 per cent in 2020–21 to 51 per cent in 2021–22.

### Native vegetation clearing in 2020–21

**298**

applications received

**207**

open applications as of 30 June 2022

As of 30 June 2022 there were 207 open applications with the department. The number of open applications has remained relatively steady over 2021–22 and previous financial years.

Amendments to the EP Act proclaimed in October 2021 included a new clearing referral process for proposed native vegetation clearing activities that are likely to have very low EP Act environmental impacts. To support stakeholders, the department published the new [Guideline: Native vegetation clearing referrals](#). Stakeholder interest in referrals has been high. As of 30 June 2022 the department had received 108 referrals; of the 102 for which a determination had been made by this date, 33 were determined to not require a clearing permit for the proposed clearing.

As part of broader work to deliver on the outcomes of the [Western Australian environmental offsets framework review](#), in 2021–22 the department regularly engaged with DBCA to streamline delivery of land acquisition offsets using monies from the Part V Environmental Offsets Fund. This collaboration will result in a more strategic, longer-term approach to land acquisitions and allow alignment with bioregional planning approaches in the future. Several prospective land acquisitions are being explored.

Other important native vegetation regulation work in 2021–22 included:

progressing new regulations for environmentally sensitive areas consultation

supporting inter-agency collaborations on regulatory streamlining projects

implementing new publication and confidentiality regulations

supporting negotiations with the Australian Government in relation to bilateral agreements

preparing for the upcoming design and build of native vegetation regulation functionality in Environment Online

continuing to chair the inter-agency Local Government Roadside Clearing Reference Group, which promotes strategic approaches to native vegetation management on roadsides.

## Environmental compliance and enforcement

The department has wide-ranging statutory and regulatory responsibilities directed at achieving improved outcomes for public health, the environment and our water resources.

We are committed to being a responsive and credible regulator by consistently applying and enforcing the legislation we administer. We use a range of tools to monitor compliance with this legislation and to prevent breaches.

Our Compliance and Enforcement team undertook 251 inspections in the 2021–22 financial year. There were 161 non-compliances identified from the waste levy and industry compliance inspections.

Over the same year investigations undertaken in response to pollution and intelligence reports, as a result of information gained through our compliance programs, resulted in 53 successful convictions, 131 infringements issued, 35 Letters of Warning issued and one statutory notice issued.

Compliance and enforcement in 2021–22



53

successful convictions

Over 100,000 controlled waste tracking forms tracked more than 1.2 million tonnes of controlled waste on roads in WA. Some 606 new controlled waste licence applications were managed in 2021–22.

Pollution Watch received 3,378 reports and our Pollution Response Team responded to 207 incidents including chemical spills, fuel tanker rollovers and hazardous materials fires.

There were also 96 known or suspected contaminated sites reported to us, and 224 sites classified during the period, with a total of 4,528 sites now classified under the Contaminated Sites Act.

Amendments to the Contaminated Sites Regulations 2006 were gazetted in March and June 2022. The March 2022 amendments made improvements to the operation and effectiveness of the Regulations, while the June 2022 amendments support the [Automatic Mutual Recognition of Occupational Registration Scheme](#) for contaminated sites auditors in WA.

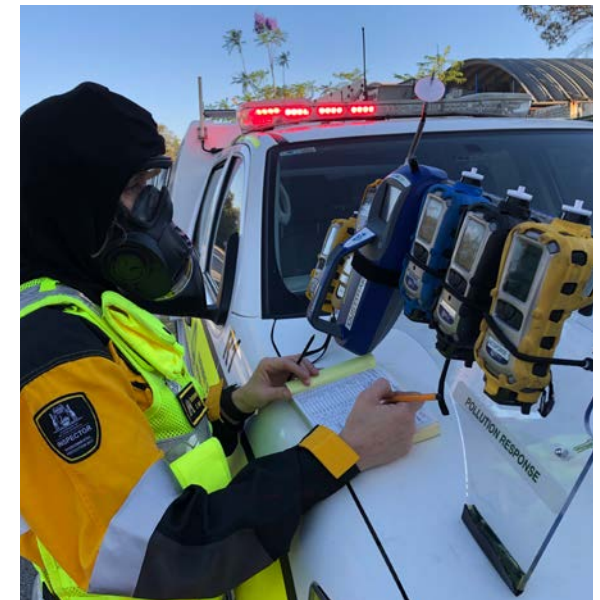
Controlled waste tracking in 2021–22



1.2 mil tonnes

of controlled waste were tracked

We also published updated guidelines for the [Assessment and management of contaminated sites](#) and the [Use of monitored natural attenuation \(MNA\) for groundwater clean-up](#) guidelines during the reporting period.



Pollution Response Team in 2021–22



207

incidents were responded to



## Illegal dumping

The department responds to reports of illegal dumping through our Waste Compliance program partners and LGAs, and our proactive initiatives include deploying covert surveillance cameras.



Illegal dumping is the unauthorised discharge or abandonment of waste and is an offence under section 49A of the EP Act. On conviction, the offence carries a maximum penalty of \$125,000 for corporations and \$62,500 for individuals.

Forty-five illegal dumpers were prosecuted in the 2021–22 financial year. Fines ranged from hundreds of dollars to one of \$50,000. Courts can also order offenders to pay for environmental remediation which can run into thousands of dollars. The main dumping grounds were in state forest, where accumulated discarded waste attracts more dumping.

Common types of waste dumped include tyres, household goods such as furniture and mattresses, car parts and garden waste. Some of the more unusual items spotted in 2021–22 included a nail salon chair, a complete moped and a cabin cruiser boat. Tyres are of particular concern as they provide a breeding ground for mosquitoes and are a fire hazard.

The Waste Compliance program for 2022–23 will focus on the 'Avoid, Recover and Protect' objectives of the waste strategy.

### Illegal dumping in 2021–22



# 45

illegal dumpers were prosecuted



### Oil dumper case

On the morning of 18 August 2021, a passer-by noticed three young males next to what appeared to be a number of dumped oil drums on the side of Nicholson Road in Oakford.

The witness called the Shire of Serpentine and Jarrahdale, and a ranger was on the scene within 20 minutes. He was met by the sight of a pool of thick oil spreading from the drums, which had been pierced. A clean-up crew was despatched and the oil was cleaned up before it soaked into the soil.

The reserve along Nicholson Road is a common dumping ground, and about two months before the oil drum incident covert cameras had been placed to catch illegal dumpers in the act. The cameras were checked and a white Holden Commodore utility vehicle was pictured entering the area with a tray full of drums, and leaving a short time later with 12 drums missing.

The Shire called department investigators who spoke with the owner of the car. He was interviewed and admitted dumping the drums but denied piercing them. The result was a court date and a \$15,000 fine, plus clean-up costs of \$3,029.

## Port Hedland air monitoring network

Control of the Port Hedland Ambient Air Quality Monitoring Network was handed over to the department in December 2021.

The network was originally established by the PHIC in 2009. It has provided data for the Port Hedland Dust Management Taskforce, the department and the community, assisting industry and government in developing strategies and evaluation of dust impacts from the port.

A Memorandum of Understanding signed with PHIC sets out the key principles for the full transfer of the network, including the refurbishment, operation, maintenance and audit of it, cost recovery and access to data. The network will continue to be funded by industry, through PHIC members BHP, Roy Hill, Fortescue Metals Group, Pilbara Ports Authority, Consolidated Minerals, Mineral Resources and Pilbara Minerals.

The department has appointed third-party specialist air quality monitoring contractor Ecotech to operate and maintain the network. A live feed of the data gathered from nine dust-monitoring points around Port Hedland is accessible from our [Port Hedland Air Quality webpage](#).

PHIC and its members have committed to achieving a zero-net increase in emissions even if iron ore exports increase, and are spending millions of dollars on dust mitigation to support this commitment.

Industry will continue to work with the community and the State Government to apply leading dust mitigation and management measures to minimise industry's contribution to dust in the Port Hedland air shed.



Director General Michelle Andrews and PHIC Chief Executive Officer Kirsty Danby at the transferring of the Port Hedland Ambient Air Quality Monitoring Network



## Outcome three

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



## Service five – Environmental and water policy

### WA climate policy



The department is coordinating the implementation of the [Western Australian Climate Policy](#) and [State Electric Vehicle Strategy](#).

This includes commitments for public sector agencies to transition to net zero greenhouse gas emissions by 2050 and the development of sectoral emissions reduction strategies and a Climate Adaptation Strategy.

The policy contains 64 actions and underscores the State Government's commitment to work with all sectors of the economy to achieve net zero emissions by 2050. The policy will also ensure the state's environment, economy and community are more resilient and better prepared for the unavoidable impacts of climate change.

In December 2021, the then Minister for Climate Action, Hon Amber-Jade Sanderson MLA, launched the development of the [Sectoral Emissions Reduction Strategies](#) (SERS) to provide a robust and credible plan for emissions reduction to achieve WA's targets. The SERS will emphasise government and industry partnerships to address the shared challenge, leverage opportunities and deliver credible and practical emissions reduction pathways.

The department is delivering the \$3.1 million Climate Science Initiative to provide the most up-to-date assessment of how WA's climate may change over the next century. The new climate projections are expected to be delivered in 2024 and will be produced in partnership with other jurisdictions and Murdoch University.

We are also collaborating with Treasury to deliver a Climate Risk Framework to identify and manage climate impacts to government assets and operations.

In July 2021, two partnerships representing 13 local governments were selected as WA's first Regional Climate Alliances. The \$500,000 Regional Climate Alliance pilot program will allow the South Coast Alliance to undertake projects that reduce emissions from fleet vehicles and waste, and improve bushfire preparedness and management. The Goldfields Voluntary Regional Organisation of Councils will progress projects that reduce the increased risk of bushfires, mitigate the impacts of drought and improve the uptake of renewable energy and energy-efficiency solutions.

The department chairs the WA Electric Vehicles Working Group, overseeing the implementation of the [State Electric Vehicle Strategy](#). In August 2021, up to 90 new electric vehicle fast-charging stations, at 45 locations, were announced. The stations will connect Perth and regional WA – stretching north to Kununurra, south to Esperance and east

### Western Australia electric vehicle charger map



to Kalgoorlie – and provide charging stations on average about every 160 km.

The department is administering the \$15 million [Carbon Innovation Grants Program](#) to support Western Australian heavy industries transition to net zero carbon emissions in line with the WA Climate Policy. Starting next financial year, the program will fund feasibility studies and trials that help to avoid, reduce or offset carbon emissions from heavy industry processes, with a focus on supporting innovative technologies for carbon abatement and sequestration.

## Clean energy

The [Clean Energy Future Fund](#), a \$19 million initiative administered by the department, continued to support the implementation of innovative clean energy projects in the state. The fund supports projects that demonstrate significant, cost-effective reductions in emissions and which could lead to the broader adoption of innovative clean energy technologies.

In April 2022 seven innovative clean energy projects were offered grants worth more than \$11.3 million in the second round of the fund. The seven projects are expected to:

- invest \$197 million, much of it in WA
- create up to 255 jobs during construction and provide 63 operational jobs
- generate 81,000 megawatt hours (MWh) each year, enough to power 16,000 average WA homes
- avoid about 132,000 tonnes of carbon emissions each year, equivalent to taking 42,000 cars off the road, or 2.4 million tonnes of carbon emissions over their design lives.

If the two included pilot projects are successful and technologies prove commercially viable, the seven projects could reduce emissions by 111 million tonnes of carbon dioxide equivalent in WA over their lifetimes.

Successful round two projects:

► **Frontier Impact Group's Narrogin Renewable Diesel Project as part of the FutureEnergy Australia joint venture with Carnarvon Energy Ltd**

\$2 million to build a high-temperature pyrolysis plant to produce 18 million litres of renewable diesel per year, as well as biochar and wood vinegar.

► **Power Research and Development's Pumped-up Walpole project**

\$2 million to build a 1.5 MW pumped hydroelectric storage in Walpole using two farm dams to store 30 MWh and increase grid reliability.

► **Advanced Energy Resources' Moora Microgrid project**

41.8 million to build a wind, solar and battery microgrid incorporating biogas and existing solar generation. This will serve a piggery, citrus farm and potentially other farms in Moora.

► **Strike Energy's Mid West Geothermal Project**

\$2 million to drill a pilot well to demonstrate geothermal energy near Dongara to enable a future 180 MW project.

► **Alcoa's Electric Calcination project**

\$1.7 million to pilot replacing gas with electricity for calcination of alumina to decarbonise the refining process, giving WA a commercial advantage to grow a green aluminium industry with our abundant renewable resources.

► **Metro Power Company's AmbriSolar Battery Energy Storage System project**

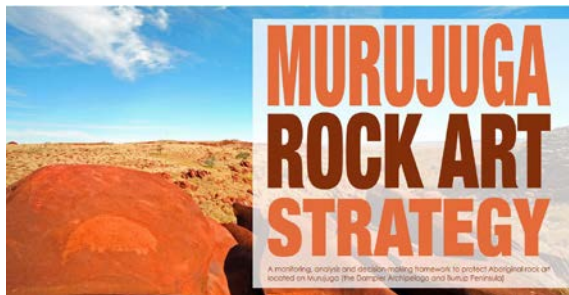
\$340,000 to add solar generation and a DC-coupled battery to an existing solar farm in Merredin.

► **Alinta Energy's Port Hedland Big Battery project**

\$1.5 million to add battery storage to a gas-fired power station to replace spinning reserve, which burns gas, with energy stored in the battery to provide instant support to the grid when needed.

## Murujuga Rock Art Strategy

The State Government is committed to working in partnership with the Murujuga Aboriginal Corporation (MAC) to protect the rock art of Murujuga, and to support Traditional Custodians in their aspirations for Murujuga. Through this partnership, the department provides funding to MAC to support its ongoing involvement and oversight of the [Murujuga Rock Art Strategy](#) and monitoring program.



The strategy establishes the framework for long-term monitoring and analysis of changes to the rock art on Murujuga to determine whether they are subject to accelerated change. The framework provides a transparent, risk-based and adaptive approach to managing impacts to the rock art, which is consistent with the State Government's responsibilities under the EP Act.

The department has primary responsibility for the day-to-day implementation of the strategy. Its purpose is to protect the rock art from the potential impacts of anthropogenic emissions.

The Murujuga Rock Art Monitoring Program is one of the most comprehensive studies of its kind in the world and reached an important milestone with the publication of the [Monitoring studies data collection and analysis plan](#) in April 2022. Through the partnership, MAC and the department have joint oversight and decision-making on all aspects of the monitoring program. The program follows the Murujuga Research Protocols that have been created by MAC as the central organisation for developing and managing all research within the Murujuga National Park, Burrup Peninsula and Dampier Archipelago. These protocols set out the rules for working on Murujuga in a way that respects traditional Aboriginal cultural practices and the knowledge owned by the Traditional Custodians of Murujuga. Every aspect of the monitoring program is respectfully designed and guided and informed by the cultural law, knowledge and practices of the Circle of Elders, Traditional Owners and Custodians of Murujuga.

The plan outlines the scientific studies and monitoring required to detect any potential changes to the rock art on Murujuga. Development of the plan included significant stakeholder

engagement and extensive peer review from national and international experts. In response to the reviews the number of study locations has been increased to cover an area of more than 50,000 ha, including rock art on the islands of the Dampier Archipelago. Peer reviews will continue to be an important feature of the monitoring program as early results from studies are received, and into the future.

In 2021–22 Calibre Group and experts from Curtin University, Artcare and ChemCentre worked with the Murujuga Elders and Rangers to select culturally and scientifically appropriate locations for air quality monitoring stations, rock art panels and sample rocks for monitoring across the peninsula and islands.



MAC Ranger Glen Aubrey and Andrew Thorn (Artcare) undertaking colour and condition monitoring



Environment Minister Reece Whitby with  
MAC Chief Executive Officer Peter Jeffries



Through the partnership,  
MAC and DWER have joint oversight  
and decision-making on all aspects of  
the monitoring program.

In April 2022, the monitoring team completed the first season of field work with the Murujuga Rangers and installed the first air quality monitoring station at the MAC office. A further 20 new air quality monitoring stations will be installed in 2022 and the team will continue collection of field data and laboratory analysis. MAC Rangers are working alongside scientists on Country to undertake monitoring as well as access formal training. This will help MAC transition to a central role in managing the Murujuga Rock Art Monitoring Program and support local jobs for Aboriginal people. Results from the first full year of monitoring studies will be available in 2023 to inform the development of Interim Environmental Quality Criteria and the ongoing regulation of industry under the EP Act.

The Murujuga Rock Art Stakeholder Reference Group facilitates engagement between MAC and key government, industry and community representatives on the development and implementation of the rock art strategy. In 2021 the department undertook a review of the operation and effectiveness of the group, including seeking the views of MAC and other members.

In May 2022, the Minister for Environment approved changes to the terms of reference and membership, and appointed Professor Stephen van Leeuwen as the Chair for the group's second term. These changes reflect the State Government's ongoing commitment to partnering with MAC and ensuring that MAC remains a strong voice central to all decisions relating to Murujuga.

The Murujuga Rock Art Monitoring Program supports the World Heritage nomination process for the Murujuga Cultural Landscape and will inform future management of the rock art. The State Government is committed to having the area's archaeological, cultural and spiritual values recognised internationally.

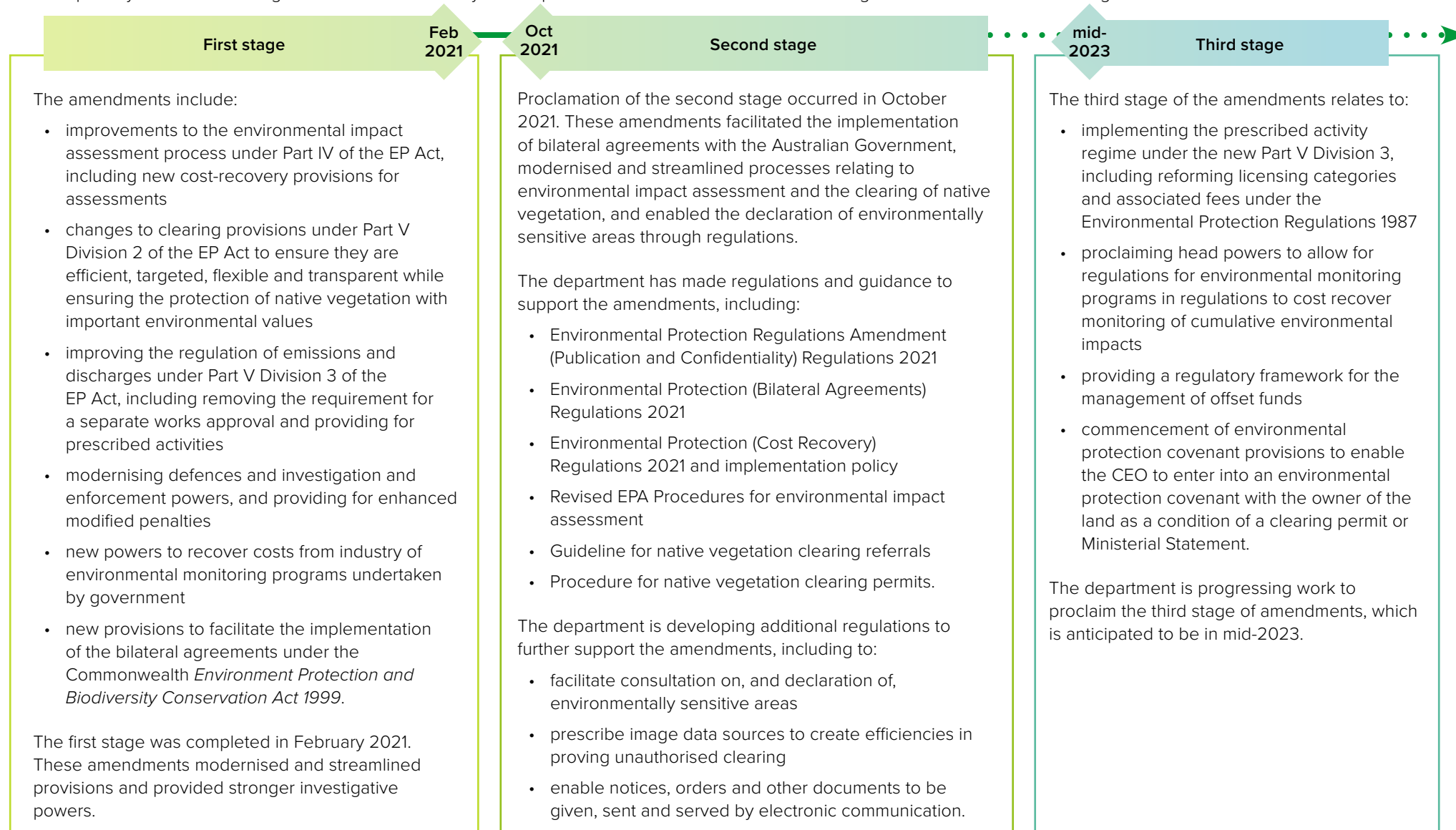
Murujuga hosts multibillion-dollar industries which contribute significantly to the local, state and national economy, and provide employment in the area. The State Government considers that the unique Aboriginal cultural and heritage values of Murujuga can continue to coexist with well-regulated industry. Industry operating on the Burrup Peninsula provides funding for the monitoring program. In 2021–22 this included contributions from Rio Tinto, Woodside Energy and Yara Pilbara.

A Murujuga air monitoring station is  
lowered into position



## EP Act amendments

The *Environmental Protection Amendment Act 2020* received Royal Assent on 19 November 2020. These amendments to the EP Act represent the most significant reform of WA's primary environmental legislation in more than 30 years. Implementation of the amendments is being undertaken in three main stages.



## Planning reform and new planning regulations

All new and amended planning schemes are currently required to be referred to the EPA for a decision on whether the scheme should be assessed under Part IV of the EP Act, regardless of whether it will have an environmental impact.

Section 56 of the *Planning and Development Amendment Act 2020* will introduce new section 48AAA into the EP Act. Once proclaimed, section 48AAA will enable regulations to be made prescribing certain classes of new and amended planning schemes that are not required to be referred to the EPA for assessment.

These new regulations will streamline the EPA's assessment of new and amended planning schemes to focus on schemes that affect the environment. The department anticipates these new regulations will be published in late 2022.

## Review of waste legislation

The department has completed its second statutory review of the *Waste Avoidance and Resource Recovery Act 2007*, the principal legislation for setting the policy framework for waste in WA.

The review considered the effectiveness of the legislation in meeting its objectives for reducing waste and encouraging resource recovery, and its alignment with the [waste strategy](#).

Recommendations arising from the review are in the [Review of the Waste Avoidance and Resource](#)

[Recovery Act 2007](#), which was tabled in Parliament on 27 October 2021.

## Native vegetation policy



The department led development of the first whole-of-government [Native vegetation policy for Western Australia](#). Released on 26 May 2022, the policy aims to protect and enhance native vegetation through better collaboration across government and with stakeholders. A net gain in native vegetation will protect biodiversity, fix carbon and create environmental employment.

The State Government has allocated \$3.3 million for the first two years of its implementation, including \$600,000 for a scope and business case for a new mapping system to monitor the extent of native vegetation statewide. Progress in the first two years, and its findings, will inform how it will be resourced into the future.

Consultation will play an ongoing role in the policy's implementation, so native vegetation is managed to protect and enhance biodiversity while also providing other benefits stakeholders are seeking. Examples include regional and Aboriginal jobs, business certainty for regulated stakeholders, productive landscapes, cool and liveable cities, and community wellbeing.

The final policy reflects feedback from more than 1,000 participants during each of the two consultation periods on an issues paper in 2020 and a draft policy in 2021.

## Improving WA's environmental offsets framework

Environmental offsets are actions that provide environmental benefits which counterbalance the significant residual environmental impacts or risks arising because of a project or activity.

The department has completed a review of WA's environmental offsets framework and made 25 recommendations for improvement. In consultation with stakeholders, the department has developed an [Implementation plan for the review's recommendations](#).

One of the implementation plan projects is to finalise the WA environmental offsets metric to help quantify offsets in WA. The WA metric comprises a calculator and guideline on its use and was released in October 2021. A [Draft procedure for environmental offsets metric inputs](#) was released for public consultation in May 2022 and the department has undertaken workshops for training on the WA metric and inputs.

This work, along with progressing bilateral agreements with the Australian Government, will improve the alignment between State and Australian Government environmental assessment processes.



## Minamata Convention on Mercury

The [Minamata Convention on Mercury](#) is an international treaty to protect human health and the environment from the harmful effects of mercury and mercury compounds. It requires reductions in emissions from products, processes and industries using, emitting or releasing mercury to air, land or water.

On 7 December 2021, Australia ratified the Minamata Convention when the signed Instrument of Ratification was deposited with the United Nations. The Minamata Convention came into force in Australia on 7 March 2022.

The department consulted with agencies and organisations to determine whether WA met requirements of the Minamata Convention. This included the Department of Health in relation to disposal of dental amalgam waste, and electricity providers regarding phasing out high-pressure mercury valve lamps used in street lighting.

To meet the Minamata Convention requirements, the Environmental Protection Regulations 1987 were amended to prohibit the use of mercury and mercury compounds in specified manufacturing processes.

## Advisory groups

### ***Aboriginal Water and Environment Advisory Group***

The department acknowledges and recognises the important role of First Nations peoples and their significant cultural knowledge and connection to Country and living waters such as rivers, springs, soaks, jilas and saltwater. This knowledge and connection helps protect and manage WA's environment and water resources.

In 2019, the department established the Aboriginal Water and Environment Advisory Group (AWEAG) to ensure that Aboriginal knowledge, values and needs are considered and appropriately addressed

across department strategies, policies, programs and planning for the management and regulation of the state's environment and water resources.

The group, co-chaired by the Director General and newly appointed Aboriginal Co-Chair Jason Barrow, meets four times a year.

In 2021 the department undertook a review of AWEAG. The review examined the roles, function and operation of the advisory group, focusing on membership, responsibilities, representation and expertise required, support for members, strategic focus, priorities and alignment with other reforms. Following the review, the AWEAG Terms of Reference were amended and endorsed by members at the group's meeting in May 2022.



## Air Quality Coordinating Committee

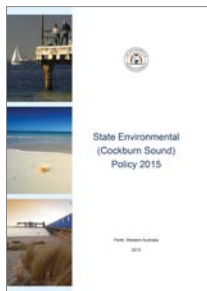


The [Air Quality Coordinating Committee](#) comprises representatives from the State Government, industry, business and the community.

The committee oversees implementation of the [Perth Air Quality Management Plan](#) (AQMP) which aims to ensure

clean air is achieved and maintained throughout the Perth metropolitan region to 2030 and beyond. Members are revising the Perth AQMP. The committee met twice between July 2021 and June 2022.

## Cockburn Sound Management Council



The Cockburn Sound Management Council, supported by the department, is an advisory council to the Minister for Environment established under section 25 of the EP Act.

One of the council's roles is to oversee and coordinate environmental monitoring of the Cockburn Sound marine area, consistent with the [State Environmental \(Cockburn Sound\) Policy 2015](#). The department began monthly water quality sampling in the Cockburn Sound marine area in January

2021. Previous water quality sampling was limited to weekly sampling during the summer. The monthly water sampling program will assist in providing a deeper understanding of the environmental changes associated with different weather conditions. It complements the department's continuous real-time water monitoring in the Cockburn Sound marine area.

The Cockburn Sound Management Council met four times during the financial year.

## Exmouth Gulf Taskforce

The State Government is working in partnership with Nganhurra Thanardi Garrbu Aboriginal Corporation to ensure conservation and enhancement of the key values of Exmouth Gulf and its surrounds.

Exmouth Gulf is recognised globally for its significant environmental, cultural and social values and is home to important habitat for marine fauna and flora, including nursing humpback whales, whale sharks and highly valuable mangrove systems.

In May 2022, the State Government announced a new taskforce to facilitate and coordinate stakeholder and community input into the environmental management of Exmouth Gulf and its surrounds.

The Exmouth Gulf Taskforce is an advisory taskforce to the Minister for Environment

established under section 25(1) of EP Act. The taskforce will have an independent Chair and up to 15 members, including representatives of the Nganhurra Thanardi Garrbu Aboriginal Corporation, relevant government agencies, stakeholders and the community.

The taskforce will provide advice to the Minister for Environment and produce a report by July 2024 that addresses the information gaps on Exmouth Gulf and its surrounds. The taskforce is supported by the department.

## Waste Reform Advisory Group

The Waste Reform Advisory Group was established in 2019, following the release of the waste strategy. The group informs the development of waste and recycling policy and legislation in WA as part of the waste strategy and state waste targets. It also had a key role in supporting business continuity during the COVID-19 pandemic.

The group is chaired by the department's Director General and includes representatives from the Waste Authority, local government, peak industry and resource bodies, community groups, non-government organisations and material recovery operators. The group met four times in 2021–22.





## Outcome four

Waste avoided and the recovery of materials from landfill maximised.





## Service six – Waste strategies

### Waste Avoidance and Resource Recovery Strategy 2030

In February 2019 WA's [waste strategy](#) was launched. Its action plan is reviewed annually.

The waste strategy and its action plan provide the State Government, local government, industry and community with a clear picture of current waste issues and a roadmap for the future. The aim of the strategy is for WA to become a sustainable, low-waste, circular economy in which human health and the environment are protected from the impacts of waste.

The department works closely with the Waste Authority and the Minister for Environment to implement the waste strategy.

We remain focused on three key objectives:



Waste plans

Roads to Reuse

FOGO /  
Better Bins Plus

GREAT  
Sorts

WasteSorted  
Schools

Hazardous  
Household  
Waste  
Program

WasteSorted  
Grants

E-waste ban  
to landfill

Container  
Deposit  
Scheme /  
Containers  
for Change

Waste  
export ban  
and recycling  
modernisation

Waste data  
collection and  
reporting

In 2021–22, the department and the Waste Authority continued to work collaboratively through these projects.



**WASTE  
AUTHORITY**  
WA...TOO GOOD TO WASTE



## Australian Government waste export ban and recycling modernisation

The Australian Government's *Recycling and Waste Reduction Act 2020* banned the export of waste plastic, tyres, glass, paper and cardboard from 1 January 2021. This presented a range of opportunities and challenges for WA. To become more resilient to fluctuating international markets and trends, WA must create appropriate local infrastructure and markets for recycled resources.

Two major programs are underway to develop recycling infrastructure that are funded by the State Government and matched by the Australian Government from its Recycling Modernisation Fund. The State Government has committed \$15 million to the development of local paper and cardboard recycling infrastructure. This will help manage the state's estimated 80,000 tonnes of mixed and unsorted paper and cardboard that will need to be processed locally. The State Government also committed \$20 million in funding and land to develop processing infrastructure for local plastics and tyres. The department is administering these two major infrastructure investment programs.

Combined with Australian Government contributions and industry investment, it is expected WA will receive a \$174 million investment boost to recycling infrastructure in the next five years through these projects.

The department continues to work closely with industry stakeholders such as local recyclers and the Australian Government to help WA manage the impact of the waste export bans.

## Container Deposit Scheme – Containers for Change

[Containers for Change](#) started on 1 October 2020, helping to reduce litter and increase recycling as well as creating new business and employment opportunities across the state.

Containers for Change is run by WA Return Recycle Renew Ltd, a not-for-profit company responsible for developing and maintaining the collection network, recycling containers, community education and financial management. The department administers the legislative framework to support the scheme, including assessing container approval applications, monitoring scheme performance and providing regulatory oversight.

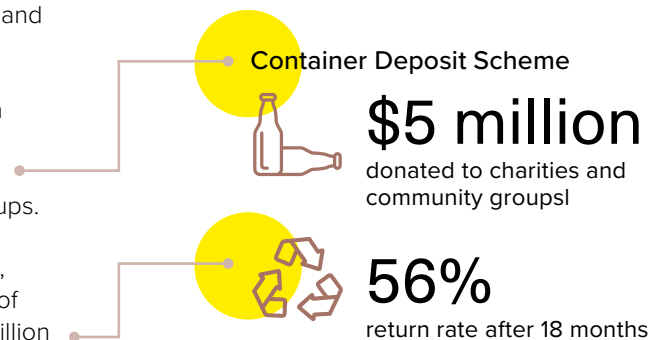
By the end of June 2022 more than 1.47 billion containers had been recovered for recycling and about \$5 million donated to more than 4,900 registered charities and community groups.

After 18 months of operation to 31 March 2022, Containers for Change achieved a return rate of 56 per cent, representing an additional 500 million

containers recycled compared with the pre-scheme baseline of 34 per cent recovery.

WA is leading the nation as the only jurisdiction actively ensuring plastic and metal container lids are being recycled. The lids are stored separately by refund points then picked up by WestTip in the Perth metropolitan area and Cleanaway in the regions, before being transported to Total Green where they are decontaminated and sorted into plastics, steel and aluminium.

The steel and aluminium lids are sold to recyclers, while the plastic lids are sent to CLAW Environmental to be made into pellets for manufacturers to use. WA business NovaPlas, in Canning Vale, is using 100 per cent of the available pellets to manufacture concrete spacers, which are used across a range of construction projects.

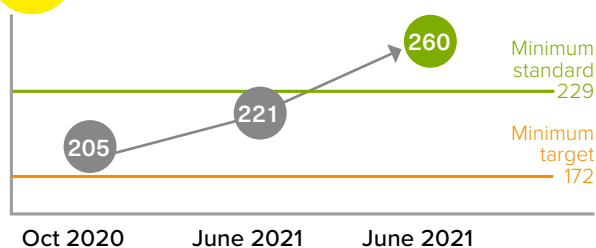


The network has created more than 820 jobs, including for people with disability and long-term unemployed people.

- Containers for Change opened with 205 refund points, exceeding the minimum requirement of 172, and grew to more than 260 refund points by March 2022.

The network includes a significant number of social enterprises, and not-for-profit and Aboriginal corporations, and has created more than 820 jobs, including for people with disability and long-term unemployed people.

#### Increased numbers of refund points



## E-waste ban to landfill

Waste electrical or electronic equipment (e-waste) continues to be one of the fastest-growing waste streams worldwide. E-waste can contain valuable and rare materials, as well as substances that are hazardous to the environment.

The department is working to deliver a statewide ban on e-waste disposal to landfill by 2024 to support increased material recovery from e-waste, reduce the environmental impacts of e-waste in landfills and contribute to more jobs and economic growth in WA.

Funding of \$14 million has been committed to the implementation of the ban. Consultation on the approach and regulatory impact of the ban, grants for new infrastructure for collection and recycling, and community education will be delivered before and after the start of the ban.

The ban considers waste management practices, market forces, national policy and e-waste bans in other states and territories. The ban will complement existing product stewardship schemes for televisions and computers, mobile phones, batteries, fluorescent tubes and light fittings.

## Waste data collection and reporting

Progress towards the avoidance, recovery and disposal targets in the waste strategy is assessed using data collected under regulation 18C of the Waste Avoidance and Resource Recovery Regulations 2008. In 2020, Waste Data Online was launched to enable liable persons to lodge their regulation 18C annual returns online. This year, 256 liable persons lodged annual returns with the department using Waste Data Online.

Targeted reviews are used to improve the quality of waste and recycling data collected through Waste Data Online. Nine targeted reviews of annual returns lodged by liable recyclers were conducted in 2021–22.





## Waste plans

Waste plans provide local governments with a mechanism to align their waste services with the waste strategy and identify and implement actions which are consistent with and contribute towards achieving the waste strategy targets and objectives. These include changes and improvements to waste services and infrastructure, the development of policies and procedures, data enhancements and behaviour change programs.

Local governments in Perth, Peel and major regional centres (the cities of Albany, Bunbury, Busselton, Kalgoorlie-Boulder and Greater Geraldton) have been required to prepare waste plans under section 40(2) of the *Waste Avoidance and Resource Recovery Act 2007*.

As of 30 June 2022, 44 waste plans were submitted to the department for assessment, 35 of which have been endorsed by the Director General. Eight waste plans were not endorsed, and one is still under assessment.

Local governments are required to report annually to the department on the implementation of their waste plans, with the first annual report for the 2021–22 financial year due on 1 October 2022.

## Roads to Reuse

The [Roads to Reuse](#) (RtR) program encourages State Government agencies, local governments, regional councils and the private sector to use recycled construction and demolition (C&D) products in civil applications such as road construction. It does this by supporting the supply to market of recycled C&D products that meet a product specification, to protect human health and the environment.

Funding is offered to C&D recyclers through the RtR Recycler Support Scheme to help with costs such as sampling and testing. RtR also delivers an independent audit of C&D recyclers' processes and products to provide an additional level of assurance to purchasers of recycled C&D products.

The department and the Waste Authority have worked closely with Main Roads WA, the Department of Health and the Waste and Recycling Industry of WA to deliver the project. Main Roads has now used more than 100,000 tonnes of RtR products.

The Waste Authority has established a C&D Reference Group to provide advice in relation to the C&D objectives and targets in the waste strategy. This C&D Reference Group's advice builds on the success of RtR to support additional C&D recycling.

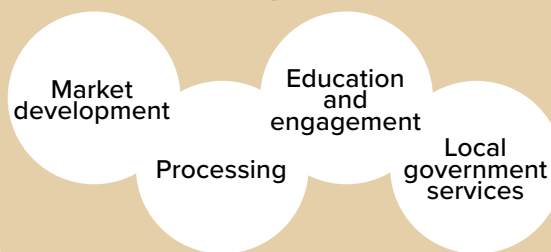




## Food and garden organics

The department is supporting the waste strategy target to roll out better-practice three-bin FOGO (food organics and garden organics) services across Perth and Peel local governments by 2025. The department supports the Waste Authority to develop and implement annual FOGO rollout plans which contain actions relating to four themes:

### FOGO rollout plans 4 themes



Key highlights to support the FOGO rollout include the \$20 million [Better Bins Plus: Go FOGO program](#), guidance materials including a step-by-step guide, and the ongoing development of FOGO behaviour change materials delivered through [WasteSorted](#). The department is also planning to publish the *Guideline: Better practice organics recycling* and seeking to deliver projects that support their implementation.

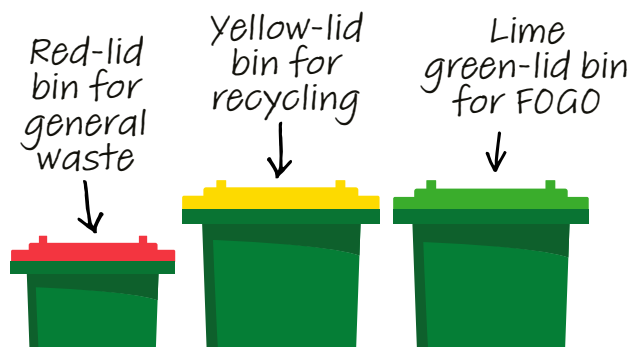
## Better Bins Plus: Go FOGO

A three-bin system to recover organics is the best way to improve material recovery from the municipal solid waste stream and reduce greenhouse gas emissions. Three-bin systems help residents improve waste separation at the source, thereby increasing recovery rates.

The [Better Bins Plus: Go FOGO](#) program has so far provided \$4.75 million to support local governments to make the transition to three-bin FOGO services consisting of a:

- red-lid bin for general waste
- yellow-lid bin for recycling
- lime green-lid bin for FOGO.

The [Better practice FOGO kerbside collection guidelines](#) describe better practice three-bin kerbside collection services. These include mobile kerbside bins, kitchen caddies and compostable liners, complementary educational measures



A City of Melville FOGO truck

and action to support markets for FOGO-derived materials.

Eighteen local governments have signed up to the program to receive funding of up to \$25 for each household receiving a three-bin FOGO collection service, with a coverage of more than 310,000 households.



## Behaviour change

The WasteSorted behaviour change campaign, [Be a GREAT Sort](#), was launched in August 2020 to encourage people to sort their waste and reduce the volume of waste sent to landfill in WA. The campaign promotes five priority behaviours:

- **G**ifting to charity
- **R**ecycling
- **E**arth-cycling organic waste
- **A**voiding
- **T**aking items to drop-off points.

In 2021–22, the campaign was promoted on radio, catch-up television, YouTube and social media channels, and in printed materials.

New campaign materials were developed to promote correct battery disposal, composting at home and food waste avoidance. Two videos were also developed to build trust in recycling and FOGO recovery processes. The WasteSorted toolkit was also expanded to provide more FOGO resources to support local governments to communicate about kerbside services.

Many stakeholders have adopted the GREAT Sorts campaign, including the Resource Recovery Group; Eastern Metropolitan, Western Metropolitan and Bunbury Harvey Regional Councils and their member councils; the shires of East Pilbara and Augusta Margaret River; and the cities of Albany, Armadale, Cockburn, Vincent and Wanneroo.

The GREAT Sorts messaging features on the sides of waste trucks, local government vehicles, at drop-off facilities, on posters in libraries, in local newspapers and in annual waste guides. This has amplified key messages and contributed to consistent waste messaging across the state.





## WasteSorted Schools

The [WasteSorted Schools program](#), formerly Waste Wise Schools, works with schools in WA to implement educational strategies for avoiding waste, recovering waste as a resource, and reducing waste sent 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 WA curriculum.



### ► The 2021–22 WasteSorted Schools highlights saw:

20 schools recognised for 10 consecutive years of accreditation from a total of 242 accredited schools

the new WasteSorted Schools grants program launched in February 2022; overall \$126,967 was awarded in grants to 41 accredited schools for school infrastructure and initiatives that avoid and recover school waste, such as paper and cardboard, food waste, single-use packaging and general recycling

the WasteSorted Schools program rebranded to align with other Waste Authority programs, with new waste-management and curriculum resources to support teachers in the delivery of WasteSorted education

16 professional learning workshops, webinars, networking and sharing sessions delivered to metropolitan and regional teachers, students and local governments

educational waste audits and incursions run at 83 schools

an online learning module implemented to facilitate professional learning in regional areas.



Above: Augusta Primary School: Infinity Award Winner Soft Plastic Collection

Left: Riverton Primary School's garden

## Household Hazardous Waste Program

The [Household Hazardous Waste \(HHW\) program](#) helps with the storage, transport, treatment and recovery of HHW collected by local governments and regional councils.

HHW refers to products used in and around the home that are flammable, toxic, explosive or corrosive. If not disposed of correctly, HHW can pose a threat to human health and the environment.

The HHW program has nine metropolitan and six regional permanent local government facilities where householders can drop off unwanted household chemicals at no charge.

- In 2021–22, more than 477 tonnes of materials (including acids, batteries, flammable liquids, paint and cleaning products) were collected for safe recovery or disposal.

HHW program in 2020–21



**477 tonnes**  
of materials were collected  
for safe recovery or disposal

## WasteSorted Grant funding

The [WasteSorted Grants – Infrastructure and Community Education program](#) supports investment in local recycling infrastructure with grants of up to \$250,000 and educational programs with grants of up to \$50,000.

In 2021–22, 21 WA businesses, local governments and community organisations received more than \$1.41 million in grants. This included funding for nine infrastructure projects totalling \$1.26 million and 12 community education projects receiving a total of more than \$150,000.



Above: John Curtin College of the Arts paper recycling

Right: Mary's Mount Primary School's composting bins

The COVID-19 pandemic continued to impact some projects. Recipients successfully adapted to the challenges with support from the department, ensuring valuable project outcomes were still delivered.

Since 2017, the department has administered waste grant funding programs which have provided \$7.4 million to WA projects to improve the recovery and reuse of focus materials, including plastics, C&D waste, textiles, and FOGO.





## Keep Australia Beautiful Council

The department provides services to the Keep Australia Beautiful Council (KABC).

Its [Litter Prevention Strategy for Western Australia 2020–2025](#) is in its second year of implementation and sets a target of reducing litter by 30 per cent over the lifetime of the strategy.

This year we undertook the first litter survey using the new litter measurement methodology developed by states and territories, to replace the national litter index. This litter survey was undertaken in 10 locations in the Perth metropolitan area in May 2022.

The range of behaviour-change programs continues to grow and evolve. These include the [Adopt-a-Spot](#), [Tidy Towns](#) and [Clean Schools](#) programs, [Community Litter Grants](#) and the [Litter Report Scheme](#). KABC started consultation and trials to reduce the use of single-use plastics in its Adopt-a-Spot program and [Outback Packs](#). KABC's longstanding Tidy Towns Sustainable Communities awards continued to draw a high number of strong applications, with 34 being received in 2021.

The Clean Schools program engages large numbers of primary and secondary school students across the state. Professional development for school staff and incursions continue to be strongly supported by schools. The Australian Microplastics Assessment Project (AUSMAP) program continued to engage schools in developing their students as citizen scientists to examine the level of microplastics in the marine environment.

KABC started work to update its 'Bin It' litter campaign to align with new waste priorities, including development of a new campaign to support the Litter Report Scheme.

KABC is also working with the department, DBCA, Department of Transport, MAC and Pilbara Ports Authority to survey and audit marine debris in the Karratha region ahead the development of a source reduction plan.



Above from top: Tidy Town 2021 winners; KABC officer Shirley Brindley raising awareness with students to reduce litter; KABC Chair Michael Aspinall presents Mullewa artist Helen Ansell with her custom-designed bin stickers

Left: Clean-ups in Exmouth, Waste Warriors from Sheoak Grove Primary School, KABC outback packs for travellers to pick up litter







## Outcome five

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

## Service seven – Environmental impact assessment services to the EPA

We support the EPA in conducting environmental impact assessments of development proposals and planning schemes.

The EPA is an independent authority that provides advice on environmental matters directly to the Minister for Environment.

The department has continued to provide services to the EPA to conduct environmental impact assessments of significant development proposals and planning schemes.

### Development proposals

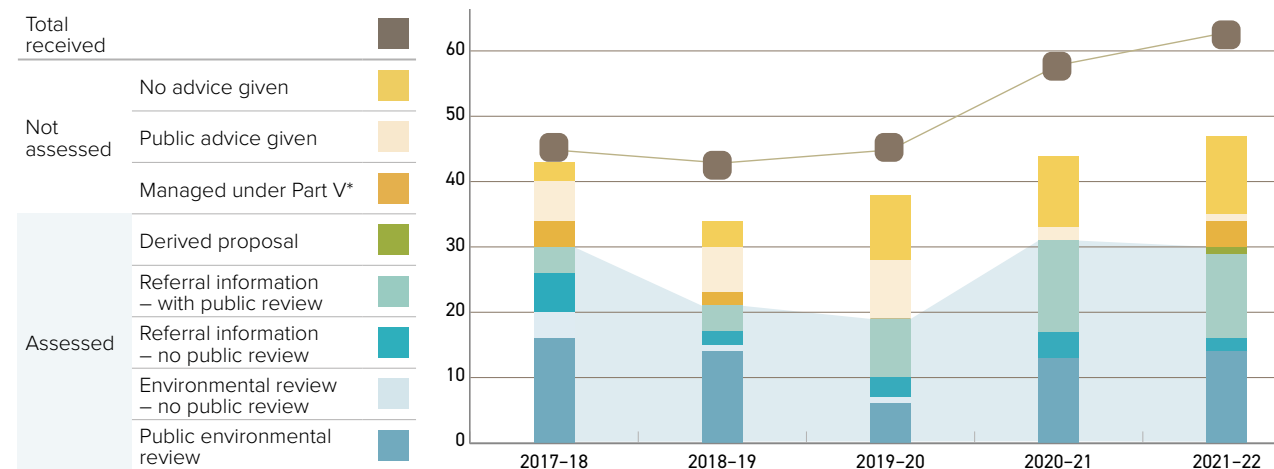
During 2021–22, there were 63 development proposals referred to the EPA. This was the highest number in the past seven years.

The EPA may not necessarily make a determination on whether to assess a referred proposal in the same year the proposal is referred. Only when the EPA has sufficient information about the referred proposal can it make a determination on whether formal assessment is required. The EPA made a determination on 47 referred development proposals during 2021–22. This is

the most determinations made in a financial year, compared with the past seven years. Thirty of these determinations required formal assessment and 17 did not require further assessment by the EPA.

Of the 17 that did not require further assessment, the EPA provided specific advice on environmental matters to the proponent of one of those proposals.

#### ► Total development proposals referred to the EPA and decisions

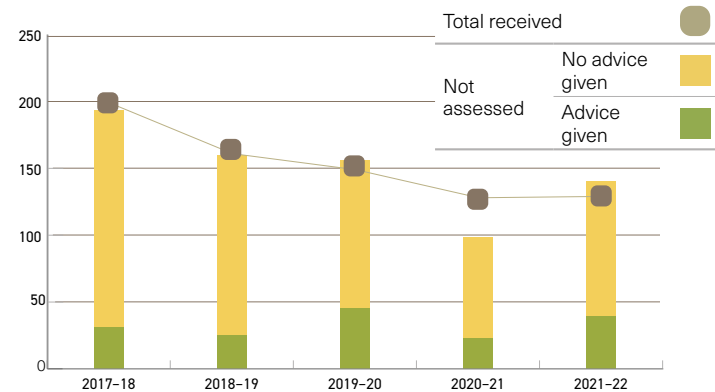


\* Descriptor now considered under 'Not assessed: No advice given'

## Planning schemes and scheme amendments

During 2021–22, the EPA dealt with 141 referred schemes. One required formal assessment and 140 did not require further assessment by the EPA. The EPA provided advice and recommendations on environmental factors to the responsible authority on the environmental issues raised by 39 of the referred schemes that did not require further assessment.

### Total schemes and scheme amendments referred to the EPA and 'not assessed' decisions



## Completed assessments

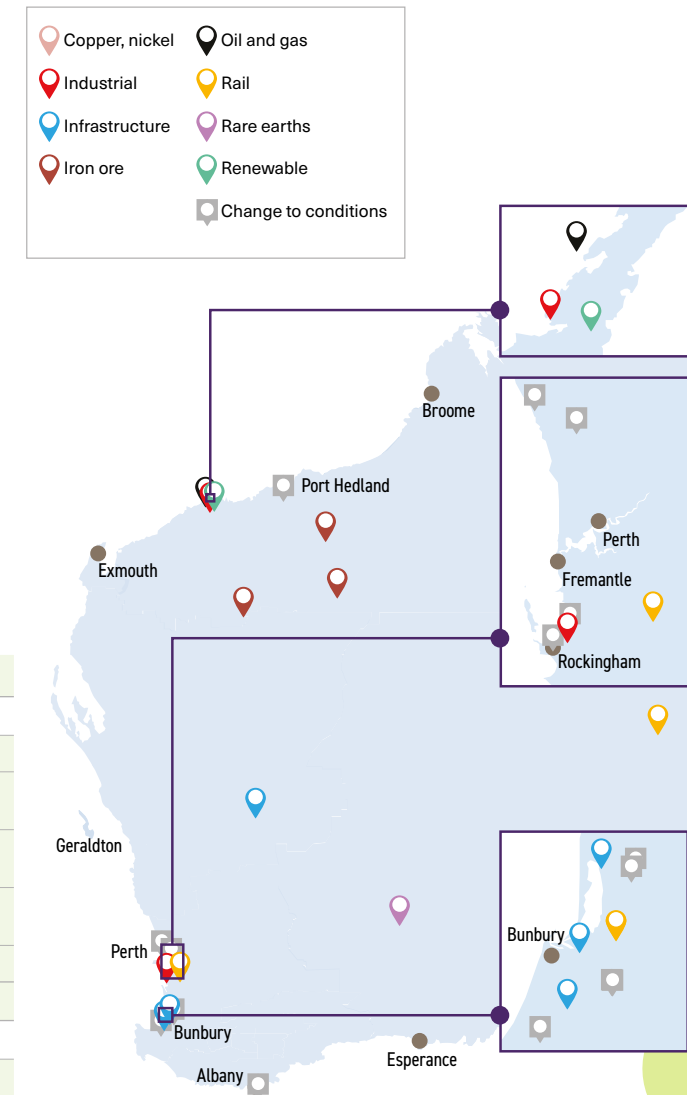
In 2021–22, the department supported the EPA to complete 23 assessment reports to the Minister for Environment, which included 14 reports on the assessment of significant proposals and nine reports on changes to conditions of existing projects.

### Assessment reports completed

Type of assessment	2018–19	2019–20	2020–21	2021–22
Formal assessments				
Public environmental review	10	7	5	5
Environmental review (no public review)	2	1	1	0
Assessment on referral information (no public review)	2	3	5	2
Assessment on referral information (with public review)	1	5	2	7
Strategic proposal	-	-	-	-
<b>Subtotal</b>	<b>15</b>	<b>16</b>	<b>13</b>	<b>14</b>
Changes to conditions				
s. 46 inquiry	9	24	8	9
<b>Total</b>	<b>24</b>	<b>40</b>	<b>21</b>	<b>23</b>

The map shows the location and type of all the proposals for which assessment reports were completed in 2021–22. This included the first assessment of a renewable hydrogen project in WA. The EPA recommended implementation of the proposal by Yara Pilbara Fertilisers Pty Ltd to develop a Renewable Hydrogen Plant on the Burrup Peninsula, subject to conditions.

In 2021–22, the EPA also completed its assessment of the southern section of the Bunbury Outer Ring Road. The EPA's recommendations included strict conditions to preserve and enhance the habitats of the western ringtail possum and other conservation-significant species.



### Location and type of all proposals for which assessment reports were completed in 2021–22



A proposal for a rare earths processing facility in the Goldfields was also recommended for implementation by the EPA, subject to conditions which included a native vegetation buffer at least 30 m wide to screen the proposed facility from residents and the City of Kalgoorlie-Boulder's entrance along Great Eastern Highway.

## Other assessment work

The statement issued by the Minister for Environment may include conditions for the preparation and approval of environmental management plans. During 2021–22, the department completed the assessment of 47 environmental management plans, with 144 still under assessment.

Any amendments to a proposal or implementation conditions once a statement has been issued must be approved under section 45C of the EP Act. The EPA Chair is delegated to make decisions under section 45C on behalf of the Minister for Environment. During 2021–22, the department provided support to the EPA Chair to complete 27 amendments to existing proposals under section 45C of the EP Act, with 23 proposed amendments still under assessment.

The overall existing workload for development proposals is 314. This is an increase from last year and includes:

- assessment of environmental management plans
- requested amendments to conditions and proposals in Ministerial Statements
- referrals yet to be determined
- significant development proposals undergoing formal assessment.

## Consultation

Members of the public are encouraged to participate in consultation opportunities during the environmental impact assessment process by offering advice, identifying omitted relevant information, providing local knowledge and proposing alternatives.

The department facilitated opportunities for public involvement in the assessment process by:

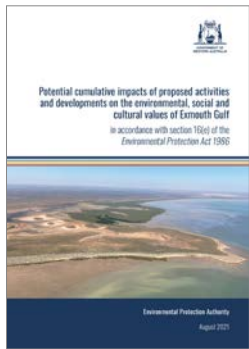
- publishing the referral information for all referred proposals on the EPA website for seven-day public comment
- publishing relevant proponent information (such as environmental review documents) during the assessment on the EPA website for public review.



## Service eight – Environmental management services to the EPA

The department provided services to the EPA to develop guidelines and strategic advice to manage environmental impacts and protect the environment.

### Exmouth Gulf



In August 2021 the EPA delivered its strategic advice on the potential cumulative impacts on Exmouth Gulf to the then Minister for Environment.

The advice, formed at the request of the Minister under section 16(e) of the EP Act, sought to provide a thorough understanding

of how new proposals could add to the cumulative impacts on the environmental, social and cultural values of Exmouth Gulf.

The department supported the EPA throughout this year-long study, coordinating face-to-face engagement with stakeholders and the Exmouth community, public consultation and targeted meetings with local government, business and Traditional Owners.

In December 2021 the State Government announced it would implement all of the EPA's recommendations, including establishing a new marine park for the eastern and southern portions of the Gulf, and Class A reserves for other local areas of significance.

### Public advice

In December 2021 the EPA finalised its [\*Guidance for planning and development: Protection of naturally vegetated areas in urban and peri-urban areas\*](#).

Completed in accordance with section 16(k) of the EP Act, the public advice applies to strategic planning, new schemes and scheme amendments, structure plans, and subdivision and development proposals in urban and peri-urban areas of WA.

The guidance sets out the views and expectations of the EPA for the protection of naturally vegetated areas. It will help planners, developers, proponents and referrers to integrate and consider naturally vegetated areas during all stages of the planning process to meet the EPA's environmental objectives.

The natural vegetation in urban and peri-urban areas of WA provides significant habitat for flora and fauna, as well as amenity, landscape and recreational value for the community. Ongoing demand for new housing, industry and infrastructure in these areas exerts significant pressure on our remaining natural vegetation.

This public advice will ensure greater emphasis on appropriately protecting these areas at all stages of the planning process.

### Stakeholder Reference Group

The department also continued to support the EPA in regular consultation with its Stakeholder Reference Group. The group consists of key external stakeholders and peak industry bodies who provide input directly to the EPA on its guidelines, processes and performance. The group met quarterly in 2021–22.







## Outcome six

Compliance with Ministerial Statement  
implementation conditions are monitored effectively.



## Service nine – Compliance monitoring services to the Minister for Environment

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 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. 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 and achieve better environmental outcomes. The results from compliance audits identify areas for improving proponents' compliance and inform future annual programs and the environmental impact assessment process.

### Compliance and audit activity

Under our 2021–22 program, we continued to monitor significant proposals authorised under Ministerial Statements, completing 34 audits including iron ore mining activities, oil and gas facilities and large infrastructure projects. A total of 186 compliance assessment reports were reviewed and 47 notices of non-compliance were reported.

#### Compliance and audit activity in 2020–21

**186**

compliance assessment reports  
were reviewed







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## Auditor General independent auditor's report



### Auditor General

#### INDEPENDENT AUDITOR'S REPORT 2022

#### Department of Water and Environmental Regulation

To the Parliament of Western Australia

### Report on the audit of the financial statements

#### Opinion

I have audited the financial statements of the Department of Water and Environmental Regulation (Department) which comprise:

- the Statement of Financial Position at 30 June 2022, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended
- Administered schedules comprising the Administered assets and liabilities at 30 June 2022 and the Administered income and expenses by service for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

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 2022 and the financial position at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), 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 responsibilities for the audit of the financial statements section of my report.

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

### Emphasis of Matter – Restatement of comparative balances

I draw attention to Note 8.2 to the financial statements. My opinion is not modified in respect to these matters.

- Amounts related to waste levy debt reported in the previously issued 30 June 2021 financial statements have been restated and disclosed as comparatives in these financial statements.
- Groundwater measurement sites that had not previously been recognised have been recorded in this year's financial statements. Amounts reported in the previously issued 30 June 2021 financial statements have not been restated due to impracticability of retrospective restatement.

### Responsibilities of the Director General for the financial statements

The Director General is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it 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
- 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.

### Auditor's responsibilities 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

## Report on the audit of 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 Director General are those policies and procedures established 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).

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 2022.

### 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 involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an 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 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 audit of 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 2022. 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 2022.

### The Director General's responsibilities 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 responsibilities

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 financial statements, 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.

### Other information

The Director General is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

## 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 2022 included in the annual report 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, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. 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.



Grant Robinson  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
20 October 2022



# Financial statements

## Certification of financial statements

For the reporting period ended 30 June 2022

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 2022 and the financial position as at 30 June 2022.

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



Hilary Manderson  
**Chief Finance Officer**  
20 October 2022



Michelle Andrews  
**Director General**  
20 October 2022



## Statement of comprehensive income

### For the year ended 30 June 2022

	Notes	2022 \$'000	2021 Restated* \$'000
<b>Cost of services</b>			
<b>Expenses</b>			
Employee benefits expense	2.1(a)	102,180	100,300
Supplies and services	2.3	38,241	32,532
Depreciation and amortisation expenses	4.1.1, 4.2, 4.3.1	10,411	11,995
Finance costs	6.3	68	81
Accommodation expenses	2.3	9,054	8,915
Grants and subsidies	2.2	15,119	21,997
Other expenses*	2.3	4,795	6,667
Net loss on disposal of non-current assets	2.4	2,505	1,207
<b>Total cost of services</b>		<b>182,373</b>	<b>183,694</b>
<b>Income</b>			
User charges and fees	3.2	31,799	29,864
Commonwealth grants	3.3	14,408	4,854
Waste Levy*	3.4	85,715	79,250
Interest revenue		365	913
Other income	3.5	4,717	5,523
<b>Total income</b>		<b>137,004</b>	<b>120,404</b>
<b>Net cost of services</b>		<b>45,369</b>	<b>63,290</b>

	Notes	2022 \$'000	2021 Restated* \$'000
<b>Income from State Government</b>			
Service appropriation	3.1	100,392	104,478
Income from other public sector entities	3.1	6,458	3,095
Resources received	3.1	2,561	3,055
Royalties for Regions fund	3.1	10,515	4,699
<b>Total income from State Government</b>		<b>119,926</b>	<b>115,327</b>
<b>Surplus for the period</b>		<b>74,557</b>	<b>52,037</b>
<b>Other comprehensive income</b>			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	8.10	11,512	6,964
<b>Total other comprehensive income</b>		<b>11,512</b>	<b>6,964</b>
<b>Total comprehensive income for the period</b>		<b>86,069</b>	<b>59,001</b>

\* Refer to note 8.2 for details regarding prior year errors.

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

# Statement of financial position

As at 30 June 2022

	Notes	2022 \$'000	2021 Restated* \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6.4	23,785	21,555
Restricted cash and cash equivalents	6.4	76,862	49,289
Receivables*	5.1	25,945	38,600
Amounts receivable for services	5.2	9,238	6,338
Other assets	5.3	1,907	2,145
<b>Total current assets</b>		<b>137,737</b>	<b>117,927</b>
<b>Non-current assets</b>			
Restricted cash and cash equivalents	6.4	2,513	1,833
Amounts receivable for services	5.2	72,840	66,712
Infrastructure, property, plant and equipment*	4.1	367,252	356,624
Right-of-use assets	4.2	2,325	2,175
Intangible assets	4.3	26,765	18,704
Other assets	5.3	2	23
<b>Total non-current assets</b>		<b>471,697</b>	<b>446,071</b>
<b>Total assets</b>		<b>609,434</b>	<b>563,998</b>

	Notes	2022 \$'000	2021 Restated* \$'000
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	5.4	6,796	4,702
Lease liabilities	6.1	953	900
Contract liabilities	5.5	2,447	2,940
Employee related provisions	2.1(b)	25,339	24,822
Other current liabilities	5.6	3	4
<b>Total current liabilities</b>		<b>35,538</b>	<b>33,368</b>
<b>Non-current liabilities</b>			
Lease liabilities	6.1	1,440	1,344
Employee related provisions	2.1(b)	5,511	6,195
<b>Total non-current liabilities</b>		<b>6,951</b>	<b>7,539</b>
<b>Total liabilities</b>		<b>42,489</b>	<b>40,907</b>
<b>Net assets</b>		<b>566,945</b>	<b>523,091</b>
<b>Equity</b>			
Contributed equity*	8.10	285,681	327,896
Reserves*	8.10	36,496	24,984
Accumulated surplus*		244,768	170,211
<b>Total equity</b>		<b>566,945</b>	<b>523,091</b>

\* Refer to note 8.2 for details regarding prior year errors.

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 2022

	Notes	Contributed equity \$'000	Reserves \$'000	Accumulated surplus \$'000	Total equity \$'000
<b>Balance at 1 July 2020</b>		<b>351,630</b>	<b>18,020</b>	<b>120,942</b>	<b>490,592</b>
Correction of prior period errors*	8.2	2,768	-	(2,768)	-
<b>Restated balance at 1 July 2020</b>		<b>354,398</b>	<b>18,020</b>	<b>118,174</b>	<b>490,592</b>
Surplus		-	-	52,037	52,037
Other comprehensive income	8.10	-	6,964	-	6,964
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>6,964</b>	<b>52,037</b>	<b>59,001</b>
Transactions with owners in their capacity as owners:					
Capital appropriations	8.10	7,855	-	-	7,855
Distribution to owners	8.10	(34,357)	-	-	(34,357)
<b>Total</b>		<b>(26,502)</b>	<b>-</b>	<b>-</b>	<b>(26,502)</b>
<b>Balance at 30 June 2021</b>		<b>327,896</b>	<b>24,984</b>	<b>170,211</b>	<b>523,091</b>
<b>Balance at 1 July 2021</b>		<b>327,896</b>	<b>24,984</b>	<b>170,211</b>	<b>523,091</b>
Surplus		-	-	74,557	74,557
Other comprehensive income	8.10	-	11,512	-	11,512
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>11,512</b>	<b>74,557</b>	<b>86,069</b>
<b>Transactions with owners in their capacity as owners:</b>					
Capital appropriations	8.10	11,841	-	-	11,841
Distribution to owners	8.10	(54,056)	-	-	(54,056)
<b>Total</b>		<b>(42,215)</b>	<b>-</b>	<b>-</b>	<b>(42,215)</b>
<b>Balance at 30 June 2022</b>		<b>285,681</b>	<b>36,496</b>	<b>244,768</b>	<b>566,945</b>

\* The 1 July 2020 comparative balances for Contributed equity and Accumulated surplus have been restated. Refer to note 8.2 for details regarding prior year errors. 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 2022

	2022 \$'000	2021 \$'000
<b>Cash flows from State Government</b>		
Service appropriation	85,726	83,973
Capital contributions	11,841	7,855
Holding account drawdown	5,638	6,057
Distributions to owner	(54,044)	(32,730)
Net proceeds on sale of land remitted to consolidated account	(12)	(160)
Royalties for Regions fund	10,515	4,699
Funds from other public sector entities	8,184	775
<b>Net cash provided by State Government</b>	<b>67,848</b>	<b>70,469</b>

	Notes	2022 \$'000	2021 \$'000
Utilised as follows:			
<b>Cash flows from operating activities</b>			
<b>Payments</b>			
Employee benefits		(103,015)	(98,635)
Supplies and services		(33,620)	(29,239)
Finance costs		(67)	(81)
Accommodation		(9,172)	(8,747)
Grants and subsidies		(14,831)	(20,712)
GST payments on purchases		(7,432)	(7,145)
Other payments		(5,594)	(6,540)
<b>Receipts</b>			
User charges and fees		31,932	29,779
Commonwealth grants		14,408	4,854
Interest received		14	40
Waste Levy		83,562	78,561
GST receipts on sales		275	315
GST receipts from taxation authority		6,883	6,728
Other receipts		6,847	3,714
<b>Net cash used in operating activities</b>		<b>(29,810)</b>	<b>(47,108)</b>
<b>Cash flows from investing activities</b>			
<b>Payments</b>			
Purchase of non-current assets		(18,094)	(13,959)
Loan payments to WA Return Recycle Renew Ltd		-	(16,042)
<b>Receipts</b>			
Proceeds from sale of non-current assets		39	80
Loan repayments from WA Return Recycle Renew Ltd		11,625	5,167
<b>Net cash used in investing activities</b>		<b>(6,430)</b>	<b>(24,754)</b>
<b>Cash flows from financing activities</b>			
<b>Payments</b>			
Principal elements of lease payments		(1,125)	(1,168)
<b>Net cash used in financing activities</b>		<b>(1,125)</b>	<b>(1,168)</b>
Net increase / (decrease) in cash and cash equivalents		30,483	(2,561)
Cash and cash equivalents at the beginning of the period		72,677	75,238
<b>Cash and cash equivalents at the end of the period</b>	6.4	<b>103,160</b>	<b>72,677</b>

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

## Administered schedules

For the year ended 30 June 2022

	2022 \$'000	2021 \$'000
<b>Administered income and expenses</b>		
<b>Income</b>		
For transfer:		
Regulatory fees and other charges <sup>(a)</sup>	57	33
<b>Total administered income</b>	<b>57</b>	<b>33</b>
<b>Expenses</b>		
Payments into the consolidated account <sup>(a)</sup>	57	33
<b>Total administered expenses</b>	<b>57</b>	<b>33</b>

(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.

(b) Further explanations of variances are contained in note 9.2 'Explanatory statement for administered items.'

	2022 \$'000	2021 \$'000
<b>Administered assets and liabilities</b>		
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	1	1
<b>Total administered current assets</b>	<b>1</b>	<b>1</b>
<b>Total administered assets</b>	<b>1</b>	<b>1</b>
<b>Liability</b>		
<b>Current liability</b>		
Payables	-	-
<b>Total administered current liabilities</b>	<b>-</b>	<b>-</b>
<b>Total administered liabilities</b>	<b>-</b>	<b>-</b>



# Notes to the financial statements

For the year ended 30 June 2022

## 1. Basis of preparation

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

A description of the nature of its operations and its principal activities have been included in the 'Our performance' section which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Director General of the department on 19 October 2022.

### (a) Statement of compliance

These general purpose financial statements are prepared in accordance with:

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

The FMA and TIs take precedence over AAS. Several AAS are modified by the 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) Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- (a) amount of GST incurred by the department as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- (b) receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

### (e) Contributed equity

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, as designated as contributions by owners (at the time of, or prior to, transfer) 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.

### (f) Comparative figures

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

### (g) Administered items

The department administers, but does not control, certain activities and functions for and on behalf of Government that do not contribute to the department's services or objectives. It does not have discretion over how it utilises the transactions in pursuing its own objectives.

Transactions relating to the administered activities are not recognised as the department's income, expenses, assets and liabilities, but are disclosed in the accompanying schedules as 'Administered income and expenses', and 'Administered assets and liabilities'.

The accrual basis of accounting and applicable AAS have been adopted.



## 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	2022 \$'000	2021 \$'000
Employee benefits expense	2.1(a)	102,180	100,300
Employee related provisions	2.1(b)	30,850	31,017
Grants and subsidies	2.2	15,119	21,997
Other expenditure*	2.3	52,090	48,114
Net loss on disposal of non-current assets	2.4	2,505	1,207

\* The 2021 comparative balance for 'Other expenditure' has been restated. Refer to note 8.2 for additional information.

### 2.1(a) Employee benefits expense

	2022 \$'000	2021 \$'000
Employee benefits	92,615	91,212
Superannuation – defined contribution plans	9,565	9,088
<b>Total employee benefits expenses</b>	<b>102,180</b>	<b>100,300</b>
Add: AASB 16 Non-monetary benefits (not included in employee benefit expense)	827	840
Less: Employee contributions (refer to note 3.5 Other income)	(117)	(136)
<b>Total employee benefits provided</b>	<b>102,890</b>	<b>101,004</b>

#### Employee benefits:

Include wages and salaries, accrued and paid leave entitlements and paid sick leave; and non-monetary benefits recognised under accounting standards other than AASB 16 (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, relating to the provision of vehicle and housing benefits that are recognised under AASB 16 and are excluded from the employee benefit expense.

#### Employee contributions:

Contributions made to the department by employees towards employee benefits that have been provided by the department. This includes both AASB 16 and non-AASB 16 employee contributions.



## 2.1(b) Employee related provisions

	2022 \$'000	2021 \$'000
<b>Current</b>		
<b>Employee benefits provisions</b>		
Annual leave <sup>(a)</sup>	10,412	10,364
Long service leave <sup>(b)</sup>	13,804	13,299
Purchased annual leave	131	73
Deferred salary scheme <sup>(c)</sup>	160	170
	<b>24,507</b>	<b>23,906</b>
<b>Other provisions</b>		
Employment on-costs <sup>(d)</sup>	832	916
<b>Total current employee related provisions</b>	<b>25,339</b>	<b>24,822</b>
<b>Non-current</b>		
<b>Employee benefits provision</b>		
Long service leave <sup>(b)</sup>	5,328	5,965
<b>Other provisions</b>		
Employment on-costs <sup>(d)</sup>	183	230
<b>Total non-current employee related provisions</b>	<b>5,511</b>	<b>6,195</b>
<b>Total employee related provisions</b>	<b>30,850</b>	<b>31,017</b>

Provision is made for benefits accruing to employees, in respect of 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.

### (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 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

Involve the settlement of annual and long service leave liabilities which 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 premiums, 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.

	2022 \$'000	2021 \$'000
<b>Employment on-costs provision</b>		
Carrying amount at start of period	1,146	1,087
Additional / (reversals of) provisions recognised	374	415
Payments / other sacrifices of economic benefits	(435)	(363)
Unwinding of the discount	(70)	7
<b>Carrying amount at end of period</b>	<b>1,015</b>	<b>1,146</b>

### 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	2022 \$'000	2021 \$'000
<b>Recurrent</b>			
Clean Energy Future Fund – Western Australia Recovery Program <sup>(a)</sup>		953	108
Commonwealth Grants – National On-Farm Emergency Water Infrastructure Rebate Scheme <sup>(b)</sup>		5	3,969
Commonwealth Grants – Smart Farming Partnerships <sup>(c)</sup>		135	529
Container Deposit Scheme		-	63
Contaminated Sites Management Account Grants		110	243
Grants Other		146	117
Keep Australia Beautiful Council (W.A.)		112	112
Pilbara Environmental Offsets Fund		79	-
Royalties for Regions – Healthy Estuaries Western Australia		25	25
Royalties for Regions – Revitalising Waterways of Geopraphe Bay #2		-	100
Rural Water Planning Program <sup>(d)</sup>		742	366
Small Grants Program - Greening our Community		279	-
Statewide Water Efficiency Measures		50	187
Waste Avoidance and Resource Recovery Account	3.4	9,694	10,443
Water Innovation Partnership		257	194
Water Sensitive Cities Australia		150	150
Western Australian Climate Policy		348	97
<b>Non-recurrent</b>			
WA Return Recycle Renew Ltd <sup>(e)</sup>		-	1,224
<b>Capital</b>			
Native Vegetation Rehabilitation Scheme <sup>(f)</sup>		-	2,968
Offset Fund for Recovery Program <sup>(g)</sup>		-	1,102
Commonwealth Grants – National Partnership on Recycling Infrastructure <sup>(h)</sup>		2,034	-
<b>Total grants and subsidies</b>		<b>15,119</b>	<b>21,997</b>

Transactions in which the department provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving equal value in return are categorised as 'Grant or subsidy expenses.' Grants and subsidies 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 Clean Energy Future Fund supports the development of clean energy projects under a framework agreed by the Minister for Environment and the Minister for Energy, accelerating deployment of a broad range of clean energy solutions to decarbonise WA's regions and the mining sector. Investment is expected to drive the installation of clean energy infrastructure in regional and remote areas, increasing economic activity and employment. \$0.953 million grant payments were paid in financial year 2022, with grants of \$9.4 million expected to be paid out in the 2023 financial year and \$7.173 million expected to be paid out over financial years 2024 to 2026.
- (b) 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 Emergency Water Infrastructure Rebate Scheme for farmers for emergency water supply for livestock. The scheme supported a range of infrastructure works that delivered water for livestock, including installing pumps and pipes for water supply and cleaning out farm dams. Additional funding of \$3.620 million in the 2021 financial year revised the total budget to \$8.240 million. The Scheme closed in WA on 20 January 2021, with \$0.005 million recognised grants paid in the 2022 financial year.

(c) 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. The Program was originally scheduled to conclude by 30 June 2022 but is now likely to conclude by 30 June 2023. 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.

- (d) This program changed its name in 2021–22 from the Rural Water Deficiency and Community Water Supply grant to the Rural Water Planning Program. Due to climate change, there has been an unprecedented number of Water Deficiency Declarations in the South East agricultural area, where the State Government provides water to farmers for emergency animal welfare needs during very dry periods, through the Rural Water Planning Program. A declaration requires the Government to arrange and pay for carting of water for livestock needs to a central storage point, which is made available to affected farmers. Twelve Water Deficiency Declarations have been declared since May 2019. Water deficiency declarations were in place for Salmon Gums and Grass Patch in 2022 but have been suspended due to rainfall improving supply. The department will continue to liaise with local farmers and shires to monitor the situation over the 2023 financial year. This program also supports the delivery of the Community Water Supply Program (CWS). The CWSP provides larger-scale grant co-funding to allow rural communities in dryland farming regions of WA to adapt to changing rainfall patterns by establishing infrastructure that maximises the efficient use of all available water resources. \$0.742 million grant payments were paid in the 2022 financial year, with anticipated grants of \$0.797 million expected to be paid in the 2023 financial year, and \$1.583 million grant payments expected to be paid out over financial years 2024 to 2025.



- (e) The department advanced loan monies from the Waste Avoidance and Resource Recovery Account (refer to note 8.7) to WA Return Recycle Renew Ltd to fund the initial cash flow needs of the container deposit scheme. The difference between the cash advanced and the fair value of these loans were accounted for as a grant expense in the 2021 financial year when the funds were advanced. For additional information please refer to note 5.1 Receivables.
- (f) The Native Vegetation Rehabilitation Scheme program is a part of the COVID-19 recovery initiatives which will deliver environmental rehabilitation and revegetation projects across the Southwest land division. Conservation groups will work to improve vegetation condition and build on vegetation corridors through a range of work including fencing, seeding, planting, and managing threats to native vegetation. This will contribute to improving habitat for WA's unique and important flora and fauna species, especially black cockatoos. Nil grant payments were paid in the 2022 financial year, with anticipated grants of \$2.166 million expected to be paid in the 2023 financial year, and \$6.496 million grant payments expected to be paid out over financial years 2024 to 2026.
- (g) The Offsets Fund for Recovery program is a part of the COVID-19 recovery plan that will support the demographic whose employment is most impacted by the COVID-19 pandemic while achieving the environmental values. The program will contribute to improving habitat for WA's unique and important flora and fauna species, especially black cockatoos, and remnant vegetation in highly cleared landscapes. This broader revegetation scheme will contribute to the ecosystem services provided by functioning vegetation communities and will provide jobs suitable for exactly the demographic whose employment is most affected by the COVID-19 pandemic. The program has a budget of \$8.0 million with scheduled conclusion by the 2026 financial year funded by the Establishing and Maintaining Native Vegetation Offsets Account. Nil grant payments were paid in the 2022 financial year.
- 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 Establishing and Maintaining Native Vegetation 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.
- (h) The Western Australian and Australian Governments announced their joint commitment to improve recycling capacity in WA through a joint commitment of \$70 million in funding. The Commonwealth contribution is through the Recycling Modernisation Fund to fund the National Partnership on Recycling Infrastructure. This funding was in response to the former Council of Australian Governments' decision to ban the export of waste glass, tyres, plastics and paper/cardboard. The funding supports private investment in recycling infrastructure through grants administered by the department. \$2.034 million grant payments were paid in the 2022 financial year with anticipated grants of \$16.5 million expected to be paid in the 2023 financial year, and \$1 million grant payments expected to be paid in the 2024 financial year.

## 2.3 Other expenditure

	2022 \$'000	2021 \$'000
<b>Supplies and services</b>		
Communications	2,060	1,966
Consultants and contractors	28,206	23,806
Consumables	538	619
Materials	197	161
Travel	572	636
Vehicle expenses	781	333
Minor plant, machinery and equipment	1,836	758
Plant, machinery and equipment hire	75	234
Chemical analysis expense	810	800
Water carting and drought relief	75	343
Other supplies and services	3,091	2,876
<b>Total supplies and services expenses</b>	<b>38,241</b>	<b>32,532</b>
<b>Accommodation expenses</b>		
Rental	7,338	6,927
Electricity and water	465	506
Rates and taxes	32	27
Security	29	35
Repairs and maintenance	567	748
Cleaning	623	672
<b>Total accommodation expenses</b>	<b>9,054</b>	<b>8,915</b>

### 2.3 Other expenditure (continued)

	2022 \$'000	2021 \$'000
<b>Other expenses</b>		
Audit fees	303	314
Bad debts <sup>(a)</sup>	4,743	3
Equipment repairs and maintenance	552	1,261
Expected credit losses – (reversed)/expense <sup>(b)</sup>	(4,143)	464
Employment on-costs	2,617	2,486
Insurance	542	707
Other operating expenses	181	1,432
<b>Total other expenses</b>	<b>4,795</b>	<b>6,667</b>
<b>Total other expenditure</b>	<b>52,090</b>	<b>48,114</b>

(a) \$4.733m of the bad debts relates to RCG Technologies Pty Ltd in liquidation. On 24 June 2021, the liquidator confirmed that there was no prospect of a dividend payment to unsecured creditors, including the department. The Treasurer of WA approved the bad debt on 12 April 2022.

(b) The Expected credit losses 2021 comparative balance has been restated from \$(5,000) to \$464,000. Refer to note 8.2 for additional information.

### 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, cleaning, security, electricity, water, rates and taxes costs are recognised as expenses as incurred.

**Rental expenses** include:

- (i) Included in rental expenses are Office rental costs of \$7.2m (2021: \$6.8m). Office rental is expensed as incurred as Memorandum of Understanding Agreements between the department and the Department of Finance for the leasing of office accommodation contain significant substitution rights.
- (ii) short-term leases with a lease term of 12 months or less.
- (iii) low-value leases with an underlying value of \$5,000 or less.

**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 Net loss on disposal of non-current assets**

	2022 \$'000	2021 \$'000
<b>Proceeds from disposal of non-current assets</b>		
Land	(14)	(80)
Plant, equipment and vehicles	(27)	-
<b>Carrying amount of non-current assets disposed</b>		
Land	430	35
Measurement sites	2,062	1,252
Plant, equipment and vehicles	54	-
<b>Net loss on disposal of non-current assets</b>	<b>2,505</b>	<b>1,207</b>

**Realised and unrealised gains** are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and 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	2022 \$'000	2021 \$'000
Income from State Government	3.1	119,926	115,327
User charges and fees	3.2	31,799	29,864
Commonwealth grants	3.3	14,408	4,854
Waste levy*	3.4	85,715	79,250
Other income	3.5	4,717	5,523

\* The Waste levy 2021 comparative balance has been restated. Refer to note 8.2 for additional information.

### 3.1 Income from State Government

	2022 \$'000	2021 \$'000
<b>Appropriation received during the period<sup>(a)</sup>:</b>		
Service appropriation	100,392	104,478
<b>Total appropriation received</b>	<b>100,392</b>	<b>104,478</b>
<b>Income received from other public sector entities during the period<sup>(b)</sup>:</b>		
Establishing and Maintaining Vegetation Offsets Account	504	746
Grants	507	502
Interest revenue	204	86
Wooroloo Bushfire Coordinated Residential Clean-up Program	4,973	1,761
Gain on disposal of lease arrangement	1	-
Environmental Protection Part IV Cost Recovery Account	269	-
<b>Total income received from other public sector entities</b>	<b>6,458</b>	<b>3,095</b>

#### 3.1 Income from State Government (continued)

	2022 \$'000	2021 \$'000
<b>Resources received from other public sector entities during the period<sup>(c)</sup>:</b>		
<b>Services received free of charge</b>		
Department of Finance – Accommodation lease and Covid supplies	171	151
Department of Health – Water source and contaminated sites assessment	198	195
Department of Planning, Lands and Heritage – Spatial data	1	5
Department of Primary Industries and Regional Development – Digital map	-	16
Department of Transport – Environmental assessment	-	31
Landgate – Land information services	61	55
Main Roads Western Australia – Clearing permit assessment	150	651
State Solicitor's Office – Legal services	1,980	1,951
<b>Total services received free of charge</b>	<b>2,561</b>	<b>3,055</b>
<b>Royalties for Regions fund<sup>(d)</sup>:</b>		
Regional Infrastructure and Headworks Account	7,303	4,210
Regional Community Services Account	3,212	489
<b>Total Royalties for Regions Fund</b>	<b>10,515</b>	<b>4,699</b>
<b>Total income from State Government</b>	<b>119,926</b>	<b>115,327</b>

#### (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) Income from other public service entities

Income from other public service entities is recognised as income when the department has satisfied its performance obligations under the funding agreement. If there is no performance obligation, income will be recognised when the department receives the funds.

### (c) Resources received from other public sector entities

Resources received from other public sector entities are recognised as income (and assets or expenses) equivalent to the fair value of the assets received, or the fair value of those services that can be reliably determined and which would have been purchased if not donated.

### (d) Royalties for Regions fund

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.

## ► Summary of consolidated account appropriations

### For the year ended 30 June 2022

	2022 Budget	2022 Supplementary funding	2022 Revised budget	2022 Actual	2022 Variance
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Delivery of services</b>					
Item 85 Net amount appropriated to deliver services	117,781	-	117,781	99,990	(17,791)
Amount authorised by other statutes – <i>Salaries and Allowances Act 1975</i>	402	-	402	402	-
<b>Total appropriations provided to deliver services</b>	<b>118,183</b>	<b>-</b>	<b>118,183</b>	<b>100,392</b>	<b>(17,791)</b>
<b>Capital</b>					
Item 144 Capital appropriation	11,791	-	11,791	11,841	50
<b>Administered transactions</b>					
Administered grants, subsidies and other transfer payments	155	-	155	57	(98)
<b>Total administered transactions</b>	<b>155</b>	<b>-</b>	<b>155</b>	<b>57</b>	<b>(98)</b>
<b>Total consolidated account appropriations</b>	<b>130,129</b>	<b>-</b>	<b>130,129</b>	<b>112,290</b>	<b>(17,839)</b>

No supplementary income was received by the department.



### 3.2 User charges and fees

	2022 \$'000	2021 \$'000
Industry fees <sup>(a)</sup>	23,375	23,137
Controlled waste <sup>(b)</sup>	5,583	4,965
Contaminated sites	169	283
Clearing regulations	348	464
Water licences and regulatory fees <sup>(c)</sup>	988	1,005
Noise regulations	118	-
Environmental Protection Part IV Cost Recovery Account <sup>(d)</sup>	1,206	-
Other charges and fees	12	10
<b>Total user charges and fees</b>	<b>31,799</b>	<b>29,864</b>

User charges and fees revenue are recognised at the transaction price when the department transfers control of the services to customers.

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.

(a) Licensing and registration fees relating to prescribed premises under Part V of the *Environmental Protection Act 1986* (EP Act).

(b) Fees for the licensing of vehicles transporting controlled public waste as per the Environmental Protection (Controlled Waste) Regulations 2004.

(c) Water licences and regulatory fees under the *Rights in Water and Irrigation Act 1914*.

Revenue is recognised at a point in time being the earlier of cash receipt or when the department's right to receive consideration is established with regards to environmental impact assessments (EIA).

(d) Part IV of the EP Act states that the Environmental Protection Authority (EPA) will conduct EIA in WA. The Environmental Protection (Cost Recovery) Regulations 2021 (Regulations) were developed to prescribe or provide for the

determination of the fees and charges for the EIA processes under Part IV of the EP Act. The Regulations were gazetted on 17 December 2021 and came into operation on 1 January 2022. A special purpose account was established to manage the funds recovered under the Environmental Protection (Cost Recovery) Regulations 2021 to be used for defraying the costs incurred by the department in receiving and assessing proposals and monitoring the implementation of proposals under Part IV (division 1 or 2) of the EP Act. Refer to note 8.7 for additional information.

### 3.3 Commonwealth grants

	2022 \$'000	2021 \$'000
<b>Commonwealth grants – recurrent</b>	<b>14,408</b>	<b>4,854</b>

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:

	2022 \$'000	2021 \$'000
Environment Online	5,250	2,250
Indian Ocean Territories Account	464	450
National Pollutant Inventory	83	83
Smart Farming Partnerships – National Landcare Program	465	721
Smart Farms Small Grants – National Landcare Program	875	-
National On-Farm Emergency Water Infrastructure Rebate Scheme	2,682	1,350
National Partnership on Recycling Infrastructure	3,276	-
National Water Grid – Community Water Supply Program	400	-
National Water Grid – Agricultural Areas Dams	913	-
<b>Total Commonwealth grants</b>	<b>14,408</b>	<b>4,854</b>

### 3.4 Waste levy

	2022 \$'000	2021 \$'000
Waste levy*	85,715	79,250

\* The Waste levy 2021 comparative balance has been restated. Refer to note 8.2 for additional information.

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. Under section 76 of the WARR Act a penalty applies to waste levy payments that are paid after the date on which they become due, calculated at a rate of 20 per cent per annum on the amount of unpaid levy.

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 income is adjusted to actual before the department's financial statements are signed.

### 3.5 Other income

	2022 \$'000	2021 \$'000
<b>Services rendered</b>		
Establishing and Maintaining Vegetation Offsets Account <sup>(a)</sup>	4	468
Pilbara Environmental Offsets Fund <sup>(b)</sup>	1,501	4,402
Employee contributions <sup>(c)</sup>	117	136
Lease rentals – land and buildings	246	193
Gain on disposal of lease arrangement	4	-
Tree annuity	72	174
Tree harvest	53	62
Recoupment of expenses	397	1
Recoupment of grant funds	363	-
Murujuga Rock Art Monitoring Program - industry funding <sup>(d)</sup>	1,790	-
Other revenue	170	87
<b>Total other income</b>	<b>4,717</b>	<b>5,523</b>

(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). Certain 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 is 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 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) Income received by the department from sub-leasing of right-of-use assets to lease payments from operating leases. The department has leased several right-of-use asset from the Government Regional Officer Housing (GROH) and State Fleet (SF), which it subleases out to employees at a subsidised rate. Information on the department's leasing arrangements with GROH and SF can be found in note 2.1(a).
- (d) In terms of the Murujuga Rock Art Monitoring Program memorandum of understanding (MoU) dated 7 February 2020, industry participants have agreed to contribute to the estimated costs associated with the program until the earlier of five years from the MoU date of execution; the parties ending the relationship by mutual consent or any statutory obligations that come into effect by an amendment to the *Environmental Protection Act 1986*.

## 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 assets the department utilises for economic benefit or service potential or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2022 \$'000	2021 \$'000
Infrastructure, property, plant and equipment*	4.1	367,252	356,624
Right-of-use assets	4.2	2,325	2,175
Intangible assets	4.3	26,765	18,704
<b>Total key assets</b>		<b>396,342</b>	<b>377,503</b>

\* Refer to note 8.2 for details regarding prior year errors.



## 4.1 Infrastructure, property, plant and equipment

	Capital works in progress	Works of Art	Computer equipment	Vehicles and Boating	Infrastructure	Plant and equipment	Measurement sites*	Leasehold improvements	Buildings	Land	Total
Year ended 30 June 2022	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>1 July 2021</b>											
Gross carrying amount	10,681	111	917	231	1,335	5,719	176,873	229	4,387	159,305	359,788
Accumulated depreciation	-	-	(602)	(127)	(171)	(2,240)	-	(24)	-	-	(3,164)
<b>Carrying amount at start of period</b>	<b>10,681</b>	<b>111</b>	<b>315</b>	<b>104</b>	<b>1,164</b>	<b>3,479</b>	<b>176,873</b>	<b>205</b>	<b>4,387</b>	<b>159,305</b>	<b>356,624</b>
Additions	6,904	5	-	-	-	175	-	-	28	-	7,112
Transfers in/(out) <sup>(a)</sup>	(2,318)	-	8	-	-	379	1,668	263	-	-	-
Disposals	-	-	-	-	-	(54)	(2,062)	-	-	(430)	(2,546)
Revaluation increments	-	-	-	-	-	-	571	-	398	10,543	11,512
Depreciation	-	-	(225)	(32)	(66)	(541)	(4,461)	(15)	(110)	-	(5,450)
<b>Carrying amount at end of period</b>	<b>15,267</b>	<b>116</b>	<b>98</b>	<b>72</b>	<b>1,098</b>	<b>3,438</b>	<b>172,589</b>	<b>453</b>	<b>4,703</b>	<b>169,418</b>	<b>367,252</b>
Gross carrying amount	15,267	116	925	231	1,335	6,118	172,589	492	4,703	169,418	371,194
Accumulated depreciation	-	-	(827)	(159)	(237)	(2,680)	-	(39)	-	-	(3,942)
Accumulated impairment losses	-	-	-	-	-	-	-	-	-	-	-

\* Refer to note 8.2 for details regarding prior year errors.

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

### 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).

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.

**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 Ernst & Young as at 30 June 2022. 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.

**Land and buildings** are independently valued annually by the WA Land Information Authority (Landgate) 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 2021 by Landgate. The valuations were performed during the year ended 30 June 2022 and recognised at 30 June

2022. In undertaking the revaluation, fair value was determined by reference to market values for land: \$45,811,150 (2021: \$42,899,450) and buildings: \$2,677,500 (2021: \$2,605,000). For the remaining balance, unobservable (level 3) inputs were used to determine the fair value. As at 30 June 2022, there were no indications of impairment to infrastructure, property plant and equipment.

### Revaluation model:

Where the fair value of buildings 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.

**Unobservable (level 3) inputs** used to determine fair values of infrastructure, property, plant and equipment are:

<b>Land:</b>	Fair value for restricted use land is determined by comparison with market evidence for land with low level utility. Relevant comparators of land with low level utility are selected by the Western Australian Land Information Authority (Valuation Services).
<b>Buildings:</b>	<p><b>Historical cost per square metre floor area</b> The costs of constructing specialised buildings with similar utility are extracted from financial records of the department, then indexed by movements in consumer price index.</p> <p><b>Consumed economic benefit/obsolescence of asset</b> These are estimated by the West Australian Land Information Authority (Valuation Services).</p>
<b>Measurement sites:</b>	<p><b>Historical cost of the assets</b> The costs of construction of the measurement sites are extracted from the financial records of the department and indexed by movement in construction costs by valuers.</p>

**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

	2022 \$'000	2021 \$'000
<b>Depreciation</b>		
Buildings	110	111
Infrastructure	66	66
Plant and equipment	541	724
Vehicles and boating	32	34
Computer equipment	225	218
Leasehold improvements	15	13
Measurement sites	4,461	4,494
<b>Total depreciation for the period</b>	<b>5,450</b>	<b>5,660</b>

As at 30 June 2022, there were no indications of impairment on infrastructure, property, plant and equipment (2021: \$0).

#### ► 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 <sup>(b)</sup>	20 years
Measurement sites	40 years
Plant and equipment	5–20 years
Computer equipment (hardware and software <sup>(a)</sup> )	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 infrastructure, 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 is 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

Year ended 30 June 2022	Buildings	Computer Equipment	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000
Net carrying amount at beginning of period	439	180	1,556	2,175
Additions	275	561	456	1,292
Depreciation	(280)	(178)	(684)	(1,142)
<b>Net carrying amount at end of period</b>	<b>434</b>	<b>563</b>	<b>1,328</b>	<b>2,325</b>

The department has leases for vehicles, computer equipment, office and residential accommodations. The lease contracts are typically made for fixed periods of 1 to 6 years with an option to renew the lease after that date. Lease payments for buildings not leased through the Department of Finance are renegotiated when appropriate to reflect market rentals.

The department subleases residential housing to employees at a subsidised rate. The department recognises lease payments from operating leases as income on a straight-line basis over the term of the lease.

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.

### ► Initial recognition

At the commencement date of the lease, the department recognises right-of-use assets and a corresponding lease liability for most leases. The right-of-use assets are measured at cost comprising of:

- 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, and

- restoration costs, including dismantling and removing the underlying asset.

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

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:

	2022 \$'000	2021 \$'000
Buildings	280	251
Computer equipment	178	216
Motor vehicles	684	705
<b>Total right-of-use assets depreciation for the period</b>	<b>1,142</b>	<b>1,172</b>

The total cash outflow for leases in the 2022 financial year was \$1.1 million (2021: \$1.2 million).

## 4.3 Intangible assets

Year ended 30 June 2022	Capital Works in Progress \$'000	Analytical Products \$'000	Licences \$'000	Computer Software \$'000	Total \$'000
<b>1 July 2021</b>					
Gross carrying amount	9,247	8,922	50	22,441	40,660
Accumulated amortisation	-	(3,496)	(32)	(18,428)	(21,956)
<b>Carrying amount at start of period</b>	<b>9,247</b>	<b>5,426</b>	<b>18</b>	<b>4,013</b>	<b>18,704</b>
Additions	11,880	-	-	-	11,880
Transfers in/(out) <sup>(a)</sup>	(1,693)	909	77	707	-
Amortisation expense	-	(920)	(24)	(2,875)	(3,819)
<b>Carrying amount at end of period</b>	<b>19,434</b>	<b>5,415</b>	<b>71</b>	<b>1,845</b>	<b>26,765</b>
Gross carrying amount	19,434	9,831	127	23,148	52,540
Accumulated amortisation	-	(4,416)	(56)	(21,303)	(25,775)

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

### ► Initial recognition

Intangible assets are initially recognised at cost. For assets acquired at significantly less than fair value, 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 probable 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 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 (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

	2022 \$'000	2021 \$'000
<b>Charge for the period</b>		
Analytical products	920	886
Computing software	2,875	4,259
Licences	24	18
<b>Total amortisation for the period</b>	<b>3,819</b>	<b>5,163</b>

#### ► Useful lives

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 <sup>(a)</sup>	3–5 years
Analytical products <sup>(b)</sup>	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.

As at 30 June 2022 there were no indications of impairment to intangible assets.





## 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	2022 \$'000	2021 \$'000
Receivables*	5.1	25,945	38,600
Amounts receivable for services	5.2	82,078	73,050
Other assets	5.3	1,909	2,168
Payables	5.4	6,796	4,702
Contract liabilities	5.5	2,447	2,940
Other current liabilities	5.6	3	4

\* Refer to note 8.2 for details regarding prior year errors.

### 5.1 Receivables

	2022 \$'000	2021 \$'000
<b>Current</b>		
Trade receivables	4,052	6,078
Allowance for impairment of trade receivables	(337)	(163)
Accrued revenue*	20,967	24,853
Allowance for impairment of accrued revenue*	(138)	(4,455)
GST receivable	1,401	1,013
<b>Loans and advances</b>		
Loan to WARRRL – Facility A <sup>(a)</sup>	-	10,743
Loan to WARRRL – Facility B <sup>(a)</sup>	-	531
<b>Total current</b>	<b>25,945</b>	<b>38,600</b>
<b>Total receivables at end of the period</b>	<b>25,945</b>	<b>38,600</b>

\* The Accrued revenue and Allowance for impairment of accrued revenue 2021 comparative balances have been restated. Refer to note 8.2 for details regarding prior year errors.

Trade receivables are initially recognised at their transaction price or, for those receivables that contain a significant financing component, at fair value. The department holds the receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

The department recognises a loss allowance for expected credit losses (ECLs) on a receivable not held at fair value through profit and loss. The ECLs are based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate. Individual receivables are written off when the department has no reasonable expectations of recovering the contractual cash flows.

For trade receivables, the department recognises an allowance for ECLs 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, please refer to note 2.3 for the amount of ECLs expensed in this financial year.

- (a) On 1 October 2020, Containers for Change commenced in WA. Containers for Change is the 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 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.

As the interest payable on Facility A is at a below market rate of interest, the loan advances have been initially measured at fair value with the difference between the cash advanced and the fair value of the anticipated interest payments and loan repayments recognised as a grant expense in the statement of comprehensive income when the funds were advanced. Over time, interest income (in addition to the cash interest received from WARRRL) is recognised to accrete the loan to face value.

► **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.

As no interest is payable on Facility B, the loan has been initially measured at fair value with the difference between the cash advanced and the fair value of the anticipated loan repayments recognised as a grant expense in the statement of comprehensive income when the funds were advanced. Over time, interest income is recognised to accrete the loan to face value.

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

The Facility A and Facility B loan balances and the Facility A interest were fully repaid during the financial year under review.

## 5.2 Amounts receivable for services (holding account)

	2022 \$'000	2021 \$'000
Current	9,238	6,338
Non-current	72,840	66,712
<b>Total amounts receivable for services at end of period</b>	<b>82,078</b>	<b>73,050</b>

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.

The amounts receivable for services are financial assets at amortised cost and are not considered impaired (i.e., there is no expected credit loss of the holding account).

## 5.3 Other assets

	2022 \$'000	2021 \$'000
<b>Current</b>		
Prepayments	1,907	2,145
<b>Total current</b>	<b>1,907</b>	<b>2,145</b>
<b>Non-current</b>		
Prepayments	2	23
<b>Total non-current</b>	<b>2</b>	<b>23</b>
<b>Total other assets at end of period</b>	<b>1,909</b>	<b>2,168</b>

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

	2022 \$'000	2021 \$'000
Current trade payables <sup>(a)</sup>	1,755	245
Other payables <sup>(a)</sup>	49	557
Accrued expenses	3,035	2,434
Accrued salaries <sup>(b)</sup>	1,957	1,466
<b>Total payables at end of period</b>	<b>6,796</b>	<b>4,702</b>

- (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 15–30 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.

## 5.5 Contract liabilities

	2022 \$'000	2021 \$'000
<b>Reconciliation of changes in contract liabilities</b>		
Opening balance	2,940	1,749
Additions	2,137	2,940
Revenue recognised in the period	(2,630)	(1,749)
<b>Total contract liabilities at end of period</b>	<b>2,447</b>	<b>2,940</b>
<b>Current</b>	<b>2,447</b>	<b>2,940</b>
<b>Non-current</b>	<b>-</b>	<b>-</b>

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

	2022 \$'000	2021 \$'000
Stale cheque holding account	3	4
<b>Total current liabilities at end of period</b>	<b>3</b>	<b>4</b>



## 6. Financing

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

	Notes	2022 \$'000	2021 \$'000
Lease liabilities	6.1	2,393	2,244
Assets pledged as security	6.2	2,325	2,175
Finance costs	6.3	68	81
Cash and cash equivalents	6.4	103,160	72,677
Capital commitments	6.5	8,611	8,540

### 6.1 Lease liabilities

	2022 \$'000	2021 \$'000
Not later than one year	953	900
Later than one year and not later than five years	1,412	1,326
Later than five years	28	18
	<b>2,393</b>	<b>2,244</b>
<b>Current</b>	<b>953</b>	<b>900</b>
<b>Non-current</b>	<b>1,440</b>	<b>1,344</b>
<b>Total lease liabilities at end of period</b>	<b>2,393</b>	<b>2,244</b>

#### ► Initial measurement

At the commencement date of the lease, the department recognises lease liabilities measured at the present value of the lease payments to be made over the lease term. 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 Western Australia 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.

- 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).

The interest on the lease liability is recognised in profit or loss over the lease term so as 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.

Variable lease payments, not included in the measurement of lease liability, that are dependent on sales, an index or rate are recognised by the department in profit or loss in the period in which the condition that triggers those payments occurs.

#### ► 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.

This section should be read in conjunction with note 4.2.

	2022 \$'000	2021 \$'000
<b>Lease expenses recognised in the Statement of comprehensive income</b>		
Lease interest expense	68	81
Short term leases	56	43
<b>Net loss on disposal of lease arrangement</b>	<b>1</b>	<b>19</b>

**Short-term leases** are recognised on a straight-line basis with a lease term of 12 months or less.

**Low-value leases** with an underlying value of \$5,000 or less are recognised on a straight-line basis.

## 6.2 Assets pledged as security

	2022 \$'000	2021 \$'000
<b>The carrying amounts of non-current assets pledged as security are:</b>		
Right-of-use asset vehicles	1,328	1,556
Right-of-use asset computer equipment	563	180
Right-of-use asset buildings	434	439
<b>Total assets pledged as security</b>	<b>2,325</b>	<b>2,175</b>

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

	2022 \$'000	2021 \$'000
<b>Lease interest expense</b>	<b>68</b>	<b>81</b>

Finance cost includes the interest component of lease liability repayments.

## 6.4 Cash and cash equivalents

	2022 \$'000	2021 \$'000
<b>Current</b>		
Cash and cash equivalents	23,785	21,555
Restricted cash and cash equivalents <sup>(a)</sup>	76,862	49,289
<b>Total current</b>	<b>100,647</b>	<b>70,844</b>
<b>Non-current</b>		
Restricted cash and cash equivalents – accrued salaries suspense account <sup>(b)</sup>	2,513	1,833
<b>Total non-current</b>	<b>2,513</b>	<b>1,833</b>
<b>Balance at end of period</b>	<b>103,160</b>	<b>72,677</b>

(a) Composed of the Waste Avoidance and Resource Recovery Account (\$40.6 million), Establishing and Maintaining Vegetation Offsets Account (\$11.3 million), Clean Energy Future Fund (\$9.0 million), Pilbara Environmental Offsets Fund (\$5.4 million), Royalties for Regions (\$2.9 million), Environmental Protection Act Part IV Cost Recovery Account (\$1.5 million), National Partnership Agreement on Recycling Infrastructure (\$1.2 million) and other funds (\$5.0 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 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.

The accrued salaries suspense account consists of amounts paid annually, from agency appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 days instead of the normal 26. No interest is received on this account.

## 6.5 Capital commitments

	2022 \$'000	2021 \$'000
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	7,873	5,386
Later than 1 year and not later than 5 years	738	3,154
<b>Total capital commitments</b>	<b>8,611</b>	<b>8,540</b>



## 7. Financial instruments and contingencies

This note sets out the key risk management policies and measurement techniques of the department.

	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:

	2022 \$'000	2021 \$'000
<b>Financial assets</b>		
Cash and cash equivalents	103,160	72,677
Financial assets at amortised cost <sup>(a)</sup>	106,622	110,637
<b>Total financial assets</b>	<b>209,782</b>	<b>183,314</b>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost <sup>(b)</sup>	9,192	6,950
<b>Total financial liabilities</b>	<b>9,192</b>	<b>6,950</b>

(a) The amount of Financial assets at amortised cost excludes the GST recoverable from the ATO (statutory receivable).

(b) The amount of Financial liabilities at amortised cost excludes GST payable to the ATO (statutory payable).

#### Measurement

All financial assets and liabilities are carried without subsequent remeasurement.



## 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:

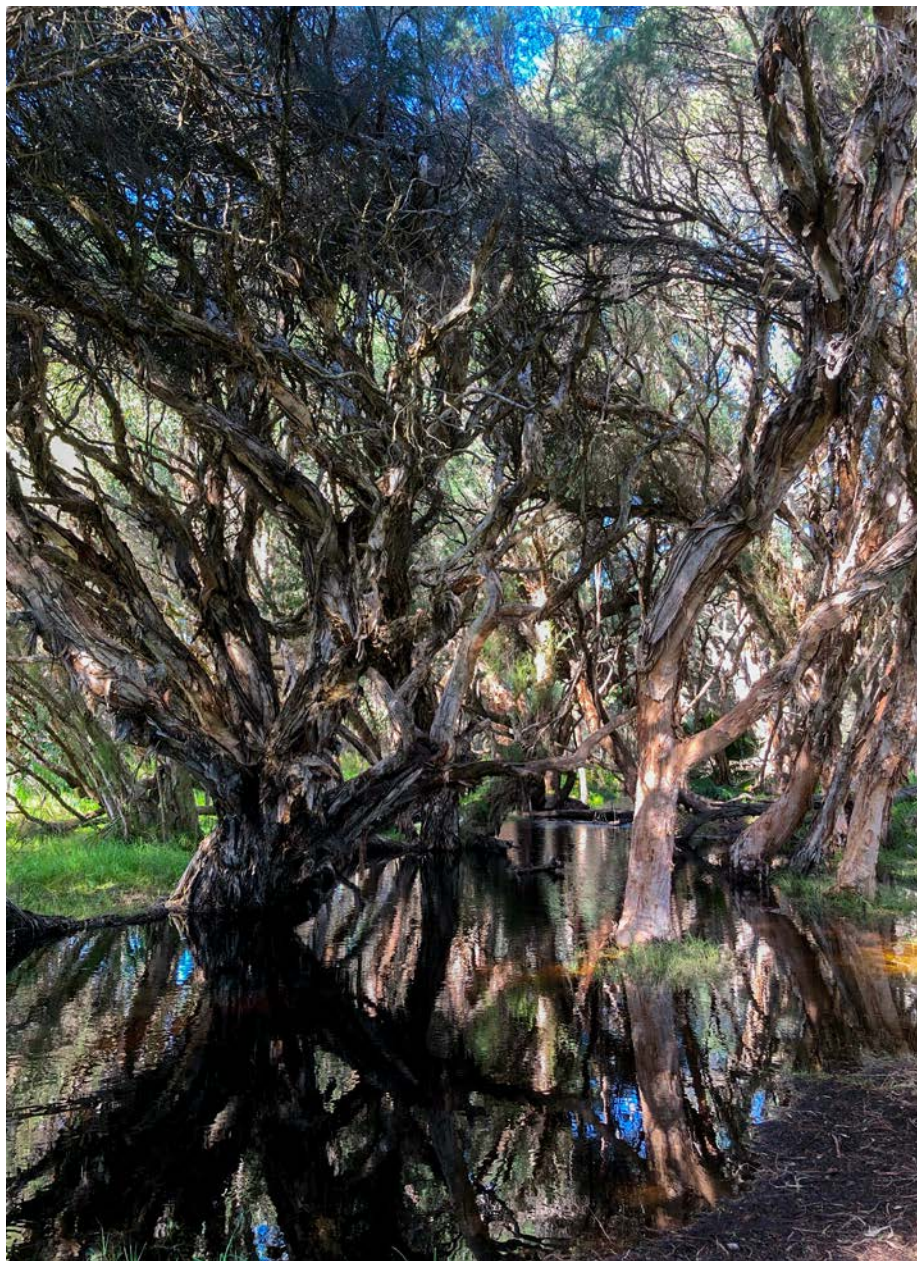
	2022 \$'000	2021 \$'000
Benefit potentially receivable in relation to the prosecution of an individual for unauthorised clearing of native vegetation.	-	250
Benefit potentially receivable in relation to a Supreme Court action involving a former tenant relating to rent recovery.	120	120
Benefit potentially receivable in relation to the prosecution of a company for breaches of the <i>Environmental Protection Act 1986</i> .	-	225
<b>Total contingent assets</b>	<b>120</b>	<b>595</b>

### 7.2.2 Contingent liabilities

The following contingent liabilities are excluded from the liabilities included in the financial statements:

	2022 \$'000	2021 \$'000
Costs potentially payable in relation to Supreme Court action involving a former tenant relating to rent recovery.	500	500
Costs potentially payable in relation to legal action taken against an entity relating to odour pollution under section 49(5) of EP Act 1986.	600	-
<b>Contaminated sites</b>		
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 contaminated – remediation required or possibly <i>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 a liquid waste treatment facility in agreement with the Water Corporation.	150	200
<b>Total contingent liabilities</b>	<b>1,250</b>	<b>700</b>





## 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
Correction of prior period errors	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



## 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 Correction of prior year errors

### 1. Waste levy debt

During the financial year under review, the department realised that a historical waste levy debt inherited from the former Department of Environment Regulation had not been recognised in the books of account. The debt related to a company and has not been recovered due to the company's subsequent liquidation. In accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, the department decided to recognise the debt, the outstanding interest on the debt and an impairment on the total debt.

The impact of the correction of prior year errors are as follows:

#### ► 1 July 2020

Statement of financial position	Previously stated balance \$'000	Adjustment \$'000	Restated balance \$'000
Receivables: Accrued revenue	20,148	3,986	24,134
Receivables: Allowance for impairment of accrued revenue	-	(3,986)	(3,986)
Equity: Contributed equity	351,630	2,768	354,398
Equity: Accumulated surplus	120,942	(2,768)	118,174

#### ► 30 June 2021

Statement of financial position	Previously stated balance \$'000	Adjustment \$'000	Restated balance \$'000
Receivables: Accrued revenue	20,398	4,455	24,853
Receivables: Allowance for impairment of accrued revenue	-	(4,455)	(4,455)
Equity: Contributed equity	325,128	2,768	327,896
Equity: Accumulated surplus	172,979	(2,768)	170,211

#### ► 30 June 2021

Statement of comprehensive income	Previously stated balance \$'000	Adjustment \$'000	Restated balance \$'000
Income: Waste levy	78,781	469	79,250
Expenses: Other expenses	6,198	469	6,667

A third Statement of financial position as at 1 July 2020 has not been presented as there was no material impact on equity other than a reclassification between Contributed equity and Accumulated surplus of \$2.768 million and no impact on Receivables.

### 2. Revaluation of measurement sites

Groundwater measurement sites (sites) are independently valued every 5 years by an external services valuer. During the preparation of the data for revaluation purposes the department noted that 3,492 sites had not been recognised in the department's books of account. The external valuer determined that the fair value of the new sites was \$34.604 million at 30 June 2022.

The department determined that it was impracticable to adjust the comparative information for prior periods to achieve comparability with the current period as the sites had become operational at different dates and sufficient financial

information had not been collected in these prior periods in a way that would allow retrospective restatement to correct the prior period error and it was also regarded as impracticable to recreate this information. Due to the impracticability of retrospective restatement, the department prospectively adjusted the current financial year's Other Comprehensive Income (Asset Revaluation Reserve) and Statement of Financial Position (Infrastructure, property, plant and equipment).



## 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:

Compensation band (\$)	2022	2021
\$530,001 – \$540,000	1	-
\$330,001 – \$340,000	-	1
\$250,001 – \$260,000	-	1
\$240,001 – \$250,000	-	1
\$230,001 – \$240,000	-	1
\$210,001 – \$220,000	2	2
\$200,001 – \$210,000	1	1
\$180,001 – \$190,000	1	-
\$170,001 – \$180,000	1	-
\$140,001 – \$150,000	1	1
\$110,001 – \$120,000	-	1
\$100,001 – \$110,000	2	1
\$ 80,001 – \$ 90,000	1	-
\$ 60,001 – \$ 70,000	2	-
\$ 20,001 – \$30,000	-	1
\$ 10,001 – \$20,000	1	-
	<b>2022 \$'000</b>	<b>2021 \$'000</b>
<b>Total compensation of senior officers</b>	<b>2,132</b>	<b>2,096</b>

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 Western Australia.

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 following bodies receive more than half its funding and resources from the department, but is not subject to operational control by the department and is therefore considered to be affiliated bodies under the *Financial Management Act 2006*:

	2022 \$'000			2021 \$'000		
	Funding	Services free of charge	Total assistance	Funding	Services free of charge	Total assistance
<b>Government organisations:</b>						
Cockburn Sound Management Council	516	-	516	213	-	213
Contaminated Sites Committee	299	-	299	329	-	329
Environmental Protection Authority	8,110	-	8,110	8,245	-	8,245
Keep Australia Beautiful Council (W.A.)	996	251	1,247	988	227	1,215
Office of the Appeals Convenor	1,241	-	1,241	1,166	-	1,166
Warren Donnelly Water Advisory Committee	3	-	3	4	-	4
Waste Authority	21,252	-	21,252	20,922	-	20,922
<b>Non-government organisations:</b>						
Geographe Catchment Council <sup>1</sup>	691	-	691	742	-	742

- <sup>1</sup> The department and Geographe Catchment Council entered into a partnership agreement whereby Geographe Catchment Council provides governance and management support to the department and the department provides support and links to the community and on-ground outcomes to achieve water quality improvements in the catchment area.

## 8.7 Special purpose accounts

### Contaminated sites management account<sup>(i)</sup>

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.

	2022 \$'000	2021 \$'000
<b>Balance at start of period</b>	380	346
Receipts	190	285
Payments	(103)	(251)
<b>Balance at end of period</b>	<b>467</b>	380

### Waste Avoidance and Resource Recovery Account<sup>(i)</sup>

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 Western Australia.

	2022 \$'000	2021 \$'000
<b>Balance at start of period</b>	29,324	39,795
Receipts – Repayments of loan to WARRRL <sup>(a)</sup>	11,625	5,167
Receipts	21,252	20,922
Payments – Loan to WARRRL <sup>(a)</sup>	-	(16,042)
Payments	(21,597)	(20,518)
<b>Balance at end of period</b>	<b>40,604</b>	29,324

(a) For additional information please refer to note 5.1 Receivables.

### Pilbara Environmental Offsets Fund<sup>(ii)</sup>

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.

	2022 \$'000	2021 \$'000
<b>Balance at start of period</b>	1,091	496
Receipts	4,940	947
Payments	(607)	(352)
<b>Balance at end of period</b>	<b>5,424</b>	1,091

### Environmental Protection Part IV Cost Recovery Account<sup>(ii)</sup>

The purpose of this account is to manage funds recovered under the Environmental Protection (Cost Recovery) Regulations 2021. The funds in this account are to be used for defraying the costs incurred by the department in receiving and assessing proposals and monitoring the implementation of proposals under Part IV Division 1 or 2 of the *Environmental Protection Act 1986*.

	2022 \$'000	2021 \$'000
<b>Balance at start of period</b>	-	-
Receipts	1,475	-
Payments	-	-
<b>Balance at end of period</b>	<b>1,475</b>	-

(i) Established under section 16(1)(b) of the *Financial Management Act 2006*

(ii) 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.

	2022 \$'000	2021 \$'000
<b>Balance at start of period</b>	170	47
Receipts	509	491
Payments	(516)	(368)
<b>Balance at end of period<sup>(a)</sup></b>	<b>163</b>	170

(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:

	2022 \$'000	2021 \$'000
Auditing the accounts, financial statements, controls and key performance indicators	313	289

## 8.10 Equity

	2022 \$'000	2021 Restated* \$'000
<b>Contributed equity</b>		
Balance at start of period	327,896	351,630
Correction of prior period errors*	-	2,768
<b>Contributions by owners</b>		
Capital appropriation	11,841	7,855
<b>Total contributions by owners</b>	<b>339,737</b>	362,253
<b>Distributions to owners</b>		
Transfer to consolidated account	(54,056)	(32,813)
Land transferred to Department of Planning, Lands and Heritage	-	(123)
Infrastructure and land transferred to Department of Biodiversity Conservation and Attractions	-	(1,421)
<b>Total distributions to owners</b>	<b>(54,056)</b>	(34,357)
<b>Balance at end of period</b>	<b>285,681</b>	327,896
<b>Asset revaluation surplus</b>		
Balance at start of period	24,984	18,020
Net revaluation increment:		
Land	10,543	5,173
Buildings	398	5
Measurement sites <sup>(a)</sup>	571	1,786
<b>Total net revaluation increment</b>	<b>11,512</b>	6,964
<b>Balance at end of period</b>	<b>36,496</b>	24,984

\* Refer to note 8.2 for details regarding prior year errors.

(a) The current year amount comprises the prospective adjustment for the prior year error of \$34.604 million referred to in note 8.2 and the current year revaluation decrement of \$34.033 million.

## 8.11 Supplementary financial information

### (a) Write-offs

	2022 \$'000	2021 \$'000
The accountable authority	10	3
The Minister	-	-
The Treasurer	4,733	-
<b>Total write-offs</b>	<b>4,743</b>	<b>3</b>

### (b) Losses through theft, defaults and other causes

	2022 \$'000	2021 \$'000
Losses of public money, other money and other property through theft or default	34	-
Amounts recovered	(34)	-
<b>Total losses</b>	<b>-</b>	<b>-</b>

### (c) Gifts of public property

	2022 \$'000	2021 \$'000
Gifts of public property provided by the department	-	3
<b>Total gifts</b>	<b>-</b>	<b>3</b>

## 9. Explanatory statements

This section explains variations in the financial performance of the department.

	Notes
Explanatory statement for controlled operations	9.1
Explanatory statement for administered items	9.2

### 9.1 Explanatory statements for controlled operations

This explanatory section explains variations in the financial performance of the department undertaking transactions under its own control, as represented by the primary financial statements.

All variances between annual estimates (original budget) and actual results for 2022, and between the actual results for 2022 and 2021 are shown below. Narratives are provided for key major variances which vary more than 10% from their comparative and that the variation is more than 1% of the dollar aggregate of:

- Total Cost of Services for the Statements of comprehensive income and the Statement of cash flows i.e., 1% of \$183,694,000, and
- Total Assets for the Statement of financial position i.e., 1% of \$549,794,000.



### 9.1.1 Statement of comprehensive income variances

	Variance note	Estimate 2022 \$'000	Actual 2022 \$'000	Actual 2021 Restated* \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2022 and 2021 \$'000
<b>Expenses</b>						
Employee benefits expense		112,658	102,180	100,300	(10,478)	1,880
Supplies and services	a	38,504	38,241	32,532	(263)	5,709
Depreciation and amortisation expenses	1	19,839	10,411	11,995	(9,428)	(1,584)
Finance costs		85	68	81	(17)	(13)
Accommodation expenses		8,271	9,054	8,915	783	139
Grants and subsidies	2, b	68,400	15,119	21,997	(53,281)	(6,878)
Other expenses*	3,c	6,879	4,795	6,667	(2,084)	(1,872)
Loss on disposal of non-current assets	4	-	2,505	1,207	2,505	1,298
<b>Total cost of services</b>		<b>254,636</b>	<b>182,373</b>	<b>183,694</b>	<b>(72,263)</b>	<b>(1,321)</b>
<b>Income</b>						
User charges and fees		32,053	31,799	29,864	(254)	1,935
Commonwealth grants	5, d	18,714	14,408	4,854	(4,306)	9,554
Waste levy*		83,000	85,715	79,250	2,715	6,465
Interest revenue		850	365	913	(485)	(548)
Other Income	6	10,955	4,717	5,523	(6,238)	(806)
<b>Total income</b>		<b>145,572</b>	<b>137,004</b>	<b>120,404</b>	<b>(8,568)</b>	<b>16,600</b>
<b>Net cost of services</b>		<b>109,064</b>	<b>45,369</b>	<b>63,290</b>	<b>(63,695)</b>	<b>(17,921)</b>
<b>Income from State Government</b>						
Service appropriation	7	118,183	100,392	104,478	(17,791)	(4,086)
Income from other public sector entities	7, e	11,932	6,458	3,095	(5,474)	3,363
Resources received		1,743	2,561	3,055	818	(494)
Royalties for Regions fund	f	11,541	10,515	4,699	(1,026)	5,816
<b>Total income from State Government</b>		<b>143,399</b>	<b>119,926</b>	<b>115,327</b>	<b>(23,473)</b>	<b>4,599</b>
<b>Surplus for the period</b>		<b>34,335</b>	<b>74,557</b>	<b>52,037</b>	<b>40,222</b>	<b>22,520</b>
<b>Other comprehensive income</b>						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus		-	11,512	6,964	11,512	4,548
<b>Total other comprehensive income</b>		<b>-</b>	<b>11,512</b>	<b>6,964</b>	<b>11,512</b>	<b>4,548</b>
<b>Total comprehensive income for the period</b>		<b>34,335</b>	<b>86,069</b>	<b>59,001</b>	<b>51,734</b>	<b>27,068</b>

\* Refer to note 8.2 for details regarding prior year errors.

### Major estimate and actual (2022) variance narratives

1. Depreciation and amortisation expense decreased by \$9.4 million (47.5%) mainly due to capital program deferrals and a lower than predicted depreciation expense.
2. Grants and subsidies decreased by \$53.3 million (77.9%) mainly due to a deferral of State funding for the National Partnership on Recycling Infrastructure, a deferral of the Clean Energy Future Fund, a deferral of Clean Western Australia – Waste Paper and Cardboard Processing and delays in issuing grants.
3. Other expenses decreased by \$2.1 million (30.3%) mainly due to lower than expected repairs and maintenance costs, miscellaneous costs and a lower than estimated payroll tax expense.
4. Loss on disposal of non-current assets increased by \$2.5 million (100.0%) mainly due to an increase in the value of measurement sites decommissioned.
5. Commonwealth grants decreased by \$4.3 million (23.0%) mainly due to a delay in funding for the National Partnership on Recycling Infrastructure.
6. Other income decreased by \$6.2 million (56.9%) mainly due to a decrease in services rendered income for Pilbara Environmental Offsets Fund and Native Vegetation Regulation.
7. Service appropriation decreased by \$17.8 million (15.1%) mainly due to reflows of the Environmental Revegetation and Rehabilitation programs, Clean Energy Future Fund and Whole of Government Regulatory Approvals.
8. Income from other public sector entities decreased by \$5.5 million (45.9%) mainly due to lower funding received for the Wooroloo Bushfire Coordinated Residential Clean-up Program than estimated.

### Major actual (2022) and comparative (2021) variance narratives

- a) Supplies and services increased by \$5.7 million (17.6%) mainly due to increased expenditure related to Environment Online, Healthy Estuaries WA, Wooroloo Bushfire Coordinated Residential Clean-up program and Murujuga Rock Art Strategy.
- b) Grants and subsidies decreased by \$6.9 million (31.3%) mainly due to lower grant expenditure for the National On-Farm Emergency Water Infrastructure Rebate Scheme, Native Vegetation Rehabilitation Scheme and Offset Fund for Recovery.
- c) Other expenses decreased by \$1.9 million (28.1%) mainly due to a decrease in other operating expenses and equipment repairs and maintenance.
- d) Commonwealth grants increased by \$9.6 million (196.8%) mainly due to increased funding for National Partnership on Recycling Infrastructure, National On-Farm Emergency Water Infrastructure Rebate Scheme, Environment Online, National Water Grid Community Water Supply Program and Agricultural Area Dams, and Smart Farms National Landcare Program.
- e) Income from other public sector entities increased by \$3.4 million (108.7%) mainly due to the Wooroloo Bushfire Coordinated Residential Clean-up Program.
- f) Royalties for Regions fund increased by \$5.8 million (123.8%) mainly due to additional funding for Healthy Estuaries WA, Rural Water Planning and Bindjareb Djilba (Peel Harvey Estuary Protection Plan).

### 9.1.2 Statement of financial position variances

	Variance note	Estimate 2022 \$'000	Actual 2022 \$'000	Actual Restated* 2021 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2022 and 2021 \$'000
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents		18,909	23,785	21,555	4,876	2,230
Restricted cash and cash equivalents		50,696	76,862	49,289	26,166	27,573
Receivables		25,350	25,945	38,600	595	(12,655)
Amounts receivable for services		5,535	9,238	6,338	3,703	2,900
Other assets		2,161	1,907	2,145	(254)	(238)
<b>Total current assets</b>		<b>102,651</b>	<b>137,737</b>	<b>117,927</b>	<b>35,086</b>	<b>19,810</b>
<b>Non-current assets</b>						
Restricted cash and cash equivalents		1,864	2,513	1,833	649	680
Receivables		2,408	-	-	(2,408)	-
Amounts receivable for services	1	80,995	72,840	66,712	(8,155)	6,128
Infrastructure, property, plant and equipment*	2	331,137	367,252	356,624	36,115	10,628
Right-of-use assets		3,145	2,325	2,175	(820)	150
Intangible assets	a	27,538	26,765	18,704	(773)	8,061
Other assets		56	2	23	(54)	(21)
<b>Total non-current assets</b>		<b>447,143</b>	<b>471,697</b>	<b>446,071</b>	<b>24,554</b>	<b>25,626</b>
<b>Total assets</b>		<b>549,794</b>	<b>609,434</b>	<b>563,998</b>	<b>59,640</b>	<b>45,436</b>

9.1.2 Statement of financial position variances (cont'd)	Variance note	Estimate 2022	Actual 2022	Actual Restated* 2021	Variance between actual and estimate	Variance between actual results for 2022 and 2021
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Liabilities</b>						
<b>Current liabilities</b>						
Payables		5,021	6,796	4,702	1,775	2,094
Lease liabilities		1,257	953	900	(304)	53
Contract liabilities		1,754	2,447	2,940	693	(493)
Employee related provisions		23,952	25,339	24,822	1,387	517
Other current liabilities		-	3	4	3	(1)
<b>Total current liabilities</b>		<b>31,984</b>	<b>35,538</b>	<b>33,368</b>	<b>3,554</b>	<b>2,170</b>
<b>Non-current liabilities</b>						
Lease liabilities		2,007	1,440	1,344	(567)	96
Employee related provisions		6,002	5,511	6,195	(491)	(684)
<b>Total non-current liabilities</b>		<b>8,009</b>	<b>6,951</b>	<b>7,539</b>	<b>(1,058)</b>	<b>(588)</b>
<b>Total liabilities</b>		<b>39,993</b>	<b>42,489</b>	<b>40,907</b>	<b>2,496</b>	<b>1,582</b>
<b>Net assets</b>		<b>509,801</b>	<b>566,945</b>	<b>523,091</b>	<b>57,144</b>	<b>43,854</b>
<b>Equity</b>						
Contributed equity*		275,030	285,681	327,896	10,651	(42,215)
Reserves*		18,016	36,496	24,984	18,480	11,512
Accumulated surplus*		216,755	244,768	170,211	28,013	74,557
<b>Total equity</b>		<b>509,801</b>	<b>566,945</b>	<b>523,091</b>	<b>57,144</b>	<b>43,854</b>

\* Refer to note 8.2 for details regarding prior period errors.

#### Major estimate and actual (2022) variance narratives

1. Amounts receivable for services decreased by \$8.2 million (10.1%) mainly due to a lower depreciation cost from capital program deferrals.
2. Infrastructure, property, plant and equipment increased by \$36.1 million (10.9%) mainly due to an increase in the revaluation of land and measurement sites and a lower than predicted depreciation expense.

#### Major actual (2022) and comparative (2021) variance narratives

- A. Intangible assets increased by \$8.1 million (43.1%) mainly due to the capitalisation of the Environment Online intangible asset.



### 9.1.3 Statement of cash flows variances

	Variance note	Estimate 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2022 and 2021 \$'000
<b>Cash flows from State Government</b>						
Service appropriation	1	98,305	85,726	83,973	(12,579)	1,753
Capital appropriations	a	11,791	11,841	7,855	50	3,986
Holding account drawdown		6,338	5,638	6,057	(700)	(419)
Distributions to owner	2, b	(44,276)	(54,044)	(32,730)	(9,768)	(21,314)
Net proceeds on sale of land remitted to consolidated account		-	(12)	(160)	(12)	148
Royalties for Regions fund	c	12,291	10,515	4,699	(1,776)	5,816
Funds from other public sector entities	3, d	11,932	8,184	775	(3,748)	7,409
<b>Net cash provided by State Government</b>		<b>96,381</b>	<b>67,848</b>	<b>70,469</b>	<b>(28,533)</b>	<b>(2,621)</b>
<b>Cash flows from operating activities</b>						
<b>Payments</b>						
Employee benefits		(112,608)	(103,015)	(98,635)	9,593	(4,380)
Supplies and services	e	(36,821)	(33,620)	(29,239)	3,201	(4,381)
Finance costs		(85)	(67)	(81)	18	14
Accommodation		(8,281)	(9,172)	(8,747)	(891)	(425)
Grants and subsidies	4, f	(68,400)	(14,831)	(20,712)	53,569	5,881
GST payments on purchases		(6,275)	(7,432)	(7,145)	(1,157)	(287)
Other payments		(6,819)	(5,594)	(6,540)	1,225	946
<b>Receipts</b>						
User charges and fees		32,053	31,932	29,779	(121)	2,153
Commonwealth grants	5, g	18,714	14,408	4,854	(4,306)	9,554
Interest received		850	14	40	(836)	(26)
Waste levy		83,000	83,562	78,561	562	5,001
GST receipts on sales		634	275	315	(359)	(40)
GST receipts from taxation authority		5,651	6,883	6,728	1,232	155
Other receipts	6, h	10,955	6,847	3,714	(4,108)	3,133
<b>Net cash used in operating activities</b>		<b>(87,432)</b>	<b>(29,810)</b>	<b>(47,108)</b>	<b>57,622</b>	<b>17,298</b>

9.1.3 Statement of cash flows variances (continued)	Variance note	Estimate 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2022 and 2021 \$'000
<b>Cash flows from investing activities</b>						
<b>Payments</b>						
Purchase of non-current assets	7, i	(30,049)	(18,094)	(13,959)	11,955	(4,135)
Loan payments to WARRRL	j	-	-	(16,042)	-	16,042
<b>Receipts</b>						
Proceeds from sale of non-current assets		-	39	80	39	(41)
Loan repayments from WARRRL	8, k	8,508	11,625	5,167	3,117	6,458
<b>Net cash used in investing activities</b>		<b>(21,541)</b>	<b>(6,430)</b>	<b>(24,754)</b>	<b>15,111</b>	<b>18,324</b>
<b>Cash flows from financing activities</b>						
<b>Payments</b>						
Principal elements of lease payments		(754)	(1,125)	(1,168)	(371)	43
<b>Net cash used in financing activities</b>		<b>(754)</b>	<b>(1,125)</b>	<b>(1,168)</b>	<b>(371)</b>	<b>43</b>
Net increase/(decrease) in cash and cash equivalents		(13,346)	30,483	(2,561)	43,829	33,044
Cash and cash equivalents at the beginning of the period		84,815	72,677	75,238	(12,138)	(2,561)
<b>Cash and cash equivalents at the end of the period</b>		<b>71,469</b>	<b>103,160</b>	<b>72,677</b>	<b>31,691</b>	<b>30,483</b>

#### Major estimate and actual (2022) variance narratives

1. Service appropriation decreased by \$12.6 million (12.8%) mainly due to reflows of the Environmental Revegetation and Rehabilitation programs, Clean Energy Future Fund and Whole of Government Regulatory Approvals.
2. Distributions to owner increased by \$9.8 million (22.1%) mainly due to the timing of Commonwealth receipts and a delayed recoup for Wooroloo Bushfire Coordinated Residential Clean-up Program, which increased cash at bank and resulted in additional money to be returned to consolidated revenue.

3. Funds from other public sector entities decreased by \$3.7 million (31.4%) mainly due to lower funding received for the Wooroloo Bushfire Coordinated Residential Clean-up Program than estimated.
4. Grants and subsidies decreased by \$53.6 million (78.3%) mainly due to a deferral of State funding for the National Partnership on Recycling Infrastructure, a deferral of the Clean Energy Future Fund, a deferral of Clean Western Australia – Waste Paper and Cardboard Processing, and delays in issuing grants.

5. Commonwealth grants decreased by \$4.3 million (23.0%) mainly due to a delay in funding for the National Partnership on Recycling Infrastructure.
6. Other receipts decreased by \$4.1 million (37.5%) mainly due to a decrease in services rendered income for Pilbara Environmental Offsets Fund and Native Vegetation Regulation.
7. Purchase of non-current assets decreased by \$12.0 million (39.8%) mainly due to underspends in Environment Online, State Groundwater Investigation Program, Replace and Maintain Monitoring Bores, Replace and Maintain River Gauging Stations, Rural Water Planning Program and Land Acquisition – Land Purchase Priority 1 areas.
8. Loan repayments from WARRRL increased by \$3.1 million (36.6%) mainly due to the repayment of the Facility A loan.

#### Major actual (2022) and comparative (2021) variance narratives

- a) Capital appropriations increased by \$4.0 million (50.7%) mainly due to additional funding for Environment Online.
- b) Distributions to owner increased by \$21.3 million (65.1%) mainly due to the timing of Commonwealth receipts and a delayed recoup for Wooroloo Bushfire Coordinated Residential Clean-up Program, which increased cash at bank and resulted in additional money to be returned to consolidated revenue.
- c) Royalties for Regions fund increased by \$5.8 million (123.8%) mainly due to additional funding for Healthy Estuaries WA, Rural Water Planning and Bindjareb Djilba (Peel Harvey Estuary Protection Plan).
- d) Funds from other public sector entities increased by \$7.4 million (956.0%) mainly due to the Wooroloo Bushfire Coordinated Residential Clean-up Program.
- e) Supplies and services increased by \$4.4 million (15.0%) mainly due to increased expenditure related to Environment Online, Healthy Estuaries WA, Wooroloo Bushfire Coordinated Residential Clean-up program and Murujuga Rock Art Strategy.

- f) Grants and subsidies decreased by \$5.9 million (28.4%) mainly due to lower grant expenditure for the National On-Farm Emergency Water Infrastructure Rebate Scheme, Native Vegetation Rehabilitation Scheme and Offset Fund for Recovery.
- g) Commonwealth grants increased by \$9.6 million (196.8%) mainly due to increased funding for National Partnership on Recycling Infrastructure, National On-Farm Emergency Water Infrastructure Rebate Scheme, Environment Online, National Water Grid Community Water Supply Program and Agricultural Area Dams, and Smart Farms National Landcare Program.
- h) Other receipts increased by \$3.1 million (84.4%) mainly due to additional receipts received for the Pilbara Environmental Offsets Fund.
- i) Purchase of non-current assets increased by \$4.1 million (29.6%) mainly due to more spending on Environment Online.
- j) Loan payments to WARRRL decreased by \$16.0 million (100.0%) mainly due to the drawdown on the Facility A and B loans in the 2021 financial year and no drawdown in the 2022 financial year.
- k) Loan repayments from WARRRL increased by \$6.5 million (125.0%) mainly due to the repayment of the Facility A loan in the 2022 financial year.

## 9.2 Explanatory statement for administered items

This explanatory section explains variations in the financial performance of the department undertaking transactions as an agent of the government, as detailed in the administered schedules.

All variances between annual estimates and actual results for 2022, and between the actual results for 2022 and 2021 are shown below. Narratives are provided for key major variances which vary by more than 10% from their comparative and that variation is more than 1% of the dollar aggregate of Total Administered Income i.e., 1% of \$33,000.

	Variance note	Estimate 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2022 and 2021 \$'000
<b>Income from administered items</b>						
<b>Income</b>						
For transfer:						
Regulatory fees and other charges <sup>(a)</sup>	1	155	57	33	(98)	24
<b>Total administered income</b>		<b>155</b>	<b>57</b>	<b>33</b>	<b>(98)</b>	<b>24</b>
<b>Expenses</b>						
Payments into the consolidated account <sup>(a)</sup>	2	155	57	33	(98)	24
<b>Total administered expenses</b>		<b>155</b>	<b>57</b>	<b>33</b>	<b>(98)</b>	<b>24</b>

(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.

### Variance narratives

- The variance between the estimate and the actual results for 2022 and the variance between the actual results for 2022 and 2021 are explained below:

#### ► Major estimate and actual (2022) variance narratives

The department is required to estimate a dollar value on how many people are going to commit an environmental offence that results in either an infringement or a modified penalty notice being issued. Infringement notices have a penalty of either \$250 or \$500 and Modified Penalty Notices have a penalty of 10% or 20% of the maximum penalty (i.e., Material Environmental Harm under the *Environmental Protection Act 1986* has a maximum penalty of \$250,000, 10% of which is \$25,000). The bulk of the infringement estimated value comes from modified penalty notices and to be eligible for a modified penalty notice one must meet certain legislative requirements under section 99A of the *Environmental Protection Act 1986*. The variation is

simply that we have issued less infringements or modified penalty notices for offences than estimated.

#### ► Major actual (2022) and comparative (2021) variance narratives

The variance is primarily due to the fact that Environment penalty infringements increased in the 2022 financial year (\$14,600 = 10 infringements) compared to the 2021 financial year (\$750 = 3 infringements). In the 2021 financial year, the department took a compassionate approach because of Covid-19 and warning notices rather than infringements were issued to proven first-time offenders.

- The variance between the estimate and the actual results for 2022 and the variance between the actual results for 2022 and 2021 are explained in the abovementioned number 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 2022.

A handwritten signature in black ink, appearing to read 'Michelle Andrews'.

Michelle Andrews  
**Director General**  
19 October 2022

# Outcome-based management framework

**Government goal** — Better places: A quality environment with liveable and affordable communities and vibrant regions

	Agency outcome	Key effectiveness indicators	Page	Agency services	Key efficiency indicators	Page
Outcome 1	Western Australia's growth and development is supported by the sustainable management of water resources for the long-term benefit of the state	1. Proportion of stakeholders who perceive the department to be effectively managing the state's water as a resource for sustainable, productive use(a)	<a href="#">152</a>	1. Water information and advice	Proportion of statutory referrals from decision-making authorities where advice is provided within target timeframes	<a href="#">158</a>
					Average cost per statutory referral assessment	<a href="#">159</a>
					Average cost per water measurement site managed	<a href="#">159</a>
		2. Proportion of priority growth areas that have a water supply planning strategy	<a href="#">152</a>	2. Water planning, allocation and optimisation	Average cost per plan, report, or guidance document to support water planning, allocation and optimisation	<a href="#">160</a>
					Average cost per hour of scientific support for water planning, allocation, and optimisation	<a href="#">161</a>
				3. Water regulation, licensing and industry governance	Average cost of assessing a water licence application by risk assessment category	<a href="#">162</a>
Outcome 2	Emissions, discharges and clearing of native vegetation are effectively regulated to avoid unacceptable risks to public health and the environment	3. Percentage of regulatory compliance activities completed as planned	<a href="#">153</a>		Average time taken (days) to assess a licence application by risk assessment category	<a href="#">163</a>
		4. Percentage of potential environmental risks identified during compliance monitoring program that are rectified within two months	<a href="#">153</a>		Average cost of compliance monitoring and enforcement action	<a href="#">164</a>
Outcome 2				4. Environmental regulation	Average cost per works approval and licence application	<a href="#">165</a>
					Average cost per native vegetation clearing permit application	<a href="#">165</a>
Outcome 3	Development and implementation of strategic policy and legislation that promotes sustainable environmental outcomes	5. Percentage of advice and recommendations that met Ministerial approval, without the need for significant modification	<a href="#">154</a>	5. Environmental and water policy	Average cost per hour of policy advice and recommendations	<a href="#">166</a>

	Agency outcome	Key effectiveness indicators	Page	Agency services	Key efficiency indicators	Page
Outcome 4	Waste avoided and the recovery of materials from landfill maximised	6. Percentage of municipal solid waste reported as diverted from landfill through recycling compared to waste strategy target in the Perth metropolitan region	<a href="#">154</a>	6. Waste strategies	Cost of landfill levy compliance as a percentage of landfill levy income collected	<a href="#">167</a>
		7. Percentage of commercial and industrial waste reported as diverted from landfill through recycling compared to the statewide waste strategy target	<a href="#">155</a>			
		8. Percentage of construction and demolition waste reported as diverted from landfill through recycling compared to the statewide waste strategy target	<a href="#">155</a>			
Outcome 5	Quality advice to the Environmental Protection Authority (EPA) and Minister for Environment on significant proposals and environmental issues	9. The EPA's satisfaction with the department's environmental impact assessment (EIA) service, during the year, in line with best practice principles of EIA	<a href="#">156</a>	7. Environmental impact assessment services to the EPA	Cost per standardised unit of assessment output	<a href="#">168</a>
		10. Percentage of project-specific conditions which did not require significant change following the appeal process	<a href="#">156</a>	8. Environmental management services to the EPA	Cost per standardised unit of environmental management services output	<a href="#">169</a>
		11. Percentage of assessments that met agreed timelines	<a href="#">156</a>			
		12. The EPA's satisfaction with the department's provision of environmental management services during the year	<a href="#">157</a>			
Outcome 6	Compliance with Ministerial Statement implementation conditions are monitored effectively	13. The number of Ministerial Statements audited compared to targets	<a href="#">157</a>	9. Compliance monitoring services to the Minister for Environment	Average cost per environmental audit completed	<a href="#">170</a>

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 fifth 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<sup>7</sup>. The majority of the movements between the 2021–22 Target and the 2021–22 Actual are due to changes in resource cost allocations.

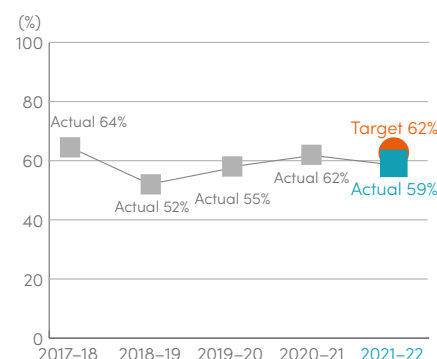


## Key effectiveness indicators

### 1. Proportion of stakeholders who perceive the department to be effectively managing the state's water as a resource for sustainable, productive use<sup>(a)</sup>

(a) The 2021–22 survey results have a confidence interval of  $\pm 4.07\%$  at 95% confidence level. Other survey statistics include:

- population size: 1,251 stakeholders
- population character: stakeholder contacts provided by the department
- stakeholders invited to participate: 1,251 stakeholders
- number of respondents: 396
- response rate: 32%
- 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.

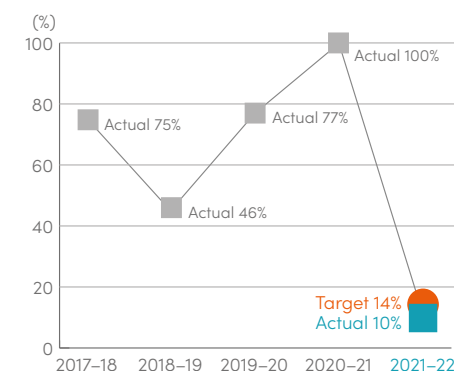
A survey was conducted between 18 October 2021 and 11 January 2022 with the intent to determine the extent to which stakeholders perceive the department to be effectively fulfilling the statutory and other obligations that form its core role rather than satisfaction with a particular decision or handling 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'.

### 2. 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. Following the completion of the planned program of projects in 2020–21, the indicator was re-set to zero in 2021–22 with a 100% completion target set for 2023–24 based on delivery of seven water supply planning projects.

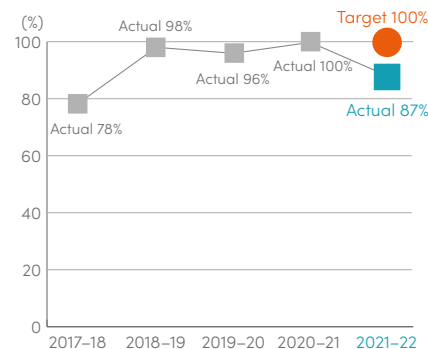
### Variance analysis

The 2021–22 budget target of 14% relates to delivery of one major project output for the strategic regional overview and cost-benefit analysis of options for non-potable water security in the Perth and Peel regions. This is the first and most complex of the seven priority growth areas scheduled over the three-year period commencing 2021–22. The department made considerable progress for completion of the required outputs but fell short of the 14% budget target due to delays in the contract start date with the service provider. The planned period to complete the project was extended to accommodate a more extensive data collection required by the contractor to undertake the cost-benefit analysis, additional stakeholder engagement and a higher than initially planned project complexity. The final milestones are scheduled to be complete by end of September 2022.

### 3. 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 focuses its resources to address the



areas of 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. 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 waste sector compliance monitoring program assesses compliance at landfills and associated industries with the requirements of the landfill levy.

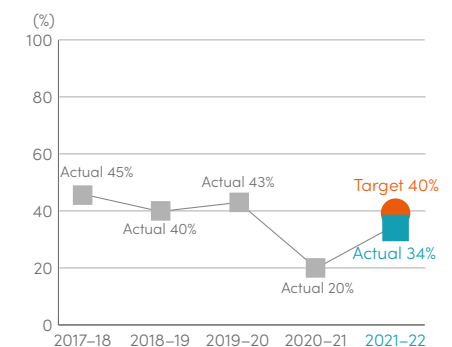
### Variance analysis

The department conducted 139 of the 160 planned inspections in 2021–22. During the year, delivery was refocused from planned inspections on lower-risk premises to inspections and actions to address issues on priority premises that present the greatest risk. In addition, a further 13 unplanned inspections were completed for the levy compliance monitoring program.

### 4. 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.

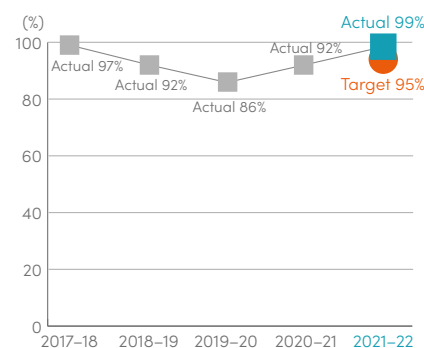
### Variance analysis

During 2021–22, a total of 161 non-compliances were identified from inspections under the waste sector and the prescribed premises compliance monitoring programs.

The target of 40% of non-compliances being closed within two calendar months was not achieved. 34% of non-compliances were closed within the specified timeframe. A further 54% were closed in the reporting period; however, not within the target timeframe. The resolution of the identified non-compliances is often protracted, particularly if capital works are involved, and due to work undertaken by third parties requiring longer than the two-calendar-month target timeframe.

## 5. 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.

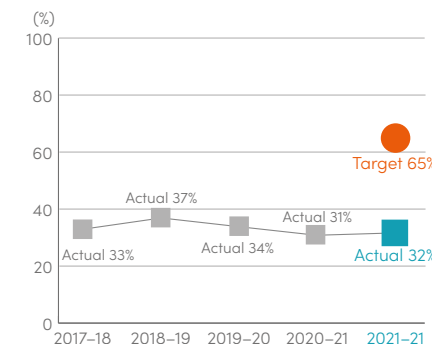


## 6. Percentage of municipal solid waste reported as diverted from landfill through recycling compared to waste strategy target in the Perth metropolitan region

The indicator relates to the State Government's waste management target of recovering 67% of municipal solid waste (MSW) by 2025, as described in the waste strategy.

Due to the significant time required to gather the relevant information, 2020–21 data, as reported in *Waste and recycling in Western Australia 2020–21*, was used to calculate this indicator for 2021–22.

From 2021, the data is derived from annual returns submitted under regulation 18C of the amended Waste Avoidance and Resource Recovery Regulations 2008 and composition data submitted with waste levy returns. Data was sourced from voluntary surveys prior to 2019–20.



### Variance analysis

The 2021–22 Target was not met due to lower-than-expected performance of local government services. Two-bin kerbside waste services typically only recover about 20% of waste from landfill, while three-bin GO (garden organics) services can recover more than 50%. In 2020–21 only 18, or just under half, of Perth local governments provided a three-bin GO waste collection service.

The Waste Strategy 2030 sets a target for three-bin FOGO (food organics and garden organics) services in the Perth and Peel regions by 2025. These services can recover 65% or more of kerbside waste collections. Increased adoption of FOGO services is expected to lead to increased recovery rates.

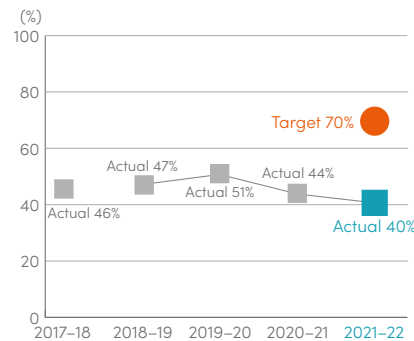
The overall diversion rate has increased by 1% from 2020–21 Actuals to 2021–22 Actuals which includes increased reporting of garden waste from local governments operating transfer stations.

## 7. Percentage of commercial and industrial waste reported as diverted from landfill through recycling compared to the statewide waste strategy target

The indicator relates to the State Government's waste management target of recovering 75% of commercial and industrial (C&I) waste by 2025, as described in the waste strategy.

Due to the significant time required to gather the relevant information, 2020–21 data, as reported in *Waste and recycling in Western Australia 2020–21*, was used to calculate this indicator for 2021–22.

From 2021, the data is derived from annual returns submitted under regulation 18C of the amended Waste Avoidance and Resource Recovery Regulations 2008 and composition data submitted with waste levy returns. Data was sourced from voluntary surveys prior to 2019–20.



### Variance analysis

Waste Recovery in the C&I sector has declined since 2020–21. C&I waste recovery is strongly influenced by international markets for waste materials, which have been increasingly uncertain following the introduction of the China Sword policy in 2018.

Recent, and future investments in recycling infrastructure by the State and Australian Governments will help to minimise reliance on international markets.

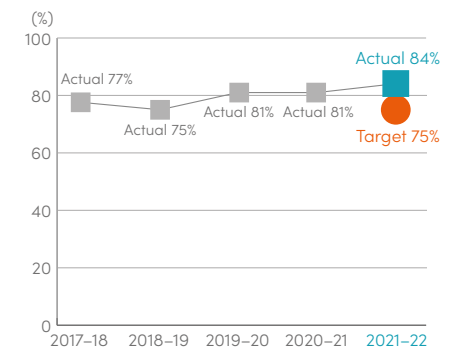
Organic waste recovery from the C&I stream has not responded as positively as expected to waste levy rate increases introduced in 2015.

## 8. Percentage of construction and demolition waste reported as diverted from landfill through recycling compared to the statewide waste strategy target

The indicator relates to the State Government's waste management target of recovering 77% of construction and demolition (C&D) waste by 2025, as described in the waste strategy.

Due to the significant time required to gather the relevant information, 2020–21 data, as reported in *Waste and recycling in Western Australia 2020–21*, was used to calculate this indicator for 2021–22.

From 2021, the data is derived from annual returns submitted under regulation 18C of the amended Waste Avoidance and Resource Recovery Regulations 2008 and composition data submitted with waste levy returns. Data was sourced from voluntary surveys prior to 2019–20.



### Variance analysis

Relatively higher scheduled increases in the waste levy, compared to those that applied to the MSW and C&I streams since 2015, have made C&D waste landfilling more cost prohibitive.

The variance between the 2021–22 Target and the 2021–22 Actual is most likely due to the ongoing stockpiling of C&D waste in lieu of disposal, which acts to inflate the reported recovery rate. Waste levy avoidance may also contribute to the reported diversion rate.

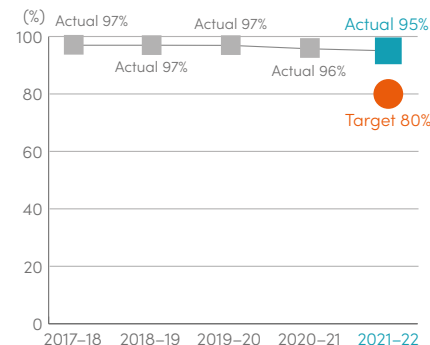


## 9. The EPA's satisfaction with the department's environmental impact assessment (EIA) service, during the year, in line with best practice principles of EIA

The indicator is determined through surveys of the EPA's 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).

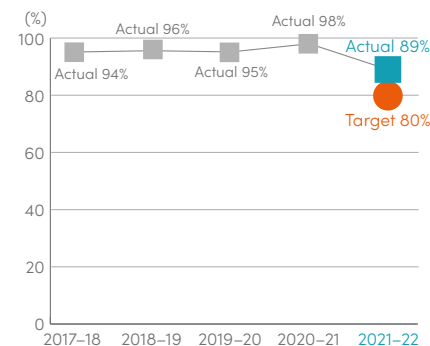
### Variance analysis

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 Target being exceeded by more than 10%.



## 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.



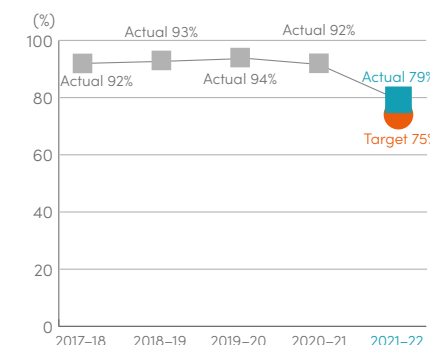
A significant change can be deemed as a substantial change to the form of a condition, the deletion or addition of a new condition, or a substantial change to the outcome or objective specified in a condition. A substantial change to the specified requirements of an environmental management plan or environmental 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 Target by more than 10%.

## 11. 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.



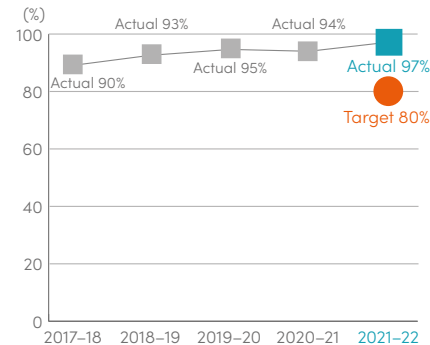
### Variance analysis

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 Target by more than 5%. The reduction in the percentage of assessments that met agreed timescales from 2020–21 Actuals to 2021–22 Actuals is due to several large complex projects with high levels of complexity of the assessments.

## 12. 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.



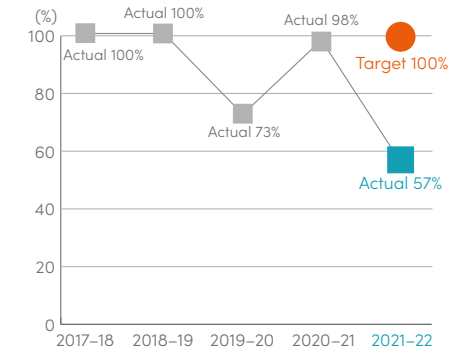
### Variance analysis

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 EIA services provided by the department were of a very high standard, which resulted in the KPI Target being exceeded by more than 10%.

## 13. 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 from the 2020–21 Actual and 2021–22 Target to 2021–22 Actual is due to some compliance resources being refocused on increasing reactive compliance workload and post-assessment activities across several of its regulatory deliveries.

## Key efficiency indicators

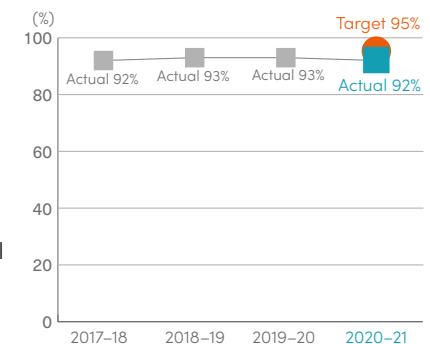
### Service 1: Water information and advice

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 \$	Actual 2019–20 \$	Actual 2020–21 \$	Target 2021–22 \$	Actual 2021–22 \$
13,072	11,442	7,182	5,125	<b>8,073</b>	<b>5,418</b>

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 average cost per statutory referral assessment in 2021–22 from the 2021–22 Target was driven by a reduction in the total costs of service resulting from workforce priorities for resourcing of regulatory approvals as well as an increase in the number of statutory referral assessments compared to the target.

### ► Average cost per water measurement site managed

Actual 2017–18 \$	Actual 2018–19 \$	Actual 2019–20 \$	Actual 2020–21 \$	Target 2021–22 \$	Actual 2021–22 \$
8,754	7,118	9,437	7,437	<b>9,741</b>	<b>5,944</b>

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 operational sites.

#### Variance analysis

The decrease in the Actual for 2021-22 from the 2020-21 Actual and the 2021-22 Target resulted from lower cost incurred relating to Rural Water Deficiency and Community Water Supply and Grants more than offset by a reduction in the number of water measurement sites managed during the year.



## 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 \$	Actual 2019–20 \$	Actual 2020–21 \$	Target 2021–22 \$	Actual 2021–22 \$
417,794	431,338	348,488	233,709	<b>212,216</b>	<b>268,753</b>

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 (e.g. Indigenous Land Use Agreement, allocation statement)

#### 5. Status reports including:

- Annual or tri-annual compliance Jandakot, and Gngangara 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 increase in the Actual for 2021–22 from the 2020–21 Actual and 2021–22 Target is mainly due to a reduction in the total number of documents due to COVID impacts, resources being diverted to other priority work including Alcoa mining, Water Resource Management Bill, Public Drinking Water Source Areas bylaws update and Urban development pressures in Jandakot Public Drinking Water Source Areas, to support water planning, allocation and optimisation with the total costs remaining relatively consistent.

#### ► Average cost per hour of scientific support for water planning, allocation, and optimisation

Actual 2017–18 \$	Actual 2018–19 \$	Actual 2019–20 \$	Actual 2020–21 \$	Target 2021–22 \$	Actual 2021–22 \$
196	145	161	172	<b>196</b>	<b>185</b>

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.

### 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 \$	Actual 2019–20 \$	Actual 2020–21 \$	Target 2021–22 \$	Actual 2021–22 \$
Low	3,400	3,788	3,284	3,412	3,203	<b>3,348</b>
Medium	4,534	5,051	4,378	4,549	4,271	<b>4,464</b>
High	5,667	6,313	5,473	5,686	5,339	<b>5,580</b>

Responsible, proportional regulation gives confidence that Western Australia's water resources are being sustainably managed for the long-term benefit of the state.

Water licensing is the main tool for sharing and allocating the state's water resources. A licence to take water authorises a licensee to take a specified volume of water from a particular water resource and is the principal tool for ensuring sustainable productive use of water in Western Australia. Other licences and permits administered by the department authorise the construction and alteration of water access infrastructure, such as wells and dams, as well as activities that interfere with the beds and banks of watercourses.

This indicator enables judgement about the costs of the department's water licence application assessments, within a risk-based assessment framework.

The indicator shows the average cost 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, and renewal of and amendments to existing licences to access water, trades, transfers, and agreements.

The indicator is calculated by dividing the departmental cost of providing the water licencing service per application risk category, by the total number of licence and permit applications assessed within each risk category, within the period.

► **Average time taken (days) to assess a licence application by risk assessment category**

Risk assessment category	Actual 2017–18 \$	Actual 2018–19 \$	Actual 2019–20 \$	Actual 2020–21 \$	Target 2021–22 \$	Actual 2021–22 \$
Low	73	57	46	30	65	<b>35</b>
Medium	134	133	85	39	75	<b>52</b>
High	158	213	87	47	95	<b>65</b>

Water licences are one of the fundamental assets that support investment decisions in water-dependent industries. Investment decisions by licensees, existing and prospective, are also time-bound and require that applications for access to water are dealt with by the department in a timely manner.

The department ensures that the level of assessment effort applied to a water licence application is proportionate to the risk posed should a licence be granted, for example higher-risk licence applications are generally more complex and require more time to assess.

Risk categories for water 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.

This indicator enables judgement about the department's efficiency in decision-making for water licence and permit applications within this risk-based assessment framework.

The indicator shows the average time taken to assess a water licence or permit application by risk category. The indicator includes applications for permits to interfere with bed and banks, licences to construct a well, licences to take water, and renewal of and amendments to existing licences to take water, trades, transfers, and agreements.

The indicator is calculated by dividing the total time taken to assess all water licence and permit applications within each risk category, by the total number of licence and permit applications assessed within each risk category, within the period.

The measurement of assessment timeframes includes 'stop the clock.' When a water licence application assessment process is outside of the department's control, the time taken during this assessment process is not included when calculating application assessment times. The assessment clock is 'stopped' in these instances.

### Variance analysis

The average time taken to process a water license application has been significantly reduced in 2021–22 over the 2021–22 Targets across all water licensee application risk categories, driven by the successful implementation of the water licensing backlog action plan and several other water licensing business performance initiatives. The increase in the average time taken to process a water licence application from 2020–21 Actual to 2021–22 Actual across all water licence application risk categories is due to the water licensing backlog action plan and several other water licensing business performance initiatives. The 2021–22 Targets were outperformed across all risk categories (average 36% reduction).

Importantly, it should be noted that the average processing duration for low-risk applications, which represented more than 73% of the total water licence applications processed in 2021–22, is 30 days (or 46%) less than the target of 65 days.



### ► Average cost of compliance monitoring and enforcement action

Actual 2017–18 \$	Actual 2018–19 \$	Actual 2019–20 \$	Actual 2020–21 \$	Target 2021–22 \$	Actual 2021–22 \$
743	608	205	118	<b>173</b>	<b>130</b>

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 reduction in the average cost of compliance monitoring and enforcement action for the 2021–22 Target to 2021–22 Actual reflects a continued large amount of compliance activity associated with the final stage of the water metering regulation resulting in higher than forecast compliance monitoring and enforcement actions, further impacted by a small reduction in the actual costs allocated to this service. The increase in the average cost of compliance monitoring and enforcement action from the 2020–21 Actual to the 2021–22 Actual is mainly due to a reduction in the number of compliance monitoring and enforcement actions associated with water metering regulations with the total costs remaining relatively consistent.

## 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

Efficiency indicator	Actual 2018–19 \$	Actual 2019–20 \$	Actual 2020–21 \$	Target 2021–22 \$	Actual 2021–22 \$
Average cost per works approval and licence application	47,505	47,220	51,891	<b>59,155</b>	<b>55,425</b>
Average cost per native vegetation clearing permit application	29,865	17,644	33,217	<b>53,613</b>	<b>30,353</b>

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 decrease in average cost per native vegetation clearing permit application from the 2021–22 Target to the 2021–22 Actual is due to lower cost incurred relating to Maintain Vegetation Offsets Fund, Native Vegetation Rehabilitation Scheme and Wooroloo Bushfire Clean-up work more than offset by a reduction in the number of native vegetation clearing permit applications decided during the year.

## 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 \$	Actual 2019–20 \$	Actual 2020–21 \$	Target 2021–22 \$	Actual 2021–22 \$
89	84	118	148	<b>295</b>	<b>273</b>

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 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 is divided into the costs to provide an average cost per hour of policy advice and recommendations.

### Variance analysis

The increase in average cost per hour of policy advice and recommendations from the 2020–21 Actual to the 2021–22 Actual is due to increased resources for climate policy and Murujuga Rock Art activities. The decrease in average cost per hour of policy advice and recommendations from the 2021–22 Target to the 2021–22 Actual is largely due to lower cost allocations, further impacted by lower FTEs allocations, resulting in lower average cost per hour of policy advice and recommendations.

## 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 %	Actual 2019–20 %	Actual 2020–21 %	Target 2021–22 %	Actual 2021–22 %
1.31	2.10	1.94	1.60	<b>1.50</b>	<b>1.87</b>

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 number 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.

### Variance analysis

The increase in the cost of landfill levy compliance as a percentage of landfill levy income collected from the 2020–21 Actual and the 2021–22 Target to the 2021–22 Actual is due to a relatively small increase in dedicated resources monitoring and enforcing landfill levy compliance activities.



## 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 \$	Actual 2019–20 \$	Actual 2020–21 \$	Target 2021–22 \$	Actual 2021–22 \$
34,681	33,082	39,924	62,466	<b>54,409</b>	<b>45,444</b>

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 budget year.

### Variance analysis

The decrease in cost per standardised unit of assessment output from the 2020–21 Actual to the 2021–22 Actual is due to an increase in the number of Standardised Unit of Assessment Outputs following a year of significant and ongoing reforms in the department. The decrease in cost per standardised unit of assessment output from the 2021–22 Target to 2021–22 Actual is due to changes in resource cost allocations to allocate relatively lower costs to this service with the number of standardised units of assessment outputs remaining broadly the same.

## 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 \$	Actual 2019–20 \$	Actual 2020–21 \$	Target 2021–22 \$	Actual 2021–22 \$
31,377	21,049	34,793	34,572	<b>49,963</b>	<b>26,706</b>

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 cost per standardised unit of environmental management services output is lower than the 2020–21 Actual and 2021–22 Target due to changes in resource cost allocations to allocate lower costs to this service with an increase in the number of environmental management services outputs to deliver the amendments to the EP Act and the EPA procedure suite. Additional advice and support were provided by the department in 2021–22.

## Service 9: Compliance monitoring services to the Minister

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 \$	Actual 2019–20 \$	Actual 2020–21 \$	Target 2021–22 \$	Actual 2021–22 \$
18,069	31,719	65,666	56,117	<b>60,013</b>	<b>51,684</b>

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 2021–22 is lower than the 2021–22 Target due to refocusing of resources to resolution of long-standing and high-risk compliance matters.



# Other requirements

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## 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 below expenditure in advertising, market research, polling, direct mail and media advertising. Total expenditure for 2021–22 was \$1,004,809.96 (excluding GST).

### Unauthorised use of purchasing cards

During 2021–22, there were 33 instances where a State Government purchasing card was used for personal use. The aggregate amount of personal use expenditure was \$1,436.48. All expenditure was recovered by 30 June 2022. No disciplinary actions were instigated by the notifiable authority during the reporting period.

### Public sector standards and ethical codes

In accordance with section 21 of the *Public Sector Management Act 1994*, the department complies with standards of merit, equity and probity in relation to human resources activities. No breaches of the Western Australian Public Sector Standards in Human Resources (Employment Standard, Grievance Standard or Discipline Standard) were lodged in the fiscal year.

Expenditure	Total	Expenditure paid to	Amount
Advertising agencies	Nil		Nil
Market research organisations	Nil		Nil
Polling organisations	Nil		Nil
Direct mail organisation	\$818.18		Nil
Media advertising organisations	\$936,867.53	Carat	\$670,479.90
		Facebook	\$490.93
		Google	\$26,835.94
		Initiative Media Australia	\$137,809.43
		Likeable Creative Pty Ltd	\$97,250.00
		Independent & general media	\$12,729.23
		Koori Mail	\$818.18
		DPC	\$10,715.26
		Telstra	\$40,649.40
		State Law Publisher	\$3,848.54
		Tribe Digital	\$2,999.79
		Campaign Monitor	\$183.36
TOTAL		\$1,004,809.96	

## Special purpose statement

The special purpose statement (right) applies to the Environmental Protection Part IV Cost Recovery Account.

### Department of water and environmental regulation Special purpose statement Environmental Protection Part IV Cost Recovery Account

Name	An Account called the Environmental Protection Part IV Cost Recovery Account (the Account) shall be established and maintained as an agency special purpose account pursuant to section 16(l) (d) of the <i>Financial Management Act 2006</i> by the Department of Water and Environmental Regulation.
Purpose	The Account is to manage funds recovered under the Environmental Protection (Cost Recovery) Regulations 2021. Funds in this account are to be used for defraying the costs incurred by the Department in receiving and assessing proposals and monitoring the implementation of proposals under Part IV Division 1 or 2 of the <i>Environmental Protection Act 1986</i> .
Receipts	There shall be credited to the Account monetary contributions collected as fees and charges from proponents pursuant to the Environmental Protection (Cost Recovery) Regulations 2021.
Payments	Moneys standing to the credit of the Account may be applied only for the purpose of the Account.
Accountability and governance	The Account shall be administered, accounted for and reported on by the Director General, Department of Water and Environmental Regulation, in accordance with the <i>Financial Management Act 2006</i> , Financial Management Regulations 2007, Treasurer's instructions and any other legal requirements.
Review	A detailed review of the Account is to be undertaken on an annual basis. This is to include an assessment of the payments and receipts to ensure compliance with the purpose outlined above.
Disposal of funds on cessation	Upon closure of the Account, any balance standing to the credit of the Account shall be disbursed to another mechanism utilised for the purposes of cost recovery, as determined by the Minister for Environment.

I have examined and agree to the provisions of this special purpose statement



Michelle Andrews  
DIRECTOR GENERAL  
Department of Water and Environmental Regulation

Date: 14 December 2021

Approved (under delegated authority)



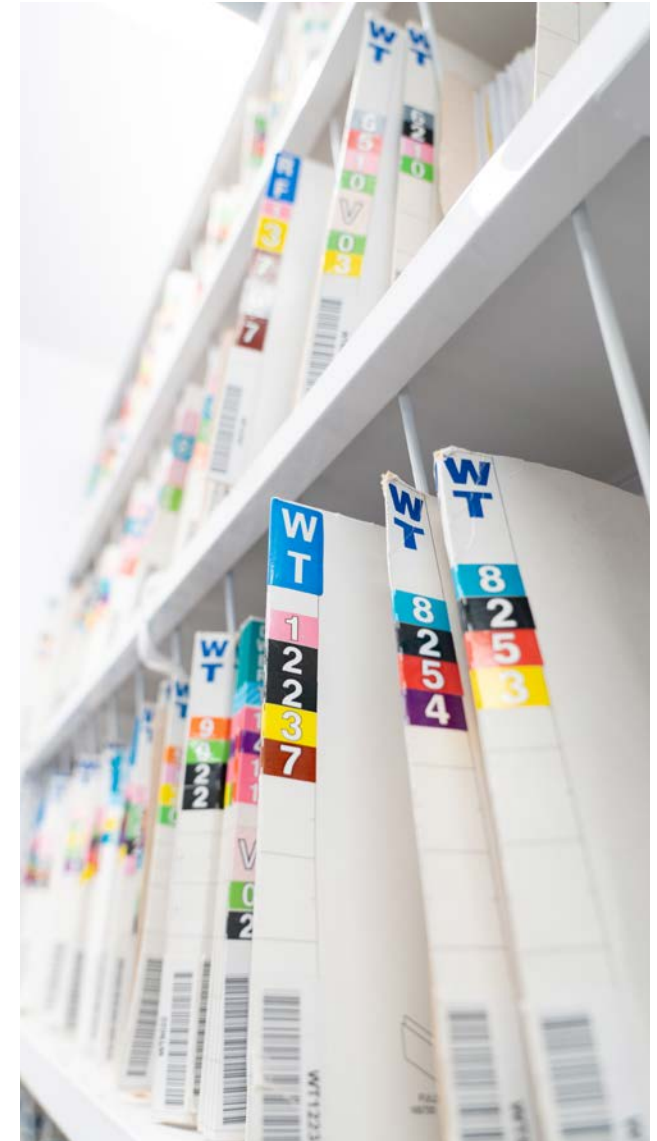
Michael Court  
UNDER TREASURER  
Department of Treasury

## 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 Standard 2, Principle 6, the following information is provided.

Our recordkeeping manual covers the broad range of recordkeeping requirements necessary to ensure staff create, manage and maintain departmental records, regardless of format, to support the business needs and ensure the department and its staff meet the legislative requirements in our Recordkeeping Plan. In 2021–22, record awareness training across the department was completed by 230 staff, resulting in 943 department employees successfully completing this training to date.

These figures include regional staff and staff of the Office of the Appeals Convenor. A records awareness refresher training module is now available. Once users have successfully completed recordkeeping awareness training, they will be required to complete the refresher module every two years. So far, 151 staff have completed this training.



# Government policy requirements

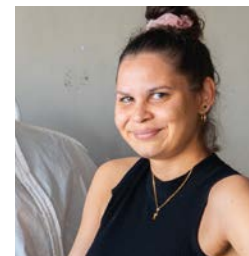
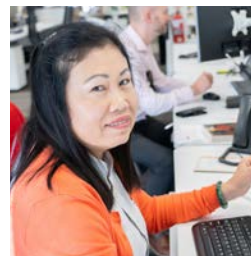
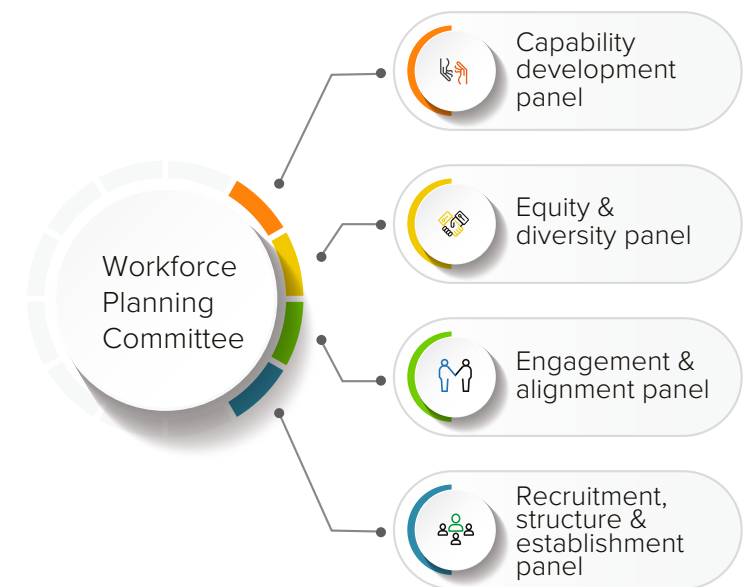
## Substantive equality

There is a whole-of-department commitment to substantive equity, which is built in to the way we deliver water and environmental management. All processes associated with our management tasks and planning practices are developed with diverse input from the community and stakeholders. This development process features broad public invitations across multiple platforms to comment on draft documents.

We aim to implement substantive equality measures across all operations and department functions as well as make our services available to all in a form that meets diverse, individual and cultural needs. Our equity and diversity panel provides oversight on developing and integrating substantive equality strategies into the overall equity framework.

We are committed to providing employment opportunities for Aboriginal people within the department and through our business. We are also strengthening sustainable relationships with Aboriginal communities and respect their knowledge and deep connection to WA's land and waterways.

We continue to seek to listen, learn and build partnerships with Traditional Owners across the state. As part of our reconciliation commitment, we incorporate and consider the social and cultural wellbeing as well as rights of Aboriginal people when working on Country with Traditional Owners. The department incorporates Acknowledgement of Country protocols into all official meetings and events to recognise Aboriginal peoples' spiritual and cultural connection to lands and waters.





## Inclusive access

The delivery of our [\*Disability Access and Inclusion Plan\*](#) demonstrates the department's commitment to an inclusive public service. The five-year plan, due for renewal after 2023, recognises the rights of all employees to access services, information and facilities, and to participate in community consultation. It helps us to meet, and in some respects surpass, obligations under the *Disability Services Act 1993*, the *Western Australian Equal Opportunity Act 1984* and the *Commonwealth Disability Discrimination Act 1992*.

We continue to build on initiatives in the plan championed by our Corporate Executive and have started developing workplace adjustments policies and procedures to better enable people with disability to fully participate in all aspects of their employment.

We participated in the Building the Talent Pool project, a cross-agency collaboration with the aim of increasing employment outcomes for people with disability in the public sector. The department also launched a review of the accessibility of our buildings and equipment.

In this year's department census, 11 per cent of the 438 staff who completed the survey identified as a person with disability. This compares with 9 per cent across the Australian workforce.

The census found that of our employees who identified as a person with a disability (49):

- 32.5 per cent felt they have to hide or change who they are to fit in at work compared with 10.5 per cent without a disability
- 14.2 per cent had personally experienced unfair treatment or been denied opportunities in the last 12 months

- 42 per cent reported people made incorrect assumptions about their abilities.

The results reaffirm our commitment to an even more inclusive workplace and work has advanced to deliver a Dignity at work policy and change program.



## Occupational health, safety and injury management

As a department, we take the health and safety of all our staff seriously and are committed to ensuring a safe and healthy workplace. The Health and Safety Committee meets quarterly and regularly consults with regional offices through Sub-Health and Safety Committees, which comprise safety and health representatives, employee representatives and management representatives.

These groups focus on resolving systemic safety issues and the continuous improvement of our occupational safety and health systems, processes and performance. The Health and Safety Committee is also responsible for safety risk and hazard identification and awareness. This includes ensuring that our department-wide Work Health Safety (WHS) Action Plan is implemented and meets its targets.

These committees, which include employee representatives, are integral to effective WHS 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.

### Manager and supervisor training in occupational health and safety, and injury management

The department continued to provide onsite training for managers and employees. The training modules covered the new WHS legal framework, due diligence, hazard and risk management, incident management, WHS fatigue training and psychosocial injury management, and return-to-work programs. This year 288 managers and employees completed the course, with 621 employees completing the course in the past two years. All our managers and employees are also required to undertake WHS training every two years, made available and easily accessible through the department's online learning system.

The department has also continued to train our Health and Safety Representatives. To maintain the highest safety standards and assist managers in WHS matters, we have appointed WHS representatives to work closely with management teams. These voluntary roles include work site inspections for potential hazards, incident investigation, and communications with department staff.

### Mechanisms for consultation with employees

The primary mechanism for consultation with employees is through our Health and Safety committees and representatives. We also have an incident management reporting system in place which clearly articulates notification protocols and escalation points. Our online platforms are further means to ensure effective, timely and inclusive engagement with our staff, to ask for their feedback on department policy and procedures, and to update and announce events occurring in our safety and wellbeing areas.

### Commitment to return employees back to work after injury

We have a workers' compensation and injury management policy, and align to State Government guidelines to help injured employees 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 *Work Health Safety Act 2020* 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 in the table (below).

### ► Injury performance

Measures	Results 2019–20	Results 2020–21	Results 2021–22	Targets	Comments towards targets
Number of fatalities	0	0	0	0	The department has had 0 fatalities
Lost time injury and disease incidence rate	0.3	0.3	0.1	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 severity rate	0	0	0.1	0	Severe claims are measured against those which have lost 60 days or more.
Percentage of injured workers returned to work within 13 weeks	100%	100%	99.9%	100%	Injured employees must return to work in 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 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	Injury management training 77%  Online training modules for managers 79%	Online training modules for managers 75%	Online training modules for managers 92%	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.

## Complaints procedure

**We welcome feedback on our service delivery because it helps us improve or adjust our services to ensure the highest quality service**

The department is committed to providing high-quality services to meet our customers' needs. Our [Service Charter](#) guides our relationship with our customers. We have a dedicated feedback and complaints portal where we encourage our stakeholders to visit and bring matters to the department's attention so we can action, track and monitor trends.

In line with our Service Charter, from 1 July 2021 to 30 June 2022 the department received a total of 42 complaints via its online complaints and feedback mechanism. Twelve of those received were anonymous submissions which were actioned and closed, leaving 26 submissions that included complainant details.

The complaints received ranged from not relating to the department's service delivery, providing direct feedback to faults in the department's website, Water Online, Environment Online and EPA submissions requiring redirection. These 26 submissions were also actioned and closed. In the timeframe recorded, four items are yet to be finalised.

This does not include complaints managed under statutory processes within the department's remit, such as noise, dust and littering complaints.

## Freedom of information

It is our commitment to make information available as soon as possible and at the least possible cost.

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.

For the 2021–22 period, we received 275 FOI applications. Five of these applications progressed to an internal review and none were reviewed externally by the Office of the Information Commissioner.

This financial year:

- the average time taken to process FOI applications was 42 days (the mandatory requirement under the FOI Act is 45 days)
- we received two applications for personal information
- we received 273 applications for non personal information
- in addition to the 275 FOI applications received by the department, we handled a further 50 consultations from other agencies.

## Recognising our staff: Woola Awards

Reward and recognition are important elements of our organisational culture. They reinforce our departmental values, help highlight what 'great' looks like and, most importantly, help employees feel valued, energised, happy and motivated.

We believe that should happen continuously and throughout our agency. We strive to pay attention to when people get things 'right' and let them know.

Our Woola Awards and Recognition program was created in 2021 to celebrate the accomplishments of staff. Woola! means 'shout of praise' in the language of the Whadjuk Noongar people, on whose Country our head office is based.

We hold these awards each year on or close to 23 June, the United Nations Public Service Day which celebrates the value of public servants to their communities.

The 2022 Woola Significant Achievement Award was presented to Mike Young, Senior Manager Native Vegetation Regulation, for his work on delivering amendments to the EP Act, the Environment Online build and offsets governance initiatives.

There were also awards for staff who kept their colleagues safe and updated, and who mitigated risks, during the outbreak of COVID-19 in WA. Some 147 staff received certificates for reaching milestone lengths of 10, 15, 20, 25, 35, 40 and 45 years of continuous public service in 2022.





# Appendices

## Appendix A: Legislation

### Legislation administered by the Department of Water and Environmental Regulation as at 30 June 2022

- *Carbon Rights Act 2003*
- *Contaminated Sites Act 2003*
- *Country Areas Water Supply Act 1947*
- *Environmental Protection Act 1986*
- *Environmental Protection Amendment Act 2020*
- *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 Authority 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)
- *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* (also called *Plumbers Licensing Act 1995*) (except part 5A, which the Department of Commerce administers)
- *Waterways Conservation Act 1976*

## Regulations administered by the Department of Water and Environmental Regulation as at 30 June 2022

- 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 (NEPMNPI) Regulations 1998
- Environmental Protection (NEPMUPM) 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 Amendment Regulations 2019
- Waste Avoidance and Resource Recovery (Container Deposit Scheme) Regulations 2019
- Waste Avoidance and Resource Recovery (Container Deposit Scheme) Amendment Regulations 2019
- Waste Avoidance and Resource Recovery (Container Deposit Scheme) Amendment Regulations 2020
- Waste Avoidance and Resource Recovery Levy Regulations 2008
- Waste Avoidance and Resource Recovery 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](http://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 (Commonwealth)*
- *Occupational Safety and Health Act 1984*
- *Long Service Leave Act 1958*
- *Minimum Conditions of Employment Act 1993*
- *Native Title Act 1993 (Cwlth)*
- *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*
- *Work Health Safety Act 2020* (from 31 March 2022)

## Appendix B: Shortened forms

Term	Definition
AA	Agricultural Area
AQMP	Perth Air Quality Management Plan
AUSMAP	Australian Microplastics Assessment Project
AWEAG	Aboriginal Water and Environment Advisory Group
BCP	Business Continuity Plan
C&D	Construction and demolition
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DBCA	Department of Biodiversity, Conservation and Attractions
DMIRS	Department of Mines, Industry Regulation and Safety
DPIRD	Department of Primary Industries and Regional Development
DPLH	Department of Planning, Lands and Heritage
EPA	Environmental Protection Authority
FOGO	Food organics and garden organics
FOI	Freedom of information
HHW	Household hazardous waste
ILUA	Indigenous Land Use Agreement
IPWEA	Institute of Public Works Engineering Australasia
JTSI	Department of Jobs, Tourism, Science and Innovation
KABC	Keep Australia Beautiful Council

Term	Definition
KPI	Key performance indicator
LGA	Local government authority
MAC	Murujuga Aboriginal Corporation
MLA	Member of the Legislative Assembly
NARClIM 2.0	New South Wales and Australian Regional Climate Modelling Project
PDWSA	Public drinking water source areas
PHIC	Port Hedland Industries Council
SERS	Sectoral Emissions Reduction Strategies
SGIP	State Groundwater Investigations Program
SWIS	South West Interconnected System
RAP	Reconciliation Action Plan
RtR	Roads to Reuse
WA	Western Australia
WAPC	Western Australian Planning Commission
WHS	Work Health Safety
WIR	Water Information Reporting
WWF	World Wide Fund for Nature
YSRC	Yamatji Southern Regional Corporation



# Contact us



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## South Coast region

### ► Esperance regional office

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# Feedback form

Your feedback on our 2021–22 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

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not at all | not really | somewhat | yes | absolutely

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