

**ROYALTIES FOR REGIONS AMENDMENT BILL 2019**

*Second Reading*

Resumed from 28 November 2019.

**HON STEPHEN DAWSON (Mining and Pastoral — Minister for Environment)** [10.17 am]: It is my pleasure to rise this morning to make some brief comments on Hon Diane Evers' Royalties for Regions Amendment Bill 2019 before us at the moment. In Hon Diane Evers' second reading speech, she said —

The royalties for regions framework has provided meaningful support to the regional communities of Western Australia for a decade now, and is an important system for ensuring that profits from our state's mining and gas resources are translated into benefits for the community. However, there has been little emphasis on environmental programs in the application of the royalties for regions fund.

Although I agree with the first sentence, I have to differ on the second, which refers to there being little emphasis on environmental programs, because my research for my speech on the bill shows that over the past 10 years or so, about \$270 million from royalties for regions has been spent on environmental initiatives. In fact, if members open budget paper No 3 of the 2019–20 WA state budget, the *Economic and Fiscal Outlook*, they need turn only to page 191 to see that at least \$119 million over the forward estimates was allocated to a number of projects under the title “Investing in Our Environment”. That includes such great things as the Aboriginal ranger program, bushfire mitigation, Carnarvon flood mitigation works, the Collie River revitalisation project, work on the Fitzroy River catchment and management plan, Lake Kepwari, marine parks management, Murujuga management, national parks in the north west, marine parks in the south west, the Oyster Reef habitat restoration project in Albany and a range of other things. I will talk about some of those a little later in my contribution today. Royalties for regions expenditure is outlined on other pages, and I can see other things that will absolutely have benefits for our environment that are not listed under the “Investing in our environment” subheading. The *Economic and Fiscal Outlook* is an interesting read; perhaps the honourable member might acquaint herself with it and see the whole list of projects that are being funded out of royalties for regions.

The objective of the Royalties for Regions Act is to promote and facilitate economic, business and social development. The priority of the McGowan Labor government has been to focus on supporting initiatives that not only support job growth right across regional Western Australia, but also enhance regional communities by making them more liveable and more accessible, and by creating more opportunities for regional Western Australians. Investing in our environment is certainly a key area for this government, with initiatives selected for funding from the royalties for regions budget based on a demonstration of merit against the government's strategic objectives. Far too often, people in the community think that it has to be the environment or jobs, but it does not; the environment can create jobs. The projects we have funded as part of the royalties for regions scheme have had a job-creation element to them.

One program that I am very proud of as the Minister for Environment is our Aboriginal ranger program, which we established a couple of years ago. It was designed with Aboriginal people at the table. We have made it so that the funding can be used on land that is tenure blind. Under the commonwealth Aboriginal ranger program, rangers can work only on Indigenous protected areas or national heritage-listed lands. Our program is not like that. Aboriginal rangers funded by the state are able to do stuff on not only unallocated crown land and in national parks, but also lands that the state does not manage. I think I have said in this place before that it makes me extremely proud when I go into a classroom in my electorate and ask young kids, particularly young Aboriginal kids, what they would like to do when they grow up, that many of them now say they would like to be a ranger like their brother, sister, cousin, aunty, uncle, grandmother or grandfather—whoever in the family is doing it. This program has not only had a massive benefit for the environment, with ranger groups focusing on fire, feral animal and weed issues across Western Australia, but also created jobs. Hundreds of jobs have been created as part of that program. We have had two funding rounds so far and the third is open at the moment; it closes at the end of this month. Given what happened with the previous two rounds of the Aboriginal ranger program, I am confident that this round will be oversubscribed and that there will be a great deal of interest in the program from right around regional Western Australia. It is delivering and kicking goals. The other thing I am proud of with that program is that we have been able to encourage female rangers. This is not a criticism of the federal program—I think the federal program has been great—but under that program, few female ranger positions have been funded, whereas under the state program, over 50 per cent of the ranger positions are funded for women. Of course, Aboriginal women have a great deal to contribute to the environment and their communities, so it has been exceptional in that regard. That is the Aboriginal ranger program.

The environment has been a key area of investment by the government. As I mentioned previously, about \$270 million of royalties for regions funding has been invested over the past 10 years in projects relating to the protection and management of the environment. Those projects have been diverse and include vegetation protection and prescribed burning, which is an issue on which we have had many debates in this place. Hon Diane Evers and I come from different places on that issue, but I can certainly say that few people in the Western Australian

community, or the Australian community as a whole, do not recognise the value of enhanced prescribed burning. Western Australia was very lucky to not be affected by fire over the summer months as badly as communities in nearly every other state and territory, with the exception of the Northern Territory. Devastating fires occurred in those places. Although we did have difficult—if I can use that word—and big fires in places like Norseman and the Stirling Ranges, and closer to the Parliament in places like Yanchep, our tremendous firefighters, whose job it is, and the volunteers, as well as staff from my own agency, contributed to that effort and did a great job. In fact, in some places they were successful in keeping fire away from western ground parrot habitat, which in itself is a great thing. The budget for royalties for regions that is before us at the moment includes an extra \$22 million over four years on top of the \$11 million that we spend annually on prescribed burning. That is a win for the environment in my book, but it is also a win for the communities and a win for the lives and livelihoods of people in regional Western Australia.

Money has also been spent on carbon farming, which, again, is something that I think helps us as we tackle a drying climate and the impacts of climate change. Of course, there has been significant investment in natural resource management grant funding, which has contributed to many great projects being delivered right across regional Western Australia by natural resource management groups. I know many members in this place have contact with the NRM groups in their electorates and know and value the work that those NRM groups do in their local communities. As I indicated, over the next four years—that is, 2020–21 to 2023–24—a further \$133.9 million is forecast to be allocated to support environmental initiatives, including supporting the revitalisation of waterways, habitat retention and investment in training and joint management programs with Aboriginal people. Again, these are all very worthy and important projects.

Presently, \$134 million is allocated across the forward estimates for 29 environmental projects. Of that, \$16.7 million is for the Aboriginal ranger program that I mentioned. That funding will focus on jobs for rangers who look after state parks, Indigenous protected areas and other Indigenous tenures. On top of the enhanced prescribed burning money that I have mentioned, \$6.7 million will be spent on bushfire mitigation on crown land near regional town sites, to increase the state's capacity to address significant bushfire risks on state-owned parcels within and adjacent to town boundaries. There is also \$3.1 million in funding for Carnarvon flood mitigation works. That is for stage 2, which involves maintenance of the flood levies in Carnarvon. That is another very important project that will help protect that town and that community, which is a very important horticultural district for Western Australia. We need only look at the devastating fire in Norseman over summer and the closing of the road to the east for a few days to remember how important it is to have our own horticultural industry in Western Australia so that we can access the food that we need. It is not only the horticultural district in Carnarvon that will benefit from that work; surrounding areas, which have had repeated severe flooding over the years, will also benefit. It will help ensure the economic future of that area.

An amount of \$28.3 million will be spent on natural resource management programs. That will allow the state NRM office, which is in the Department of Primary Industries and Regional Development, to support the volunteer efforts of community-based not-for-profit NRM groups that are helping to manage biodiversity, biosecurity, water quality and land use planning in Western Australia. There has been a great deal of investment in marine parks, not only in the south west, but particularly for the Ngari Capes Marine Park, with \$4.6 million allocated to support the continued management of that marine park. That includes infrastructure maintenance, park management, patrols, and ongoing research and monitoring. Marine parks are very valuable in my book. They not only protect what needs to be protected in the ocean, but also put those areas on the map and bring tourists to those communities, sometimes from far-flung places. Those places sometimes have little other opportunity for economic or business development. Infrastructure maintenance in those parks can contribute to local economies and businesses, and, again, the parks themselves benefit the environment.

There is also \$6.7 million going towards the Ningaloo coastal reserve to support the operational requirements of the reserve, joint management arrangements, and associated Aboriginal employment programs. Again, these parks and reserves are often in far-flung places around the state that have few economic development opportunities for local people. Creating parks, having joint management with local traditional owners, and creating Aboriginal ranger programs in those communities guarantees that people who might otherwise leave can stay in those communities and continue to contribute to them.

I refer to the hypothecation of royalties for regions funding. The bill before us seeks to direct a minimum of 10 per cent of all royalties for regions funding on an annual basis to environmental purposes. We as a government were elected with a fundamental commitment to restore the state's finances. All spending decisions by this government have to be weighed against other options. An increase in some areas would necessarily come at the cost of reductions in other areas. To control spending, we have had to make some difficult decisions since we came to government. Some things have not always been supported. It is a challenge, and if this bill were to pass, it would certainly tie our hands in many regards and stop us from having a merit-based list and tackling issues we think are important for job creation and job growth around the state. In the current circumstances, hypothecating a minimum

of 10 per cent would see about \$100 million a year set aside for environmental purposes. However, given the constraints around royalties for regions funding that are already in place, this could further reduce the government's ability to manage the budget in response to economic opportunities. This is a difficult one because, obviously, the environment is very important to the state, but so, too, is managing the economy and continuing to provide jobs for Western Australians in a world that, at the moment, continues to throw more and more challenges upon us. We will certainly continue to keep spending on environmental projects and initiatives.

I will touch on some of the other initiatives that are being delivered across the state at the moment. In the south west of the state, down in Hon Diane Evers' neck of the woods, there has been an investment in catchment and estuary management with \$28.75 million going towards the regional estuaries initiative and the revitalising Geographe waterways program. Again, these programs are based on collaboration and partnerships between government agencies, such as my agency and the Department of Water and Environmental Regulation, and also natural resource management groups, communities, industry and farmers. Far too often people forget that farmers can be environmentalists and can contribute to help the environment. Farmers and other industries are involved in the regional estuaries initiative and the revitalising Geographe waterways program to help protect those areas. Through those programs, NRM groups have received substantial funding for more than 70 projects, which has contributed to the direct employment of 14 people in regional land care groups across six catchments. But not only do these catchment groups get funded as part of the royalties for regions initiative, but they are also able to access funding from the federal government that the state government cannot access. The state funding combined with the federal funding means that these programs are often bigger and can deliver more for the environment and those communities, and, all the while, continuing to create jobs.

Another initiative funded out of royalties for regions is our "Plan for our Parks" initiative, which seeks to create an additional five million hectares across the conservation estate over the next five years. That will include marine parks, national parks, and other conservation reserves across Western Australia, and will see our conservation estate in Western Australia expanded by about 20 per cent over those five years. I think that is the most significant increase to the conservation estate in the history of Western Australia, and something that we should be proud of. It, too, is creating more opportunities for nature-based and cultural tourism, which creates opportunities for Aboriginal joint management throughout Western Australia. So far, under this initiative, the McGowan government has invested more than \$22 million towards the creation and the ongoing management of national parks, marine parks and conservation reserves in the 2019–20 budget. Hopefully, there will be more to come in this year's upcoming budget.

In managing the existing conservation estate, the Department of Biodiversity, Conservation and Attractions undertakes prioritised weed, disease and pest animal control on those lands, and also works with neighbours to achieve broader control and management across multiple land tenures in regional Western Australia. RforR funding has also gone towards implementing the Western Shield program, which works with industry sponsors and community groups to recover threatened animals through a range of actions including baiting feral cats and foxes across 3.7 million hectares of Western Australia. I and my colleague the Minister for Regional Development, Hon Alannah MacTiernan, who is away from Parliament on urgent parliamentary business, share a keen interest in doing what we can to control pest animals on our lands across the state, particularly feral cats and foxes. Members in this place would know the devastating impact that feral cats in particular have.

**Hon Jim Chown:** It's been a long-term program, and a very good one.

**Hon STEPHEN DAWSON:** Yes. Feral cats have a particular impact on our native species in Western Australia. This issue can polarise the community because some people say, "You can't be baiting our cats", but if people realised the distances that some cats travel and the devastation that they cause to our native animals across the state, they would truly think differently. I am constantly surprised and amazed at the number of emails and pieces of correspondence I get in my office saying that we should not be tackling feral cats and that it is inhumane. I say no; we have to tackle these species. Otherwise, they will wipe out species that are endemic to Western Australia. They are species that are not found anywhere else in the world and are already under attack thanks to fire and climate change. I think it is a good investment from the royalties for regions fund to focus on feral cat and feral fox management. I hope that honourable members in this place will agree with me. The Western Shield program works across 3.7 million hectares, which is a big area of Western Australia. There is a lot of work for us to do, but I am very pleased with the work that my agency does in this regard. DBCA, in association with other government agencies and non-government organisations, works to continue to improve the conservation status of threatened species through recovery actions that are underpinned by world-class science, and, again, are funded by royalties for regions. A case in point is the Return to 1616 project on Dirk Hartog Island in the north of the state. Agencies are working to restore the original suite of mammals and birds to what is Western Australia's largest island. Before pastoralists arrived, that island would have had many native species. However, with the introduction of cats, goats and dogs, those species were impacted greatly. This project has been a great collaboration between officers from Parks and Wildlife at DBCA and Perth Zoo, with breeding programs at Perth Zoo. We have been able to put animals like the rufous hare-wallaby back on the island. That is exceptional. I encourage any member of Parliament, if they

get the opportunity to go to Dirk Hartog Island, to see this project in operation and observe the good work it is doing in restoring the original suite of mammals and birds to that island.

As part of the royalties for regions program, the department has had a focus on continuing to deal with the threat of phytophthora dieback and invasive weeds around the state. We do that through on-ground actions in partnership with community groups, and we fund research and staff training initiatives. This is something that is having an impact, particularly in the south west of the state, on places such as Fitzgerald River, where pristine world-class areas are under attack from things such as phytophthora dieback. In some cases, those programs slow the attack, but they also try to keep out the threats from those pristine areas.

Another investment has been \$10 million from royalties for regions into cane toad management with ongoing activities and research to help manage the impact of cane toads in the Kimberley. This is a challenging one. We have not had a debate about cane toads in this place for a while now. Certainly, a number of members in this place would be aware that the cane toad continues to advance westward and a great deal of effort has been put in by agencies and groups such as Kimberley Toad Busters and others to see whether we can stop these terrible creatures coming westward. It is a challenging space. That is one area in which Aboriginal rangers have been involved, particularly in the Kimberley. I was pleased to be there a few weeks ago providing funding from Lotterywest to the World Wide Fund for Nature, which is working with eight traditional owner groups across the Kimberley to help protect the area, but also in some cases to help fight cane toads.

A great deal of money is being spent from royalties for regions on the environment and we will continue to have a focus on the environment over the next few years. As I said, it is certainly challenging. It would be challenging to hypothecate a minimum of 10 per cent from the royalties for regions fund to be set aside for environmental purposes, particularly at a time in the world, and also in Western Australia, when we are being challenged by such things as coronavirus. I think tying our hands or tying our funding to certain things could have an impact and could make governing and delivering for regional communities that much harder. However, I certainly have an open mind.

There are other things that we are doing, and that royalties for regions funding will help contribute towards, one of which is carbon farming. In December, the state government announced the go-ahead for the human-induced regeneration carbon farming project. HIR carbon farming focuses on grazing strategies that promote the regeneration of native vegetation and remove carbon dioxide from the atmosphere. Western Australian HIR projects have the capacity to yield over 20 million tonnes of carbon dioxide abatement over the life of the projects, and the WA HIR projects cover 8.8 million hectares, so about three per cent of Western Australia. Of the 43 registered projects, 5.2 million tonnes of carbon abatement have been contracted with the Emissions Reduction Fund. That has a value estimated at \$70 million. A further 15 million tonnes of CO<sub>2</sub> abatement can be generated from the 43 projects, which will generate credits to be sold to the secondary markets. This is a good opportunity for places in Western Australia that have historically been overgrazed or had underinvestment. For places that have quite poor land conditions and areas that are economically unproductive, carbon farming can effect changes to grazing management. It can improve soil and water quality. It can reduce soil erosion and, ultimately, can lead to improved pastoral productivity. I give credit to those pastoralists involved in this project who see the need to be able to diversify to create other opportunities. Although it is only new, I am confident that this will not only support the state's efforts to fight climate change, but also create opportunities for the state's pastoralists to access a new revenue stream while rehabilitating degraded pastoral lands.

Another project that will be funded from royalties for regions is the WA renewable hydrogen strategy. As we know, the world is transitioning to a low emissions future, albeit some others think we need to have oil and gas to help us get there. We are starting to see the maturity of key hydrogen technologies and also the falling cost of renewable energy. We are interested in and see the need to address climate change. The Western Australian government and businesses are starting to invest in low and zero emissions industries and technologies. Hydrogen, particularly renewable hydrogen, is becoming increasingly explored for use in transport, energy storage, blending with gas and the power sector, and as an industrial feedstock. Renewable hydrogen presents Western Australia, particularly regional WA, with opportunities to accelerate emissions reduction, but also to diversify our economy and support innovation and create new long-term job opportunities, particularly in the regions. We are seeing investment in the north west of the state that will prove to be funded from royalties for regions and that will create opportunities for regional communities.

I want to ask Hon Diane Evers a question so that perhaps when she gives her response to the second reading debate, she can let me know the answer—that is, the definition of “environment”. Clause 5(1)(c) seeks to insert proposed paragraph (d) —

to conserve, protect and enhance the environment and biodiversity in regional Western Australia.

I do not have the original act in front of me but I will certainly ask the question, as others ask from time to time, about the definition of environment. What does the definition of environment include? Does it include, for example, generally, water, shark mitigation and projects in the fisheries space? I presume water quality would be included.

I presume also that climate change is in there too. By restricting the expenditure or hypothecation to conserving, protecting and enhancing the environment and biodiversity in regional Western Australia, we need to be clear about what is in and what is out. I am not sure whether that is something the honourable member has thought about previously and can advise me of later when we get to it, and whether perhaps we as a chamber need to think about amending such a bill to include definitions to be clear about what we are talking about. I park that question for now and I will see whether Hon Diane Evers has a chance to contribute at a later stage.

I go back to the renewable hydrogen strategy that is being partly funded from royalties for regions. Renewable hydrogen and the strategy presents Western Australia with a unique opportunity, particularly in regional Western Australia, to accelerate emissions reduction, to diversify our economy and to not only support innovation but also create new long-term job opportunities, particularly in the regions. That is certainly something I care about as a regional member of Parliament and as a member of the McGowan Labor cabinet. Western Australia has vast energy sources and particularly vast renewable energy sources, such as solar and wind, albeit there are more opportunities to be grasped and captured. We have an extensive land mass and strong existing trading partnerships and proximity to Asia, for example, where key markets such as Japan and Korea have already signalled a shift towards low emissions hydrogen for the future. Renewable hydrogen provides a means to import cleaner energy, which is something we should be looking at into the future. This is an area that Hon Alannah MacTiernan is very passionate about. I know that major multinational corporations such as Woodside, Shell, BP, Yara International and Fortescue Metals Group, to name but a few, are committed to the reduction of greenhouse gas emissions. They are looking to integrate renewable energy and other low-emission technologies into their business models. While it is still in its infancy, the Australian hydrogen export industry could reach \$2.2 billion a year by 2030. The government has moved quickly to position Western Australia so that we can harness existing opportunities with renewable hydrogen, renewable energy and other low-emission technologies. We are very keen for the renewable hydrogen industry to blossom as quickly as possible. We have put some of the royalties for regions funding towards that. To facilitate and accelerate private sector investment, we have also dedicated \$10 million to a renewable hydrogen fund. That will provide \$9 million in financial assistance grants to industry to support four feasibility studies and pilot projects, and \$1 million will be dedicated to progressing essential work such as regulatory issues and standards to be undertaken by the renewable hydrogen unit.

In January this year, we announced a \$1.68 million investment to support feasibility studies across seven proposed renewable hydrogen projects for Western Australia and the development of the fledgling job-creating industry. A range of projects right around the state are being talked about, including a standalone power system for an Aboriginal community in the Pilbara using 100 per cent renewable energy. There is talk about a hydrogen production facility near Kununurra using existing hydrogenation; examination of the compatibility of the Dampier to Bunbury gas transmission pipeline with blended hydrogen; and the integration of renewable hydrogen with isolated power stations. I will go back to my earlier question to Hon Diane Evers about the terminology and the definition used in the Royalties for Regions Amendment Bill. Would investment in renewable energy or energy generally fall within her definition or the boundaries of her plan to hypothecate —

**Hon Diane Evers:** That could be another hypothecation.

**Hon STEPHEN DAWSON:** I have only limited time today, but I certainly look forward to the member's contribution when she replies to the second reading debate. Many members in this place have a great deal of interest in this bill that is before us today. I am sure that many of us will get the opportunity to speak on this over the coming weeks or months.

**Hon Simon O'Brien:** Your country colleagues will be bursting to get up and have a say.

**Hon STEPHEN DAWSON:** I understand that many honourable members in this place want to make a contribution on this bill, but I assure the member that he will get a chance. Can I ask that when Hon Diane Evers gives her second reading reply, she tackles the issue of whether we could fund renewable energy projects out of her 10 per cent hypothecation from the royalties for regions fund.

Sorry, I was talking about some of those projects in regional Western Australia on which funding from royalties for regions has already been spent. They are great renewable energy projects that have the capacity to create jobs for regional communities. As a member of Parliament, I am very passionate about that.

Earlier when I started my contribution, I spoke about the table on page 191 of the *Economic and Fiscal Outlook* for 2019–20, budget paper No 3. It listed some of the projects around the state that have so far received significant investment from royalties for regions funding. Some of those projects were commitments made by the government at the last election. For example, we made a commitment to create a Fitzroy River national park in the Kimberley. That is a great investment of royalties for regions funds. We are working very closely at the moment with three native title groups—the Gooniyandi, Bunuba and Yurriyangem Taam or Gija people—on the creation and design of that park and its boundaries. These three groups are at very different phases, if I can put it that way, in terms of how long they have been established or created. Bunuba has had some early engagement with us. We have been out on country with their people. Again, we used royalties for regions funding to see the important cultural and environmental sites from their perspective that needed to be included in the park. We have also had similar

conversations with the Gooniyandi and Yurriyngem Taam or Gija people, who got their native title just before Christmas. They are much later in the process having only just established their body. Over the next couple of months, we will continue to work with them on the creation of this park. I am pleased to say that the park will be created later in the year. We may well do it in stages and include the parts that we can include now. Conversations will continue with other stakeholders, including pastoralists, some of whom are tying their support for a national park to the allocation of water from the Fitzroy River. I will put in the bits into the park that I can put in now.

**Hon Jacqui Boydell:** Has there been a decision?

**Hon STEPHEN DAWSON:** On the national park there certainly will be a decision.

**Hon Jacqui Boydell:** No, I mean on the water.

**Hon STEPHEN DAWSON:** Those conversations are being led by the Minister for Water and continue.

Several members interjected.

**Hon STEPHEN DAWSON:** I am confident that everybody will get a fair hearing. Honourable members, I am running out of time today. Members are really leading me astray. I have plenty of things to say. Stage 1 of the creation of the national park will be established later this year. That will not only protect the area's unique environment for future generations, but also create job opportunities for local traditional owners. In the Fitzroy, we are already seeing great work being undertaken by the Bunuba people around Geikie Gorge, for example. They continue to invest and jointly manage the park with the state. Together we continue to create not only more jobs for local people in the Fitzroy Valley, but also tourism opportunities for those who come from further afield and want to experience a unique Aboriginal tourism and cultural opportunity in a spectacular place like the Kimberley.

The Fitzroy River national park is being funded out of royalties for regions and so, too, has the Lucky Bay campground redevelopment. That site used to be in our electorate, Hon Jacqui Boydell, until the last election, so we are not as lucky now as we were previously. But for those who have it in their electorate, it is a spectacular place—those beautiful turquoise waters and spectacular white sands. People from around the world see pictures of the place and want to go there to experience its uniqueness. It has been a very important and worthwhile investment from the royalties for regions fund to establish more facilities and enhance the facilities already there. Last year, or may be earlier, it was my pleasure to visit the place and open some of the new facilities and camping sites. Again, we have used royalties for regions funding to provide an online booking system. Hon Colin de Grussa would know that area very well, given that it is close to his home. Far too often people would get to places like that only to realise that the sites were fully booked and then had to drive away. The new booking system that has been established allows people to know before they get there what opportunities exist. The investment from royalties for regions into Lucky Bay has been very worthwhile.

In my own electorate in the north west, royalties for regions funding has been invested in the joint management of Murujuga National Park with the traditional owners, the Ngarda Ngarli, who represent five different traditional owner groups. We work very closely with the chief executive officer, Peter Jeffries, and the Yamatji Marlpa Aboriginal Corporation to not only create opportunities, but also protect the spectacular scenery that has been around for tens of thousands of years—probably upwards of 60 000 years. It looks like someone has used a bulldozer to move the rocks and sit them there, but they have been there for tens of thousands of years. It is a great tourism opportunity. Again, royalties for regions funding has been put towards establishing and jointly managing a living knowledge centre that will work with the tour operators. We see rangers helping to jointly manage that land with the Department of Biodiversity, Conservation and Attractions. That has been a very good investment from royalties for regions. A number of members have had an orientation session with the Murujuga rangers. I encourage Hon Dr Steve Thomas, who is in a different role at the moment, to have an orientation session with the Murujuga rangers on his next visit to the Pilbara; it is sensational. The young people are passionate about the environment and the traditional lands that they help manage with the state. I point to that group when I talk to other ranger groups because they love their country and people love interacting with them because of the passion they have for the lands and the environment that they look after. That has been an important use of royalties for regions funding. I hope Hon Diane Evers can confirm whether the joint management with the traditional owners falls within the terminology in proposed section 9(1)(d), which is a provision to conserve, protect and enhance the environment and biodiversity in regional Western Australia.

I have touched on natural resource management so I will not go over that again. Certain royalties for regions funding has been used towards the proposed Preston River to ocean regional park and Leschenault regional park in the south west of the state, which is an area that Hon Dr Sally Talbot is passionate about. They are parcels of land that have been long talked about to be added to the conservation estate in Western Australia. I am very pleased that royalties for regions money is in the budget at the moment and that we are working with the local community and the community group that has been established to create these parks. Over the next few months we will see some movement on that.

Right across regional Western Australia significant investment has been, and is being, provided for the environment through royalties for regions funding. It is important to invest in our environment, and that is happening. Whether it is my own agency—the Department of Biodiversity, Conservation and Attractions—or the Department of Planning, Lands and Heritage or the Department of Primary Industries and Regional Development or the Department of the Premier and Cabinet, they are all getting funding from royalties for regions to help manage Western Australia’s unique resources such as our marine parks, national parks, coastal reserves and estuaries, and to help work with natural resource managers to do what needs to be done in regional Western Australia. Money has been spent on water. I presume, but I am not clear about whether the bill provides funding for water within the proposed 10 per cent hypothecation from royalties for regions funding. Every time I raise this, I believe that perhaps we need to think further about the definitions in the legislation before us and what is in and what is out. A program called Watering Western Australia aims to support growth and improve the liveability and amenity of regional communities by increasing the availability and reliability of non-potable water for use in greening communities, growing local businesses, providing emergency firefighting water sources and improving on-farm water supplies. That helps regional areas remain desirable and attractive places in which to live and work. It also reduces demand on supply schemes, which will free up high-quality water for higher value uses. Again, would they be in or out of the member’s legislation? I am not sure. I am not sure whether elements of that project would fall under the plan in the bill before us today, although they absolutely should be funded from royalties for regions if the project is in regional Western Australia.

I know that other members are keen to speak on this legislation so I will not take up my full allocation today. I appreciate Hon Diane Evers’ passion and regard for Western Australia’s unique environment. We see that regularly in this place. She is a very passionate person who cares for her electorate and its unique environment. We often hear the member talk about the forests, water and important pieces of land in the south west. I understand where she is coming from and her desire and wish to ensure that royalties for regions funding will continue to be spent on environmental initiatives. I acknowledge and thank the member for that and for bringing this bill before us and allowing the chamber to debate this very important issue. We would all agree that funding for the environment is truly important and that it is important to protect the state’s unique environment for future generations. Royalties for regions funding should be spent on the environment. I have an open mind and am looking forward to members’ contributions to this debate about spending royalties for regions funding on the environment and how much of it should be spent on the environment and whether we should legislate to spend less or a set amount on environmental issues. I would like to hear from members about the bill and their views on the definitions in the bill, such as whether we need to tidy it up and include definitions of what the money could or could not be spent on. I think that needs to be looked at.

Obviously, climate change is the issue du jour right across the country and the world.

**Hon Simon O’Brien:** I haven’t heard anything about it for weeks. It has disappeared completely.

**Hon STEPHEN DAWSON:** In certainly has. Over the last few weeks we have been challenged by something else, but it remains in the background. We certainly saw the tragic fires in the eastern states over the summer months. Thankfully, we did not suffer the loss of lives or livelihoods that the eastern states did. We did not see tens of thousands of koalas or other native species wiped out in the west. We saw the fires on the east coast of Australia, and they were challenging. I contend that we are living in a world that has a drying climate and that climate change is real. Again, I am not sure whether climate change comes under proposed section 9(1)(d) or where the boundary is.

**Hon Peter Collier:** Do you support the bill?

**Hon STEPHEN DAWSON:** As I said, my feelings and thoughts on it are evolving. Where I sit now is that, particularly with the challenges of COVID-19 before us, I am not convinced that it is helpful for us to legislate that 10 per cent of royalties for regions funding must be spent on the environment when we do not know what is in and what is out. We absolutely have to keep spending royalties for regions funding on the environment, but in a world with the constantly changing challenges associated with COVID-19, I am not going to —

**Hon Simon O’Brien:** Regretfully, then, you are going to vote against the bill.

**Hon STEPHEN DAWSON:** I am agnostic at this stage. As Minister for Environment, can I say —

**Hon Simon O’Brien:** We’re looking to you for inspiration and we’re not getting any.

**Hon Peter Collier:** Not filibuster!

**Hon STEPHEN DAWSON:** Honourable member! Do I like the idea—the concept—of having 10 per cent of the royalties for regions fund hypothecated to be spent on the environment? That has a nice ring to it. But what I was trying to point out —

**Hon Simon O’Brien:** So you are in favour of it.

**Hon STEPHEN DAWSON:** I am the Minister for Environment and I certainly believe in the protection of the state’s unique environment for future generations. I believe in protecting our waterways and forests, and in protecting our communities by undertaking prescribed burning. I believe that when we are doing projects associated with tackling those issues or saving those things in regional Western Australia, it is absolutely a proper use of royalties for

regions funding. Do I think we should be locking up 10 per cent of the money and saying it is solely for conserving, protecting and enhancing the environment and biodiversity in regional Western Australia? Do I agree with that? I have to say, as it stands, probably not.

**Hon Diane Evers:** The environment needs much more than that.

**Hon STEPHEN DAWSON:** I have asked some questions and I know Hon Diane Evers will answer those with her views in her response in the future. But I think it is too black and white. Hon Diane Evers is saying that certain things will not fall within the scope of that spending.

**Hon Jim Chown:** Surely the risk of hypothecating \$100 million out of royalties for regions would, at some stage in the future, see a future government take moneys or have moneys spent for other program areas. It would make it a negative effect.

**Hon STEPHEN DAWSON:** If we were to do this now, it could well have a negative effect on programs operating currently. I think if we were to —

**Hon Simon O'Brien:** At least, at this stage, you've got two bob each way, so that is a start!

**Hon STEPHEN DAWSON:** I like the idea of having an aspiration of saying, "Let's aim to spend a certain amount of royalties for regions funding on the environment." But in good conscience, and at this stage, I think I am challenged by the bill before us, and certainly with COVID-19 at the moment. That is difficult for us all to address.

**Hon Peter Collier:** You're convincing me. You really are.

**Hon STEPHEN DAWSON:** It is a difficult issue for us to tackle. Locking away 10 per cent of royalties for regions funds at the moment would be a challenge and it would make life more difficult for us. As I alluded to briefly, if we were to do it, we could do it over a certain period and potentially phase it in. But if we were to do it from tomorrow, or from the next budget, it would mean that existing projects being run throughout regional Western Australia would have to close; they would have to stop.

**Hon Diane Evers:** It's only a minimum. You can do much more than that.

**Hon STEPHEN DAWSON:** The member is saying it is a minimum, but if we say today that 10 per cent has to be spent on the environment, it means projects currently funded throughout regional Western Australia would have to fall away. That means people engaged in those projects, whether they are community groups, natural resource management groups, local groups, non-government organisations, Aboriginal rangers or traditional owners, would have to cease working on those today.

**Hon Diane Evers:** It says "at least 10 per cent". You could go well over that.

**Hon STEPHEN DAWSON:** The member is missing my point, and I am not taking interjections because I have limited time today. I am speaking through the Chair.

**The ACTING PRESIDENT (Hon Dr Steve Thomas):** Thank you, minister.

**Hon STEPHEN DAWSON:** I understand the member is saying that it is at least 10 per cent, but my point is that if we were to say it is at least 10 per cent of royalties for regions funding, projects that are being funded now that local communities rely on and that fund jobs in regional Western Australia would quite likely have to fall by the wayside. I see the member is shaking her head, but that is a fact.

**Hon Diane Evers:** They don't have to stop.

**Hon STEPHEN DAWSON:** They would have to stop. Who would fund them? Honourable member, it is not a magic pudding. We do not have a bucket of money that we can just keep digging into, for goodness sake. The member should look at the budget. We hear this from time to time in the chamber, "You've got to fiscally manage, but you've got to fund this thing as well." Guess what? We have limited funding in this state. If we got money from somewhere—if we could pull it out of the sky or we had a money tree, for example—we could fund some of this stuff. But guess what? We do not have it. I know some of us have bought a ticket for Lotterywest's \$60 million draw tonight, but even \$60 million would not fund some of the things members in here ask us to fund on a regular basis.

**Hon Peter Collier:** You've got limited time, don't forget.

**Hon STEPHEN DAWSON:** I do; sorry. Again, I will speak through the Chair.

In all seriousness, the member says it is at least 10 per cent and that we can find money elsewhere for these other things, but what, at the end of the day, do we stop? For goodness sake, we have projects right around the state funded out of consolidated revenue, not funded out of royalties for regions. We will not make the same mistake made previously. We want to be good fiscal managers and it is challenging at this time with COVID-19. We cannot say that 10 per cent of this bucket of money should go to the environment and the things that were funded previously should be funded from somewhere else, because guess what? The money does not exist anywhere else. If the money does not exist anywhere else, we either have to fund the projects as we are funding them now or they stop being funded, and people are out of jobs and lose their livelihoods. That is the case plain and simple. I am not being rude



or obtuse about it; that is what would happen, and we cannot allow that to happen. As an environment minister, I would absolutely love to have 10 per cent of the royalties for regions fund hypothecated for the environment. I could think of a million things—two million things—I could spend the money on today, but guess what? We are already using the royalties for regions fund to help the environment in regional Western Australia where it is appropriate.

We see the environment as including water and renewable energy, but I think Hon Diane Evers sees it differently. Maybe I am putting words into her mouth, and I will certainly hear from her when she makes her second reading reply speech, but she is saying that those other things do not fit under this 10 per cent. That actually creates more difficulties for us in terms of the projects we currently fund. It makes it more challenging for us. Although I would dearly love to have 10 per cent of royalties for regions, I have to say that I am very happy with the current forward estimates amount of \$139 million of royalties for regions expenditure that goes towards environmental initiatives. I think Western Australians would be truly happy to know that royalties for regions funding is helping protect our unique environment for future generations, but should 10 per cent of it be hypothecated and spent on a small category of things and exclude other things? Probably not. It would make it challenging, it would cause us to stop funding programs that are funded currently out of royalties for regions and it would have an impact on regional communities. It is a challenge.

I am sure many members will contribute to this debate. Again, I reiterate that I am very happy that Hon Diane Evers has brought this bill before us because it is an important conversation for Parliament to have. The Legislative Council should have a view on the environment and should acknowledge and recognise the state's environment. We should acknowledge that what we have in Western Australia is, in many regards, not duplicated elsewhere around the world. Whether it is unique flora and fauna, or whatever, we live in a very special place in Western Australia. I have to say that my electorate, with the Kimberley, Pilbara, Gascoyne and goldfields—Esperance, is probably better than that of most members—I am just being fickle now—but certainly across the state we have areas of great environmental beauty that are rich in biodiversity and that are recognised around the world. It is really important that we protect those areas. We can use royalties for regions funds where it is appropriate to help protect and grow those areas.

The plan for our parks policy adds five million hectares of reserve to the conservation estate. Those lands were bought 20 years ago by federal and state Liberal governments—not using royalties for regions, because obviously it was not in operation then—that had the foresight to see that these were very important lands around the state that should be included in the conservation estate. As Minister for Environment, one of my priorities at the moment is to work to include those lands around the state into the conservation estate.

**Hon Darren West:** Abrolhos Islands?

**Hon STEPHEN DAWSON:** I thank the member; I do not need any help. I can get there by myself, but certainly one of the early additions as part of our plan for our parks has been the Houtman Abrolhos Islands National Park. That is something we should be proud of. It is important that we protect these areas. It is also important that we work with the various sectors, so we work very closely with the fishing industry, for example, which relies on the Abrolhos, particularly for western rock lobster. We work with industry to make sure that it can continue to have its livelihood while we protect the area in a national park. We create tourism opportunities. The opportunities with the other parcels of land that we intend to bring into the conservation estate over the next five years or so are huge. The opportunities for those regional communities are huge. Think back to why royalties for regions was created in the first place. I have to give credit to the National Party because it led the charge to get royalties for regions established. It was about creating further opportunities in regional Western Australia, and we continue to use the royalties for regions fund to create these opportunities in regional Western Australia. It is not just about the park; it is about protecting the environment and enabling us to jointly manage it with the local traditional owners. It is about giving jobs to traditional owners. It is giving cultural opportunities to traditional owners in those communities, and there are tourism benefits. People who come to Australia want to experience unique cultural opportunities, and they exist. Sometimes people say that a park is locking up land, but they have to have a broader mind than that. It is about the environment and it is about creating opportunities for traditional owners and others. It is about business opportunities.

**Hon Jim Chown:** I wonder, minister, whether you could talk about the commercial contribution to the environment by businesses throughout the state as well. I am sure their contributions benefit.

**Hon Dr Sally Talbot:** You can talk about that.

**Hon STEPHEN DAWSON:** Yes, I will leave it to the member to talk about that. I acknowledge people right around Western Australia, whether they are in community groups, industry or business. I touched on pastoralists earlier, who are doing great stuff in relation to renewables. Right around Western Australia, community, industry and government people care about the environment. People care about the environment more today than they ever have before. That is why I think the bill before us is opportune in a sense. Hon Diane Evers recognises that people in the community care about the environment. She truly cares about the environment, so she has brought this issue before us. People care about the environment. I have to say that my job as Minister for Environment is to keep issues of environment and our rich biodiversity in Western Australia front and centre. However, at this time I wonder whether we can support a proposed subsection that says —

In each financial year at least 10% of the expenditure authorised under subsection (1) must be authorised for purposes referred to in subsection (1)(d).

At this stage, proposed section 9(1)(d) is not broad enough for me and it is not defined enough for me. I also think that at this moment in time there are other unique challenges that we have not seen in Australia, or, indeed, around the world, for a very long time, so I am not sure that now is the time to be saying let us use royalties for regions funding, let us hypothecate it for the environment and let us lock away 10 per cent of it, because that would stop things that have been funded for the last few years. As I said, we do not have a magic pudding or a bucket of money that just keeps replenishing itself. We have limited resources in Western Australia, and we have to think seriously about where we are putting money at the moment. Having watched from afar what has recently happened in China, Italy, the United States of America, South Korea, Iran and Europe—right around the world—and seeing the challenges faced by communities and individuals with COVID-19, those challenges are great. I am not saying that royalties for regions funding will be used to tackle COVID-19—I do not know, to be honest—but we need to keep funding what we are funding out of royalties for regions, because it absolutely delivers for regional communities. We have to keep doing what we are doing and we cannot just say that 10 per cent of this fund is for the environment and to find the money for other things somewhere else, because in life and in society that does not work. We have a limited bucket of money and we have to look after our finances. That is what we are trying to do.

I will finish now. I look forward to contributions that will be made by other members of this place. This is a good debate and I thank Hon Diane Evers. Hopefully, when she gets to reply to the second reading debate, she will be able to answer the questions I have put on the record today.

**HON DR SALLY TALBOT (South West)** [11.24 am]: That was a very fine contribution by Hon Stephen Dawson, the Minister for Environment, on the Royalties for Regions Amendment Bill 2019. It is hard to follow a contribution like that, because the minister speaks with such passion and understanding about the environment. I think he is without any doubt one of the finest environment ministers the state has ever had. I move around the south west, usually in tandem with Hon Diane Evers. We regularly turn up at the same events. I am sure she would agree with me, despite the fact that we come from different political parties, that everybody is full of admiration for the work that Hon Stephen Dawson is doing in his portfolio. Hon Diane Evers represents the South West Region, which is the same region that I represent, as do you, Mr Acting President (Hon Dr Steve Thomas). I noticed that you were itching to interject when Hon Stephen Dawson was talking about the natural beauty of his electorate and trying to claim it was greater than that of our electorate. I wish I could have interjected on your behalf, Mr Acting President, because I saw you were having to restrain yourself! I assume the reason that Hon Stephen Dawson drew so many examples from the south west is that he was directly addressing the points made by the sponsor of this private member's bill. I am sure she would agree with me that Hon Stephen Dawson is held in very high regard in the electorate, and for very good reason.

The most recent event that Hon Diane Evers and I were at was with the Torbay Catchment Group. I have to say that I enjoy working with my colleague the honourable member from the Greens, because we share many of the same values, and it is great to work with somebody who has the same passionate commitment to the environment as the Labor Party. I paid tribute to her that day, because she told me that the Torbay Catchment Group was the very first environmental group that she joined. She was there to celebrate the handing over of a very significant sum of money. The Torbay Catchment Group has had in the region of half a million dollars from the government; I think it is more than that if we add up the money it has from various other sources.

Debate adjourned, pursuant to standing orders.