

FOREST PRODUCTS AMENDMENT BILL 2021

Second Reading

Resumed from 16 March.

MR D.J. KELLY (Bassendean — Minister for Forestry) [10.07 am] — in reply: I rise to continue my second reading reply. When I concluded yesterday, I was making some comments in response to the comments made by members of the opposition, particularly the Leader of the Opposition, about the previous Liberal–National government’s policies for expanding the softwood estate. I was making the point that the \$21 million softwood expansion policy announced by the previous government was not a policy of substance. It was about bundling up an amount of money that was already in the budget rather than new money that would significantly increase the softwood estate and meet the supply gap that we currently face. We can compare that with the \$350 million that the McGowan government has committed over 10 years, which is a real policy. The Forest Products Amendment Bill 2021 is important to facilitate that expansion. I have spoken to the federal Assistant Minister for Forestry and Fisheries, Senator Jonathon Duniam, about the state government’s plans. He was quite amazed by the state government’s commitment and gave the state government’s policy 10 out of 10. That is what the federal coalition member responsible forestry gave to the state government’s policy. Despite some of the comments that have been made by members opposite, their federal counterpart gave our policy 10 out of 10. I thank members opposite for the support they said they will give to this bill. However, if they were really honest, they would be as positive about this policy as their federal counterpart.

Although this bill will not directly impact the native forest industry, a number of Liberal and Nationals WA members took the opportunity during the second reading debate to criticise the state government’s recent decision to end commercial logging in native forests, so I want to make a few comments in response. The Leader of the Nationals WA said that the Nationals accept the science of climate change, but she then went on to roundly criticise the state government’s policy to end commercial logging in our native forests. She completely ignored the comments the government has made that one of the driving forces of this policy is the reduced yield from our native forests because of climate change. She talked about the issue of carbon sequestration, but she did not deal with the issue of yield. It is clear that because of the decline in rainfall in the south west, our native forests are just not regrowing the same way that we expected them to grow before the impacts of climate change. The current forest management plan talks about climate change and predictions around its impacts. As long as 10 years ago, when the current forest management plan was put in place, there was recognition that climate change was going to be a factor. The sad reality is that climate change means that the resource that we once had is no longer there. The Leader of the Opposition said that she accepts the science of climate change, but if she then ignores the impacts that it has, she is really no different from people who are climate change deniers. It does not make sense for her to say that she accepts the science of climate change, but then proceed with policies that are contrary to that. I suppose the question that I would put to members of the Liberal and National Parties—I put this to them when they were making their contributions to the second reading debate—is that if they think the state government’s decision to end commercial logging in our native forests is such a bad one, why do they not just stand up and say that if they get elected to government, they will reverse that decision? They have not and will not do that, because deep down in their hearts they know that the decision the government has made is the correct one. They know that the science tells us that the decision the government has made is the correct one.

Mr P.J. Rundle interjected.

Mr D.J. KELLY: If the member for Roe does not think that is correct, he should stand up and say that if he gets elected to government, he will reverse the decision.

Members opposite basically criticised the process. To paraphrase, they said that the government lacked compassion or sympathy for the workers and businesses that will be impacted by this decision. I completely reject that. Members opposite made some comments that were completely inaccurate. The Leader of the Opposition said that, unlike the minister, she had actually met with the businesses and workers who will be impacted by this decision. That is not correct. Her implication was that I had not met with affected businesses and workers. I have attended meetings in both Manjimup and Nannup and met directly with workers and businesses that are being impacted by the state government’s decision. I just say to the Leader of the Opposition that before she comes into the house and makes statements like that, she should make sure that her information is correct. I have attended meetings in both Nannup and Manjimup. I have also met with the Forest Industries Federation (WA) Inc on many occasions, both as part of the Native Forestry Transition Group and separately on this issue. Of course, the Forest Products Commission and the Department of Jobs, Tourism, Science and Innovation have met with affected businesses through FIFWA on numerous occasions. It was factually incorrect to say that I have not met with those people.

We on this side understand that this decision has implications for affected businesses and workers. The government’s worker package shows that it is genuinely trying to assist workers who will be impacted. The Leader of the Liberal Party, the member for Cottesloe, described the worker package as generous. I say to the member for Cottesloe

that I do not use the term “generous”. Generous implies that we are giving those workers more than is necessary or more than they deserve. The payments the government will make available to affected workers is what they deserve and will enable them to move on with their lives. It is not generous; it is what they deserve. The implication from members opposite, if we read between the lines, is that those payments to workers are more than is necessary. I do not accept that the payments are generous; they are what those workers deserve.

The comments members opposite made about the Australian Workers’ Union in their contributions to the second reading debate were, quite frankly, disgraceful. Members opposite said that we had bought off or bought the silence of the AWU by —

Several members interjected.

Mr D.J. KELLY: Here they go again!

Ms M.J. Davies interjected.

Mr D.J. KELLY: No, I am not inviting interjections. Members opposite made some quite disgraceful comments about the Australian Workers’ Union in their contributions to the second reading debate. When the government made this decision, I wanted to ensure that every affected worker had a source of reliable, professional, independent advice so that they would know how this process was going to impact them. The Australian Workers’ Union was obviously the organisation to provide that advice, so it was engaged to provide professional advice to affected workers whether or not they are union members. I make that clear: whether or not they are union members. Every worker who will be impacted by this decision can go to somebody who is independent to get that advice. The member for Cottesloe asked why the union was needed when we have an army of public servants who could give that advice. First, it is not their role to talk directly to affected workers, but, clearly, they are not independent. The government has made a decision. From a worker’s point of view, they would not consider a public servant to be independent of that decision. The AWU has done a good job. We can see that by virtue of the good package that has been negotiated to assist those workers. The package, which members opposite describe as generous, speaks for itself.

The other bit of work the AWU has been doing is around access to those packages. Workers need to register, and that is largely an online process. That is a challenge for some workers. The AWU has been talking face to face with workers to make sure that they can complete the registration process and the benefits of this package flow to them. Members opposite say they are concerned about the workers who will lose their jobs, yet they made the most outrageous comments about the AWU. It just shows that whatever unions do, members opposite just do not like them. If members say that they are concerned about workers in this process, they should respect and support the role the union has played in negotiating a good outcome.

Members opposite talked about the loss of jobs. I am reminded that when we were in opposition the then Leader of the Opposition went through a process of restructuring the Water Corporation that led to approximately 400 redundancies, many of which were in regional WA. In fact, a disproportionate number of those jobs were in regional WA and there were no additional benefit packages for those workers. They got their statutory redundancy payments and nothing else—absolutely nothing else. Members opposite show crocodile tears for workers, yet during their time in government, they were quite ruthless. For example, when they were in government what they did in the Water Corporation caused lots of full-time permanent government jobs in regional WA to disappear because of cost cutting. If members opposite really are concerned about workers, they should stop making outrageous comments and recognise that as a government we are dealing with this in a professional and sincere way.

Finally, we have not yet concluded the business packages. We are still talking to industry—FIFWA in particular—about the composition of that business package. We believe that we will arrive at a position whereby we can offer those businesses a final assistance package. There can never be enough for some people who want their businesses to continue forever. Because of the nature of the resource and the dwindling availability of wood, unfortunately, that will not be possible. We will not be able to meet their expectations, but we believe that we will be able to provide a package that provides a fair level of assistance to affected businesses.

I look forward to the support of members opposite for the bill.

I commend the bill to the house.

Question put and passed.

Bill read a second time.

[Leave denied to proceed forthwith to third reading.]

Consideration in Detail

Clause 1: Short title —

Ms M.J. DAVIES: Before we get to the detail of the bill, will the Minister for Forestry explain what consultation was done in relation to the changes that will be effected through the legislation with the sector—the board of the

Forest Products Commission, Forest Industries Federation (WA), Australian Forest Products Association and any other stakeholders—when deciding to invest power in the FPC to work within carbon trading?

Mr D.J. KELLY: I do not have the details of dates and meetings and the like. If the member wants that detail, she probably should have given me a bit of warning. But the idea that the Forest Products Commission will be able to trade in carbon has been discussed with the FPC. It is fairly straightforward. The issue of carbon trading in forestry has been discussed within the industry for a considerable time.

Ms M.J. DAVIES: I was not asking for a specific time line; I was just asking whether there were specific discussions about this legislation in advance of the bill being brought forward and the enabling legislation being introduced. Was it canvassed with industry, the FPC board and any other stakeholders?

Mr D.J. KELLY: As I said, I cannot give the Leader of the Opposition specific details about those discussions. I can say that, obviously, this legislation came through the Forest Products Commission. The issue has been discussed widely with the Department of Biodiversity, Conservation and Attractions, the Department of Primary Industries and Regional Development, and FIFWA, so there is nothing new and surprising in the legislation.

Clause put and passed.

Clause 2: Commencement —

Ms M.J. DAVIES: It just might be that I have not seen this before, but there are two paragraphs to this clause. Can the minister explain why there is a requirement for two different commencement dates?

Mr D.J. KELLY: It is quite common to have two separate commencement dates in a bill. The first simply provides when the act will come into force. The second date will make the provisions active.

Clause put and passed.

Clause 3: Act amended —

Mr P.J. RUNDLE: This bill amends the Forest Products Act 2000, so we are 22 years down the track. Can the minister briefly explain his perception of the main differences? Is the bill purely about working with the \$350 million package or are there other elements?

Mr D.J. KELLY: The second reading speech outlined what is in the bill. It allows for the trading of carbon. It makes clear the FPC's ability to buy and sell property. Some grammatical changes are being made, which I am advised are of no material consequence other than it makes the drafters happy; and, if we can make them happy, I am happy.

Clause put and passed.

Clause 4: Section 3 amended —

Mr P.J. RUNDLE: Clause 4 will insert a definition of "storage of carbon" in section 3. Can the minister outline how the storage of carbon will be measured?

Mr D.J. KELLY: This will simply provide a new definition in the legislation for the storage of carbon. My understanding is that the method by which that will be done—my adviser will tell me if I am wrong—will depend on which carbon trading scheme the Forest Products Commission signs up to. Those specifics are not in this bill because we could talk, for example, about the current federal scheme in which people buy and sell Australian carbon credit units. Those schemes are subject to change, so rather than having a bill that signs us up to a specific scheme—because if that changed, we would have to change the legislation—we have just put in this bill the powers for the FPC to trade in carbon. As the schemes change or new schemes become available, the FPC will have the ability to sign up to whichever schemes are commercially advantageous and they could have different methods for measuring the storage of carbon. How we will do that is not in the bill itself.

Mr P.J. RUNDLE: I guess that causes me concern straightaway because the minister is potentially asking, further in the bill, for farmers and the like to sign up to sharefarming agreements, but the bill will not define how that will be measured. I think we have seen the price of carbon credits drop to \$22 a tonne in the last week or two for agriculture and so forth. I am concerned that we have a changing environment. I refer back to some of the landholders in my electorate who have signed up to one thing but it has drifted off into the never—never through a lack of management by the FPC. I am concerned that the minister is not clarifying or quantifying anything in this clause.

Mr D.J. KELLY: As I said, and as the member is probably aware, these schemes change. Unfortunately, a whole range of policies around carbon and climate change are contested, especially at the federal level, so they do change. It would not be wise for the state government to pass legislation that hitches our wagon to a particular scheme. This bill will allow the FPC to enter into arrangements to trade carbon, depending on what the scheme is. In the circumstances the member talked about, my advice to a farmer who is considering signing up to a sharefarming agreement that involves a component of carbon trading—farmers are smart people who are used to dealing with

contractual arrangements with organisations—is that they will have to get their own legal advice to understand exactly what they are signing up to. I understand that a farmer would not want to sign up to something that potentially is a moving feast and that they would want specific details in the agreement that gave them confidence that it was worth signing up to. Until they do that at the time, they will not know what the benefits of the agreement are.

Mr P.J. RUNDLE: I thank the minister. Can I go on to the next clause, which talks about the definition of “departmental land”?

The ACTING SPEAKER (Ms A.E. Kent): Are you moving on from clause 4?

Mr P.J. RUNDLE: No, it is still clause 4. It is subclause (2).

I just want some clarity on the departments that will oversee these arrangements. The bill talks about deleting “CALM” and inserting “vested in the Conservation and Land Management Executive Body”. Which department or departments will oversee these arrangements?

Mr D.J. KELLY: The FPC will be given the power to trade in carbon under this legislation. I am advised that the change the member is talking about is simply a technical amendment that was included solely to reflect statutory amendments to the Conservation and Land Management Act 1984 that were made by the Machinery of Government (Miscellaneous Amendments) Act 2006. It will update the legal entity in the legislation. That should have been done when the legislation changed in 2006, presumably, but no-one got around to doing it.

Ms M.J. DAVIES: I am still referring to clause 4. I note that under the current act, which is the purpose of this amending bill, “forest products” is defined to mean trees or parts of trees and other similar products. There was obviously a view that the act precluded the Forest Products Commission from being able to trade in carbon. Was that a legal view or is this a belt-and-braces approach to absolutely allow the FPC to go down this path? I would have thought that carbon was associated with forest products and that the FPC would have been able to do this without requiring a specific piece of legislation.

Mr D.J. KELLY: I understand where the member’s question is coming from. If the FPC can trade in wood, twigs, leaves and the like, we would assume that the FPC would be able to trade in carbon because it is in trees, wood and whatever. But the advice that we received when drafting this legislation was that it was best to have a specific provision so that there could be no doubt that the FPC has the power to do this. It is making sure that if we go into these arrangements down the track, no-one will be able to challenge that legal power. That is the advice we got, and it is a prudent way to proceed.

Ms M.J. DAVIES: Can the minister confirm that there has been none of that type of activity up to this point before the introduction of this legislation?

Mr D.J. KELLY: My understanding is that there has been no trading in carbon by the FPC. The FPC has been involved in setting up projects for other entities to trade in carbon, but the FPC itself has not been involved in trading carbon.

Ms M.J. DAVIES: Can the minister expand on what he meant by setting up other entities? Are the other entities under the FPC or are they external? Does the FPC have an involvement in it?

Mr D.J. KELLY: The example I can give the member is that the FPC established a plantation to enable Synergy to trade in carbon. In that case, I think the FPC planted the trees and managed the plantation. It was the service provider, if you like, but Synergy was the entity that was trading in carbon.

Ms M.J. DAVIES: Thank you. Obviously, that comes with an entirely different skill set from that which exists in the FPC, I assume, although I am happy to be corrected. Will the FPC require additional expertise, resources and staff within the FPC? If so, will that be funded by the \$350 million that will be provided by the government? Will it be self-funded by the FPC? Will an additional amount from consolidated revenue be required to fund the expertise and resourcing of the authority?

Mr D.J. KELLY: For the actual trading in carbon, it is not envisaged that additional resources will be required for the FPC. Obviously, for the actual expansion itself—the staff involved in expanding the softwood estate—there will be extra requirements, and that is part of the \$350 million.

Ms M.J. DAVIES: Carbon trading is a relatively complex area. Does the expertise to conduct that new activity for the FPC exist within the Forest Products Commission and the staffing structure that it has now? I am not disparaging the very competent people within the department.

Mr D.J. KELLY: As I have indicated, this is not a completely new area of work for the FPC. I gave the example of Synergy. For that project, the FPC basically does everything except the actual trading. As an example, the FPC already measures the carbon. It might sound like it is a new area of work, but the FPC already has skills in-house. It basically does this process, but it cannot legally be the entity that trades in the carbon. My advice is that it will not require additional resources, but the expansion of the softwood estate clearly will.

Ms M.J. DAVIES: I have just one further question. It goes back to when we were talking about the expansion of the estate. Any additional staff that are required for that are funded within the \$350 million that the state government has announced; is that correct?

Mr D.J. KELLY: Managing, planting and caring for those trees is obviously part of the costs involved and so it is part of the \$350 million.

Mr P.J. RUNDLE: I note that the minister has referred to Synergy projects, forest products, management and so forth, yet we have this example of the farm in Ongerup. The FPC did not turn up at that farm for 10 years. The minister talks about management, resources and Synergy projects. The Forest Products Commission left that farmer hung out to dry for 10 years with absolutely no consultation and no communication. I find it hard to believe. I want to go further than what the Leader of the Opposition has said. The minister talks about resourcing, management and the like, but surely the government is going to have to resource the Forest Products Commission properly. The minister has referred to a \$350 million package to purchase land. Can the minister give our prospective farmers an assurance that the Forest Products Commission is not going to sign them up and just leave them, as it has done with this farmer in Ongerup? He would be a lot better off if he could knock out the trees and sell his land, without the trees, as good agricultural land.

Mr D.J. KELLY: The issue that the member has raised has nothing to do with the matters before us in this bill. I have said to the member before when he has raised this issue that he presents it in quite an inaccurate way. The idea that the FPC has abandoned its obligations for a decade is just not true. In any event, I am happy to deal with this issue separately with the member outside this process, but the issue that he raises has nothing to do with the matters before us in this bill.

Mr P.J. RUNDLE: I reject that. It does not set a good precedent when the government is trying to advocate for this new program. As I said, in a decade, there was no sign of the FPC. I hear the government talking about its involvement and carbon credits and saying, “We’ll be around”. The minister referred to Synergy projects; this was a Synergy project. That farmer was very frustrated. That is why I think the Leader of the Opposition’s questions about resourcing are appropriate. How many new employees will the Forest Products Commission be putting on board to not only manage, but also trade in carbon credits?

Mr D.J. KELLY: I do not agree with the member’s characterisation of that project, if I am correct in understanding which project the member is talking about. As I say, it has absolutely nothing to do with the matters before us in this bill. There is not much more I can say.

Clause put and passed.

Clause 5: Section 4 amended —

Mr P.J. RUNDLE: Could the minister explain to me what a sharefarming agreement might look like?

Mr D.J. KELLY: The act already contains provisions that enable the Forest Products Commission to enter into sharefarming agreements. A sharefarming agreement is an agreement between the FPC and the owner of private land that outlines an arrangement whereby the profits from the activity will be shared in some form between the FPC and the farmer. What it will look like for an individual farmer will depend upon the terms that can be negotiated with the individual farmer and the nature of the activity that is talked about. Other than to point the member to the provisions in the act that already outline arrangements for sharefarming agreements, I cannot be specific about what a particular sharefarming agreement will look like, because it will vary depending on the circumstances.

Mr P.J. RUNDLE: The last sentence of clause 5 refers to “freehold land acquired as described in section 10(3)(fa)”. I have concerns here, because this is good quality agricultural land. I think that the minister and other members have talked about land with a rainfall of 600 millimetres. I know that the Leader of the Opposition is also very familiar with farmland around let us say the Williams and Darkan area, which has a rainfall of 600 millimetres. That land is now worth about \$3 000 to \$4 000 per acre, so we are talking \$8 000 to \$10 000 per hectare. Is the minister confident that the Forest Products Commission can acquire enough good quality agricultural freehold land to actually make this feasible? At the moment, obviously, agricultural returns are good, especially in that rainfall area. That is the first question. Is the minister confident that the FPC can acquire enough land?

Mr D.J. KELLY: There has been commentary from members opposite about where the land is going to come from, and that the government going out and buying land will put us in competition with people who want to purchase land for agricultural purposes. I will say a couple of things. The first thing is that the Liberal Party and the Nationals WA need to make up their minds. Do they want us to have a plantation estate or not? If they do want us to have an expanded softwood plantation estate to meet the demands for the state, it would be nice if members started to say a few positive things about the program rather than trying to pick holes in it. The second thing is that the FPC will go out into the marketplace to purchase land. Private landowners will decide the price at which they want to sell their land. If it is prime agricultural land, it is unlikely that the FPC will purchase that land, because the

price being asked will probably be beyond what is feasible or viable for plantation softwood, but it will be a market decision made by the landowner and the FPC. The advice I have is that there is land out there that is not suitable as prime agricultural land but would be suitable for plantations, and that people would be willing to sell that land at a price that is viable for plantation. But we will not be able to start that process until we get this legislation through and we can get the ball rolling. I would encourage the member to stop trying to talk the program down and let us get on with it.

Mr P.J. RUNDLE: I do not see the Nationals or the Liberal Party mentioned anywhere in this legislation, so I do not think those comments are appropriate. Regardless of that, I sense that the FPC will have trouble competing for prime agricultural land in this environment. Has the minister done an assessment of the acreage of other areas that are not prime agricultural land that could potentially be acquired?

Mr D.J. KELLY: The FPC has had a look at what land could possibly be available, in the formulation of this policy. Firstly, it is a 10-year program, so the FPC does not have to purchase all the land in year one. Secondly, the member may not be aware that the softwood estate was 90 000 hectares at one point. At the moment, it has been reduced to about 40 000 hectares. We are getting the plantation estate back to what it used to be. We have in the past had a softwood estate similar in size to what is now being proposed. I mentioned in my second reading speech that there is land that was previously blue gum plantation, and when those trees were removed, an opportunity arose for that land to continue to be used for plantations, rather than being turned over to agriculture, which would require additional investment by the landowner. What land is purchased will be a commercial decision by the FPC. It is great that the value of agricultural land has increased. It shows what a great job the government is doing in managing the economy and giving the agricultural sector the opportunity to boom. Members opposite give the government no credit when things are going well, but expect it to take the blame when things do not go well. It will be a commercial decision made by the FPC at the time.

Mr P.J. RUNDLE: For information purposes, I advise the minister that the value of the land in the majority of the blue gum plantations would be much higher once the land is cleared and brought back to agricultural purposes. I think the minister is well aware that some areas will be restored as agricultural land, especially in the 600 millimetre rainfall area. It will be a challenge for the Forest Products Commission to pick up those areas. I was angling towards the question of whether there are other degraded areas, or areas that cannot be returned to agriculture, that the government has assessed over the last year or two.

Mr D.J. KELLY: I cannot give the member much more information than I have already given. The FPC is a professional organisation. It will consider all commercial opportunities, regardless of what the land is currently used for, and make a commercial decision at the time. Beyond that, I cannot give the member any further information.

Ms M.J. DAVIES: Can I confirm that a desktop analysis has been done by the FPC to identify potential targets? Does a document exist somewhere in the FPC that gave the minister the confidence to announce that he will increase the estate, make a \$350 million investment in softwood, grab all the headlines with statements about climate change mitigation and say that all these things will come to fruition? The questions asked by the member for Roe are legitimate. It is all very well to make a big announcement and reap the accolades and back-patting from the federal member the minister referred to, and have everyone say that Western Australia is making a contribution towards climate mitigation, but we should know whether it can be achieved. Is there a desktop study? What work has been done to identify the areas that the FPC can invest in? Will the targets be met across a 10-year period? The 90 000-hectare estate included areas such as the Gngangara mound, but I presume that we will never restore plantations there. I suggest that the amount of land available within the rainfall areas, some of which is becoming more populated, is diminishing. We are trying to ascertain that the statement and the commitment made for the next 10 years—I assume that in 10 years the minister will not be here to defend it, so there will be no accountability on that front—

Mr D.J. Kelly: Do you want a bet?

Ms M.J. DAVIES: I expect that some of the minister's colleagues sitting behind him will be here to defend it, but he can make grand statements at this point without any accountability 10 years down the track. These are not unnecessary questions. If there are documents that confirm the minister's belief that this will be an achievable outcome, the opposition would be interested in them. Also, we have seen, as I have said, a reduction in the areas where plantations existed previously due to the challenges that I explained in my second reading contribution yesterday—the clash between water and pine plantations, as well as land development and continuing urban spread impacting on the areas that can be invested in. We then overlay those factors with the necessity to be within a certain distance of processing facilities, because otherwise the supply chain becomes uneconomical. A whole raft of factors influence this project, and we just want to know whether the big statement and headline is actually deliverable over the 10 years.

Mr D.J. KELLY: The member could keep asking that question, but a list of target sites does not exist. It would be absolutely foolish for the Forest Products Commission to provide a list of the sites it wished to purchase. That would lead to a distortion in the market. I am advised that there has been a desktop assessment of the availability

of land within the target zone. The target zone is no secret. It must have a certain level of rainfall and be close enough to transport hubs and the like. Those criteria are well understood, but there is not a target list because that would lead to market distortion. Since 2017, the FPC has planted 6 000 hectares of trees, so it has a track record of being able to deliver plantations. It is a bit like saying that the government would never meet its vaccination targets. The question could be asked a million times, but until we actually reach those targets, nothing can be proven. In fact, we did meet our vaccination targets, but the opposition continued to raise questions that we could not answer until the targets were delivered. It is the same with this issue. I have given the member as much information as I can about how the FPC will do it. If, in 10 years' time, the opposition wants to argue that we have not achieved what we set out to do, that is all well and good. It can make that accusation, but we think this is a good plan. The important thing, which is real, is the \$350 million. That money is in the budget. Previous governments have said they would solve this problem, but never committed the money. The money is real, and demonstrates that the government is serious about delivering this project.

Ms M.J. DAVIES: At the very least, then, can the minister advise whether the government has a target that it hopes to achieve every year? Is there absolutely no way for the opposition —

Point of Order

Mr W.J. JOHNSTON: The purpose of consideration in detail is to interrogate the words that are being included in the bill. Although the Leader of the Opposition is raising important policy issues, which could have been done in the second reading debate or could be done later in question time or in estimates hearings, it is not related to the section being amended. I know the minister has been very generous in entertaining these questions, but I think the chamber has gone as far as it can and that we should get back to consideration in detail.

The ACTING SPEAKER (Mr D.A.E. Scaife): I have only just assumed the chair and so I missed the previous series of questions, but it strikes me that there is some substance to what the Acting Leader of the House has to say. So long as the minister is willing to indulge it, I am prepared to allow this question and perhaps for this to go on a little longer. However, there may come a point when I accept that the questions are not strictly relevant to clause 5. I rule for now that there is no point of order, but I make my position known.

Debate Resumed

Ms M.J. DAVIES: Thank you very much, Acting Speaker. In relation to that, we are talking about clause 5. I understand that the Minister for Mines and Petroleum has just walked into the chamber and may not have been following the argument, but the clause discusses freehold land acquisition, sharefarmed land and land. My question went directly to whether we could assume there would be a target across the 10 years for the policy to be measured against in terms of being open and transparent around whether the policy is actually being achieved.

Mr W.J. Johnston interjected.

Ms M.J. DAVIES: Please do not talk over the top of me; I am not taking interjections. Undoubtedly, when we get to estimates, there will be questions around how that funding will be spent, and the government would expect us to ask those questions. We are simply asking them in relation to the changes that will allow this and enable it within the legislation we are debating today.

The ACTING SPEAKER: Minister, there was a question at the outset there.

Mr D.J. KELLY: Very briefly—no, there is not an annual target. Again, they are commercial decisions. We are not going to buy one-tenth of the land each year. If a whole bunch of land became available in year one, we may purchase more than we need to plant in that year. If there is not land available, we may buy less in one year and more in the next. No, there is not an annual target.

Mr P.J. RUNDLE: We have spoken about the 600-millimetre rainfall cap. Does the minister foresee that the government may branch out if it is unable to acquire land in that rainfall area and that it may drift into a lower rainfall area at any stage to achieve its targets?

Mr D.J. KELLY: The Forest Products Commission will purchase only land that will deliver the timber that is required, and that will require a certain amount of rainfall. I very much doubt that it would move outside those parameters.

Mr P.J. RUNDLE: I know the minister says that it will deliver the timber. However, in a lower rainfall area it will take longer to deliver that timber. If the government cannot acquire it in that rainfall area, which I think the government will struggle with, will it branch into those other areas, which may take 30 years instead of 25 years to deliver the timber?

Mr D.J. KELLY: I really do not think I can give the member any more information than I have already given him.

Clause put and passed.

Clause 6: Section 6 amended —

Mr P.J. RUNDLE: Will the minister explain the current arrangements for commissioners—how many there are and their involvement in the industry et cetera?

Point of Order

Mr W.J. JOHNSTON: What element of the clause is the member asking about? I am not sure that the question related to the clause.

The ACTING SPEAKER (Mr D.A.E. Scaife): As I understand the member's question—he can correct me if I am wrong—there is a reference in the clause to a person who has a material personal interest in the commission carrying out its functions, so he is asking questions about the commissioners. Member, is that the context?

Mr P.J. RUNDLE: That is right. The minister's explanatory memorandum refers to prohibiting certain persons serving as commissioners of the commission. I am asking for some background on who the current commissioners are.

The ACTING SPEAKER: That is consistent with my understanding of the question. Again, I think there is some substance to what the Acting Leader of the House has to say about this. If the minister is willing to indulge the question, he can.

Debate Resumed

Mr D.J. KELLY: The question was about how many commissioners there are: there are seven. It is there in the legislation. I am not in a position to give the member a detailed background on all the existing commissioners. He can put a question on notice for that if he likes. The existing act prohibits the appointment of people in general terms who have a material interest in the industry. This amendment will simply ensure that that prohibition extends to people who have—again, I am paraphrasing—a commercial interest in carbon trading. It will prohibit a person with that interest being a commissioner.

Mr P.J. RUNDLE: I guess that has partially answered it. What I am really looking for is how far down the supply chain, if you like, someone would be excluded. The minister mentioned from the carbon credit side right through to growing and processing timber. Will it include everyone in the whole supply chain?

Mr D.J. KELLY: From my understanding, the term used is “a material personal interest”. That is an interest that is significant enough to give the appearance that it may influence a person's decision-making process. If that were the case, a person would be prohibited from being a commissioner.

Ms M.J. DAVIES: Will this impact any of the current commissioners or will it apply only to future appointments?

Mr D.J. KELLY: My understanding is that it will not affect the existing commissioners because I do not believe that any of those commissioners would fall foul of this provision.

Clause put and passed.

Clause 7: Section 10 amended —

Mr P.J. RUNDLE: Part of the explanatory memorandum refers to the new definition of “relevant right”. Can the minister give a further explanation of what that is?

Mr D.J. KELLY: A relevant right means the right to establish, maintain and harvest, or to maintain and harvest, or to maintain forest products; and to perform a function under proposed section 10(1)(ga) in relation to rights and benefits arising from the storage of carbon in forest products. The term “relevant right” is defined in the legislation. I probably could not do better at explaining it than the definition that is there.

Mr P.J. RUNDLE: Can the minister explain what rights a landholder, a sharefarmer or the like would have to hold the Forest Products Commission to account if it does not perform its duties?

Mr D.J. KELLY: This is a relevant right for the Forest Products Commission to do certain things. The circumstances that the member is talking about include, for example, what a party to a sharefarming agreement would do if they believed that the Forest Products Commission was not, if you like, meeting its contractual obligations. That is different from this. My assumption, and I will be corrected if I am wrong, is that those sharefarming agreements would have a disputes procedure so that if a party to a sharefarming agreement believed that the FPC was not meeting its contractual obligations, those sharefarmers could go through a process to enforce their rights. But that is a separate issue from the provision we are talking about now.

Ms M.J. DAVIES: I have a query. Has the FPC been able to purchase land previously? My understanding from some of the briefings is that it has been able to purchase land, and this part of the amendment bill seems to be enabling something that it has already been able to do. Could the minister clear that up for me? Have I read that wrong or right?

Mr D.J. KELLY: The issue that the member is talking about—the ability to purchase land—is dealt with in a subsequent clause of the bill. This provision will just give the FPC the relevant right to effectively do things necessary to trade in carbon. The land issue is dealt with in a subsequent clause.

Clause put and passed.

Clause 8: Section 13A inserted —

Mr P.J. RUNDLE: If I can, I will further allude to the Leader of the Opposition's point, as I believe it is one of the more controversial elements. Basically, under proposed section 13A, the government is looking at retrospectively validating any land purchased by the FPC prior to this bill coming into effect. Can the minister explain that scenario for us, please?

Mr D.J. KELLY: Since the FPC's inception, it has purchased land. The FPC was of the view that it had the ability to purchase land under the general provisions of the legislation. In the course of putting together this legislation, it was decided that we should ensure that a specific provision enables the FPC to purchase land, because questions had been raised about whether the FPC's existing practice of purchasing land was, in fact, valid. Parcels of land have been purchased under previous governments, including the member's previous government. This legislation will simply ensure that those previous purchases are beyond challenge. It is not uncommon in legislation to validate retrospectively, to the extent necessary, previous acts by government. Many examples in which that has been the case have gone through Parliament.

Mr P.J. RUNDLE: Does the minister have a register, or is the Forest Products Commission able to provide a register, of the land that was acquired between 2000 and 2020?

Mr D.J. KELLY: I do not have that to hand, but that is something that the member is quite at liberty to request through other procedures in Parliament. I do not have a list that I can make available today.

Ms M.J. DAVIES: I expect that that question about how much land the FPC owns and what purchases were made between 2000 and 2020 will also be asked in the Legislative Council, so we can certainly use the processes of Parliament. I do not think it is an unreasonable question. I note that it was also asked during the briefing, but there was no offer to provide that information. I am not sure why that would not have been forthcoming. Presumably, when the government is introducing a provision that acknowledges that that has occurred, it is not a state secret. I am happy for the minister to tell me whether it is and why. In relation to the land that the FPC purchases, can the minister clarify for me whether, as a state government authority, it pays rates if it is local government land?

Mr D.J. KELLY: The provisions of this bill will not change the position of the FPC on rates. My understanding is that the FPC has, as a matter of policy, paid local government rates, but this bill will not change the position of the FPC on its obligation to pay rates.

Ms M.J. DAVIES: Just for clarity, is it not required to pay rates but it does; and, if so, could we have an understanding that it will pay rates on this new and expanded estate and will continue with the current policy, which, to my understanding, is that it pays rates but I do not think it is legally required to?

Mr D.J. KELLY: Essentially, my advice is that section 43(2), which is the same provision that was in the legislation when the member was the Minister for Forestry, effectively exempts the commission for the purpose of paying local government rates, and that is not uncommon for government agencies. Notwithstanding that, the practice is that the FPC does pay local rates.

Ms M.J. DAVIES: I thank the minister for clarifying that for the record; I appreciate it. Given that the estate is about to expand significantly, with a \$350 million investment, will that policy continue to be applied to the new estate and any land that is purchased across the 10 years of the investment profile?

Mr D.J. KELLY: I cannot envisage any reason why we would change that policy. Going forward, it is not the intention of this expansion to change that policy.

Clause put and passed.

Clause 9: Section 22 amended —

Mr P.J. RUNDLE: Can the minister outline what form of reporting will be undertaken to report the strategies for performing the commission's functions relating to carbon assets?

Mr D.J. KELLY: This amendment requires the FPC to include strategies around this policy of carbon trading in the SDP. The member may or may not be aware that the SDPs are not public, but it is a requirement for agencies to put together five-year strategic development plans. This requires the FPC to include in its SDPs strategies around the purchase of carbon. I expect that this matter would be reported upon in the annual report, for example. Agencies are required to report on significant activities in annual reports, so I would expect that that would probably be the case. As always, willingly and happily, we will be held accountable for this project by the processes of Parliament.

Clause put and passed.

Clause 10: Section 70 amended —

Mr P.J. RUNDLE: When does the minister expect regulations to be drafted on the storage of carbon, and what consultation will the government undertake on the draft regulations?

Mr D.J. KELLY: This provision is common to many acts in that it provides a head power for regulations to be drafted. I am advised that as we currently stand, a need for regulations has not been identified, but should that arise, there will obviously be consultation with stakeholders as required. It is not envisaged at this point that we will need regulations.

Clause put and passed.

Title put and passed.

[Leave granted to proceed forthwith to third reading.]

Third Reading

MR D.J. KELLY (Bassendean — Minister for Forestry) [11.23 am]: I move —

That the bill be read a third time.

MS M.J. DAVIES (Central Wheatbelt — Leader of the Opposition) [11.23 am]: I want to make some brief comments at the end of the debate on the Forest Products Amendment Bill 2021. It is interesting that the minister has characterised this side of the house's contribution as lacking support for the expansion of the softwood plantation here in Western Australia. I do not think that any of the commentary that has come from any of the members who have contributed have reflected that. We understand there needs to be an expansion of the softwood industry. We understand how critical it is to be self-sufficient and the opportunities that a sustainable supply of wood and products into Western Australia will create. But, I think some of the questions that have been asked and the concerns raised certainly have been reflected to us by industry; they are also warranted questions. Again, more questions will be asked when this legislation makes its way through to the Legislative Council, with our shadow Minister for Forestry, Hon Steve Martin, to talk about mechanics of the bill. The member for Roe raised some very prudent points about some of the challenges in achieving the very lofty goals set by this government. We have seen the big and splashy announcements around \$350 million out of the climate change program that this government has announced. If the government makes statements like that, it must be able to deliver on them, or there will be an expectation in the community that it will deliver on them. It is not unreasonable for us to ask whether it is within the realms of possibility to deliver on this initiative. It is significantly more than what FPC has been able to deliver on in past years.

A number of challenges overlay simply being able to grow the trees. They have been canvassed in both second reading contributions and at the consideration in detail stage. Those challenges include that there is a limited window or geographical footprint in which this estate can be developed and there are likely to be some challenges along the way that will make it questionable whether we get to that full estate that the minister outlined at the beginning of the process. I also go to the point that the minister raised in his second reading speech about the issue of accepting climate science. During my second reading debate contribution, I pointed out that literature and science exists around a sustainable native forestry industry that the minister continues to ignore or at least discard because it does not suit the narrative for this government. It would far rather grab the headline to say that it is ending native forestry without dealing with the fallout appropriately.

We will continue to ask questions about the involvement of the Australian Workers' Union. We will continue to ask questions about whether this is a deliverable project, because the government is hanging its hat on it and saying that it is making inroads into dealing with climate change. I think all Western Australians agree that governments of all persuasions and industry should be turning their minds to climate change, and that we should be finding ways to achieve this. But if it is not achievable and it is just a lofty aspiration and a headline, it really will not have the impact that everybody aspires to. Whether it will be measurable, whether it is achievable and how it will be achieved within the Forest Products Commission are all very sensible and prudent questions being asked by the opposition. We support the passage of the bill and we look forward to seeing the detail of how this will then be rolled out across the 10 years. If the minister is here in 10 years to take the accolades and affirm the process, all well and good. I suspect others will continue that work.

I end on the note that although we have this significant investment going into softwood plantations and the expansion of this industry, people connected with the native forest industry are in real pain, and there is more pain to come. Certainly, the way this government has handled it has left them feeling absolutely distraught. An amount of \$200 000 has been handed over to the AWU. I am not sure that will even get anywhere close to putting a bandaid on a policy decision that was not disclosed before the last election. If the minister wants to continue to ask whether we would walk back this decision, I will tell the minister that whatever we do, we will tell the people of Western Australia before an election—not after.

MR P.J. RUNDLE (Roe) [11.29 am]: I would like to make a few brief comments in the third reading debate. I wholeheartedly agree with the Leader of the Opposition's comments. We have said right from the start that we will

not oppose the Forest Products Amendment Bill 2021. We understand the value of properly run and well-managed softwood plantations in the state. During my second reading contribution, I tried to reiterate—I will reiterate it again—that I have concerns about the ability of the Forest Products Commission to properly run its plantations. That concern stems from the experience of my constituents, who have come to me and said that the Forest Products Commission has not visited their properties for years. It has not thinned or fertilised their plantations properly—indeed, it has not turned up, which is part of the problem. This has happened over the terms of governments of both persuasions so it is not about this government or the former government; it is about the operations of the Forest Products Commission. I want reassurance from the minister and others that when the Forest Products Commission enters into contracts with farmers, sharefarmers and the like, it will uphold its side of the bargain. Will the Forest Products Commission take those carbon credits or offsets and leave sharefarmers high and dry? I have been asking for that reassurance as part of this arrangement that the minister has put in place.

I agree with the Leader of the Opposition's comments that the minister should have announced these arrangements prior to the 2021 election. This issue has developed now. It is no different from the issue of electoral reform, which was not on the government's agenda, yet low and behold, the first order of business after the state election was electoral reform. It is the same thing with this issue. The Leader of the Opposition and Hon Steve Martin have been down there talking to those businesses that have been affected by the changes to the native forestry industry. Those communities are in real pain. I congratulate the Leader of the Opposition, Hon Steve Martin and others who have been to those communities to talk to them and boost their morale, I guess, after the government made its decision about the native forest industry, which left those communities and businesses high and dry. I am certainly sceptical, as the Leader of the Opposition is, about the payment to the Australian Workers' Union. I have scratched my head on that one. Earlier, the minister spoke about how it is an independent body, but I do not think it is independent from the Labor Party, that is for sure.

In summarising, the opposition will not oppose the bill. If softwood plantations are properly managed and looked after from the time the trees are planted through to harvest, that is a good thing, because they are much needed by our building industry and the like. We certainly have no problems if they are managed properly. I look forward to the minister reporting to us as time goes by about the acquisition of land. I am curious about whether the government will be able to acquire the land that the minister hopes to acquire in the current agricultural climate, which is —

Mr D.J. Kelly: Member, have you got a deal for us—is that what you're angling for?

Mr P.J. RUNDLE: No, not at this stage, minister.

Mr D.J. Kelly interjected.

Mr P.J. RUNDLE: I certainly will not be at this stage, thanks minister. I look forward to the minister reporting to us in Parliament about an annual purchase of land and how he will go about it in an area that has 600 millimetres of rainfall. I will leave my comments there.

MR D.J. KELLY (Bassendean — Minister for Forestry) [11.34 am] — in reply: I will make a few comments to finish the third reading debate on the Forest Products Amendment Bill 2021. The member for Central Wheatbelt talked about the industry's questions. I know that it is the job of the opposition to be as negative as it possibly can, but in all the commentary I have heard from the opposition it has not talked at all about the excitement in industry about the expansion of the softwood estate. The \$350 million from the government is real money. There is real interest in the private sector to see how it can leverage off the state government's investment. There is real excitement amongst businesses like Wesbeam, which relies on softwood plantations for its ongoing future. The opposition has asked speculative questions—"Where's the land going to be?", "How much is the government going to purchase?" and "What is the government going to do if there is competition for other uses of agricultural land?"—but they will be answered only as the program unfolds. What is clear is that there is a lot of excitement in private industry about this government's announcement.

The member for Central Wheatbelt went on about it being a flashy announcement. If this announcement had no money behind it, that criticism would be valid. But this announcement has \$350 million in the budget to back it up. The federal Assistant Minister for Forestry and Fisheries, Senator Duniam, gave this program 10 out of 10, so that shows just how substantial it is. Last week or the week before, the federal government announced—I could be wrong—an \$86 million commitment to expand the softwood estate around the nation, of which WA will obviously hope to get a share. Comparing the federal government's softwood expansion program of \$86 million with the Western Australian government's commitment of \$350 million just for WA shows how substantial and historic this commitment is. It will support jobs going forward in expanding the plantations. It will support the thousands of jobs already involved in the milling, transportation and processing of softwood, and it will also support the many thousands of jobs in the construction industry that rely on an ongoing supply of softwood in WA. There is a lot to be excited about.

The member for Central Wheatbelt tried to defend the position of the National Party on climate change. Quite frankly, nobody in Western Australia believes what the National Party says about climate change. The National Party—and the Liberal Party for that matter—are riddled with climate change sceptics. The comments of people like Barnaby Joyce —

Point of Order

Mr R.S. LOVE: My understanding is that the debate in the third reading is constrained to only those matters dealt with in consideration in detail and is not a wideranging debate about other parliamentarians in other jurisdictions of the country.

The ACTING SPEAKER (Mr D.A.E. Scaife): There is no doubt that that is the case, Deputy Leader of the Opposition. I think the same point of order could have been taken when two of your members gave their third reading contributions. Yes, there is some substance to it so the minister will, I am sure, bring things back on track. But I make the point that I allowed latitude for your speakers on that matter, just by having that same thought myself.

Debate Resumed

Mr D.J. KELLY: I referred to the likes of Barnaby Joyce and Senator Matt Canavan. If the National Party wants to claim to be serious on the issue of climate change, it really needs to look at its own backyard, because it is being severely compromised by members of its own party.

Comments were again made in the third reading debate about the Australian Workers' Union. It was a gratuitous swipe. Members on this side of the house are serious about ensuring that every worker impacted by the decision on native forest logging has a source of professional, independent advice. If members opposite are concerned about the workers in this industry, they should not have a swipe at the union that is there to represent them. Commentary by members opposite around the decision on the native forest industry completely ignored the many industries and businesses in the south west that are really excited about a future in which they will be able to say that the south west is synonymous with truly sustainable industries. Many tourism operators see value in native forests being preserved for their ecological and tourism values. In all the commentary around that decision, members opposite have completely ignored the businesses that are really excited about and supportive of the decision the government has made. We will continue to work with businesses that are part of the native forest industry to get them an equitable outcome, because members on this side of the house are genuine about their attempts to have a just transition for workers and businesses.

Finally, I want to thank the staff at the Forest Products Commission and other agencies who have contributed to the formulation of this bill. Lots of hours of work go into preparing a bill like this. I thank the staff at the FPC and other agencies for the work they have done to get the bill to this stage.

I commend the bill to the house.

Question put and passed.

Bill read a third time and transmitted to the Council.