

ROYALTIES FOR REGIONS AMENDMENT BILL 2019

Introduction and First Reading

Bill introduced, on motion by **Hon Diane Evers**, and read a first time.

Second Reading

HON DIANE EVERS (South West) [11.19 am]: I move —

That the bill be now read a second time.

The Royalties for Regions Amendment Bill 2019 amends the Royalties for Regions Act 2009 to ensure that environmental purposes are adequately reflected in royalties for regions spending.

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. Investment in the environment is vital for regional communities, especially for the groups that administer environmental programs. These groups can make a small amount of funding go a long way, but it is important that they have certainty and stability—a strong foundation for their incredible work in regional communities.

This bill provides a simple mechanism by which Western Australians can be sure that there is adequate provision for environmental programs in our regional communities. The royalties for regions framework needs reform to correct strategic failures in its application to date. The object of the Royalties for Regions Act 2009 is to “promote and facilitate economic, business and social development in regional Western Australia”. Ignoring the environment will actually prevent these objectives from being delivered. It is disappointing that the current “Regional Development Strategy 2016–2025” focuses on “building vibrant regions with strong economies” while completely overlooking environmental programs and spending. We cannot have vibrant regions and strong economies without a healthy environment and biodiversity.

The 2018–19 annual report of the Western Australian Regional Development Trust sets out both past and forecast future spending priorities. It is shocking to see that, at a time when environmental issues are of increasing importance and urgency in the regions, the trust has spent just under five per cent of funds on environmental programs, being \$42 million of a total spend of \$896 million in the 2018–19 financial year. This is only about half as much as the trust spent on administration in that year! What is more, the trust is forecasting that that spend will be slashed even further over the forward estimates, so that by the 2022–23 financial year, its investment in the environment will be just \$15 million—an unbelievable 1.6 per cent of the total funding allocation. This bill will correct this strategic failure and stand up for the environment and biodiversity of the regions.

Protection of the environment and the conservation of biodiversity are of immense value in the regions. This bill will fill a gap in the current royalties for regions framework and recognise the importance of environmental programs for regional communities. In fact, the new purpose introduced by the bill is important for every one of the six objectives on which the Regional Development Trust currently focuses—building capacity, retaining benefits, improving services, attaining sustainability, expanding opportunity, and growing prosperity.

We need to consider the long-term health of the regions. Environmental spending now will deliver intergenerational benefits, ensuring that industries such as agriculture and tourism can be sustainable, and our incredible biodiversity and nature is able to be enjoyed into the future.

In the south west, especially in a drying climate prone to more extreme weather events such as bushfires, the health of the environment and our incredible biodiversity is under threat. We need to make a much more concerted effort to address these problems in every branch and program of government. This bill is just one part of this effort—a small but necessary step towards just and proper government action to support regional communities in difficult times.

The amendments in the bill to the Royalties for Regions Act do not require a particular amount to be spent, but rather carve out an important portion of total expenditure to protect the needs and rights of regional communities to enjoy a healthy, flourishing environment and biodiversity. This would direct up to \$100 million—when the royalties for regions fund is at its maximum of \$1 billion—to environmental purposes. It is a sensible step in holding government to account for appropriate spending of royalties and ensuring that the priorities of regional communities are reflected in those spending decisions.

In this way, the bill does not require funding to be directed to particular groups or programs, but to environmental purposes more broadly. The minister may wish to consider a few priorities, and I would suggest there is particular utility in providing a proportion of the 10 per cent to support the multitude of not-for-profit environment groups across the state. These groups spend substantial resources applying for funding simply to keep their groups compliant with organisational needs and requirements, diverting resources and time away from their core environmental work to deal

with the pressure and bureaucracy of grant application processes. The environmental funding purpose is very broad and could be applied to support environmental works and projects in the regions derived from the many management plans researched and written over many years as a result of previous environmental funding. Royalties for regions environmental funding could be directed to implementing these plans and delivering on environmental objectives and needs as determined by regional communities. There is real breadth to the value of this reform. It means more funding available to farming and agriculture, as there is significant environmental potential in regenerative agriculture and carbon farming, as well as initiatives from Aboriginal organisations to use traditional knowledge for the development of bush foods enterprises and for protection and conservation of environment and biodiversity throughout the state. It is time the important role of not-for-profit environmental organisations, and other environmental programs in towns and shires across Western Australia, is formally recognised and valued in the royalties for regions framework.

This bill will correct strategic failures of the royalties for regions framework and provide a simple mechanism to ensure that regional communities benefit from environmental programs and spending and can rely on the sustainability and strength of our community environmental organisations.

Pursuant to standing order 126(1), I advise that this bill is not a uniform legislation bill. It does not ratify or give effect to an intergovernmental or multilateral agreement to which the government of the state is a party; nor does this bill, by reason of its subject matter, introduce a uniform scheme or uniform laws throughout the commonwealth.

I commend the bill to the house and table the explanatory memorandum.

[See paper 3455.]

Debate adjourned, pursuant to standing orders.