



Our ref: DWERDG501/23

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Public Accounts Committee
Parliament House
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Dear Committee members,

***DEPARTMENT OF WATER AND ENVIRONMENTAL REGULATION
SUBMISSION TO PUBLIC ACCOUNTS COMMITTEE "INQUIRY INTO HOW
THE WESTERN AUSTRALIAN GOVERNMENT'S PROGRESS TOWARDS
ACHIEVING ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)
OUTCOMES IS ASSISTING TO SECURE INTERNATIONAL INVESTMENT"***

Please find attached the Department of Water and Environmental Regulation's submission into your recent "Inquiry into how the Western Australian Government's progress towards achieving Environmental, Social and Governance (ESG) outcomes is assisting to secure international investment."

Yours sincerely

Michelle Andrews
DIRECTOR GENERAL

10 August 2023

Department of Water and Environmental Regulation

Submission to Public Accounts Committee Inquiry into *how the Western Australian Government's progress towards achieving Environmental, Social and Governance (ESG) outcomes is assisting to secure international investment.*

Department of Water and Environmental Regulation's (DWER) Role in ESG

DWER plays an important role in ensuring environmental, social and governance outcomes for the State. It does this by leading and working across government, with industry and stakeholders to:

- reduce emissions, mitigate climate change impacts and build greater environmental and community resilience;
- ensure our water resources meet the needs of the community, ecosystems and economic development;
- make sure that environmental values are protected and that development is sustainable; and
- reduce the harmful impact of waste and create a low waste circular economy.

Given DWER's role, it has supported the Western Australian Treasury Corporation (WATC) to highlight Western Australia's ESG credentials in the suite of ESG publications released since 2021, including the recently released *Sustainability Bond Framework*.

This submission addresses the Inquiry's terms of reference 1, 2 and 3 to outline how work led by the DWER contributes to Western Australia's ESG outcomes.

1. How the State Government's commitment to net zero emissions by 2050 will help improve ESG outcomes.

Management of climate change and progress towards net zero emissions is often the lead indicator for the 'E' in ESG across both the public and private sector. Strong and credible action on climate, which is measured and disclosed, is fundamental to demonstrating Western Australia's ESG credentials. DWER's work on the Climate Change Policy (and initiatives), climate change legislation, regulation of emissions and support for a green energy transition lay the foundation for these credentials.

Climate change policy

The Department leads and coordinates cross government implementation of the State's [Climate Policy](#) released in November 2020. The Climate Policy contains 64 initiatives lead by 22 government entities. The Climate Policy combines a suite of policies and actions already underway and new commitments to support the State's

vision of a resilient, low carbon future. These include initiatives to support the net-zero transition across the public sector, initiatives for low carbon energy, mining and agriculture, and commitments to guide decarbonisation across the entire economy. The Climate Change Policy covers a wide range of initiatives but of particular note are the Sectoral Emissions Reduction Strategies (SERS) and a legislative commitment to net zero by 2050 (see below).

DWER chairs and coordinates the implementation of this agenda through the Climate Action Portfolio Oversight Group and the Climate Action Senior Officers Group.

As the lead agency for the Government's climate response, DWER also provide support to the Ministerial Taskforce on Climate Action (Taskforce). The Minister for Climate Action Chairs the Taskforce and its members are the Ministers for State Development; Jobs and Trade; Agriculture and Food; Hydrogen Industry; Mines and Petroleum; Energy; Transport and Planning, Lands; Finance; Health; and Water. The Taskforce is responsible for monitoring the delivery of the Government's Climate Policy and whole-of-government decision making to ensure a climate-resilient community and a prosperous low-carbon future.

[SERS](#)

DWER is coordinating whole-of-economy emissions projections and modelling of net zero pathways to support [SERS](#), informed by feedback received from key stakeholders. The SERS process was initiated in December 2021 and will provide robust and credible emissions reduction pathways with tangible actions for reducing emissions consistent with the target of net zero emissions by 2050.

The SERS are being developed in consultation with peak industry groups, businesses, and research institutions, to ensure emissions pathways and policy development reflects industry expectations and needs. The modelling and consultation will inform the development of new policy and initiatives to support decarbonisation across the State's economy. The SERS will be released at the end of 2023.

[Climate change legislation](#)

In January 2023 the Government committed to introducing [climate change legislation](#). The Climate Change Bill 2023 will establish the State's long-term target of net zero emissions by 2050 and create statutory requirements to set interim emission reduction targets and develop strategies and policies to reduce emissions and enhance climate resilience. DWER is leading development and consultation on climate change legislation throughout 2023.

This legislation will help accelerate our transition to net zero emissions in a responsible and achievable way. This will help unlock critical investment in clean energy infrastructure and technologies, ultimately reducing costs for businesses.

Under the new climate change legislation there will be an annual climate change report to Parliament. The report will track the Government's progress in implementing emissions reduction strategies and other matters or initiatives considered appropriate.

The legislation will also recognise that climate change is already happening and we need to ensure our economy, communities and environment are well prepared to

respond. The legislation will enhance the State's climate resilience and ensure adaptation to climate change is reflected in Government decision-making by requiring the development of an adaptation strategy and sector adaptation plans.

Emissions regulation

For over 50 years the independent Environmental Protection Authority (EPA) has endeavoured to protect the Western Australian environment for present and future generations and is a testament to Western Australia's environmental and governance credentials. In 2020 the EPA released the *Environmental Factor Guideline: Greenhouse Gas Emissions* (Guideline). Western Australia was the first Australian jurisdiction to integrate requirements for greenhouse gas management plans aligned to net zero emissions into the environmental impact assessment process. The Guideline requires proponents of proposals with significant greenhouse gas emissions (typically greater than 100,000 tonnes of carbon dioxide equivalent per year) to develop a Greenhouse Gas Management Plan that demonstrates their contribution towards delivering net-zero emissions by 2050. On 5 April 2023, the EPA published a revision of the 2020 guideline which better aligns with updates to the Australian Government's [Safeguard Mechanism](#).

In addition to the EPA's role in environmental assessments, DWER is exploring options for regulating greenhouse gas emissions through licences granted under Part V of the *Environmental Protection Act 1986* (clearing permits and works approvals and licences).

Green energy transition

To ensure Western Australia's maximises its opportunities to grow and develop new green energy industries that support our transition to net-zero, a new and focused 'Green Energy' directorate is being established. The directorate within DWER will trial novel assessment processes that will deliver timely environmental approvals whilst protecting Western Australia's unique environment.

This new directorate will work with four other government agencies to deliver a broad suite of government approvals to green energy projects across the State.

Climate adaptation

Western Australia's adaptation planning has been underway for many years in some sectors, such as investment in climate-resilient water supplies and climate ready agriculture. To further underscore this work Western Australia's first Climate Adaptation Strategy has been released, prioritising 37 actions to ensure our communities and economy are resilient to risks posed by climate change.

The strategy sets out four key directions including producing credible climate information and resources, building public sector capability and accountability, enhancing partnerships to coordinate action and supporting the climate resilience of Aboriginal people.

These directions will help ensure communities, the environment and economy are resilient and continuously adapting to climate change in a collaborative way.

The strategy commits to expanding the Climate Science Initiative, developing adaptation plans for key sectors of the economy such as primary industries and small to medium businesses, as well as designing a new fund to empower Aboriginal communities to adapt.

Almost \$40 million has been allocated in the 2023-24 State Budget to deliver the strategy, which will prepare our State for the climate of the future. Priority climate adaptation initiatives, which form part of the Strategy, funded through the 2023-24 State Budget include:

- **Climate Science Initiative – Stage 2** (\$3.4million). This will produce the most comprehensive Western Australia climate projections to inform decision making for households, industry and government.
- **Sector Adaptation Planning** – (\$5.5million). A program to coordinate and deliver Plans for key sectors of the economy.
- **First Nations Climate Resilience Fund** – (\$1.9million). To engage with Aboriginal leaders and regional communities on a First Nations Resilience Fund to build trust, share knowledge and design a dedicated fund for Aboriginal-led adaptation projects.
- **Aboriginal-led West Kimberley Climate Adaptation Strategy** – (1.9million). A project to develop the strategy through a community-led and collaborative design approach, informed by Traditional Owner knowledge and Western Science.
- **Adaptation Research Hub** – (\$0.25million). A collaborative project to develop a targeted research program to address key climate change challenges for the Western Australia’s water sector.

At the national level, DWER is collaborating with the Australian Government to deliver the National Climate Resilience Strategy and is being consulted on the development of the National Climate Risk and Opportunity Management Program.

Nature

Nature based solutions are increasingly being considered a key enabler for the net zero transition, providing climate, nature, social, economic and resilience benefits. This was highlighted clearly by the Glasgow Climate Pact, which was the first time a COP had formally acknowledged the key connection between climate change and nature conservation.¹

Western Australia’s native vegetation supports our internationally renowned biodiversity and unique fauna. It also plays many other roles such as fixing carbon and supporting cool and liveable cities, community wellbeing and productive landscapes. Our state’s sustainable future requires that we address and reverse its decline. DWER

¹ 21. Emphasizes the importance of protecting, conserving and restoring nature and ecosystems, including forests and other terrestrial and marine ecosystems, to achieve the long-term global goal of the Convention by acting as sinks and reservoirs of greenhouse gases and protecting biodiversity, while ensuring social and environmental safeguards;
https://unfccc.int/sites/default/files/resource/cop26_auv_2f_cover_decision.pdf

is the lead agency for nature and works with agencies across government on the nature-based solutions agenda which aims to grow rapidly in coming years.

The [Native vegetation policy for Western Australia](#) and corresponding roadmap drives a whole-of-government approach to achieving better outcomes for native vegetation and improved clarity and certainty for stakeholders. It does this through setting up the right:

- policy settings at a statewide and regional level for application by all agencies;
- practices for consistent and transparent decision-making; and
- information and systems for accessible and reliable data.

The implementation roadmap sets out the tangible actions that the State Government will take in implementing the Native vegetation policy for Western Australia over the four years 2022 to 2026. These include:

- regional planning of native vegetation for certainty of conservation and to address cumulative impacts, with an initial focus on the Wheatbelt;
- a new mapping and monitoring system to track changes in native vegetation cover; and
- identifying reform opportunities to support a net gain, including the delivery of offsets.

New funding through the 2023-24 Budget will build on last year's initial \$3.3 million investment in policy implementation, as follows:

- \$3.3 million over 3 years (including \$1.6 million in capital expenditure) to procure, build, and test a pilot system for the new Western Australia vegetation extent mapping and monitoring system. The pilot will test how best to apply contemporary machine learning vegetation mapping techniques to Western Australia's diverse vegetation types.
- \$3.0 million over 3 years to initiate Perth and Peel conservation and restoration planning. The allocation, to DWER and Department of Biodiversity, Conservation and Attractions, comprises four new staff and initial funding to update and generate foundational data.
- \$3.75 million over 2 years to provide continuity for Urban Greening Grants for the local government sector. Updated criteria will strengthen how grants deliver biodiversity benefits, such as supporting opportunities to provide cockatoo-friendly landscaping.

DWER is also working across State Government agencies to engage with the Australian Government's Nature Positive Plan reforms. This work aims to deliver on the Australian Government's international obligations to protect and restore nature and work towards a nature positive economy. DWER are also working closely with agencies across State Government on nature based carbon sequestrations

opportunities, recognising the important role these can play in delivering climate, nature and social benefits.

2. How the State Government is actively engaging Aboriginal and young people in this decision-making.

One of the key findings in the *State of the Environment 2021* report is that Aboriginal and Torres Strait Islander knowledge and connections to Country are vital for sustainability and healing Australia. This is something that is central to DWER's work and we have acknowledged that we can do better.

The perspective of Aboriginal people is driven by a forward-looking approach, which is also vital to engaging young people and understanding the impact on future generations.

Aboriginal engagement

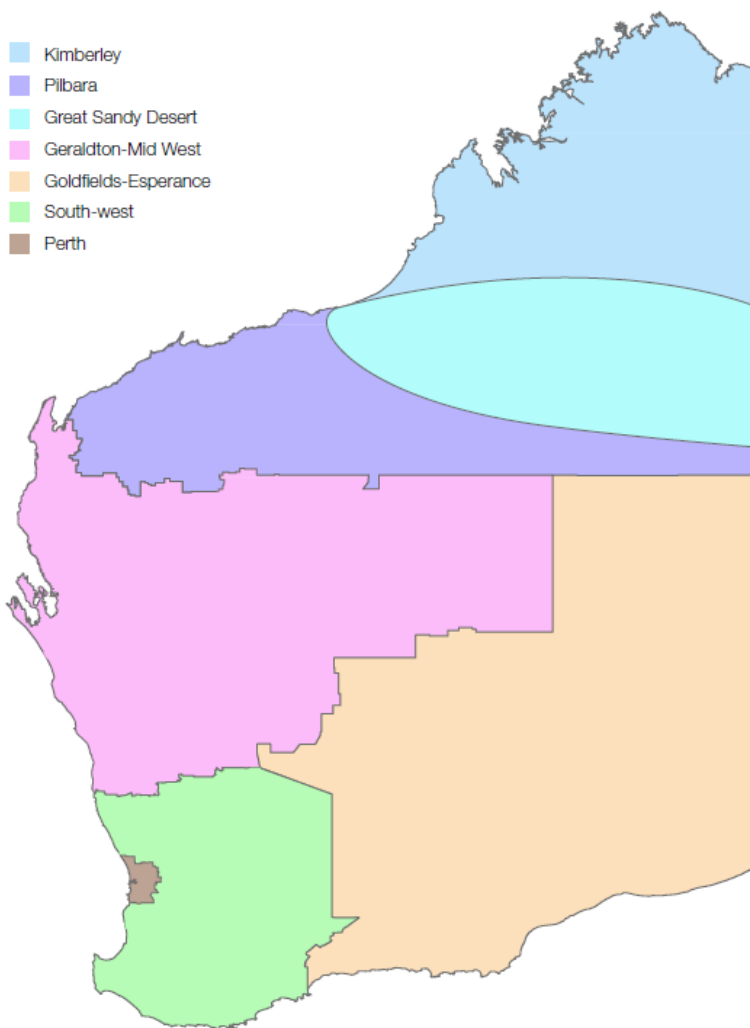
As noted above, the Department is leading the design of a First Nations Climate Resilient Fund to work with Aboriginal organisations and leaders to build resilience within their communities in the face of a changing climate. A two-year engagement process with Aboriginal organisations will aim to:

- understand how climate change is impacting Aboriginal communities;
- identify opportunities to integrate traditional knowledge and practice in climate change responses;
- assist Government to integrate Aboriginal knowledge into adaptation measures and investments, where relevant; and
- identify priority projects to design in partnership with Aboriginal organisations, including regionally specific adaptation measures.

In May 2023, the Department coordinated a Climate Resilient WA Forum that brought together state agencies and GTEs to advance the understanding and applications of adaptation policy and practice. The Forum featured a keynote panel on 'Empowering Aboriginal-led Climate Adaptation Action' featuring three Aboriginal leaders, exploring Aboriginal people's strong history of stewardship, resilience and adaptation. Discussions were also held throughout the event exploring best practice principles of co-design, knowledge brokering and engagement in the design of adaptation and mitigation initiatives, as well as Aboriginal water knowledge for climate resilience.

DWER's Aboriginal Water and Environmental Advisory Group (AWEAG) was established in 2018 to ensure that Aboriginal knowledge, values and needs are considered and appropriately addressed across DWER's strategies, programs and planning for the management and regulation of the State's environment and water resources.

AWEAG has representatives from seven regions across Western Australia shown in figure 1 below.



DWER is seeing and discussing the need for support of Prescribed Bodies Corporate (PBC) and Aboriginal organisations across all areas of its business and is undertaking a range of initiatives to build their capacity to engage in environmental and water planning, assessment and monitoring. These initiatives include Aboriginal partnerships that support the [Murujuga Rock Art Monitoring Program](#), [Exmouth Gulf Taskforce](#), and the [Pilbara Cultural Land Management Project](#), plus two recently established partnership agreements with Aboriginal organisations to partner in marine and groundwater science investigations.

DWER is also involved in the delivery of Indigenous Land Use Agreements (ILUA) that are an important mechanism for PBC's to assert their rights and interests and build their capacity to engage in water planning and licensing, protecting biodiversity, the application of offsets and more recently green energy projects. An example is the Tjiwarl Palyakuwa ILUA announced in May 2023, that sets new standards for Aboriginal empowerment and engagement in some of these areas.

This activity represents early steps DWER is taking in a number of regions to move beyond conventional advisory and consultancy relationships with Aboriginal people, towards empowerment and shared decision making wherever possible. DWER

recognises there is more to be done and is also actively looking to the work of other jurisdictions for examples that could be adapted to Western Australia, through forums such as the Heads of EPA Australia and NZ (HEPA)

Another key initiative that DWER leads is [Kep Katitjin- Gabi Kaadadjan – Waterwise Perth Action Plan 2](#) (Kep Katijin). *Kep Katitjin* was co-designed with Danjoo Koorliny leaders and Bindjareb Elders. Kep Katijin has a shared vision with Western Australia's First Peoples, to heal the waterways and develop an approach to delivering enduring waterwise outcomes on Whadjuk and Bindjareb Country.

The development of Kep Katijin was supported by the co-designed Bring Together Walk Together Framework between Bindjareb Elders and DWER that aims to create a pathway to forge, build and maintain strong partnerships for better Aboriginal land and water outcomes. The principles articulated in that agreement of 'open heart, open mind, reflective thinking' are the foundation for walking together.

To achieve Aboriginal land and water outcomes, meaningful partnership engagement adopts an Aboriginal-driven process, within a framework of Aboriginal control and self-determination. Core to the success of Aboriginal partnership engagement is co-design, respecting cultural protocols and engagement best practices.

Youth

Engagement and empowerment of young people is a critical focus for DWER, as it will be future generations that will live and lead through the hardest years of our changing climate. Through its workforce, DWER seeks to actively engage young people in policy and program development that will impact on the environmental outcomes of the State.

In 2022, DWER created its graduate program and was included as a Top Graduate employer in its inaugural year. DWER has embarked on extensive graduate engagement campaign activities which include career information events and a digital register of interest in employment at DWER in 2024.

DWER's staff youth-led Youth Outreach, Understanding, and Networking Group (YOUNG) was officially launched to staff on 18 April 2023 during the Western Australian Youth Week celebrations. YOUNG was established to provide a network to connect and empower youth in DWER by providing opportunities to develop personally and professionally. This network provides a platform for youth to be engaged and consulted on key strategic planning and issues where youth perspectives are valuable. Some opportunities to influence/participate in decision making that DWER has offered so far are:

- two members of YOUNG attended the Corporate Executive Business Planning Framework workshop earlier this year;
- one member is represented on the Organisational Reform Sub-Committee; and
- one member is represented on the Digital Futures Sub-Committee of Corporate Executive.

Young people were also directly involved in the Climate Resilient WA Forum, actively participating as both attendees and speakers. DWER extended invitations to its

YOUNG members and Graduate Program cohort, recognising the value in their participation. The forum also featured a panel discussion entitled 'Climate Change and the Rights of Future Generations', exploring the implications of a world disrupted by climate change for young people and the opportunities, resources, and quality of life available to them. Facilitated by the Chair of YOUNG, the panel featured four young people as speakers, including three Aboriginal young people.

3. Milestones in place for achieving ESG outcomes including any monitoring and reporting requirements.

The State's key piece of work to date on ESG outcomes, monitoring and reporting has been the suite of ESG publications released by Western Australia Treasury Corporation (WATC) since 2021, including the recently released *Sustainability Bond Framework*. DWER played a key support role in providing information and advice to inform these works.

Another key piece of reporting and monitoring of climate risk will be the Climate Risk Framework (CRF). DWER is supporting the Department of Treasury to develop the CRF which will help the State Government public sector assess, manage and disclose its climate related risks. The CRF is a core commitment of the Climate Policy to better align risk management and disclosure requirements for public sector agencies with those adopted by the private sector. The Framework is being developed through a pilot program with key Government agencies to run for a two-year period.

To begin work in advance of the Framework's release, the Department is working to support government agencies to better manage climate risk and adaptation now. In 2021, the Department launched an interim Climate Change Risk Management Guide to guide agencies on how to undertake a first pass climate risk assessment. DWER has also launched the Climate Risk Capability Initiative to provide support on climate risk and assist agencies in the application of the Risk Management Guide. To date DWER has delivered two climate risk training workshops attended by over thirty public sector agencies.