

**MINING AMENDMENT BILL 2021**

*Second Reading*

Resumed from an earlier stage of the sitting.

**MR D.A.E. SCAIFE (Cockburn)** [2.43 pm]: Before the break earlier today, I was concluding my remarks on the Mining Amendment Bill 2021. Many of the comments that I was making earlier about the way that this government is diversifying the state's economy, including through supporting our mining industry, have just been underlined by the excellent budget that the Treasurer has delivered. It includes significant investments in infrastructure and the support that is needed to grow the WA economy and to leverage our attractiveness as a state to the mining industry and to industries further up the value chain. I would like to highlight a few of those. One of the things I said just before the break was that this government does not pick winners. That can be contrasted with the previous government, which was known for engaging in a sort of shadow budget process in order to pick winners. This government instead makes sure that the infrastructure is in place to support capital in making investments in projects that deliver jobs and opportunities for Western Australians.

Before the break, I was speaking about, for example, the work that Cashmere Iron is doing with its Cashmere Downs iron ore project in the East Murchison region in the midwest. That project will no doubt benefit from the \$332 million major upgrade to Geraldton port. At 510 kilometres away, Geraldton port is the closest port to that project. That is an example of how the investments that we are making will support local projects, including that particular project, and the government does not just pick a winner. That project is good for the economy of the region and is thanks partly to the great work of the member for Geraldton in advocating for the economic development of the midwest region.

Some other highlights from that for the mining industry is the \$120 million to upgrade the Moorine Rock–Mt Holland road that will support the Covalent Lithium Mt Holland mine. I spoke earlier in my contribution about the significant opportunities for Western Australia in the critical minerals space. Certainly, lithium is one of those critical minerals and we are well placed to be the jurisdiction of choice in the world for lithium mining and lithium refining. Again, that upgrade is not about picking winners; it is about providing infrastructure that will support good projects. Proof of that is that that road upgrade is part of Infrastructure Australia's investment program. There will be a contribution from the commonwealth government. The project will produce 215 direct and indirect jobs—that is, jobs from that upgrade, but also jobs that will support the Covalent Mt Holland lithium mine, which of course is part of an integrated facility. Last year, Covalent made the decision to take out a long-term lease over a 40-hectare site in Kwinana to develop a lithium refinery. It will be a world-class lithium refinery, based not too far from my electorate, that will provide the good, secure, well-paid jobs of the future.

There is a third development that I thought was pleasing. I reflected in my contribution on the need to support the development of our iron ore industry, particularly to support our significant hematite and magnetite reserves. The \$78.1 million investment to construct supporting infrastructure at Lumsden Point is a great announcement. That announcement will result in additional cargo facilities being built at Lumsden Point, and that will alleviate pressure on the existing public berths at Port Hedland. That was identified by Infrastructure Australia as a priority initiative in 2020 and now a Labor government is delivering the funds to progress those upgrades in 2022.

**Mr K. Michel** interjected.

**Mr D.A.E. SCAIFE:** The member for Pilbara advocated for this in 2017, so he was well ahead of the curve. This goes to what the Treasurer just said: the Labor Party is the party of regional Western Australia. It is the party that is making the investments that have been advocated for by the member for Geraldton, the member for Pilbara and other regional members.

A member interjected.

**Mr D.A.E. SCAIFE:** I just heard a voice pipe up from the corner of irrelevance—a voice in the wilderness. I am afraid that the Nationals WA cannot claim to be the party of the regions when members speak to only a particular narrow sectional base of the regions. They need to be broader than that. They need to be able to speak to people from Albany all the way through to Kununurra. Plainly, if we look at the chamber, it is the case that the Labor Party has done that—and done it successfully for a very long time, member for Roe. By the end of this term, the seat of Albany will have been held by the Labor Party for a quarter of a century. That is not due to the COVID pandemic or anything of the like. The same can be said for the seat of Kimberley.

**Ms J.L. Hanns** interjected.

**Mr D.A.E. SCAIFE:** Collie–Preston as well! I have to admit, I had a moment in 2013 when I was scrutineering the results for Collie–Preston. I think Hon Nick Goiran was scrutineering on that table with me and we were down a couple of hundred votes. We had one booth left to count, and because they were being done alphabetically, that last booth was called West Collie. I knew we were going to be safe once I realised that we were only 50 to 100 votes

down with the West Collie booth still to come in, because the people of Collie have always stood by the Labor Party, and the Labor Party has always stood by the people of Collie.

[Member's time extended.]

**Mr D.A.E. SCAIFE:** Those significant upgrades are needed to support a growing mining industry. That is evidenced by the fact that we have increases in program of works applications. The number of applications for environmental mining approvals within the Department of Mines, Industry Regulation and Safety has increased by around 80 per cent over the last six years. The number of exploration applications received has increased in recent years from 2 444 in 2018–19 to 3 322 in 2020–21, which represents a 36 per cent increase over just three years. There is a lot of interest in investing in the WA mining industry.

As I mentioned at the start of my contribution, the result of that is that there are significant pressures on the department to process those applications and approvals, which is why it is pleasing to see the Mining Amendment Bill 2021 being progressed through this chamber. This bill will streamline approval processes. It will use an innovative process to speed up approvals. It is a process that has been operated effectively by the department for a while now and it is a process that automatically processes certain approvals using a spatial recognition tool the department has developed. It is being used effectively to speed up approvals, which means that it is a less labour-intensive and faster process for certain eligible mining activities. It is an automated assessment for low-impact activities. That can only be a good thing.

We need to make sure that mining in Western Australia is world class in terms of the standards it sets. I was at the AusIMM Minesafe International Conference just the other week; the minister was there as well. One thing that that conference really brought home to me was how Australia is a world leader when it comes to safety standards in mining. Of course, this government has continued to keep safety standards high by introducing a range of new measures, including the new work health and safety legislation and codes of practice around harassment and FIFO mental health. These all set the standard. Western Australia is leading the way in setting standards in our mining industry from a health and safety perspective. We also set the standard when it comes to environmental approvals and the protection of Aboriginal cultural heritage, which of course was on full display when we passed the Aboriginal Cultural Heritage Act 2021. We set the standard when it comes to economic development and the development of infrastructure to support our mining industry.

If we set the standard like that, we will continue to attract investment in Western Australia, we will continue to attract the secure, well-paid jobs that have made this state so successful, and we will continue to build the industries that can grow from those things—the industries of the future, like lithium refineries and the innovative projects I talked about further down the value chain of green steel manufacturing. Although this bill is technical in nature, it supports the government's many good investments in supporting our mining industry, and I commend it to the house.

**MR S.A. MILLMAN (Mount Lawley — Parliamentary Secretary)** [2.55 pm]: Acting Speaker (Ms C.M. Collins), thank you very much, and congratulations on your elevation to the position of Acting Speaker. It gives me great pleasure to rise to speak in support of the Mining Amendment Bill 2021 because we have just had the benefit of hearing the Premier; Treasurer outline to the house and the state of Western Australia just how important our Western Australian mining industry is.

I was amazed and astounded when, in the course of delivering the budget, the Premier said —

The WA Government's actions in dealing with COVID allowed the mining sector to operate uninterrupted, while our competitors were significantly impacted.

The value of sales achieved by Western Australia's resources sector was a record \$230 billion in 2021, up a massive 30% from the year prior.

I stand to speak in support of this bill. I follow the members for Kalgoorlie and Collie–Preston, both of whom have mines in their electorates. There are no mines in the electorate of Mount Lawley, but the people of Mount Lawley benefit immeasurably from the contribution that the mining and resources sector makes to the state of Western Australia. However, the mining and resources sector needs to be supported by a well-run government that has its interests at heart. The McGowan government tackled the COVID pandemic—a global pandemic the likes of which we had not seen for more than 100 years—in a way that allowed the mining and resources sector to continue to operate. The dividend from that safe and sensible management of the COVID pandemic by the McGowan government was not only paid to the people of Western Australia; it also supported the whole Australian economy.

It really is desperately sad and desperately unfortunate to hear eastern states commentators and politicians and the federal Liberal–National government criticising us for the way in which we handled the COVID pandemic. They are supported in that endeavour by people like Clive Palmer. Without the work that the McGowan government did to keep the money and resources sector functioning during the COVID pandemic, we would not be in the situation we are in today. That is just the latest example of the way in which this government supports the mining and resources sector.

I will come back to the importance of the mining and resources sector providing jobs. Another thing the Premier mentioned in his budget speech was the significant growth in the number of people employed in Western Australia. It is incredible that we have three per cent unemployment at the same time as we have a participation rate of more than 70 per cent. We have more people working in Western Australia now than at any time in history, but sometimes that achievement can be lost. That is an extraordinary achievement, and it reflects the focus of the McGowan Labor government.

When we were first elected in 2017, as the Premier reiterated today, our number one focus was WA jobs. We have seen growth in jobs across all sectors, but particularly in the mining and resources sector. I want to pick up on two things that the Minister for Mines and Petroleum highlighted in terms of resources and exploration. I refer to a media release from shortly after the 2021 state election, Thursday 1 April 2021, headed “Resources jobs and sales continue to break records in WA”. It states —

- WA’s mineral and petroleum industry reported record sales of \$174 billion in 2020
- Results driven by iron ore, gold and nickel
- A record 140,940 people working in WA’s mining sector

That is not to mention all the ancillary and associated work that is generated by the mining sector, be it professional services, legal services, technology information, training and education, and all the rest of it. The press release continues —

Western Australia’s resources sector continued to break records in 2020 with sales of \$174 billion.

Statistics released today by the Department of Mines, Industry Regulation and Safety show iron ore lead the way with record sales of \$116 billion on the back of the highest prices since 2011.

Gold was another strong performer with more than \$17 billion in sales, an all-time high, as was the average price of around \$2,500 per ounce.

Nickel sales increased to \$3.3 billion, which is the highest value in six years.

Employment in the resources sector was a star performer, with an average of 140,940 people representing yet another record.

More than \$20 billion was invested in the WA mining and petroleum sector, up from \$17 billion in 2019. This represents the highest level since 2017.

What we are consistently seeing over the time of the McGowan Labor government is the ability of the Western Australian mining sector to attract capital investment to keep it going and keep it turning over.

Minister Johnston said —

“Western Australia and its resources sector have successfully navigated the pandemic to deliver these impressive figures.

“Creating and supporting jobs is one of the McGowan Government’s top priorities, so it’s great to see mining employment grow for the fourth year in a row.

“It was especially pleasing to see exploration expenditure and employment continue to strengthen given the important role the sector plays in finding the next big resource discovery.

“With around \$140 billion of resource projects in the pipeline, Western Australia’s future continues to look promising.”

Part of the riddle, part of the magic, part of the skill in shepherding and stewarding a well-functioning mining and resources sector is to recognise that there are lots of parts along the chain and along the way that need the attention and dedication of government. One of those parts is exploration, and so just a couple of weeks ago, on Thursday, 28 April 2022, I was very pleased to see the following media release from Minister Johnston. It states —

**WA’s exploration sector continues to prosper**

- Second-highest number of drilling applicants since Exploration Incentive Scheme began in 2009
- \$6.74 million offered to 47 drilling projects, including six prospecting projects
- Strong focus on battery minerals such as nickel and rare earth elements

This is something that has come up in earlier contributions today. It continues —

A surge in applicants for the latest round of the Exploration Incentive Scheme’s co-funded drilling program reflects the immense strength of Western Australia’s resources sector.

107 applicants submitted proposals for Round 25 of the Department of Mines, Industry Regulation and Safety’s scheme, the second-highest round since it began in 2009.

A total of \$6.74 million in grants is being offered to 47 companies and prospectors.

22 of the successful explorers are searching for battery metals such as nickel or nickel-cobalt, lithium and rare earth elements.

The co-funded drilling program, which provides incentives to drill in under-explored areas, has resulted in significant scientific and economic results for the State's resources industry.

Recent successes include Halls Creek Mining's Mary River project where drilling uncovered encouraging gold results, and Kalgoorlie Nickel's Emu Lake target, which found nickel-sulphide mineralisation in a zone that was not thought to be prospective.

Series 3 of the co-funded Energy Analysis Program (EAP) provided funding to a project undertaking a chemostratigraphic study in the North Perth Basin.

The EAP encourages exploration of petroleum and geothermal resources using existing State resources, such as drill core, sidewall core, and cuttings, or to re-analyse existing data.

This is what Minister Johnston said —

“The surge in exploration shows how confident mining companies are in the future of WA's resources sector.

“This interest comes on the back of an exceptional 2021, which saw WA achieve record resource sales of \$230 billion, and exploration is the bedrock of this success.

This commercial, mining and exploration activity needs to be underpinned by a sensible regulatory regime and a government that is prepared to do the hard work necessary to encourage activity in this sector. Ever since the McGowan government was elected in 2017 that is precisely what this minister and this government have been doing. As well as focusing on those core tasks of making sure that the system in place supports mining and resources companies, we are also out there on the cutting edge.

We recognise the impacts of climate change. We recognise that action needs to be taken on climate change. We recognise that Western Australia has a critical role to play in supporting global efforts to reduce our carbon impact. That is why I was very pleased to see the media release three weeks ago, on 19 April 2022, when Minister Johnston said that WA researchers had developed new technologies for finding commodities. This was fascinating. I do not know whether anyone heard the program on ABC NewsRadio yesterday about the seismic array, which is an innovative new way of identifying prospective mineral deposits. Using sensors, it maps huge areas of land in previously unexplored areas, and I was thinking about that program when I was reading this press release from the minister. It states —

- WA researchers identify new method for seismic sensing
- Technology makes it cheaper and easier for exploration companies to detect mineralised structures beneath the surface

Curtin University researchers, supported by the State Government through the Minerals Research Institute of Western Australia, have developed a new technology for detecting seismic energy as it passes through rocks and soil beneath the surface.

Originally developed to identify locations to drill for gold, the seismic detection system can be used for any commodity using salt-tolerant fibre optic cable.

By using laser light to measure the distortion of a buried glass fibre, this technology can record seismic waves more cheaply and effectively than existing approaches, delivering cost savings in mineral exploration.

One of the things that this minister talks about frequently is that a world-class, world-leading resources sector is about not only extracting the wealth, modifying it and then shipping it off, but also taking advantage of the strategic position that we in the Western Australian market find ourselves. We are world leaders in innovation and technology. Other developing markets are now looking to Western Australia to provide the leadership, innovation, expertise and skill to try to develop their mining and resources sector. It is not just the technology but also the regulatory regime that we have. Our Mining Act is frequently held up as one of the best mining acts in the world due to the regulatory regime that is in place to encourage prospective deposits.

In addition to the government's support and encouragement, material and resources need to be put in to support the sector. One of the things that the McGowan government has done is release *A world-leading resources sector: Western Australia's mineral and petroleum resources development strategy*, and I will turn to that document now. It is from September 2021, and I commend it to members. Whereas the previous government was complacent and ambivalent and let the mining and resources sector just bumble along, this government is an active participant. Essentially, it is a partner with the resources sector in making sure that the environment is right for it to maximise

its potential and deliver the best possible benefits for the state of Western Australia. This is what the Premier had to say about our strategy —

Western Australia is internationally recognised as having one of the world's most successful resource sectors.

This is due to many factors, particularly the diversity and abundance of our natural resources, and history of effectively promoting Western Australia's prospectivity and development opportunities.

In addition to that, I would say that with the capability of our human resources, through the incredible educational institutions that we have, like the University of Western Australia and Curtin University, we are taking and skilling up people who are passionate about making a contribution to the resources sector in a way—sorry, minister; yes?

**Mr W.J. Johnston:** Curtin's WASM —

**Mr S.A. MILLMAN:** Yes, the Western Australian School of Mines?

**Mr W.J. Johnston:** — is rated number 2 in the world.

**Mr S.A. MILLMAN:** Yes! Therefore, that academic excellence picks up the capability of outstanding Western Australian students, plus research leadership, in order to have a pipeline of experts going into an industry that remains one of the best in the world. This is what the Premier further said —

The State's resources sector has grown to become not only the driving force behind Western Australia's economy, but the national economy.

We have seen that just now in the budget speech that the Premier has presented. It continues —

Never has the importance of the sector's economic contribution been so clearly demonstrated than in its response to COVID-19. The mining and petroleum industries' success in trading uninterrupted through the critical early stages of the pandemic has allowed us to manage as well as we have the impact of the pandemic by continuing to provide needed jobs and revenue to support the community and keep us safe.

This is what the minister said —

*Western Australia's mineral and petroleum resources development strategy* demonstrates the McGowan Government's policy priorities that are designed to uphold our reputation as one of the world's most advanced and successful resources sectors.

In an uncertain world, one thing that can be counted upon is the continuing demand for Western Australia's resources.

That was in September 2021. Nothing has changed to make the world less uncertain. If anything, circumstances have become more uncertain and more unpredictable, so the stability and the success of Western Australia's mining sector becomes increasingly important. Very simple, basic and straightforward strategies can be put in place. The Warden's Court is the tribunal that hears and determines many of the applications in connection with the Mining Act. With one Mining Warden sitting in the Warden's Court, there is necessarily a delay in matters being brought before the court for adjudication, so I was very pleased to hear the minister announce on 1 February this year that a second Perth Mining Warden had been appointed. This is in stark contrast to the situation that we inherited when we came to office in 2017. I was reminded of a couple of questions that I asked of the Minister for Mines and Petroleum, one in August 2018 and one in October 2017. I refer members to the question I asked in 2018 —

I refer to the McGowan Labor government's continued efforts to fix the mess inherited from the previous Liberal–National government. Can the minister outline to the house any issues that were left over from the previous government that the minister has needed to address, particularly in relation to the Mining Warden's Court and the handling of the mines portfolio?

The Liberal Party and the Nationals WA like to portray themselves as friends of the mining and resources sector. I will come to a scurrilous attack that was made on this minister early in our first term, but in answer to my question, the minister made it clear that the management of the mining and resources portfolio by the previous Liberal–National government, in particular the last minister under that government, was a mess. It was a disaster. In answer to my question, the minister said that four Warden's Court matters had been left for him to decide on. One was received by the former minister's office in December 2016 and not actioned until the change of government. One was received in July 2016 and was not actioned. It was left sitting in the in-tray in the minister's office. One was received in March 2016—a full year before the state election—and no action had been taken. This was the disdain with which the previous Liberal–National government dealt with the Warden's Court and the Mining Act. The change in government in 2017 delivered a new government that was passionate about supporting our mining and resources sector. Further to that, showing the way in which financial management was being carried out by the previous government, it left the mines safety and inspection levy account with a \$10 million deficit. In October 2017, I asked the minister —

I refer to the mines safety and inspection levy. Why upon coming to government was the mines safety and inspection levy account \$10 million in deficit; and, how has the minister listened to industry's concerns, addressed the mismanagement of the account and corrected the abominable situation?

In his reply, the minister made clear that the state's finances in general had been left in a disastrous state by the Liberal–National government. This was a government that, on one hand, liked to parade its financial, economic and budget management credentials and left us in the worst possible debt situation, and, on the other hand, liked to parade its support for the mining and resources sector, and has left the levy \$10 million in debt.

It is great to see that this Labor government is supportive of the mining and resources sector. We get on well with the sector, working collaboratively and constructively with it. We recognise the importance of mining and resources jobs to the economy.

[Member's time extended.]

**Mr S.A. MILLMAN:** One of the reasons that is important is the situation the member for Collie–Preston just spoke about. She spoke about her father's experience in moving from the timber industry into the mining industry. We were criticised yesterday for our policy to end the logging of native forest, but now is the most opportune time for those workers to change industries. The Greenbushes Talison lithium mine in the electorate of the member for Warren–Blackwood provides a perfect opportunity for workers to transition from the mill to the mine. There is no better opportunity than right now for a well-resourced and well-supported mining sector to take advantage of that labour supply and provide new opportunities for those people. Considering how important the mining and resources sector is to Western Australia, it is imperative to have a government that recognises that and provides support and encouragement. We get on well with the peak organisations. I acknowledge Claire Wilkinson from the Australian Petroleum Production and Exploration Association who has done a fantastic job as the head of that organisation, and Ron Pearson who made a press release in support of the legislation. I also take this opportunity to congratulate Rebecca Tomkinson. As the Parliamentary Secretary to the Minister for Health, I had the opportunity to work with Rebecca Tomkinson as the chief executive officer of the Royal Flying Doctor Service, and I think she will make an excellent appointment as the new CEO of the Chamber of Minerals and Energy. Together with the current president of the Chamber of Minerals and Energy, she joins a formidable all-female team. When I reflect on the minister's contribution during question time on the importance of employing women in the resources sector, I think this stands us in good stead for tackling some of the systemic issues in the mining and resources sector.

With those comments, I commend the work of the McGowan government in supporting the mining and resources industry, in stark contrast to the negligence of the previous government. I commend the minister for bringing this bill before the house to provide for efficiency and effectiveness within the mining and resources sector, and I commend the bill to the house.

Debate adjourned, on motion by **Mr D.A. Templeman (Leader of the House)**.