

MINING AMENDMENT BILL 2023

Second Reading

Resumed from an earlier stage of the sitting.

HON COLIN de GRUSSA (Agricultural — Deputy Leader of the Opposition) [5.04 pm]: Before we were interrupted for the taking of questions, I had commenced my commentary on the Mining Amendment Bill 2023. We were talking about the carbon farming programs that the government has championed since its election in 2017. As I said at the outset, carbon farming is a valuable opportunity for Western Australian landholders and leaseholders and offers a good economic driver for the state. It will contribute to reducing emissions and will allow for some of those larger emitters, particularly in the mining, oil and gas sectors to offset some of those emissions. It is no surprise that a lot of work has been done in this space through the development of the state government's climate policy and the carbon farming and land restoration program. The government has been keen to trumpet the importance of carbon farming and its emissions reduction program and targets to the state. On 3 June 2022, the former Minister for Regional Development; Agriculture and Food; Hydrogen Industry released a media statement stating that the carbon farming and land restoration program was delivering over \$1 million in further funding for WA farmers, with three carbon projects receiving \$417 000 in capital assistance and 67 farmers receiving expert vouchers to develop carbon projects. The former minister was keen to promote the significance and importance of carbon farming and the government's intent to reduce emissions.

As recently as 22 May, the current Minister for Agriculture and Food; Forestry; Small Business, Hon Jackie Jarvis, issued a media release on the carbon farming program, headed "WA to build a strong carbon farming future". It refers to investments of the McGowan government, as it was at that time, including the \$15 million WA carbon farming and land restoration program to help farmers sequester carbon, generate carbon offsets and improve business resilience while creating environmental, economic and social co-benefits. The importance of carbon farming to the delivery of government policy on climate change and the mitigation of climate risk and providing offset opportunities for some of those larger emitters is significant. I agree that carbon farming offers a very good opportunity for producers to mitigate their emissions, and for farmers and pastoralists to have the opportunity to diversify their income.

This bill sets out to prevent objections to mining tenements on the basis of their effect on a carbon farming project. Under the bill, this will apply to pastoral lease land, not freehold land. As we know, the pastoral lease areas of Western Australia are vast tracts of land and the mitigation of climate risk through carbon farming projects on that land has an opportunity to be of a significant scale and offer a good opportunity for those producers to diversify income.

In the consultation process the government undertook that I outlined before—I imagine through the Department of Primary Industries and Regional Development in the first instance—on those carbon farming projects, it consulted with mining, pastoral and other industries. I do not know whether the parliamentary secretary will be able to provide it, but perhaps he can assist in discussing whether any concerns were raised at that point during the consultation process about the possibility of carbon farming projects being an impediment to mining leases or exploration.

As I said before, as an opposition we did consult with some stakeholders after the government briefed us on the bill. One of those stakeholders was the Pastoralists and Graziers Association of WA, which represents a number of pastoralists in Western Australia. The PGA provided us with a submission in which it does have some concerns, but, in general, I think it was not overly concerned. I will read its particular concern, and the parliamentary secretary can perhaps provide some response to that in his second reading reply speech. It states —

The PGA is concerned that by not allowing an objection to a mining tenement application solely based that it may impact on carbon farming projects, carbon farming proponents, including pastoral and diversification lease holders will be disadvantaged.

Carbon farming, particularly in the rangelands, can require access to very large land areas. While mining tenements can be excised from carbon farms with very little adverse impact, there are still concerns over the timing and awarding of compensation over lost earnings, as well as the delays in future restoration.

Pastoral lease holders who have carbon farms have legally binding contracts with the State Government.

I guess the question is around how those rights are recognised and how that compensation process would work. Perhaps the minister can elaborate on this in his contribution—parliamentary secretary, sorry, I am promoting him all the time!

Hon Matthew Swinbourn: You will have to pay me a ministerial allowance.

Hon COLIN de GRUSSA: I wish I could pay the parliamentary secretary a little more.

Hon Dr Steve Thomas: We would make you a minister.

Hon COLIN de GRUSSA: We would. He is welcome to become a minister on this side. I guess, minister—parliamentary secretary, there we go again. We would like to understand how that conversation process would play out. As I understand it, it is probably more likely that the proponents would negotiate an outcome between a mining company and a leaseholder, for example, rather than following the formal process. Perhaps the parliamentary secretary can explain it. As I understand it, that process is actually managed by the Department of Primary Industries and Regional Development, not the Department of Mines, Industry Regulation and Safety.

Hon Matthew Swinbourn: I will have to check with the advisers.

Hon COLIN de GRUSSA: Yes. Can we perhaps get some advice on how that compensation project will be managed? As I understand it, DPIRD will be responsible for that.

Hon Matthew Swinbourn: As I said, I have got advisers that will confirm that with you. We are not getting to my reply today, so that is effectively on notice.

Hon COLIN de GRUSSA: Great. We can get to that next week.

The PRESIDENT: Just try to keep the chatter down a little bit for Hansard's purposes. If you are not going to give an undertaking can you —

Hon Matthew Swinbourn: There is no undertaking, President.

The PRESIDENT: Let us just keep the chatter down across the chamber.

Hon COLIN de GRUSSA: Perhaps when we come to the committee stage of this bill, I will ask the parliamentary secretary about how the compensation process will play out. I hope that is enough time for the advisers to ask the necessary questions of the relevant people so that we can ascertain how that will work.

I mentioned a submission from the PGA before. Obviously, we also consulted with others, including the Chamber of Minerals and Energy of Western Australia. I thank it for its time in meeting with the shadow minister and other opposition representatives. It did not express a great deal of concern about this bill from its perspective, although perhaps it did wonder whether there was any great need for this legislation in any case. We will come to that in the committee stage of the bill.

The department helpfully provided a number of slides during its briefing session, which I will refer to, that outline the intent of the bill. Interestingly, it would appear that the Department of Mines, Industry Regulation and Safety does not hold the same view as the government about the significance of carbon farming for Western Australia, because its first slide went to great lengths to point out how insignificant carbon farming is. It states —

Carbon Farming:

- Does not pay royalties
- Provides an unknown, but likely small amount of jobs
- ... will potentially sequester on average only 8t per ha over a 25 year permanence.

It flies in the face of what the government has said in a number of its documents about how significant and important carbon farming is. I think it is significant and important. It is about not just how much is sequestered in total, but also the opportunity for other uses and diversification for the land. It is also, obviously, important for mitigating and offsetting some of the emissions of large producers. Although the Department of Mines, Industry Regulation and Safety does not seem to agree that carbon farming is important, I think we can all agree that it will be an important part of the landscape for some time to come.

I turn back to the bill itself. It is not a lengthy bill, and much of the bill's detail is actually to change a lot of language in the current act so it will be gender-neutral. Quite a lot of clauses simply replace outdated language, which is a good thing to do. While we have the opportunity and are amending the bill, let us modernise it.

The main parts of the bill are in clause 4, which defines an offsets project, and further in clauses 5, 6, 7, and 8, which define the objection. A person is not entitled to lodge a notice of objection for prospecting, exploration, retention and so on, for all the different categories listed in that section, if that activity would affect an offsets project. Effectively, it moves through the various areas and ensures that the basis for objection cannot be that it has an effect on an offsets project. It is pretty simple. I look forward to getting into the debate on that when we get to the Committee of the Whole. I do not imagine that we will spend a great amount of time on it. Most of the detail can probably be dealt with at clause 5, which is the first of the clauses seeking to add that offsets project effect. We will perhaps ask most of the questions at that point, and will probably get through it from there.

As I said at the beginning of my contribution, we do not oppose this legislation. We do not really think it is all that necessary, to be honest. We will come to that discussion when we go into the committee stage. It raises questions in my mind about the priority of carbon farming for the government, although it is pretty clear from the significant

body of work done in the *Western Australian climate policy* and the carbon farming and land restoration program that carbon farming is an important component of the government's climate strategy. However, it does not seem that that significance is shared by the Department of Mines, Industry Regulation and Safety, which goes to great lengths to point out that the resources sector provides many more jobs and a lot more money in royalties. I cannot deny that, but perhaps it is carbon farming that offers the resources sector the real opportunity to be a strong contributor to reducing its emissions.

Perhaps when the parliamentary secretary responds, he could also take some advice on the genesis of the Mining Amendment Bill 2023—perhaps some kind of time line of when these issues were first uncovered and by whom, and who flagged it. Was it something that Department of Mines, Industry Regulation and Safety had flagged, or did it come from the mining industry itself? I would also like a time line for the genesis of the bill and the time it has taken to develop and consult on it, and what that consultation involved in terms of who was consulted. I will have a few questions when we get into Committee of the Whole.

Debate adjourned, pursuant to standing orders.