

**Division 16: Energy, Mines, Industry Regulation and Safety — Services 1 and 3, Mines and Petroleum —**

Mrs M.R. Marshall, Chair.

Mr D.R. Michael, Minister for Mines and Petroleum.

Mr R. Sellers, Director General.

Mr J. Kwong, Chief Financial Officer.

Mr A. Chaplyn, Deputy Director General, Resource and Environmental Regulation.

Ms S. North, Acting WorkSafe Commissioner.

Mr M. Beach, Principal Policy Adviser.

Mr M. Andrews, Senior Policy Adviser.

Ms R. O’Toole, Chief of Staff, Minister for Mines and Petroleum.

[Witnesses introduced.]

**The CHAIR:** The estimates committees will be reported by Hansard and the daily proof will be available online as soon as possible within two business days. The chair will allow as many questions as possible. Questions and answers should be short and to the point. Consideration is restricted to items for which a vote of money is proposed in the consolidated account. Questions must relate to a page number, item or amount related to the current division, and members should preface their questions with those details. Some divisions are the responsibility of more than one minister. Ministers shall be examined only in relation to their portfolio responsibilities.

A minister may agree to provide supplementary information to the committee. I will ask the minister to clearly indicate what information they agree to provide and will then allocate a reference number. Supplementary information should be provided to the principal clerk by noon on Friday, 31 May 2024. If a minister suggests that a matter be put on notice, members should use the online questions on notice system to submit their questions.

I give the call to the member for Central Wheatbelt.

**Ms M.J. DAVIES:** I refer to page 239 of budget paper No 2, volume 1, and the heading “Resource and Environmental Regulation”. I note that the first sentence of this service is —

Regulate the resources sector and provide geoscience and resource information to reduce exploration risk and increase the attractiveness of Western Australia as a destination of choice for resource companies.

Could the minister provide some advice on why Western Australia has slid down the rankings in the Fraser Institute’s *Annual survey of mining companies, 2023* from top spot in 2021? What has or has not happened, or changed?

**Mr D.R. MICHAEL:** I am proud of the resources sector in Western Australia and the continued support that governments have provided it with. I saw the Fraser Institute report last week or earlier this week, and the member is right; it has gone from second to fourth place.

**Ms M.J. DAVIES:** Overall.

**Mr D.R. MICHAEL:** Overall, yes. There has been a slight fall in investment attractiveness, albeit in an investment environment that is predominantly populated by the US, Canada and Northern Europe. I note that two of the top US states were likely influenced by the introduction of the US Inflation Reduction Act, which provides some very, very generous support to mining activities in the US, especially for critical minerals. We know that there are similar schemes in Europe, and we are obviously very pleased that the federal government now supports a production tax credit here in Australia. WA has remained in the top five global investment destination jurisdictions for 13 consecutive years and has been first in Australia for the past 14 years.

This is a survey of a couple of hundred mining companies and individuals. There were 293 responses from individuals; 207 completed the survey and 86 partially completed it. It is an annual survey that was conducted last year from a relatively small number of Australian miners in global terms, if we consider that 293 miners were surveyed. Having said that, it reminds us all that we need to continue to support the mining industry in Australia. As Minister for Mines and Petroleum, that is something that is always a focus for me, and I am very pleased with the federal government’s support in the recent federal budget.

**Ms M.J. DAVIES:** I thank the minister. As stated in the first part of the service I referred to, it is the department’s responsibility to provide an environment for reducing exploration risk and increasing the attractiveness of Western Australia as a destination of choice. That is a marker, and I think the minister will find that previous ministers used that when we were sitting at the top of the rankings to the advantage of their respective governments, so I will not accept that we can dismiss it, particularly when it shows that there has been a slip in the policy perception index—from fifth to seventeenth. That has happened under this government’s watch. What is the government doing to try to address some of the concerns that have been raised around permit approvals, which have continued

to increase? It is clearly something that is raised with the minister on a regular basis and it is going in the wrong direction, yet significant funds have been allocated across the forward estimates to address these kinds of matters.

**Mr D.R. MICHAEL:** The member will be well aware that in December the Premier made a large announcement regarding the overhaul of approvals in Western Australia to deal with some of those matters. Multiple departments and ministers are involved in progressing those matters and that work continues. As Minister for Mines and Petroleum, I can say that work is being carried out by the Department of Energy, Mines, Industry Regulation and Safety. The member will have seen that only a week or so ago we put out a consultation for eligible mining activity. That is something that the industry, and particularly peak bodies such as the Association of Mining and Exploration Companies, has been calling for for quite some time. That will allow for easier approvals, especially for exploration, because knowing what is under the ground and how to access it is part of the lifeblood of our mining sector. We will continue to look at reforms and as the year goes on there will be more announcements regarding the approvals overhaul that the Premier announced in December. I know that a lot of work is going on behind the scenes and I am sure the mining industry will be very happy with what is announced and the direction in which the government is going as the year goes on.

[4.10 pm]

**Ms M.J. DAVIES:** The minister is proposing to do work. I think every government, federal and state, has said it will reduce the timeframes for approvals. I do not think any government has actually ever achieved that! It is a lofty ambition, but I think the reality is that when anyone in those sectors sticks their head above the parapet, somebody with a lot more money comes and pinches that person and then it is back to square one. What are the approvals timelines that the minister seeks to reduce? What targets have been set?

**Mr D.R. MICHAEL:** The Vogel–McFerran report had 39 recommendations, all of which have been accepted or noted. The ones that I think will make the most impact are changes to the Environmental Protection Act that the government has announced. They will allow the Minister for Environment to direct the Environmental Protection Authority to access a project of state significance within a specified timeframe, and allowing other government approval processes to run parallel with the EPA approval. Once the detail of that is known, which will probably require some legislation at some point, that is something that will obviously impact my agency and its ability to do work in parallel with work of other agencies like the EPA. It will expand the board of the EPA to include more skills-based members and will require the EPA to have a statement of intent from the environment minister recognising the government’s priorities and policies. Those are the large ones. Obviously, a lot of those are in the environment portfolio, but they will very much impact on the timeframes of proponents.

I frequently get visitors or have meetings with people from overseas, especially from fledgling countries, who are looking to expand mining, and to do it in the right way. One of the things that they say is that approvals in Western Australia mean something. We need to always ensure that we retain the importance of our approvals. We continually need to strive to make sure that approvals are done as efficiently as possible, to remove duplication through different processes where we are able to and to move things through the system. There are things like the eligible mining activity regulations for the exploration sector. Once consultation is over and we can draft those regulations in the second half of the year, I think it will make a great impact. I think the plan is that there will be about a one-day turnaround to allow some of the exploration activity to occur. Later in the year, we will also be releasing Resources Online to reduce some of the complexity of the application process for that approval system.

**Ms M.J. DAVIES:** I will come back to Resources Online, minister. I refer to budget paper No 2, volume 1, page 233 and the total appropriations for the department. If the minister runs across the total appropriations provided to deliver services line, the budget for 2024–25 is \$351 million, and it then drops back to \$226 million in 2027–28. There is a \$70 million decrease between 2024–25 and 2025–26. Can the minister please explain why there is a decrease in resources being appropriated to the department? I refer to the total appropriations line at the bottom of the table.

**Mr D.R. MICHAEL:** It is important to note that this is the appropriation for the entire Department of Energy, Mines, Industry Regulation and Safety, not just for the mines area. Within the appropriation, there are some one-off increases for the electricity system security demand management measures, and also some increases for programs like the nickel financial assistance program and WA rent relief program. It also allows for almost half the \$48 million for the critical minerals advanced processing common user facility. That is the estimated actual to the budget year. Again, the nickel financial assistance program and the rent relief program are in there as one-offs. Those are the two big ones that I can see.

**Ms M.J. DAVIES:** Those are the two one-offs and then it returns to normal baseline funding. Is the \$280 million down to \$221 million and \$226 million considered baseline funding? There is still a gap between 2025–26 and 2027–28.

**Mr D.R. MICHAEL:** There are some smaller ones within that, like the vacant property rental incentive scheme reduction. There are basically some one-off programs. Is there anything else Mr Sellers can think of or has information on?

**Mr R. Sellers:** Thank you, minister. Outside the mines part of the portfolio, the minister has mentioned the short-term rental accommodation register and the rent relief. There are a number of those that are time limited.

**Ms M.J. DAVIES:** I guess the further question then becomes: Is there a decrease in the services that we are talking about? Is there any decrease in funding in terms of FTE resources going to the services that the minister is responsible for in this section of the budget?

**Mr R. Sellers:** The minister outlined the bulky numbers that are time limited. The rest that is sitting beneath that is pretty much standard.

[4.20 pm]

**Ms M.J. DAVIES:** I refer to page 234 and new initiatives. I know that this approvals reform goes across a number of different departments, but in this instance the amount is \$780 000. Is the amount for “Approvals Reform—Cross-Government Triage Team” within the department’s services? My question is: What does the \$780 000 deliver? How many staff? Will there be new hires to the department? Where will they be located? That is more than one question; sorry, chair.

**Mr D.R. MICHAEL:** I will get Mr Sellers to let me know if I miss something, but the government has approved additional appropriations totalling \$3.3 million—that includes the \$780 000 that the member mentioned—over the four years of the budget year and the forward estimates to enable the department to establish a cross-sector triage service with other regulatory agencies to support the environmental approvals systems review. The initiative will establish a triage team consisting of experienced staff within relevant regulatory agencies to provide a single point of contact in each agency, ensuring connection between agencies and the Department of Jobs, Tourism, Science and Innovation’s case managers to smooth the process for proponents across approvals processes for immediate review and rapid up-front assessment of applications received, including for green energy projects, and immediate feedback to proponents for applications recorded for learning and process improvement purposes. Four positions will be created over 2023–24 and 2024–25 to establish a team, using a combination of internal salary underspend and appropriation funding.

**Ms M.J. DAVIES:** That was a lot of information, minister! Will new staff be hired or will they be seconded from within the department? The question is: are we just shuffling the deckchairs?

**Mr D.R. MICHAEL:** From the 2024–25 budget year, it is four new FTE.

**Ms M.J. DAVIES:** Four brand new bodies. Who will they report to?

**Mr D.R. MICHAEL:** Mr Sellers is indicating it might be Mr Chaplyn.

**Mr A. Chaplyn:** The new staff will be inside our compliance area and report to the general manager of that area.

**Mr D.R. MICHAEL:** These are DEMIRS staff.

**Ms M.J. DAVIES:** Right. As I understand the answer previously, there will be similar FTE in other departments.

**Mr D.R. MICHAEL:** Mr Sellers.

**Mr R. Sellers:** The group that is set up in JTSI currently headed by Mr Marney will include some people who coordinate the triage team across the various portfolios.

**Mr R.S. LOVE:** I remember a program some years ago called Streamline WA, and I think the director general was one of the head executives involved in that. Whatever happened to that program? That was supposed to do exactly the same thing as what we hear this new program will be doing. I think there have been other iterations throughout the years as well. What confidence can we have that this new program will be any more successful than the streamline program announced a number of years ago?

**Mr R. Sellers:** I thank the member for the question. The member is right: there has been ongoing development to make sure that our approvals processes stay relevant. The minister mentioned the Fraser Institute survey and when WA kicked up and stayed up for about 14 years. I have been back in Western Australia for about that time, and we have been working on doing things to reduce parallel processing, bring transparency into our systems and a range of things since that date, and some of it reflects that. The Streamline WA program was ongoing under the Council of Regulators. There were time-constrained initiatives in there that were delivered, and it is an ongoing process. We deliver one package; we have another set of works to do.

Within the portfolio, the earlier works were around us making sure that during COVID, for example, we pivoted some of our staff to make sure that approvals did not suffer. With the skills shortage and our losing people out of the agency, that was one of the Streamline WA pieces of work. Another piece of work was Andrew’s team transitioning

our system so that people who have made an application can see where the application is in our system and who they need to ring. All that sort of stuff was on an old platform and Environment Online, which the minister just mentioned, is the next iteration of that. That was one piece of work in the Streamline program. The Streamline program has had some things that have finished and some things that are close to being finished and now there is another iteration of the next tier of work to be done.

**Mr R.S. LOVE:** Is there any performance or management monitoring of any benefit that these programs have achieved; and, if so, where would they be reported?

**Mr R. Sellers:** Members might be aware that our agency does quarterly reporting of all its statistics. There are regular meetings with the Chamber of Minerals and Energy and the Association of Mining and Exploration Companies and others. We discuss the progress of approval improvements and people can judge and critique us based on our actual performance. That is an ongoing thing. Reducing the approval times and writing in the new policies that Andrew's team have done are then reflected in the next quarterly results and discussed directly with industry.

**Mr R.S. LOVE:** All reports are that approval times have blown out, so that would mean that the program was unsuccessful, would it not, minister?

**Mr R. Sellers:** It is true that in COVID, we were not meeting our targets on the lower level ones called program of works, and Andrew's team implemented some strategies that got that back to the agreed timelines that we have with industry. I might add that it also coincided with an exploration boom and a range of activity, so there was a lot of extra numbers—so well done to the team on that. That is part of the reporting we are talking about. Clearly, the Department of Energy, Mines, Industry Regulation and Safety is a portion of an approvals process.

Andrew might be able to talk a bit more, if the member is interested, on other parts of the approvals process that we deal with, but it is true that when there is a surge on, we have to adjust how we do things. We have to move things around to try to get close to or at our targets. That is an ongoing discussion with industry. I think the minister will be able to comment on it. We see industry daily. Although there are outliers—clearly, there are—and sometimes we have to lean in and help industry around the mines part of an approval process, the majority of approvals happen close to or on time.

[4.30 pm]

**Mr D.R. MICHAEL:** The member will remember the reforms to the Mining Amendment Act in 2022, which introduced eligible mining activities and mining development and closure proposals. As I said before, the eligible mining activity is out for consultation at the moment. It is an alternative authorisation for eligible mining activities that would otherwise require an assessment by a program of work. Having that on a very fast-tracked approval, which I would say is almost instantaneous approval, means that the assessment queue will be reduced. The mining development closure proposals will be a single application document that consolidates the information requirements of existing mining proposals and mine closure plans for mining operations, streamlining the information requirements and assessment by removing the duplication we were talking about earlier. The department and the government are always looking at further ways to make the approvals system more efficient for both staff of the department and, importantly, for proponents.

**Ms M.J. DAVIES:** Is the Streamline WA package of work, the new approvals reform and cross-government triage team, finished?

**Mr D.R. MICHAEL:** There is overlap between the two. There are still things that are ongoing.

**Ms M.J. DAVIES:** Does Streamline WA still exist? Is this part of Streamline WA?

**Mr D.R. MICHAEL:** I refer to Mr Sellers.

**Mr R. Sellers:** Some of the programs of work that were started under the Streamline WA banner still have some way to go before they are finished. The next body of work is happening over the top of that. It does not mean that things that we agreed to work on and have not yet been completed in Streamline WA are not going to be completed, whether it is in my agency or another part of government.

**Ms M.J. DAVIES:** Pending the completion of those bodies of work, is there any more work coming into Streamline WA, under that banner? Are we done with that?

**Mr R. Sellers:** Maybe I do not understand the question. There is still a council of regulators and they still meet. They are working on the next package of work.

**Mr D.R. MICHAEL:** Part of the Premier's announcement in December was the next tranche of approval reforms. These things will always continue, no matter the name.

**Ms M.J. DAVIES:** I refer to the "Heritage Survey Assistance Program" under "New Initiatives" on page 234. Is that one of the minister's areas?

**Mr R.S. LOVE:** It is significant issue number 20 on page 236.

**Extract from Hansard**

[ASSEMBLY ESTIMATES COMMITTEE A — Wednesday, 22 May 2024]

p214a-225a

Chair; Ms Mia Davies; Mr David Michael; Mr Shane Love; Mr Peter Rundle

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**Ms M.J. DAVIES:** I have questions for the Minister for Aboriginal Affairs as well. Can the minister advise how much has been spent through this program to date? I note that the department has received 64 applications. How many of those have been finalised and settled?

**Mr D.R. MICHAEL:** The Minister for Aboriginal Affairs launched the program in November. It will help offset the increasing costs of conducting Aboriginal heritage surveys reported by WA's mining industry. It will run for five years and is targeted at prospectors and explorers who are actively undertaking survey works and incurring costs. DEMIRS has worked very hard to stand up the program in a short space of time with a bit of effort required behind the scenes to bring it to fruition. I am told that the first payment was made on 1 May. As of 6 May, there are currently 22 payments totalling \$113 830 pending approval.

**Ms M.J. DAVIES:** Out of the 64 applications, 22 have been paid out since 1 May; is that correct?

**Mr D.R. MICHAEL:** There are 22 payments pending approval.

**Ms M.J. DAVIES:** They are pending approval. Have they not been paid?

**Mr D.R. MICHAEL:** They have to complete the activity before they are paid. There are 80 applications as at 6 May.

**Ms M.J. DAVIES:** Eighty—that has gone up. Is that data published anywhere? Is it reported on, other than through budget estimates?

**Mr D.R. MICHAEL:** It is a new program and a lot of work has gone on behind the scenes to set it up so we can support our miners. It is not currently reported, but that might be something that we consider at some point. I will take that on notice and discuss it with the department to see whether that might be possible in the future.

**Mr R.S. LOVE:** My question might be ultra vires to the minister, but it should not be. I refer to mines statutory positions on page 236. They are regulated by work health and safety legislation, but because it directly affects many mines, I ask the minister whether he has been alerted to an issue about the switch to statutory positions required under the new act and the effect that it has on many small mine sites. Is the minister aware of any small mines that may be unable to continue under those new arrangements because of the burden placed on them? Is work being done by the department to assess the likely effect?

**Mr D.R. MICHAEL:** It is not my portfolio; however, I understand the point the member is making. The acting WorkSafe Western Australia Commissioner is here, so I will ask Ms North if she can comment on that.

**Ms S. North:** Thank you. We are not aware of any impact of that type, because under the requirement to hold a statutory position, which existed under the previous mine safety laws and is in a transition phase at the moment, there is no imminent requirement due to the transitional arrangement. Throughout the transitional years up until March 2026, people who seek to transition their statutory position will have multiple opportunities to pass the legislation exam, which is an open-book legislation exam that the department offers. We are not aware of anyone getting to a situation in which it has had that kind of effect.

[4.40 pm]

**Mr R.S. LOVE:** The issue is not so much that people are not aware of that. I think a number of people are also not aware of their requirements. I am talking about maybe a small pit that is open for only a few months of the year.

**Ms M.J. DAVIES:** A gravel pit.

**Mr R.S. LOVE:** It could be a gravel pit or whatever. If they are all shut down, that makes a real problem for the state because there are not those supplies of sand or gravel or whatever is regulated under that regulation. I am aware from operators that their compatriots do not have any idea that they have to comply. One of them wrote to me. I had a letter from Mr Sato that outlined that there was a process of communicating with registered owners—the people who are registered as being responsible for that site—but I am not sure whether that message is getting out there.

**Mr D.R. MICHAEL:** It sounds like that letter was written some time ago, but if the member wants to write to me again, even though it is within the industrial relations portfolio—the member was talking about gravel pits and those kinds of things—maybe we can have another look at it after a bit of time, noting that the transition period has been extended.

**Ms M.J. DAVIES:** Just while I have the minister's attention on that front, one of the answers we were provided was that there are limited places where people can sit the exam. As the minister would be aware, there is a significant amount of mining activity in the north of the state, but all the centres are in the south of the state. I would suggest that, from an industry perspective, that is not an ideal outcome.

**Mr D.R. MICHAEL:** I absolutely take that on board. If the Leader of the Opposition is writing to me, he can add that, or the member can as well, and we can have a look at that properly for her.

**Mr P.J. RUNDLE:** The third paragraph on page 33 of budget paper No 3 refers to the support for nickel producers. We spoke about this earlier. I will read out the paragraph —

To support nickel producers, the State Government has provided a Nickel Financial Assistance Program. This Program provides a 50% rebate on royalties paid on nickel sales each quarter from the March quarter 2024 through to the June quarter 2025. The rebate will be provided if the average price of nickel is below US\$20,000 per tonne for a given quarter. The rebate will be repayable by the companies in equal quarterly instalments over the following 24 months.

As the minister pointed out this morning, the nickel price is back over \$US20 000, which is good news, of course. My first question is: exactly how much has the minister set aside for the nickel financial assistance program?

**Mr D.R. MICHAEL:** The amount that has been set aside for the nickel financial assistance program is \$69.3 million over three financial years.

**Mr P.J. RUNDLE:** Given that Ravensthorpe is in my electorate, as the minister knows, I am very concerned about the situation with First Quantum Minerals. Given the care and maintenance that the company is potentially going into, is there a scenario of modifying the terms of this? By the time it has completed its care and maintenance, it will just about be the end of the June quarter 2025. Is there potential for that scheme to extend longer than the June 2025 quarter?

**Mr D.R. MICHAEL:** That would have to be a decision for government. This decision is that it will go for that time. Any government could decide to extend a scheme like this. The operation of this scheme was very much modelled on previous schemes from both this government and the former government. In the future, governments could decide to vary the terms if they wished to. The scheme started in the March quarter, so it has been going for only a few months. Again, at the moment, it has a \$US20 000 cap. If the price were to stay up around \$US21 000, which I understand is primarily due to the civil unrest in New Caledonia, no-one could apply for it because the price has recovered from around the \$US15 000 mark, where it was when we introduced the scheme.

**Mr P.J. RUNDLE:** Has there been any uptake of this program up to this point?

**Mr D.R. MICHAEL:** There has been some interest from nickel producers in the state, noting again that the scheme has been available for only a few months. I am told that FQM went some way to applying before it took the ultimate decision that it took, unfortunately. I am sure the member would have seen a nickel production cost curve somewhere in his travels. In Western Australia, we have some relatively cheap-to-produce nickel against worldwide production costs—not just in Indonesia but generally worldwide—and we have some relatively expensive nickel. I am told that, at the moment, some nickel producers in other parts of the state from where the member is based have a relatively low cost of production, in an Australian context at least. They would not qualify because to qualify for the nickel assistance, they have to open their books to the government and show that they have tried to restructure and right their finances to the point at which they cannot do anything more. It is not for every nickel producer; it is for the ones that really need it. Again, there has been interest and inquiries to the department, especially from FQM when it was still producing. It remains there for anyone who might want to apply, should the price decrease again. It provides some certainty as it has a time limit, so people can make investment decisions knowing that the scheme exists.

**Mr P.J. RUNDLE:** Can the minister confirm that, in fact, this will not cost the government anything, apart from the interest, because they will have to rebate the amount over the following two years?

**Mr D.R. MICHAEL:** Yes; like the schemes that I talked about before, which I think were for iron ore and lithium and some other commodities, the royalties are payable to government over the repayment period. The only risk for government would be that if a company went bankrupt and insolvent in the intervening period, the government would lose the royalties. It would become a creditor and probably would not see too much of it. That is the risk government takes. It has to have the money in the budget because it works on that four-year cycle.

[4.50 pm]

**Mr P.J. RUNDLE:** I have a final question. As the minister said, the scheme is capped at \$20 000, and some producers are high-cost producers. Is there some sort of six-monthly review period during which the price of nickel or the conditions might be looked at, or is this cap set in stone? Is it that this is the program and if you do not fit into it, bad luck?

**Mr D.R. MICHAEL:** Again, I would have to go through the normal budgetary process for there to be any change to the scheme. Although it is payable, it impacts, at least temporarily, the state budget. I cannot say whether I will do that or not because it is not 100 per cent my decision; it is a government decision.

**Mr R.S. LOVE:** I refer to paragraph 1, “Resource and Environmental Regulation”, under services and key efficiency indicators on page 239. It notes that part of the function of the department is to regulate the attractiveness of Western Australia as a destination of choice for resource companies, and to regulate the mining industry to ensure environmental compliance and rehabilitation, along with a number of other things. In terms of mine rehabilitation,

I know that there is an abandoned mines program, which I am sure will be discussed with regard to the mining rehabilitation fund. A situation has developed in my electorate recently that was brought to my attention in which a very large hole in the ground was to be left as a large hole in the ground because the operator had declared that the mine was now in care and maintenance, despite the resource, for all intents and purposes, and as far as everyone is aware, being exhausted. Does the department see that problem happening regularly? How often are mines fully rehabilitated, and how often are they parked in care and maintenance for years and years? Has that issue been raised before? It has certainly been raised with regard to this current situation.

**Mr D.R. MICHAEL:** The first thing I would say is that if there is a concern about a mine in the member's electorate, he should please let me know and I will make sure that the department looks into any of the concerns that the member or his community might have.

If a mining operation enters into care and maintenance, it is not exempt from its legal responsibilities under WA's mining laws. The mining operator must continue to comply with all relevant statutory obligations, including the payment of rent and levies and to ensure environmental protection, site safety and appropriate rehabilitation. The member talked about the mining rehabilitation fund. The tenement holder or operator is required to continue to contribute to the mining rehabilitation fund, which, as the member knows, and as we have discussed, is for the rehabilitation of mine sites even when the company goes into liquidation. During care and maintenance, the mine operator must lodge an annual MRF report providing information on the disturbance area and types for each tenement. Mines go into care and maintenance all the time around the world, as we know. Companies obviously do it for commercial reasons based on factors like we just discussed with the nickel industry. In my short time as Minister for Mines and Petroleum, I have been given lots of examples of mining operators that are doing amazing work to rehabilitate their mine sites, including working with local communities, especially Indigenous communities, on seed collections. I have visited mine sites that have kept onsite some of the woodland that was taken away from the mine because it holds some of the very small bugs and those kinds of things. When a mining operator is ready to rehabilitate the mine site, which it does on an ongoing basis as it closes down one section to move somewhere else, it can bring those logs and things back to reintroduce that sort of stuff to the site.

Just a few years ago, a resources showcase book talked about the new technologies, thinking and strategies that underpin some of our responsible development of mines in WA, including examples such as South32's Worsley Alumina operation in Boddington and its rehabilitation of state forest; Atlas Iron in Pardoo and plant growth on waste rock landforms and species richness; Buru Energy in the Canning Basin; and Iluka Resources—I could read out a list of them but I will not. It has never been put to me before that mining operators that put a mine site into care and maintenance are abrogating their responsibility around mine rehabilitation, other than that they go into care and maintenance for commercial reasons with, I presume, the hope of coming back at some point.

**Mr R.S. LOVE:** If a mine declares it is going into care and maintenance, is an assessment carried out to ensure that the mine is in a position to restart at some point? In other words, if a mine has virtually exhausted a known resource, could it sit indefinitely in care and maintenance or does the department have some mechanism it can use to investigate that; and, if so, does it do that?

**Mr D.R. MICHAEL:** As I said, the annual reporting needs to occur, but I might ask Mr Sellers to add to this one.

**Mr R. Sellers:** I might just step back and then answer the question just asked. When a mine is put into care and maintenance, and the minister went through the sort of things that mines are obligated to do, Andrew's team will look at it. If we reach a view that the mining operator is not meeting some of its obligations around tidying up the site, maintaining it and paying into the mining rehabilitation fund through a levy, the legislation provides us with an option to bond the mining operator with unconditional bank guarantees to cover the work that it has not done. That is not normally used because most mining operators do exactly as the minister said and look after the site and roll on.

Our ability to look at a mine site and ask the operator to remediate it is impacted because our current understanding of an ore body might be a bit different to the company's prediction or aspiration. For example, the Greenbushes lithium mine, a super pit, and a range of other companies might have mined a commodity and finished it, and then government of the day—some of them 40 years ago—could have moved in and said, "You've finished that activity", when, in fact, they are piling metallic ore bodies, like the Greenbushes mine announced with part of its lithium mine. With the examples in the goldfields, some of the mining operators started mining at ounces per tonne and are now mining at grams per tonne—even one gram per tonne. It is not a discussion that normally takes place. It would need to have some very strong reasoning behind it. Simply put, it is not a discussion we would normally have unless it were raised as an issue, and we would talk about it with the company. During my time in regulating mines here and in the Northern Territory, it is more about being unlucky enough to have a mine site where the ownership somehow evaporates, and then we get into a more serious discussion.

**Mr R.S. LOVE:** Is there a danger that some miners might use the mining rehabilitation fund to effectively rehabilitate the mine simply by changing ownership at some point towards the end of the mine's life and, thus, avoid the need for them to pay for rehabilitation?

**Mr D.R. MICHAEL:** Again, I have never heard that accusation being made —

**Mr R.S. LOVE:** It is not an accusation; I am asking a question.

**Mr D.R. MICHAEL:** It has never been put to me that a mining company would seek to do that maliciously, almost, but Mr Sellers might have something to add.

[5.00 pm]

**Mr R. Sellers:** Under current legislation, when a miner is operating a mine, there is a mine closure plan that is updated throughout the life of the mine. It is a public document, so the department or anyone can look at it and know the obligation a miner has. If someone is selling an asset, they are selling an asset with the liability of the mine rehabilitation plan that goes with it. As I mentioned a little bit earlier, if we were to recognise a high risk, through discussions with the minister of the day, we would look to bond a site as well as paying into the mine rehabilitation fund. There is an unconditional bank guarantee for the cost of rehabilitation, so that if an owner's funds evaporated, the money would be there. That is like a nuclear solution for that problem. Because of the way the Mining Act plays out, a mine cannot be started without a talk about rehabilitation with us, and that mechanism goes hand in hand along the life of the mine.

**Mr R.S. LOVE:** The concern would be that if the mine were transferred to a \$200 shelf company or something, all those liabilities would not be all that safe. I will leave my questioning at that point. I might put some questions on notice about the number of mines that enter into those circumstances and other members might have questions on this issue.

**Mr D.R. MICHAEL:** If the member has a concern about the closure plan for a particular mine or what a miner has been up to, can he please write to me and we can get the department to check it.

**Ms M.J. DAVIES:** I refer to the mining rehabilitation fund. I know the Marsden Jacob report has just been completed. Is there a timeline for the government to respond to the recommendations in the report?

**Mr D.R. MICHAEL:** As the member knows, the review made a number of recommendations for the state government to consider, and although industry was involved in the review, we now want to make sure we talk to industry about those recommendations as we form our response. The department is planning to discuss the recommendations with key stakeholders and progress any potential legislative amendments in 2025.

**Ms M.J. DAVIES:** Will the fund not change until those consultations have occurred? There was some consultation about proposed charges and contribution rates. That will happen over the course of this year, so will industry be consulted this year and then the changes will be next year, or does engagement start next year?

**Mr D.R. MICHAEL:** I do not propose to act on any of those recommendations until there has been public consultation, which, as the member said, is likely to happen this year and next year, and then we will go forward from there.

**Ms M.J. DAVIES:** I refer to paragraph 17 on page 236 of budget paper No 2, volume 1 and the fast-tracking mining approvals strategy. I am looking for an explanation as to why, when this was an election commitment made in 2021, we will not see the introduction of the first module of this strategy until the last quarter of this year. Referring to the department's Resources Online, which the minister was speaking about earlier, the portal launch and first release will be in September 2024, but I understand the commitment to introduce it was made in 2021. Is there a reason why it has taken so long? What will be available to industry in the release of the first phase?

**Mr D.R. MICHAEL:** The member is correct that it was an election commitment, with funding of approximately \$27.4 million over the four years. There are two pillars. The first pillar is to increase resources to improve processes and regulatory oversight and introduce minor improvements such as the Warden's Court integration, online approvals tracking and lodgement simplifications. I am told that the first pillar has been implemented. We have increased resources and delivered minor enhancements within the allocated budget.

The second pillar is what is to come, which is the undertaking of a digital transformation initiative to expand and modernise the existing Department of Energy, Mines, Industry Regulation and Safety digital capability, reduce assessment timeframes and improve service delivery. That is worth \$14.3 million over the four years to 2024–25, and there is an ongoing cost of \$1.6 million, inclusive of five FTE. The second pillar is to complete procurement activities and finalise design discovery, resulting in the formal engagement of a service contractor, with nearly \$3 million of capital and \$1.9 million of operational funding allocated in 2023–24 to commence delivery and development of the digital solution Resources Online.

It is not as if nothing has happened in the last couple of years. I am sure that the member knows that as we digitise government and the world, new online systems will take some time to plan and get right before we can start building architecture around them. I might ask Mr Chaplyn to give us a quick run-down of Resources Online with the current update.

**Mr A. Chaplyn:** In addition to what the minister has just outlined about the two pillars, in concert with those two pillars we also had to make some amendments to the Mining Act to allow some of these changes to happen in the processes. We had those amendments passed in 2022 and early 2023, and it obviously took some resources to get that work done. We worked on a new digital system, going through the Office of Digital Government, and had to make sure that what we were proposing was in line with the government's direction. That has been quite fruitful for us. The member might be aware that the Department of Water and Environmental Regulation has been working on Environment Online. We have tried to make our system able to talk to that, and in the future we will see even more benefits from information coming into both of our systems and we will be able to transmit information between the two. There has been some great forward thinking. We will be ready in September for the first use of Resources Online, and it will modernise some of our old environmental assessment and regulatory systems. It is a great step forward on what we are doing. The regulations are just getting finalised now, the system will kick off in September and there will be full implementation by early next year. For us, it is still on track and on budget in terms of our spending.

Referring to some of the things that the member has been talking about such as the plans and some of the work, when an approval is in the queue on the system, we will be able to see what has been worked on, so what we are doing and reporting will be a lot more transparent. It is a big step forward for us on making the system work for industry and ourselves.

The other component that has been mentioned is eligible mining activities. Parts of those low-disturbance areas, for some of the smaller programs and work, will, more or less, get automatic approval. We have set the parameters so that if the proponent is under those triggers, it will just about be an instant approval. Obviously, the proponent will need to have computer access for those, so maybe some of the prospectors and smaller groups may have to make sure they have that ability, but it will definitely speed up some of those processes and allow us to focus our attention on some of the more complex and bigger approvals as they come into the system.

[5.10 pm]

**Ms M.J. DAVIES:** Thank you for that information.

Can the minister confidently say that this is on time and on budget? I note that paragraph 18 refers to the WA array project and very specifically states it will be "on time and on budget". This one will be within the allocated budget. Have there been delays in the development of this project? Given that we are now in the final year of this term of government, would it be fair to characterise that as something that has been delayed?

**Mr D.R. MICHAEL:** Mr Sellers.

**Mr R. Sellers:** Thanks, minister. Clearly, I had issues such as skills shortages. Trying to employ 22-odd people had its challenges. If we characterise delays like that, yes; it has had small delays, but it is largely on track.

**Ms M.J. DAVIES:** I am sorry; there was a lot of information in the answer that was provided before. When I looked at the website, it referred to the project being delivered in phases—so phases 2, 3 and 4—but dates were not attached to them. Did one of the minister's advisers just refer to the dates?

**Mr D.R. MICHAEL:** We are hoping to go live in September, for stage 1.

**Ms M.J. DAVIES:** Will stage 1 go live in September?

**Mr D.R. MICHAEL:** Stage 1 goes live in September.

**Ms M.J. DAVIES:** When will the further stages go live? Are there dates? How many dates? What are they?

**Mr D.R. MICHAEL:** Mr Chaplyn.

**Mr A. Chaplyn:** I do not have all those dates with me, but we will have finished by the end of 2024–25.

**Ms M.J. DAVIES:** Is it possible to get the information about the stages and the dates?

**Mr A. Chaplyn:** Yes.

**Mr D.R. MICHAEL:** We are happy to make that supplementary information.

**The CHAIR:** For the record, does the minister agree to provide the supplementary information; and, if so, please state exactly what information will be provided.

**Mr D.R. MICHAEL:** We will provide the proposed implementation timeline of Resources Online.

[*Supplementary Information No A25.*]

**Ms M.J. DAVIES:** I refer to page 250 of the same budget paper. I think it is mentioned in other places, but does the critical minerals advanced processing common-user facility fall within the minister's bailiwick? It is under expenses, in the table of details of administered transactions, with—I cannot say that acronym—MRIWA, or the Minerals Research Institute of Western Australia.

**Mr D.R. MICHAEL:** MRIWA—like the place.

**Ms M.J. DAVIES:** I understand that the CMAP will be funded with \$100 million from the state's contribution. Is that correct? That contribution is conditional upon the commonwealth confirming that it will contribute \$100 million, but I did not see \$100 million in the federal budget; I saw \$10.2 million. At what point will the minister have confidence that the remaining funds are coming from the commonwealth so that he has confidence in his budget figures?

**Mr D.R. MICHAEL:** We think this proposal very much stacks up and will help the critical minerals industry in Western Australia. It will focus on upstream activity, such as the recycling of mining waste and tailings, and midstream activities such as minerals processing, high-purity metal refining and advanced mature manufacturing activities, with the aim of providing common-use pilot plant equipment to support the growth and diversification of WA's resources and industries. Organisations such as the Association of Mining and Exploration have done a lot of work on this, and I very much thank them for that. The former minister, when I took over the portfolio, described this as like a bit of a toyshop for critical minerals. The facility will have some relatively expensive equipment. Currently, smaller players, especially, have to send samples and things overseas and do that kind of thing, and they will have somewhere that they can do that. Therefore, we very much think that this project stacks up.

We chose to put our contribution in the budget and not under a contingent liability or anything like that. It is appropriated even though it has the asterisk next to it. We think it stacks up, and we want to spend the next year advocating for it to the federal government. The member would be well aware that even before the federal budget there were already varied grant programs in the critical minerals space. There are funding programs that can be accessed. We think this stacks up. We hope to use a bit of the \$10 million from the federal government fund for what it calls "feasibility work". It is for this kind of thing across Australia. We hope that we might be able to access some of that fund for pre-planning work for this particular one. Again, we will continue to advocate for it to the federal government.

We took the decision to have this as a budget line item. I think it is important for us to show the federal government that we have actual money on the table, and that it is not a case of "Let's talk about it." We actually have some money on the table that is ready to go, so we will advocate for it to the federal government and that will be ongoing. Given we know where the demand for critical minerals will go worldwide—even though there will be the odd price fluctuation and those kinds of things—I cannot see a world in which we will not need a lot of the rare earths and critical minerals for batteries and cars and all those other things that are coming in pretty fast in societies around the world.

This will be an incredible asset to not only WA, but also the country. I hope that we will continue to talk to the federal government about that. We have a great federal Minister for Resources, She knows about this project, and I will continue to work with her.

**Ms M.J. DAVIES:** What will the funding that is appropriated in the budget be spent on? Will any of it be spent in advance of getting that guarantee from the commonwealth? Is it contingent on being released—to have the full \$100 million guaranteed and in the budget—from the commonwealth?

**Mr D.R. MICHAEL:** At the moment, we are still working through what pre-works we might be able to fund and how we might be able to do that from this fund. That is something that we are still working on, but it is very much front of mind.

**Ms M.J. DAVIES:** Is there an idea about where this might be located? We have an amazing minerals province in the goldfields. We have an emerging one down in the south west.

**Mr D.R. MICHAEL:** Given the map of our critical resources, this could go in many locations. Some initial ideas have been to put it somewhere on the western trade coast or somewhere regional like Kalgoorlie. There is no set place where it has to go. The main thing we want is for it to be accessible to these companies.

**Ms M.J. DAVIES:** What kind of facility or infrastructure does it need to be? Will it be a brand new build? Is it something that exists and can be enhanced? Are we talking about a greenfields startup? Is it something that can be done relatively quickly, or we will still be talking about it in 10 years' time?

**Mr D.R. MICHAEL:** Mr Sellers might be able to answer that.

**Mr R. Sellers:** Thanks, minister. Thanks, member. A large portion of potentially \$200 million will go on pieces of equipment. Although the common-user facility cannot go completely anywhere, it does not necessarily need to have a purpose-built building for it. There are plenty of equivalents where it could go. I am going to say sheds, but it would be better than a shed. On the point of where it might go, as the minister said, we would want the facility

near an ecosystem that supports it and has allied activity around it—potentially the Western Trade Coast or Kalgoorlie and other areas. Nicole Roocke and her team did a lot of work on what that potential looks like. They talked to the Department of Jobs, Tourism, Science and Innovation and did the Neerabup robotics and a couple of other facilities that had a similar gestation. That is the work that is also being done at the moment. It is not unusual for the commonwealth to put just a small amount into it. That is not unusual for big funding proposals that we work through with the commonwealth. If it steps in and helps to do the business case, we are much more confident about the other money coming.

[5.20 pm]

**Ms M.J. DAVIES:** I am not entirely sure about this, but it looks to me as though the funding of \$100 million from the minister's budget comes from the collection of mining tenement rental revenue. I am not sure how much that fluctuates, but the government would want that to be the first dollar, as opposed to the last dollar, if it is relying on being able to deliver that, or having to then go back and find it from consolidated revenue. It says in the notes that this is now being collected by the department. Who was it collected by previously? Note (b) on page 250 states that the department will collect additional revenue for MTR from 2024–25 onwards.

**Mr D.R. MICHAEL:** The director general might answer that.

**Mr R. Sellers:** It is part of our normal process to collect the fees and revenue streams.

**Ms M.J. DAVIES:** Could you explain for me why there was a necessity to include note (b)? Does “additional revenue” mean that is going up?

**Mr R. Sellers:** Fees and charges regularly have a consumer price index or percentage increase and I was referring to that.

**Ms M.J. DAVIES:** Okay. It just says “increased revenue”. Is it just CPI or is there an intent to increase the funds that are collected through the mining tenement rental? Is it an increase in the charge or an increase in the quantum that will be charged? How is it determined?

**Mr D.R. MICHAEL:** The mining exploration rentals have gone up for a couple of years in a row now. That glide path —

**Ms M.J. DAVIES:** So it is a hypothecated fund—it is estimated?

**Mr D.R. MICHAEL:** Yes.

**Mr R. Sellers:** It is not a hypothecation in the true sense. It is recognising a revenue stream and governments choosing to spend that equivalent amount.

**Ms M.J. DAVIES:** I turn to the potash financial assistance program under expenses on page 250. The potash industry—this is something the government itself said—had a lot of upside for regional economies, particularly our agricultural sector. I note that \$795 000 was budgeted, but only \$85 000 has been accessed, which is around 10 per cent of what was budgeted. Would the minister like to provide a comment on whether that particular assistance program has been useful in light of the number of businesses that have failed over the past three years? This is something the Leader of the Opposition has pursued for some time.

**Mr D.R. MICHAEL:** It is fair to say that some potash producers have made commercial decisions, including one entering administration and others surrendering mining leases. Although that scheme has been running, some of the producers have not been able to have the success they wanted—and that we all wanted.

**Mr R.S. LOVE:** Further to that, the scheme was fairly limited in its application. It did not meet certain criteria. I forget the windows of opportunity, but there was probably only one project that was ever going to be able to meet the timelines that were laid out. It should come as no surprise that it has not been taken up. I wonder whether the government regrets the decision to not listen to the industry and to adjust the royalty rate that was applied to the potash product, which I think was five per cent of the value, and instead to have rated it as salt like it had suggested. Perhaps then we might have a potash industry instead of none.

**Mr D.R. MICHAEL:** I remind members of the 50 per cent royalty rebate that was established in the 2022–23 budget. In November 2022, it was extended for two years to provide a non-repayable 50 per cent rebate on royalties to companies that made the first sulphate of potash sales before the end of 2027. As opposed to most of the other royalty rebates, this one was non-repayable. I am told that the former minister also gave some rent relief to some of those companies. I was not in cabinet when these decisions were made, so I cannot talk to whether it is regretted or anything like that. I know that was significant support that we tried to give the industry. I also know—I will not go into it now because it involves the companies concerned and I do not want to publicly talk about their difficulties—that the companies have had some difficulties with things that are beyond the government's control.

**Mr R.S. LOVE:** They had difficulties and they alerted the government to the fact that they would not be able to finance their projects under the royalty regime that the government insisted upon. That was the difficulty. What happened was always going to happen. Anyway, that is a comment, not a question.

**Ms M.J. DAVIES:** I appreciate that the minister was not in cabinet at the beginning of 2018, but the previous Premier and previous minister on behalf of the government, which is still the government, announced a commitment from this government to assist in the development of a potash and minerals in brine industry in Western Australia. Has that changed? Is there still a desire to assist the development of a potash industry in WA?

**Mr D.R. MICHAEL:** The assistance program is still available. I make a point of meeting most producers who want to talk to me and outline concerns. If someone wants to put something to me, I am always willing to listen. I make the point that obviously the potash price has decreased significantly worldwide. In any government support we give, whether state or federal, when dealing with world commodity prices, royalties will be a small proportion of the issue. The former minister gave rent relief to some producers, but I am always willing to listen to arguments if there is more we can do.

**Ms M.J. DAVIES:** I am not advocating for any particular company; I am just pointing out that the government said it had an interest in developing a potash industry in Western Australia. It has importance for the mining industry and also the agricultural sector. It has great upside if the government can make it work. I am just asking whether there is a strategy or whether it was just a statement.

**Mr D.R. MICHAEL:** Is the member asking whether we support the industry?

**Ms M.J. DAVIES:** I am asking whether there is a strategy within government to go down the path of developing a potash industry. We talk about critical minerals and having a multifactorial strategy and initiatives—not just royalty relief or some of the support mechanisms we have talked about, which clearly did not hit the mark—and then there are business factors well. What is the government doing, other than making the statement that there is a desire for it to happen? How are we supporting the development of an industry?

[5.30 pm]

**Mr D.R. MICHAEL:** I will continue to look at any support we are able to give to the potash industry or any other mineral or mines and petroleum commodity, but as I said, the state government has already provided significant support to the industry, including the royalty rebate scheme, mining lease rent concessions, payments extensions, specific mining rehabilitation fund levy rates and investments in infrastructure. Again, if there are proponents who wish to start producing potash again, or to continue or to start up production, I am willing to meet with them and listen to their concerns and how they think the state government might be able to help.

**Ms M.J. DAVIES:** I have a new question. I refer to page 234 of budget paper No 2, volume 1. In the “Spending Changes” table, under “New Initiatives”, there is the line item “Office Accommodation Consolidation”. I am looking for a bit of detail on this line item and whether the consolidation of offices has had any impact on the regional presence. Have any regional offices been closed or relocated, or is that anticipated going forward?

**Mr D.R. MICHAEL:** That \$3.8 million to be invested in the budget and over the forward estimates is to start work on consolidating the department’s five metropolitan offices into a single lease premises in the CBD.

**Ms M.J. DAVIES:** Thank you.

**The appropriation was recommended.**