

MINERALS RESEARCH INSTITUTE OF WESTERN AUSTRALIA BILL 2013

Second Reading

Resumed from an earlier stage of the sitting.

HON ROBIN CHAPPLE (Mining and Pastoral) [5.13 pm]: Before the break—it was an enjoyable break so that we could say our fond farewells to Malcolm Peacock and welcome Nigel Pratt—I was saying that the Minerals and Energy Research Institute of Western Australia was producing some quite good reports. I have always been of the view that MERIWA—now MRIWA—needs to possibly focus on some of the more innovative things. There are some innovations going on in the mining industry in South Africa. South Africa is actually getting diesel vehicles out from underground mining and using overhead monorail systems and smaller declines with less potential for accidents. Mining companies are actually taking the crushers and plant to the base of the decline, and working their way back up. Some of the experts at the Kalgoorlie branch of the Chamber of Minerals and Energy have been looking at some of these issues, as have some of the South Australian miners. I encourage the Minerals Research Institute of Western Australia to start looking at some of those issues to try to call in some of that investigation so that some really proactive work can be done by it.

The essence of the Minerals Research Institute of Western Australia Bill 2013 is to formalise the name change between what was MERIWA, which then became WAMRI, which is now MRIWA. I thought WAMRI had been legislated for, but apparently it never got quite that far and has now had its name changed again. It has been changed from WAMRI because it actually clashed with the Western Australian Institute for Medical Research so we actually would have ended up with two “WAMRIs”, which might have, especially when it came to parliamentary questions, caused some confusion.

Hon Peter Katsambanis: Alphabet soup!

Hon ROBIN CHAPPLE: Yes.

The new entity, MRIWA, will take everything forward from WAMRI except the name, and will deal only with minerals not energy research. I want to find out from the minister where the element of energy research done under the original MERIWA will now be undertaken. Will there be another entity and another funding bucket around the energy development, petroleum and gasification industries?

Some of the things proposed to come out of WAMRI—I will refer to it as WAMRI for the moment because, in essence, that is where all the information comes from—indicate there will be a greater level of funding capability. My understanding is that there will be an allocation of about \$7.5 million to MRIWA—\$2 million this year, and two lots of funding in the forward estimates. I am really hopeful that although there will be significantly more funds available, and although industry will have access to those extra funds for research purposes, we will not just go for the projects with the big bang for the buck, but we will look at some of the smaller, more innovative programs that some institutions such as universities and the like might bring to MRIWA.

I also need to clarify whether the government agencies will be able to do some co-funding through the MRIWA model. My understanding is that the old maximum MERIWA could invest in a single project was \$150 000, but enactment of the new act will enable MRIWA to invest \$1.5 million. Given that the funding allocation is \$2 million per annum, although there may be projects that could take up a large percentage of that, I hope there will be a process that will ensure that funding is spread evenly through the research sector.

The paper “Western Australian Minerals Research Institute: Research Priorities Plan” released in 2013 refers to a number of projects under the prioritisation theme. The paper describes how we can optimise the state benefits including state revenues through those projects. One aspect being focused on is finding more resources. We know that a significant decline has occurred in the finding of resources, and to a large degree that is because of the assistance in the form of the exploration incentive scheme for the drilling program that came about for looking for those sorts of things. However, the more that is looked for, unfortunately, the less there is found. It is really quite sobering to read the work coming out of Monash University about mineral resources globally and in Australia. The work indicates that more and more of the discoveries being made are not major projects. We certainly have two major gold projects: Boddington, which will go for a long while, and Tropicana, the new one that has come on board. However, in the broader scheme of things we are making fewer and fewer discoveries. One of the things we really should be focusing on is maximising the resources from deposits so that when we walk away from a mine or a deposit, we are absolutely sure that it is sterilised and that no resources are left behind.

I apologise to the company if I get the name wrong, but I looked at a mine called Fortnum, I think. It had a deposition rate for tailings in its tailing structure of about 70c per tonne. The company came to the department and said, “Look, we’ve got an old abandoned pit here. I know you don’t like it but we want to put our tailings in there and we can assure you that we’ve drilled and it’s sterile. So we want to fill this pit up”, and it was allowed to do that. The most amazing aspect of that was that the company’s deposition rate went from 70c per tonne to 7c per tonne, basically because it was filling in a hole. However, prior to filling in the hole, the company had created an underdrain and a dewatering system for that underdrain to enable the tails to solidify. Because the tails contained residual cyanide—only a small portion—the company found, as it started dewatering to solidify the tails, that it was getting 10 parts per million gold in the water. This was because the residual cyanide was leaching fine amounts of residual gold from the wall of the pit. Those amounts would not usually be economic and the deposition rates eventually went down by almost 100 per cent. The company kept the water pumps going for several years afterwards and made a profit out of the water. I do not think that was the company’s intention. It helped the company’s bond at that time, because if it had put the tailing system in, the bond would have been greater and it would not have been able to repatriate the pit earlier. Filling in the pit therefore helped the company financially and it ended up being really profitable. I have told people around the world about this and many people have taken this idea on board. It has always been considered a no-no to fill in a pit, but to leave it open because somebody is bound to go back in there and mine.

The company also worked out that what it could do, because it was pretty loose material, was, if at any time it wanted to go back in, the company could pull it all out again. It would not have been cost-prohibitive, but the company made so much out of this process that it was an economic windfall. I find that sometimes things like that are really quite progressive and they are the sorts of things that the Western Australian Minerals Research Institute needs to look at—helping industry find better ways to sterilise ground, get the resource out and implement better rehabilitation as well as a range of other things. I see that the minister is about to interject—hopefully.

Hon Ken Baston: I take it that that is actually putting the slurry back with water; is that how the company was getting the gold out of the tailings?

Hon ROBIN CHAPPLE: What happened was that the tails went in wet, a geotechnical membrane was put underneath, with a rock strata underneath that, a pipe was put down from the outside so that the water drained through the geotechnical membrane into the rock space underneath where the water was extracted. It was basically to help solidify the tails. That is the biggest problem with tails. When one looks at the old tailing structures that were built by Barrows 100 years ago and one starts pulling those 100-year-old tail systems apart, one finds that they are still wet in the middle. To really stabilise them one has to get rid of that water, but when the water was pulled out the little amount of residual cyanide was just enough to start filtering out the gold that was left behind in the walls of the pit. It was not viable to go after it. It was a novel process that helped that particular industry financially in gold return, bond and deposition rates. That is why I speak about the very small underground declines now being run in South Africa and the non-use of diesel underground because of occupational health and safety issues. When they finish the mine all the dirt and everything else is left in the bottom of the pit. Workers walk out of the mine backwards to the top and there are no tail structures, waste dumps and so on. In essence, everything is still down in the mine. On one level it is capially expensive because the company has to start from the bottom up, whereas most mines start from the top and work down because companies want to get an early return. Over the life of the mine, the estimation is that it is better to have that capital expenditure go in early, then the mine’s economies of scale during its life are much better. It is being pushed by a number of engineers around Australia, but there has not been much take-up. But if we look to a country like South Africa, which has a range of other associated problems with workforce and so on, its occupational health and safety is incredibly good. Those are the sorts of things that WAMRI should be looking at and addressing. Obviously, it requires a proponent to come to the board of WAMRI and put forward those ideas. I encourage industry to look outside the box and look at some of the potentials.

Let us go back to the nature of the bill. There are several parts to the bill. It establishes the powers and functions of the institute; I would like to question some of those powers and functions and the management arrangements for the board during the debate on the short title. I do not necessarily want to go through the bill clause by clause, but I do have a few questions that I would like answered.

Part 4 provides that the MRIWA board is the governing body and that the minister will appoint seven members; it sets out the requirements of the constitution and its processes; the appointment of a chief executive officer and the provisions relating to the CEO’s employment; and allows MRIWA to engage staff as public servants or otherwise. I would like to know how many staff will be employed. I note that the old MRIWA did not have a staffing allocation; my recollection is that it was in essence a secretariat and people were brought in from time to time. It will be interesting to see how that will change with the establishment of the new MRIWA.

Part 5, “Accountability and financial provisions”, makes it clear that MRIWA is ultimately subject to ministerial control and sets out requirements for reporting to the minister. I would like to determine the level of ministerial control in that short heading. Part 6 provides for miscellaneous matters including the protection of officers from liability and the confidentiality of information obtained through the performance of functions under the new act. Given that this is public money and reports are to come forward, what needs to be confidential and what are the components of that confidentiality? The bill repeals the Minerals and Energy Research Act 1987 and amends several acts as a consequence.

In essence, that takes me through my points, but I will briefly touch on the Western Australian Minerals Research Institute. On 16 May 2012, the previous Minister for Mines and Petroleum announced the establishment of the new Western Australian Minerals Research Institute with the allocation of \$7.5 million over three years. It is my understanding that \$2 million was for the first year, and that the other \$5.5 million would be split over the following two years. WAMRI’s focus is on the research and development needed to ensure that the state minerals industry remains an engine of economic growth. I made the point that the newly established MRIWA should look at innovative processes rather than getting bogged down looking for more minerals in a declining market. It is a bit like fishing for declining stocks with a larger fishing fleet. It is stated that there are more fisheries, but the fisheries’ stocks are getting less; a larger fleet is catching a dwindling amount. A time comes when one has to say that we know that an area has been extensively drilled over time and we can conclude quite satisfactorily, with all the data held and recorded by GL Surveys and others, where the mineralisation is. I did some work with Shell many years ago looking for oil and gas down through the border country and all we found was water.

Hon Ken Baston: Is that the same water that Andrew Forrest found again later on?

Hon ROBIN CHAPPLE: That is right; exactly. Andrew is good at that. Interestingly, that data is available and it is up to governments of all ilks to maintain those datasets.

The objectives of establishing the Minerals Research Institute of Western Australia are very much the same as the original Minerals and Energy Research Institute of Western Australia; there has been a rebranding and cleaning up process. The only thing that is different is that MRIWA will not deal with energy or petroleum in that research component. Again, I would like to find out where we are going from there. That is it from me at the moment, but I look forward to questioning some core issues when we go to the committee stage

HON PETER KATSAMBANIS (North Metropolitan) [5.35 pm]: It is a pleasure for me to rise to speak in support of the Minerals Research Institute of Western Australia Bill 2013, which establishes the Minerals Research Institute of Western Australia. As other members have pointed out and as was pointed out in the second reading speech, the mining and minerals industry in Western Australia is a critical industry for the health, vitality and growth of the economy of this state. I shudder to think where we would be without a vibrant minerals industry. The details of the contribution that the industry makes to our state are very well known. However, there are challenges ahead of us in a very competitive global environment in which other nations are striving to replicate what we have done here in Western Australia. We cannot be complacent and simply expect that what has been working for us in the past will continue to work for us in the future. As was pointed out by the minister in his second reading speech, at the moment Western Australia has probably had the easy wins. All the easier-to-find deposits have already been discovered and a lot of them have already been commercialised, so we are getting into the harder-to-find areas that require new skills, new techniques and new ideas, some of which do not even exist.

The other issue that was highlighted in the second reading speech is that capital investment is at risk because of emerging competition from lower cost producers in other countries or jurisdictions. Often the ore bodies are easier to find and the costs are lower, so we have to continue to innovate to ensure that our production is done at a low cost and remains globally competitive. The need for further research is clear. If the minerals industry is going to continue to be one of the drivers of growth in this state, we should not be sitting on our hands. We should make sure that we are at the forefront of cutting-edge research in this area and then apply that research in this state for the benefit of its people. Of course, we know what those benefits can be; we have all enjoyed them and lived them in the years that our mining and minerals industry has been providing such a strong base for the economic performance of WA.

In her contribution to the debate, Hon Kate Doust commented on some of the comments that I had made in a previous debate in this house on 24 October. Unfortunately, she misrepresented my comments and I would like to take some time to point out to the house and Hon Kate Doust that what I said on that date is completely compatible with my support for this bill and for the creation of this institute. Back then, we were discussing a motion brought to the house by my good friend and colleague Hon Mark Lewis on the significant contribution that the WA resource industry had made to not just Western Australia but the whole of Australia, avoiding the worst aspects of the global financial crisis. I said that although Hon Kate Doust talked about innovation and diversifying our economic base, which I suggested in that speech was a good idea, unfortunately, she strayed

into that area in which she was calling on the government to be the driver of innovation and to pick the winners. I suggested that that was wrong. I said, conversely, that government needs to create the environment for the private sector and for people out there in the community to choose what areas they want to innovate and invest in and reap the rewards of that investment and innovation. I suggested that government should break down the barriers, cut the red tape and create a low tax, pro-investment environment. I also suggested that at some time government may also need to assist with some seed funding. Those comments are completely compatible with what this bill does in creating the Minerals Research Institute of Western Australia. It will not be the government driving the innovation; it will be the government creating an environment and creating an institute that will provide assistance for research projects developed in combination with research organisations, universities and the like and industry. It will be the government providing some assistance, a kickstart, if we like, and a framework for that innovation to take place. However, the drive will come from non-government entities, research organisations and the industry itself. They are best placed to decide what are and are not the right projects. That is why, again, we are going down the right path in creating a research institute that will not be picking winners. It will not be saying that government knows best; it will be saying, “Here is a framework and here is some funding within a research institute environment so that you people out there with the good ideas can turn into the next Andrew Forrest, the next Fortescue Metals Group and other groups. Come along and we can assist you.”

The successes of mining and minerals industries in WA are folklore but, as I said at the outset, we cannot just rest on our laurels; we cannot just rest on what has gone on before. This government clearly recognises that. We have had research institutes, as was pointed out by Hon Robin Chapple. In one of my interjections I pointed out that we tend to mix around the alphabet soup from time to time. I, too, would welcome the comments from the minister about researching energy. As we have seen and as I said recently in another contribution to this chamber, we have seen what disruptive technology in the energy field can do. It can be extraordinarily dislocating for places like WA, as we have seen with the proposed floating liquefied natural gas platforms off our north west coastline. We would hate that sort of innovation to end up causing dislocation for our minerals industry as well. In fact, we can head it off at the pass through institutes such as these because we can start the innovation process here. We can start the research here; hopefully, we can move from research to commercialisation. We can match up venture capital partners and the like and ensure that the benefits of the research that comes out of the Minerals Research Institute of Western Australia are reaped by the people and the businesses of our state to create new employment and new wealth.

With those few words, I will wind up my contribution on this debate. I commend the bill to the house.

HON KEN BASTON (Mining and Pastoral — Minister for Agriculture and Food) [5.45 pm] — in reply: It has been a long discussion on the Minerals Research Institute of Western Australia Bill 2013, and it has been some time since I have heard all those who spoke in this house praise a bill.

Hon Ken Travers: I could speak on the short title and explain why I am supporting it, minister.

Hon KEN BASTON: I was quite amazed when I read the bill—I think Hon Kate Doust touched on it—because I could see that the wording was straightforward and easy to read. As I said, we can see from reading through the bill that the objectives are clear. Hon Kate Doust referred to Hon Norman Moore during her comments, and even though she said that he does not know how to work an iPad, I assure the member that he has been watching the Parliament lately. I saw him last Saturday.

Hon Kate Doust: On TV. I cannot imagine him using a laptop—certainly not an iPad.

Hon KEN BASTON: I have to tell members that he has been watching Parliament. I would have thought he would be out playing golf.

Hon Kate Doust: I think he is thinking about coming back; you better watch yourself!

Hon KEN BASTON: He has similar quirks to those of Hon Bruce Donaldson, who regularly watches Parliament on television for entertainment while he is enjoying his retirement.

The budget for the Minerals Research Institute of WA is \$7.5 million over three years. I think that is a substantial amount of money but other capital will be added. The \$7.5 million comprises \$2 million, \$2.5 million and \$3 million spread over the next three years. The Department of Mines and Petroleum will put in \$350 000 over the next three years and that will add up to another \$1 million. There will be \$1.3 million of other funding, which will bring funding very close to \$10 million. If this money is used wisely and leveraged, obviously it will go a long way.

Hon Robin Chapple was asking whether small groups as well as large companies would get a go, bearing in mind this bill also allows overseas investment. Funding will not be restricted to only Australian investment;

overseas companies can also benefit. The bill will provide an opportunity to drain the minefield—I mean the human mind and to —

Hon Robin Chapple: You nearly went down the wrong path there!

Hon KEN BASTON: Yes. The bill will enable technology to be developed for Western Australia. It has already been said that our mines are becoming deeper. As they get deeper, we are not talking only about extraction; we are talking also about safety, which Hon Kate Doust also touched on, in underground mining and the type of rocks and infrastructure we need to protect the people who are mining.

Hon Robin Chapple raised a valid point about the need to get to a stage so that every ounce of gold or mineral in a mine is extracted and so that when mines are rehabilitated that is the end of it and there is no need to go through the extraction process again. There is no guarantee of that, of course, because we do not know what technology will be available in the future to allow for further extraction. However, one hopes new technology could be used in this state so that every particle of that the mineral can be extracted. That is important, because throughout the state, in places such as Cue and Meekatharra, there are mines and small holes literally everywhere. They are the result of mining before rehabilitation was required in the mining industry. Now, with the requirement for mines to be rehabilitated, often it is difficult to recognise a slag heap that has been built up and covered over with vegetation regrowth from a genuine hill, but that will be recorded and things will be easier to identify in the future.

The bill is easy to read. I have an answer to the question about whether energy is excluded. Energy research is excluded from the Minerals Research Institute of Western Australia Bill to avoid duplication. The Western Australian Energy Research Alliance is an existing entity for directing WA state investment in petroleum and gas research. Although the minerals and oil and gas industries are both with the resources sector, the research and technology needs of the industries are materially different. I will answer that question further for the honourable member in committee.

Hon Kate Doust touched on the matter of the bill being deemed urgent. Yes, it would be good to get this bill through. The passage of bills always takes time. We always think they will pass through the house faster than they do, but they do not. I was asked how Parliament operates and I replied very slowly but very thoroughly and that I do not know a better system. We will continue down that line.

Hon Ken Travers: Do not encourage us, minister. We are trying to help you get this bill through.

Hon KEN BASTON: I thank Hon Ken Travers.

Hon Kate Doust commended the legislation as being sound. I totally agree with that.

Hon Robyn McSweeney: She said you were a good government.

Hon Kate Doust: I didn't say that. Don't put words into my mouth!

Hon KEN BASTON: Hon Kate Doust just about said that. She also said something about not just digging it up and selling it. I totally agree with that statement. Many state agreements include provisions about what companies will do, such as local employment, local labour, buying locally, doing everything in X number of years and value-adding. Very few companies in this state have value-added. The only interesting value-adding that WA is getting now is from better scientific knowledge that allows haematite to be converted into a pellet form and shipped out. That value-adding puts the product into a higher category. That is probably the closest thing we have got. BHP's briquette smelting plant in Port Hedland blew up, which was a disaster, unfortunately.

Hon Robin Chapple: I wrote the report on that.

Hon KEN BASTON: Hon Robin Chapple would know that it was a monument to stupidity.

When I was in opposition and we were debating a state agreement act in this place, reference was made to the Oil Refinery (Kwinana) Agreement Act 1952, which went through this house. Hon Kate Doust may remember that. When that state agreement act was put together concerns were raised that the trucks would do away with labour. So the state agreement actually equated the horsepower of the trucks to how men should be working in the mine. At that time, one horsepower was equivalent to six men. Today, that would be equivalent to 150 men for every truck that went into a pit. As the member said, Rio Tinto is now operating the trucks remotely from a centre near the airport. I do not know whether I would like to work in a pit that had trucks with no drivers and also trucks with drivers—I am not sure which one would be more likely to run into me. We are also heading towards having trains that do not have drivers. Everything is becoming more mechanised, and more science is involved. One of the aims of this bill is to attract scientific knowledge from around the world to work out how we can extract minerals that perhaps we do not even know we have. The mineral sands industry in this country has taken off. There are quite large mineral deposits just out of Halls Creek. However, they are still trying to find

the best way to extract those deposits. A lot of the science still needs to be filled in. This bill will improve our ability to make that happen.

I had not realised until it was mentioned by Hon Kate Doust that under the previous act, there was a limit of \$200 000. Under this bill, that limit will be higher. Science and research can swallow many dollars, as we all know. The board will need to make a judgement about what is fair and who will get funding. At the end of the day, there must be a return to the state. That is what the board is charged to do. The bill provides that there must be a review of the act after five years, and that a report of that review must be provided to each house of Parliament. That is extremely important if we are to keep a check on the operation of the act.

Hon Kate Doust touched on occupational health and safety. I have touched on that as well. That is built into the bill, and that is very important. Safety is very important in underground mining. I am not a great fan of going underground. It does not really rock me.

Hon Robin Chapple: If I may make an interjection, I was in the Bronzewing mine three days before it collapsed. I was with officers from the Department of Environment, and we looked at the wall and said, “This is wet; we do not think it is stable”, and we walked out; and three days later, three guys were killed there.

Hon KEN BASTON: I reserve my judgement to continue to be nervous. I have been down a nickel mine just out of Halls Creek. That is the safest underground mine I have ever seen. It has little spirals with man cages going up from one level to another so that people can escape if they need to.

Hon Kate Doust also touched on the job opportunities that mining provides. Mining is a very big employer.

Another issue is the proximity of Western Australia to Asia. That is extremely important. Most people do not realise that we are closer to Jakarta than we are to Sydney. Asia is on our doorstep, and it is a big user of energy and other resources that we export. In my other role as Minister for Agriculture and Food, I follow on from the resource sector in Asia with agriculture. I think I have tackled just about everything that Hon Kate Doust has raised.

Hon Kate Doust: You did not tell me when the bioprospecting bill will be introduced.

Hon KEN BASTON: No. Sorry. I will endeavour to look in the cupboards next time I am in a cabinet meeting and see whether it is lying around somewhere.

Hon Kate Doust: And, if you do find it, perhaps you could dig around a bit deeper and see whether you can find the review document as well!

Sitting suspended from 6.00 to 7.00 pm

Hon KEN BASTON: Before dinner I was responding to the comments of the two members who spoke during the second reading debate. I was endeavouring to answer some of the questions that Hon Robin Chapple asked. I have some answers here that may be what he requires. He asked whether funded projects will have to benefit WA. Yes, they will, as stated in clause 6, “Institute’s functions”. Obviously, the institute would not fund something unless it benefits WA. As I said, that does not stop investment in overseas companies to provide outcomes for Western Australia.

The member asked whether applications can be made throughout the year. The Minerals Research Institute of Western Australia will be open to applications at any time. He also asked whether research projects will be required to be in the public domain. The answer is yes. Clause 9 is about the institute’s obligation to keep records on mineral projects. It is also a condition of each grant that reports go in the public domain because we are using public funding, which is a point that Hon Robin Chapple also raised. The member asked whether the institute can co-fund with government agencies. Clause 11(4) states —

- (4) The Institute, in performing its functions, may act alone or in conjunction with —
 - (a) any person or public authority; or
 - (b) any other government agency or instrumentality of the Commonwealth.

Hon Robin Chapple asked about maximum limits for individuals. A figure of \$1.9 million was thrown around. No provision in the bill outlines the maximum limit on an individual project’s funding. That is a policy matter for the board to decide. The member referred to funding being spread over big or little projects. There is no requirement in the bill. The board is accountable for the nature of the research and the portfolio. The member also touched on how the institute’s staffing compares with the Minerals and Energy Research Institute of WA’s staffing. Currently, MERIWA has fewer than 3.5 full-time equivalent staff, and it is unlikely to exceed a total of five staff in the future, given the current level of funding. The member also asked about the level of ministerial control. Clause 63 provides the minister with the ability to direct the institute. The institute has to obey directions

and the directions have to be tabled in Parliament. Clause 64 entitles the minister to information on the day-to-day activities of the institution.

Members asked why confidentiality provisions are required. They are required to protect the interests of applicants for research projects, especially while the research is going on so that the ideas are not stolen. The intent is that eventually all research will be published, so it will finally flow through in the end. Clause 70(2)(c) provides that confidentiality is waived with the written consent of the relevant person so that the final reports can be published.

That pretty well sums it up, although there was mention of two mines. I think the Boddington and Tropicana mines were mentioned. Also, Hon Peter Katsambanis had a small contribution—not small, sorry—where is he? He has gone. Hon Peter Katsambanis made a major contribution —

Hon Robin Chapple interjected.

Hon KEN BASTON: He is obviously out tending to parliamentary business. Basically, Hon Peter Katsambanis talked about the importance of mining and the need for government to create the environment for research to happen. He believed that the Minerals Research Institute of Western Australia Bill 2013 is very much going down the right path. If we want to see the next Fortescue Metals Groups and everything else, obviously, we have to be smarter and we have to do research. I believe that this bill will set up the direction to encourage people to do that research for the future mines of Western Australia. I commend the bill to the house.

Question put and passed.

Bill read a second time.

Committee

The Chair of Committees (Hon Adele Farina) in the chair; Hon Ken Baston (Minister for Agriculture and Food) in charge of the bill.

Clause 1: Short title —

Hon ROBIN CHAPPLE: Madam Chair, if I may, with your imprimatur, I do not particularly want to go through the bill clause by clause, so if I just ask my questions at this stage, hopefully, we will not have to go any further.

I know that the minister has oversight or can make determinations about the way the board may or may not go. To what extent—this is me trying to test this out—can those powers be used? Could, literally, the board be directed nonstop by the minister?

Hon KEN BASTON: Basically, the control is that if a minister does give directions, each direction that is given has to be tabled in Parliament. That is the safety clause in the legislation.

Hon ROBIN CHAPPLE: We know that if members of the board declare an interest in any of the matters before them, they do not get involved in procedure; they remove themselves. They are allowed to stay for deliberations with the approval of the other board members. What would happen if several members had conflicts and the board could no longer form a quorum, as has been the case with the Environmental Protection Authority?

Hon KEN BASTON: In that situation, the minister has the right to appoint somebody else to make up a quorum. If somebody declares an interest, the number of members required for a quorum can drop to three. Obviously, if it is taken a step further, as mentioned by the member, the minister would appoint somebody else to fill that position.

The CHAIR: Order, members! Hansard is having difficulty hearing. Too many audible discussions are being held in the chamber. If you need to have a private discussion, perhaps you could leave the chamber and make life easier for Hansard and for me.

Hon ROBIN CHAPPLE: Luckily, I am deaf so I cannot hear anything!

Hon Ken Travers: That explains everything!

Hon ROBIN CHAPPLE: It is a very good position to be in, member; I do not hear the slings and arrows!

We have already discussed that the records that are kept about minerals research projects will be in the public domain. At what stage will they be in the public domain? If a program were being initiated by the government and the Minerals Research Institute of Western Australia and there was joint funding, is there any ability for the determination of the outcome of that project not to be disclosed, because it is deemed not to be public money but is all government money?

Extract from Hansard

[COUNCIL — Wednesday, 11 December 2013]

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Hon Robin Chapple; Hon Peter Katsambanis; Hon Ken Baston; Chair

Hon KEN BASTON: The institute may of course keep detailed records about each mineral research project, and that will not change no matter whether it is government funding or MRIWA funding. Basically, that will have to be made public within 12 months; it is to be released by the chair.

Hon ROBIN CHAPPLE: Although there is ministerial oversight of the research priority plan, which is dealt with in division 4, will that plan be developed by the board? Does the board have a direction in which this might go, as perceived by the minister? Will it be down to the board listening to industry to determine where the priorities will be or has a ministerial viewpoint been put forward about where the research priorities should fall?

Hon KEN BASTON: The minister is to be given the research priority plan. Under clause 16, the institute must give the minister a copy of its research priority plan and any revised research plan. If the minister gives a direction out of that, the member's concern is that the minister can override the board all the time. If the minister does that, then the board has to give it back to the minister to table it in Parliament again if the minister has shown that he has overridden it. Once again, it is transparent.

Hon ROBIN CHAPPLE: I think that has most probably covered all the questions I had in that regard. I thought the minister was going to identify—maybe I did not hear it earlier—how the energy component of what was the old MERIWA will be dealt with into the future.

Hon KEN BASTON: Why is the energy component excluded? Yes, I did answer that—maybe I was not clear enough! Energy research is excluded from MRIWA's scope to avoid duplication. The Western Australian Energy Research Alliance is an existing entity for directing WA state investment into petroleum and gas research. Also, while the minerals and oil and gas industry are both within the resources sector, the research and technology needs of the industries are materially different.

Hon Robin Chapple: That is fine.

Clause put and passed.

Clauses 2 to 92 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by **Hon Ken Baston (Minister for Agriculture and Food)**, and passed.