



Hon Alannah MacTiernan MLC
Minister for Regional Development; Agriculture and Food; Ports;
Minister Assisting the Minister for State Development, Jobs and Trade

Our ref: 64-15701
Your ref: Petition No. 140

Hon Matthew Swinbourn MLC
Chair
Standing Committee on Environment and Public Affairs
Legislative Council Committee Office
18-32 Parliament Place
WEST PERTH 6006

Dear Chair

PETITION NO. 140 – ROYALTIES FOR REGIONS ENVIRONMENTAL PROJECT ALLOCATIONS

Thank you for your letter dated 14 February 2020 regarding the above petition, which outlines a range of environmental concerns, and asks the Legislative Council to request the State Government to direct a minimum of 10 per cent of all Royalties for Regions funding on annual basis for environmental purposes.

As you would be aware, environmental matters relating to degradation, loss of ecosystems, pollution, rehabilitation, climate change and supporting community based organisations are important to me.

In my roles as Minister for Regional Development; Agriculture and Food; and Ports, I'm conscious of the need to ensure we are responding and adapting to climate change to ensure our State can continue to prosper. Consequently, I have been actively pursuing various policy initiatives to improve our climate resilience and adaptation to climate change.

Hypothecation of Royalties for Regions Funding

The objective of the Royalties for Regions Act (the Act) is to promote and facilitate economic, business and social development. At present the funding is broken into three subsidiary accounts, which direct funds to support a wide range of initiatives that include providing support for regionally focussed social, economic and environmental initiatives.

Government priorities focus on initiatives supporting job growth, and that enhance regional economies. Investing in our environment is a key area of investment in the RfR

budget with initiatives selected for funding based on demonstration of merit against the government's strategic objectives.

An estimated \$270 million of Royalties for Regions (RfR) funds has been invested over the past 10 years in projects relating to the protection and management of the environment. Projects supported include vegetation protection, prescribe burning, carbon farming and natural resource management grant funding.

Over the next 4 years, 2020-21 to 2023-24, a further \$100 million is forecast to be allocated to support environmental initiatives, which includes supporting the revitalisation of waterways, habitat retention, investment in training and joint program management with Aboriginal people. The annual allocation to support these initiatives is published in the State Government budget papers.

In respect of the specific proposal to direct a minimum of 10 per cent of all RfR funding on an annual basis to environmental purposes, the McGowan Government was elected with a fundamental commitment to restore the State's finances.

As the Committee would appreciate, all spending decisions by Government have to be weighed against other options – an increase in some areas would necessarily come at the cost of reducing other areas.

Hypothecating a minimum of 10 per cent, under current circumstances, would see around \$100 million per year be set aside for environmental purposes. Given the constraints around RfR expenditure already in place, this would further reduce the Government's ability to manage the budget in response to economic circumstances.

Other Policy Initiatives

Recognising the importance of addressing the climate challenges we face, the McGowan Government has progressed a number of important policy initiatives in support of both our environment and our regional communities.

In December 2019 we announced the go-ahead for Human Induced Regeneration (HIR) carbon farming. HIR carbon farming focuses on grazing strategies which promote regeneration of native vegetation and remove carbon dioxide from the atmosphere.

A key driver behind advancing HIR projects is the prospect of improving the environmental condition of pastoral lands in the Southern Rangelands, whilst also providing pastoralists with a new revenue stream. Historic overgrazing and underinvestment has resulted in very poor land condition which is economically unproductive. Carbon farming will see changes to grazing management, improve soil and water quality, reduce soil erosion and ultimately lead to improved pastoral productivity.

In November 2019 the McGowan Government announced its Pastoral Lands Reform package to drive sustainable development and better land management. The suite of measures will enhance monitoring and compliance, improve security of tenure, along with encouraging development and diversification on the pastoral estate.

As a Government, we have also moved quickly to position Western Australia to harness the opportunities the renewable hydrogen industry is presenting. The WA Renewable Hydrogen Strategy was launched in July 2019 to position Western Australia as a major producer and exporter of renewable hydrogen.

It sets out the State Government's agenda to facilitate a renewable hydrogen industry and create jobs for Western Australia through four strategic focus areas: export, applications in remotely located industries, hydrogen blending in natural gas networks, and transport using fuel cell electric vehicles. I believe Western Australia, and particularly regional Western Australia, is well positioned to capitalise on this growing industry, and the global trend towards decarbonisation.

Thank you for the opportunity to respond to this petition. I can assure you that support of environmental initiatives will continue to be considered for funding through Royalties for Regions.

Yours sincerely

A handwritten signature in black ink, reading "Alannah Mactiernan". The signature is written in a cursive style with a large initial 'A'.

**HON ALANNAH MACTIERNAN MLC
MINISTER FOR REGIONAL DEVELOPMENT; AGRICULTURE AND FOOD; PORTS;
MINISTER ASSISTING THE MINISTER FOR STATE DEVELOPMENT,
JOBS AND TRADE**

13 MAR 2020