



Parliamentary Debates

(HANSARD)

THIRTY-NINTH PARLIAMENT
FIRST SESSION
2013

LEGISLATIVE COUNCIL

Tuesday, 3 December 2013

Legislative Council

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THE PRESIDENT (Hon Barry House) took the chair at 3.00 pm, and read prayers.

LEGISLATIVE COUNCIL — CHAMBER LIGHTING

Statement by President

THE PRESIDENT (Hon Barry House): Members, you can see that the Legislative Council has been kept in the dark! However, I am assured that it is a timing issue that is being attended to, so there should not be any problems.

LOCAL GOVERNMENT — AMALGAMATIONS

Petition

HON KATE DOUST (South Metropolitan — Deputy Leader of the Opposition) [3.02 pm]: I present a petition containing 826 signatures couched in the following terms —

To the President and Members of the Legislative Council of the Parliament of Western Australia in Parliament assembled.

We the undersigned residents of Western Australia are opposed to the planned changes of electoral boundaries proposed by the Government for the new local governments in the Metropolitan Local Government Reform that traverse the Swan River.

Your petitioners therefore respectfully request the Legislative Council oppose the change to local government boundaries where the proposed new local governments proposed in the Metropolitan Local Government Reform traverse the Swan River.

This would be in keeping with the State Government Legislative Assembly electoral boundaries which uses the Swan River and the Canning River as a natural boundary in the metropolitan area. Similarly the Legislative Council electoral boundaries use the Swan River as the delineation between the North and the South Metropolitan Regions

The Federal Government electorates of Perth and Curtin in the west and Swan and Tangney in the east use the Swan River as a natural boundary.

The Local Government Advisory Board in assessing proposals takes into account physical and topographical features when preparing a report to the Minister for Local Government. The Swan River would most certainly feature as the most significant physical feature in metropolitan area of Perth when determining local government boundaries and should not be dismissed in the Metropolitan Local Government Reform process.

And your petitioners as in duty bound, will ever pray.

[See paper 1071.]

PERTH CHILDREN'S HOSPITAL — MENTAL HEALTH BEDS

Petition

HON STEPHEN DAWSON (Mining and Pastoral) [3.04 pm]: I present a petition containing 691 signatures couched in the following terms —

To the President and Members of the Legislative Council of the Parliament of Western Australia in Parliament assembled.

We the undersigned residents of Western Australia are opposed to the State Government's plan to incorporate 20 mental health beds for adolescents in the new Perth Children's Hospital. This number of beds is inadequate to meet the psychiatric needs of young people in Western Australia.

Your petitioners therefore respectfully request the Legislative Council to support the call for a vastly increased number of mental health beds to be incorporated into the new Perth Children's Hospital.

And your petitioners as in duty bound, will ever pray.

[See paper 1072.]

DISABILITY AWARENESS WEEK — “COUNT ME IN STOCKTAKE”*Statement by Minister for Disability Services*

HON HELEN MORTON (East Metropolitan — Minister for Disability Services) [3.05 pm]: Today is the International Day of People with Disability, celebrated as part of Disability Awareness Week, which runs from 1 to 7 December. There are numerous events and functions held to acknowledge the achievements of people with disability. This morning I attended a breakfast for approximately 500 people, including people with disability, families, carers and staff of disability sector organisations. The breakfast was hosted by National Disability Services WA, the peak body representing the wonderful and diverse range of disability service providers in Western Australia. As part of Disability Awareness Week, I am pleased to formally advise the house that the Disability Services Commission has completed a report on the progress of the State government’s Count Me In strategy. I now table the report called “Count Me In: A better future for everyone: Implementing priorities and pathways: Stocktake”.

[See paper 1073.]

Hon HELEN MORTON: The stocktake outlines an array of contemporary and innovative initiatives developed by the commission to ensure a better future for Western Australians with disability, their families and carers. As we are all aware, this vision for a better future is contained in the state government’s Count Me In strategy, which was launched in December 2009. Count Me In is a long-term vision, which states —

All people live in welcoming communities that facilitate citizenship, friendship, mutual support and a fair go for everyone.

The stocktake report gives examples of significant initiatives the commission has developed, independently or with partners, between 2010 and 2012, and also lists priority Count Me In initiatives for 2013 to 2014. In the coming years these initiatives will be extended and others will be developed. Key Count Me In priorities for the next two years include housing, employment, health, community engagement and emerging technology. Each member will be sent a copy of the Count Me In stocktake, the Count Me In strategy document, a profile of disability in Western Australia, and Australian Bureau of Statistics figures related to disability. These are important tools because we need to show and prove to people with disability, their families and carers that their state government representative has full knowledge about the needs of people with disability in their respective electorates.

We also need to continue to be informed about the state government’s long-term strategy to make WA a more welcoming and accessible place to live in and visit. It is vital for members of Parliament to share this information with people living and working in their electorate so that everyone has the opportunity to learn how they can play a role to create a better future for people with disability. After all, disability affects almost everyone; because of our ageing population, it is predicted that by 2025, one in four Western Australians will have a disability. It is important to remember that the state government’s Count Me In vision applies to Western Australians of all ages, abilities and backgrounds. Moreover, with significant changes occurring within the disability sector, Count Me In remains a sound framework to guide future development.

The National Disability Insurance Scheme tackles priorities within the personalised supports and services area of focus. However, we need to keep in mind that it is also important to simultaneously develop strategies that promote economic security, accessible homes and communities and participation and contribution for all. Count Me In outlines how we will develop WA into a socially responsible and inclusive community where all citizens benefit. Everyone plays a role in achieving this vision—government agencies, disability sector organisations, local governments, businesses and communities. It means a better life for people with disability and a better future for all Western Australians.

PAPERS TABLED

Papers were tabled and ordered to lie upon the table of the house.

BILLS*Notice of Motion to Introduce*

1. Sentencing Legislation Amendment Bill 2013.

Notice of motion given by **Hon Michael Mischin (Attorney General)**.

2. Electronic Conveyancing Bill 2013.

Notice of motion given by **Hon Ken Baston (Minister for Agriculture and Food)**.

ELECTRICITY CORPORATIONS AMENDMENT BILL 2013*Second Reading*

Resumed from 27 November.

HON KEN TRAVERS (North Metropolitan) [3.11 pm]: It is appropriate that we came into this chamber in the dark. Mr President, until you brought light into the chamber this afternoon, we were all in the dark! That was a symbol of the legislation before us this afternoon, because with the Electricity Corporations Amendment Bill 2013 we are still in the dark!

Hon Michael Mischin: Some of us are going to stay dim, aren't we?

Hon KEN TRAVERS: I would never make those comments about the Attorney General and his colleagues, but if Hon Michael Mischin wishes to, then so be it! I would never make those comments about government members, but I will make that comment about this legislation. Ever since this bill was introduced in the other place, this Parliament has been kept in the dark about it, and not a single light—not even torchlight—has been shone on this bill to demonstrate how this legislation will be good for the people of Western Australia. There is not a single document to demonstrate how this legislation will actually be good for the Western Australian economy or for Western Australian consumers.

The PRESIDENT: Just to clarify things, the member is not the lead speaker and as per the notice paper he has 31 minutes remaining on the time allocated to him. Something has gone wrong with the electronic timing device, so we do not have the remaining speech time showing.

Hon KEN TRAVERS: Mr President, I suggest we go until I finish. I will try to keep to 30 minutes.

The PRESIDENT: The clerks at the table will keep the time, and perhaps the Clerk will indicate to me when you have five minutes and then two minutes to go; it might help.

Hon KEN TRAVERS: I will also use the clocks in the chamber, Mr President.

The PRESIDENT: That is so everybody knows what is going on.

Hon KEN TRAVERS: Mr President, there is always the option for me to seek an extension of time, particularly as this is such an important piece of legislation that needs to be properly scrutinised.

Before I was interrupted by the processes of the house last week, I had briefly outlined the history of electricity reform in Western Australia and that in 2001 the Labor Party went to the people at an election outlining what it proposed to do. That was at a time when, apart from the Northern Territory, Western Australia had the highest energy prices in Australia. However, as a result of electricity reform in Western Australia, that situation had changed by the time of the 2013 election. I refer to the Liberal Party policy document that it took to the 2013 election. I will come back to the opening remarks in that, because it contains a dishonest statement. The document states —

Having made the difficult and unpopular decision to increase electricity prices over the past four years, the worst of it is now over. Despite the price increases, Western Australia (at June 30 2012) was the second cheapest state.

What does that Liberal Party document tell us? We know we went from being the state with the highest energy prices, second only to the Northern Territory in Australia, to the state with the second-lowest energy prices. That occurred in Western Australia, a state that is extremely difficult to service because it has a very expensive system. As I pointed out, Western Australia has the tariff equalisation charge, which means that consumers in the south west interconnected system pay a higher price for their electricity to fund the cost of providing a uniform tariff across not just the SWIS, but also regional Western Australia, which has energy provided predominantly by Horizon Power.

I also commented on the dishonesty of the statement contained in that document, which reads —

Having made the difficult and unpopular decision to increase electricity prices over the past four years ...

In 2008 the Labor government went to an election making it clear that it would increase the price of electricity over the next four years. We were very clear about our intentions. The Liberal Party ran radio advertisements complaining and attacking our proposal to increase power prices, yet once elected it proceeded to increase electricity prices by significantly more than outlined by the Labor government prior to the 2008 election. It was not the case that the Liberal Party was making a difficult and unpopular decision, because Labor had made the tough decision before the 2008 election. The Liberal Party lied to the people of Western Australia in 2008, just as we saw it once again lie about so many key issues at the 2013 election.

The other question that comes into play is that those changes were made as a result of the electricity reforms back in 2001, whilst maintaining a state-run network and involvement in the system, bringing a market-based

approach to the system. A market-based approach seems to be something that the Liberal Party readily opposes these days in so many different areas. Whenever the Labor Party proposes a market-based approach, the Liberal Party opposes it. One way of meeting mandatory renewable energy targets is to have a market-based approach and to have a price on carbon. Of course, we know that the Liberal Party is opposed to that, but we understand it still supports—although it might be tenuous these days—reaching those mandatory renewable targets. In fact, those targets are part of the driver of the cost structures that are occurring in Western Australia.

Hon Kate Doust referred to the paper about the energy market in Western Australia that was sent to all members by Ky Cao. In that paper he estimated that the market-based approach in Western Australia produced some \$200 million of annual savings from competition. The minister has not shown us a skerrick of evidence to indicate how this legislation will assist in achieving savings. In fact, this afternoon I will make it very clear that this bill will again drive prices back up. There were a lot of very good comments in Mr Ky Cao's paper. It included a graph of the south west interconnected system in terms of business electricity tariffs versus cost inflation. The argument was put in that paper that cost recovery was achieved well before 2011–12; I suspect that that is probably right. We could find out whether that is correct by allowing full contestability in the market. As members know, at the top end of the market there is only very limited contestability. I acknowledge that we have to be careful about how we describe this, because although the vast majority of consumers are not in the contestable market, the amount of energy they use is different. When we talk about these things, we either have to talk about the amount of energy that is in the contestable market or the number of consumers. If we look at the number of consumers, clearly the vast majority are not in the contestable market. If we opened up full retail contestability, it would be a very interesting exercise to see whether there are power providers out there that could produce and provide energy significantly more cheaply than this government has allowed to be provided over the last five years.

I find it fascinating that, despite all the government's protestations about how it really did not want to increase energy prices, that it was against its best wishes and that it would have preferred to not put up energy prices, we know that the government continued over that whole time to take significant sums of money out of the energy utilities by way of dividends. In fact, it increased the dividends that would be paid by all its government trading enterprises. If my memory serves me correctly, the energy utilities were among those for whom the dividends were increased, and in Western Australia the energy utilities actually borrow money to pay their dividends. Then, because of the increase in dividends, there is less money held within the organisations to go back into investment. It would be an incredibly complex and difficult process to go through and do the sums to work out exactly what end result that has on the tariff; but whether it is large or small, it will nonetheless have an effect on the tariffs that are finally charged. It might be only a relatively small increase, but when prices are increased to the degree that this government has increased them, those measures are still going to be pretty important.

I will not go over the history of all the failures of the previous Minister for Energy and all the costs that he has put into the system as a result of his incompetence and the chaos that occurred in his portfolio, but there is no doubt in my mind that one of the reasons people are paying higher prices today is because of the way in which this government has mismanaged the portfolio and failed to apply market disciplines and rigour to the portfolio. The end result is that the government now needs to find an excuse and build up a straw man to somehow create the argument that these increases are not its doing; and that is what this bill is about. In my view, that is the sole reason we have this bill before us today. The fact is that the government cannot produce a single document to justify this legislation, other than a letter, which I will talk about later, that was claimed as a key justification. The government needs to try to create the public illusion that the power increases were caused by something other than the government's incompetence, mismanagement and gouging. It is my view that this legislation is simply a political tool that will have potentially wide-ranging impacts on the state of Western Australia in respect of energy prices for the ordinary, everyday consumer of power.

I look forward to the minister's reply to the second reading debate and to the Committee of the Whole, when the opposition will be given the opportunity to go into great detail and ask the government to put on the record how and why it thinks this legislation will achieve the outcomes it says it will. I found it fascinating to compare the second reading speech and a press release put out by the "clean-up" Minister for Energy—the minister who was sent in to try to clean up the energy portfolio for this government. It struck me that there were a number of inherent contradictions between the two documents, and I will take some time to go through some of those contradictions.

I refer firstly to the condensed version of the second reading speech. What were those books we used to get in primary school that would give us the summary of the story, but they were not quite as long as the original?

Hon Sally Talbot: Was it *Reader's Digest*?

Hon KEN TRAVERS: Yes, the *Readers Digest* version of the second reading speech, but I meant the abridged version, so one did not have to read the full story —

Hon Sue Ellery interjected.

Hon KEN TRAVERS: No, I did not; maybe I should have, and then I probably would have done better in English than I did, Hon Sue Ellery; that is why I cannot remember the name of it. I was just trying to test whether anyone else in the chamber remembered them, because that might have been a good sign that they had.

This house was provided with a condensed version of the second reading speech, in which Hon Peter Collier stated, in part —

It is intended that the merger of Synergy and Verve Energy will achieve cost efficiencies and reduced corporate overheads in the merged business.

Further along, he stated —

The government is committed to sustained private sector participation in the electricity sector. To achieve this, the merged entity must be subject to regulatory constraints. The amended act will allow regulations to be made to segregate certain functions within the merged entity.

We are going to create a merged entity but then, within that merged entity, we are going to create two separate organisations, effectively, with firewalls between them. The second reading speech goes on to talk about regulation-making powers for the wholesale trading of electricity by the merged entity —

It is intended that this power will be used to oblige the merged entity to offer a range of standard wholesale electricity products on a non-discriminatory basis across the merged entity's own retail business unit and other wholesale electricity customers. The purpose of the standard products is to provide the private sector with access to electricity on non-discriminatory terms and to mitigate concerns of private sector market participants.

We are going to merge these two entities, but then we are going to create a whole structure that makes them operate as though, within that merged entity, there are two completely separate entities. We will somehow then have all these Chinese walls operating within this organisation to give the private sector confidence that the market power of the combined Verve–Synergy entity will not be abused.

I turn now to a press release that was put out by the current Minister for Energy on 16 October 2013 and that states, in part —

Energy Minister Mike Nahan said the merger would create a financially stronger utility, which would boost the State's energy security.

It goes on to quote the Minister for Energy as saying —

“Under the existing system, we have Synergy and Verve Energy making decisions in isolation and that has ultimately increased the cost of the power that they on-sell to household and business customers.

“The merger of Synergy and Verve Energy, in conjunction with other changes, will drive efficiencies that will include the new entity being able to optimise its portfolio of power generation and energy purchases.”

These statements are very simplistic, but unfortunately all this house has to go on is the second reading speech and a couple of press releases put out by the minister. When we listen to those two entities, we get a very clear picture that there is an inherent contradiction in what the government is saying will happen. On the one hand, it is going to open it up and free it up to allow the private sector to still be involved; and, on the other hand, it will close it down and make them work together as one entity so that they do not have these inefficiencies and they are not working in isolation. Again, when we go through this bill, I look forward to the government explaining those two inherently contradictory comments. The government intends to segregate certain functions within the merged entity but the whole point is to try to bring these merged functions together. I am looking forward to that explanation from the government because I think it is an inherent contradiction. I come back to the key point that I made a short while ago; that is, there is absolutely no doubt in my mind that this bill is nothing more than an attempt by this government to create a straw man; somehow the problems it had over the past five years are not of its making—it is somebody else's fault. That is why these inherent contradictions will be put forward to us to try to explain and help deliver this straw man.

As I said, I have looked at this matter and I cannot see where the government has clearly outlined the benefits of this legislation in any documentation. Other than glib lines that are then contradicted in other statements it makes later, this government has not provided any documented evidence to support the claim that this legislation will be of benefit. It is very dangerous to tamper with the electricity market. At times members opposite have complained about the amount of money that Labor spent on its disaggregation process. That is because energy is such a fundamental part of the economy. If we get it wrong, not only will that cause stress to consumers who have to pay more but it will damage the industry.

I remember talking to the president of one of the local P&Cs in the northern suburbs who owned a lunch bar. He was amazed at how much electricity a humble lunch bar uses. When we think about it, there is a lot of

refrigeration and cooling in a business like that. I think that business used so much electricity that it started to come into the contestable area of energy. It is important to get the energy policy right. The amount of money that a lunch bar pays for energy is a significant part of the cost structure that that business has to deal with. If the government is going to make changes, because of the volumes and the dollars involved, it needs to spend a bit of money to get it right. We have had this constant toing-and-froing within the government for four and a half years of talking about this merger and then it is not on, then it is on and then it is not on. We go to the election and it does not say whether it is on. The last clear and unequivocal statement from the government that I can find was from the now-discredited former Minister for Energy saying that it was not going to happen and there was not going to be a merger. That is the policy that the government took to the election. Immediately after the election, lo and behold, this bill is before us again.

There is no business case and there is no benefit. That information has simply not been provided to us as a Parliament. It is not even one of those cases in which this government often treats the Parliament with contempt but at least provides that information to its own backbench. On this occasion I do not think that the information is even being provided to the government backbench.

I mentioned the dividend policy earlier. There is another issue I wanted to touch on briefly that is probably of greater concern in the way in which energy policy is run in Western Australia. This bill will not fix that problem. Over the last five years we have seen a massive spiralling out of control of state debt. When we look at the history of state debt in Western Australia, a headline figure is generally given for state debt. Interestingly, the biggest component of state debt has always been within what is called the non-financial public sector or what I think most people would know as the government trading enterprises; that is, the port authorities, entities such as Verve, Western Power, to a lesser degree Synergy—I doubt it is a huge contributor to state debt, although it would have some debt—and Horizon Power. Traditionally, they are the organisations that have carried the majority of state debt. I am not so worried about debt in organisations like that so long as a sound business case has been developed prior to the committing of that debt, and so long as the risk is managed within that debt and we have a reasonable debt ratio with those organisations. In fact, the debt has grown in those organisations over the past five years under this government. That is partly because as a result of the disaggregation in the 2000s, the private sector is now taking the investment risk and making the investment decisions in respect of power generation. That was certainly always part of the purpose of the reforms. There was recognition that the capacity of the state to continue to be the borrower and the developer of the future power needs of the state would become increasingly difficult. I think we have seen a general constraint on debt in this area.

For the information of new members, a very important report was tabled in the last Parliament from the Standing Committee on Public Administration about the power poles issues. Members may have recently seen another Auditor General's report brought down on that matter. The Standing Committee on Estimates and Financial Operations looked at some of the issues around this whole question very briefly as a result of the public administration committee report. There is no doubt in my mind that one of the big constraints that was telling about the government allowing Western Power to fix the problems it had was that it did not want to allow it to have access to debt; the government was trying to constrain the total public sector debt. This bill will not do anything to assist that problem; the government needs to get its expenditure in the general government sector down to assist that problem. If we start to track where it is going, in my view, it will not be too long before general government sector debt will overtake non-financial public sector debt as its total net debt for the state will be bigger. Why is that a problem? It is a problem because organisations such as Verve, Synergy and Western Power have an income stream to pay for the debt. If there is a sound business case, there is an income stream and the organisation is able to manage that debt. The general government sector relies on the consolidated account to repay that debt. Those are the issues that should be taxing the minds of the government and this Parliament; it should not be putting forward a bill like this.

There are two other areas I want to cover this afternoon in the time I have available. The first is the change to the requirement that Horizon Power is based in a regional centre. I suspect we will hear from the government that it has never worked. I do not accept that argument. More importantly, I think that it worked but it has been allowed to deteriorate over the last five years. Secondly, if the state government adopts a defeatist approach and gives up trying to get head offices located and running in regional WA, how can we ever expect other major organisations to do so? We will continue to have the Perth-centric community that we have. Members who support regional development, as Hon Nigel Hallett clearly indicated in the past that he does, will support Labor if we seek to remove those amendments to this bill.

I have a few more comments on this, but in light of the time running down I will briefly touch on the only document that has been provided to us that it is claimed supposedly justifies this; the infamous letter, apparently sent in March last year, regarding Verve and Synergy from the chairs of Verve and Synergy. The government of the day—particularly the Premier—consistently told us that receiving the letter from the chairmen of Verve and Synergy, in which they wrote to the Premier to tell him that the two entities should be amalgamated, was a telling point. When the letter finally came out —

[Member's time extended.]

Hon KEN TRAVERS: I appreciate the chamber giving me this opportunity. I do not think I will need the full 15 minutes.

It was argued that the letter was the seminal document on which the changes we are hearing today were based. I would have thought in a seminal letter like that the chairs of the two organisations would have outlined to the Premier of the day a strategy whereby merging these two entities would produce clear benefits for the state of Western Australia, and that they had done considerable work to justify the merger, which would lead to a better outcome for the state government-owned entity but would not impact on private sector involvement in the energy market. There would still be willingness and a keenness to have the private sector involved. I have read the letter. I picked it up and I read it a second time to see whether I could find any of those sorts of comments. I will not go through it clause by clause, but I welcome members on the other side of the chamber—if they have not got a copy, I am sure we can get them one—to point out to me where in this letter it clearly states that those two chairmen clearly believe that the best outcome for the state is that the entities merge or where it shows that they or their organisations have done any work to justify why this will occur and why it would be a good outcome for the state of Western Australia. I would welcome such a contribution during a contribution to the second reading debate.

My view of this letter is that it is a cautionary letter about the process. The chairmen took the time to meet and wanted to outline what they saw as some of the issues that needed to be addressed should the government want to proceed down that path. It was not a letter about what should happen; it was a cautionary letter about what should occur before it happened and what the government needed to do. How the Premier could turn that into a telling point that changed his position—I could go through the many quotes from the Premier in Parliament and in the media in which he argued the letter was the basis for his decision—and then slip out by simply saying that it was a slight overstatement is extraordinary. It was not a slight overstatement; it was a bald-faced misrepresentation of this letter. I am glad that the letter finally saw the light of day, so people can see every stage of it. It raises a range of questions about what needs to be done. Interestingly, the attachment to the letter noted —

... that the existing generator contracts with Synergy will need to be honoured, as these are underwritten by the Government. We will also need to explain how new generation will be planned and procured in the future, with a mix of private and public investment most likely being required.

That is what they said. But where is it? Where, to this day, do we have a single statement, document or piece of information—even from the government—that shows that will operate under this new system? The attachment to the letter headed “Issues Identified” has a telling comment that stuck out to me; I quote —

The group discussed the possible objectives of the Government, over and above the obvious reduction in overheads.

The letter refers to “the possible objectives of the government”. This was written without them even knowing the objectives of the government. They were in the dark then and we are in the dark now. What is the real objective of the government in this regard? We were told it was about overheads. The red herring was thrown up that somehow by reducing the number of board positions we would save money, and then we find that the bill actually increases the number of board positions. The total number of board members for energy utilities in Western Australia will be the same as today if this bill passes. The government said that it would reduce conflicts between Synergy and Verve. But do those conflicts actually bring tension to the market and create the environment that allows the private sector to compete in that marketplace; that it delivers economies of scale through joint fuel purchases? The very things that I suspected, come later in their comments: that they were saying they would try to build Chinese walls in the organisation to prevent market collusion because it will be such a dominant player in the marketplace. They say that they have identified these things but they do not provide the solution to them, their impact or how they will work.

Another part of the letter that jumped out at me was the point at the very end; I quote —

The CCI, CME and ESAA ...

I think ESAA is the Energy Supply Association of Australia. The letter continues —

... have already expressed their opposition to the merger, claiming it will be a retrogressive, anti-competitive step. It is also anticipated that the ERA will voice its opposition. Consequently, it would be prudent to be well prepared and to arrange briefings to counter the negativity coming from these groups.

It does not say that we should sit down with these groups to work out why they might be opposed to the merger, but just to be prepared to counter any negativity.

I suggest that the negativity is not just for the sake of it; it is because each and every one of those organisations actually believes this to be a bad move for Western Australia. The irony of it is that it has been identified that

preparation was an issue that needed to be addressed. Are we prepared? Is the government prepared? No. Does it have any documentation to support its proposal? Does it have anything it can give to us today to show why the arguments of the Chamber of Commerce and Industry of Western Australia, the Chamber of Minerals and Energy, the ESOs—energy supply organisations—and all those other industry associations and their “negativity” are wrong? It does not, because I think it knows in its heart of hearts that it does not have arguments to defeat the case being put by those organisations. Although I accept that from time to time governments do things that will upset stakeholders, normally out there in the community somewhere, if it is a good proposal, there will be a group advocating for that reform. Where is that group? Other than the Premier of the state of Western Australia, where is that group? Even the Premier’s former Minister for Energy was not advocating for that reform. We know that Hon Dr Mike Nahan, the current Minister for Energy, has spent his life advocating for the exact opposite of what he is doing today. Where is that single lobby group? Where is even that individual who is prepared to stand and argue that these changes will be good for the state of Western Australia? I have yet to find or see that individual, and until the government can provide one, my view is that this legislation should be banished because it is nothing more than a political exercise, and we should not be playing politics with our energy market. With those comments, I make it very clear that I will vigorously oppose this bill at every stage of the debate.

HON SAMANTHA ROWE (East Metropolitan) [3.51 pm]: I also rise to make a contribution to the second reading debate on the Electricity Corporations Amendment Bill 2013, and to place on the record some of my concerns in relation to the merger of Verve and Synergy. Without doubt, energy is a very important political and economic issue for the state of Western Australia. This is a major piece of legislation on which we have very little information to properly review it and possibly pass it. I cannot see how we could not oppose this legislation, given the very little information provided. We know the bill contains amendments to the Electricity Corporations Act 2005 that will implement the merger of the retail arm, which is currently trading as Synergy, with the generation arm, currently trading as Verve. The government proposes to merge the two entities and have them trading as one corporation by 1 January 2014 because it believes a merger of Verve and Synergy will somehow achieve cost efficiencies and reduce corporate overheads. We are, however, yet to see a completed business case or any sort of cost–benefit analysis to demonstrate that that will be the case—that it is in fact true. Even the minister cannot say with any certainty how it will benefit Western Australians. I quote from an article that appeared in *The West Australian* on Wednesday, 30 October, titled “Power merger cost kept secret”, which reads —

Energy Minister Mike Nahan cannot say how much recombining Verve and Synergy will cost or how much it will save—but insists the merged power company will be better for taxpayers than existing arrangements.

Where is the proof? If the minister cannot explain the cost benefit of merging Verve and Synergy, who can?

The bill will also discontinue the Electricity Retail Corporation and vest its assets, liabilities and rights in the Electricity Generation Corporation. The continuing electricity generation arm will then be renamed the Electricity Generation and Retail Corporation, and at the time of the merger, current Synergy employees will join the new organisation of the Electricity Retail and Generation Corporation. The bill will also provide for regulations to segregate certain functions within the new organisation, and to approve wholesale product arrangements for it. It is really important that there be transparency in the new organisation; if the merger of Verve and Synergy goes ahead and those employees are all working under one roof, transparency will become a real issue. The bill also contains several amendments supposedly designed to provide more flexibility in terms of governance, and to provide the option to remove limitations on where in the state the electricity corporations are permitted to function.

In 2006, the then Labor state government split the state’s single electricity utility into four separate agencies to generate, distribute and sell power. Western Power was split into what we now know as Verve Energy, Synergy, Western Power and Horizon Power. In 2004, the state Labor government also established the Independent Market Operator to operate WA’s wholesale electricity market, as well as ensuring that we had sufficient capacity to meet peak demand in the industry. That initiative was undertaken to encourage private sector involvement in the generation and retailing of electricity and to open up the market to wider competition. We now have the Barnett Liberal government wanting to re-merge Verve and Synergy without consulting industry or any relevant stakeholder and without doing any of the normal, necessary due diligence one would expect when taking on such a proposal. We know that costs will not be able to be kept down under this merger; it will actually stifle competition. The benefits of a competitive market are well known. The WA Independent Power Association has come out in opposition to the merger, and its website reads —

Benefits of a competitive market

- Increased competition in power generation and retailing, placing downward pressure on costs and prices.

- Private sector investment in energy infrastructure, freeing up government funds for much needed social infrastructure.
- Innovative market-based solutions to manage fuel constraints.
- Long term jobs created, many in regional areas.
- New skills brought into WA — project development, financing, engineering, environmental management.
- Decentralised sources of power generation in regional areas.
- Diversified ownership of assets.
- Reduced risk of disruption to supply.

Industry has a lot of arguments about the benefits of a competitive market, but the merger of Verve and Synergy will stifle it.

Returning to the matter of absolutely no consultation with industry or stakeholders taking place, neither of the two organisations involved in this merger, Verve and Synergy, have been consulted. Synergy is WA's largest energy retailer, with over one million commercial–industrial–residential customers. It is the primary power supplier in the south west of Western Australia. It generates about \$2.4 billion. It sells the majority of the electricity that is traded in the state and around half of the contestable gas load. Synergy has not been consulted and been given the opportunity to be part of the planning process for this significant legislation.

Verve Energy is the leading electricity producer in Western Australia, with major power stations in Collie, Kwinana, Cockburn and Pinjar. It also generates electricity from wind farms in Albany, Esperance and Kalbarri. Verve feeds its electricity into the south west interconnected system. It also has contracts with other participants in the market. However, the majority of its electricity is sold to Synergy. Verve has not been consulted at all throughout this process.

I refer now to an article in *The West Australian* on 1 November this year. The article is actually about a letter, but I will not go into that. The article is headed “Letter loses power to back Premier’s claim.” The article states, in part —

The letter certainly raised serious concerns about the industry and discussed the merger. But it was clearly a response to Mr Barnett’s continued public speculation that he wanted to merge the pair.

The chairmen, —

That is the chairman of Verve and the chairman of Synergy—

sniffing the political wind, wanted a say in a decision that appeared to be imminent but in which their corporations had had no input.

They wanted to hear from the Premier what his objectives were—and they recommended due diligence, a cost-benefit analysis and consulting advice on the structure of the merged entity and the market. As events have shown, none of that happened.

The Economic Regulation Authority of Western Australia is another body which has not been consulted and from which advice has not been taken. The ERA is an independent body that regulates the monopoly aspects of the gas, electricity and rail industries. It is also the licensing provider for gas, electricity and water services. The ERA inquires into matters referred to it by the state government. The ERA is also responsible for the retailing of gas and surveillance of the wholesale electricity market in Western Australia. In essence, the two main functions of the WA Economic Regulation Authority are to act as the economic regulator, and to be an independent and transparent advisory body to the state government. The ERA has given quite a lot of advice to the Barnett Liberal government on this merger. However, this advice appears to have been ignored, for whatever reason. The ERA has come out fairly strongly in opposing the Electricity Corporations Amendment Bill.

I refer now to an interesting article on the Engineers Australia website. The article is titled “More changes urged for WA’s electricity market”, and it reports the view of the chairman of the Economic Regulation Authority, Lyndon Rowe, on the merger of Verve and Synergy. The article states, in part —

Mr Rowe told his engineering audience that household electricity bills had risen some 57% since 2009. He warned that more rises are likely. ...

...

He explained that WA’s wholesale electricity market (WEM) had become more competitive since Western Power was split into Verve, Synergy, Horizon and Western Power.

“In our view, the ERA’s view, the outcomes in the WEM over the last five-and-a-half years since it started indicate that the market functions well to the benefit of consumers,” he said.

“Although those changes have been successful, more changes are necessary, but the changes need to focus on continuing to make the market more competitive.”

...

He said changes to the WEM that weren't needed would be any that would reduce competition and the efficacy of the market.

“Unfortunately, in the view of the ERA, there is one such proposal being discussed, and that is the proposal to merge Synergy and Verve,” he said.

He said no clear case for a merger had been published and although there were some suggestions that there would be savings in corporate overheads, these would be insignificant ...

“The ERA has calculated that any savings in overheads is likely to amount to less than \$3 for a typical residential customer's annual bill,” he said.

That is clearly an insignificant amount of savings. As members have heard, not just from me but from my colleagues, the minister cannot even state on the record what it will cost the government to undertake this merger and what savings will be achieved.

I have about 20 concerns about this merger. I start with the fact that no business case has been provided for this merger. Not one study or report has been undertaken that recommends a merger between Verve and Synergy—at least not one that has been presented to us in this Parliament. The government does not have a cost-benefit analysis that it can share with us so that we can scrutinise it and do the proper due diligence. The government cannot say how much this merger will cost, nor does it know how much it expects to save from this merger. We have not seen a regulatory impact statement. The Oates report of 2009 did not recommend this merger. The strategic energy initiative did not recommend this merger. We are just being asked to take the Premier's word for it. That is because there is no business case and there is no cost-benefit analysis for this merger. I do not know of any other business or industry organisation that would operate in such a sloppy manner as to put forward a proposal to merge two organisations without putting a business case and without putting a cost-benefit analysis that we can review.

The private sector is opposed to this legislation. I refer to an article in *The West Australian* of Tuesday, 29 October headed, “Details kept from public on crucial Bill”. The article states, in part —

“If you're an investor, the Government is saying your interests are protected by these regulations—which we haven't seen,” shadow energy minister Bill Johnson said.

Perth Energy managing director Ky Cao predicted a “capital strike”, with the private sector unwilling to invest in new power stations. He said about one-third of the State's generating portfolio would need to be replaced in the next 10–12 years.

Again, it is hard to find anyone who actually supports the merger. Investors in the energy sector and their lobby organisations are opposed to the legislation. They see this as being the end of an investment climate that would allow them to profitably invest. The WA Independent Power Association, which I referred to before, slams the re-merger of Verve Energy and Synergy. The IPA was established in April 2012 and counts organisations such as Alinta Energy, APA Group, Collgar wind farm and Griffin power among its members. They all supply wholesale electricity to the WA energy market and have come out slamming the proposed merger. WA IPA chairman, Richard Harris, said that there was a misconception that merging Synergy and Verve would bring down electricity prices. He states —

“The savings, if any, would amount to less than 0.4 per cent of a typical residential electricity bill, or around \$5 per customer per year.”

“The fact is that Verve's plant is ageing and inefficient, and costs more to run than the newer infrastructure of independent power providers.”

“We believe that increased competition in power generation and retailing will place downward pressures on costs and prices. It will also lead to innovative market-based solutions to address rising fuel costs.”

Other members of the WA IPA are ERM Power and NewGen Power. All members have currently invested more than \$2 billion into the WA energy market since 2006, and provide 40 per cent of the overall power generated in the state's main grid. Among all the different players we are still finding it really hard to find someone who supports the Electricity Corporations Amendment Bill 2013.

It is worth noting that no-one has invested in a new power station for several years and none is currently in the planning. While WA is currently safe from energy shortages because our total consumption is falling, the problem may become quite acute over the next five years. Renewable energy investors are also opposed to the

proposal because they believe that they will have less opportunity in a less competitive market. The Sustainable Energy Association has come out opposing the legislation and I believe it has done so in a consistent manner. In a media release on its website, the chief executive, Kirsten Rose, states —

“Energy security is best served in a competitive market with a diversity of sources and suppliers,”

“As a business chamber that promotes the development of innovative clean technology, SEA supports a market system that opens up greater opportunities for its members.”

“Regrettably, today’s announcement by the State limits those opportunities.”

As we have heard, there is no guarantee that this merger will keep electricity prices down. I have not come across anything to the contrary. The fact is that the Western Australian Chamber of Commerce and Industry and the Chamber of Minerals and Energy also have come out opposing this legislation. They put out a press release on PerthNow in March last year, which reads —

Key WA businesses and mining lobby groups have raised serious concerns with the State Governments mooted re-merger of electricity utilities Synergy and Verve.

The State Government’s plan to re-merge Verve and Synergy is poor policy that won’t be backed by the WA business community, Chamber of Commerce and Industry chief executive officer James Pearson said.

The CCI is disappointed that the government has not consulted business and industry before embarking on such fundamental legislation. The Chamber of Minerals and Energy has also come out opposing the legislation. Chief executive Reg Howard-Smith has made the following points —

“The suggestion that re-merging Verve and Synergy will put downward pressure prices has not been demonstrated.”

“No independent analysis of the economic impact of re-merging Verve and Synergy has been undertaken.”

“At a time when governments all around the world are adopting policies to increase competition, we are stepping back into the dark old days of state-owned utilities dominating electricity markets.”

“The idea also makes a mockery of the State Energy Initiative process that has engaged industry and government for the past two years as no mention of a re-merger has ever been raised.”

That is the private sector: industry associations, stakeholders—everyone. Everyone is opposed to the legislation that is before us. The Barnett Liberal government has already broken its promise to keep electricity prices at or around the rate of inflation. The government went to the state election campaign in March this year saying that it would not increase electricity prices. Shortly after being returned to government, we are seeing electricity prices increase by four per cent. The rate of inflation is 2.57 per cent; that is hardly close to the four per cent that it has been increased to. Families are already doing it tough and trying to manage an overstretched budget. Residents in my electorate of East Metropolitan Region are already struggling to pay their bills. The Treasurer turned around earlier this year and said, “Oh, well, four per cent is near enough to the rate of inflation of 2.5 per cent.” That is insulting to those people who are already struggling to pay their bills. They were on the phone to me during the election campaign saying, “Sam, we have to make the decision about whether we turn on our air conditioner in summer because we can’t afford to pay the bills.” A lot of these people live in Homeswest accommodation, so they are not always properly insulated properties. They are already starting from behind because when they turn on their air conditioner it has to work twice as hard to keep them cool. Turning on the heater in winter is not always an option. People, pensioners in particular, have been on the phone to me, saying, “There are days in winter when we cannot get out of bed because it is warmer to stay under cover and we can’t afford to turn the heater on.” When we are asked to take the Premier’s word that this legislation will provide cost savings for consumers, it is a little hard to do when we know that the government has already broken 40-odd promises. We cannot stand here and say that we will take the government’s word for it when WA consumers will be the real losers out of this merger. I am not prepared to support legislation that cannot guarantee that electricity prices will be kept down.

The minister may be able to answer this question when he stands to make his reply to the second reading debate. Under clause 35, from the explanatory memorandum on page 12 it states —

The new section 206 provides that all staff of the merging corporation (the current Synergy) are transferred to the Electricity Generation and Retail Corporation (the merged entity) at the time of the merger. This transfer does not constitute a retrenchment or redundancy.

That is all very well, but can the Minister for Energy or the Premier give a commitment to the opposition that no staff member will lose their job due to the proposed merger?

I want to refer to an article from the Smart Energy Universe website headed “Remerger of Verve and Synergy Bad News for WA Households”, which states —

The announcement by the Barnett Government of a proposed remerge of power utilities Verve Energy and Synergy will reduce competition, risking higher, not cheaper, energy bills for Western Australia ... households. Energy Supply Association of Australia ... CEO Matthew Warren said WA businesses and households will be worse off if Premier Barnett’s proposal to merge the two utilities proceeds.

It goes back to my earlier point: WA consumers will be the real losers out of this merger. That is serious. We have not had the time to properly go through this legislation with any cost-benefit analysis or any business case before us, so how are we meant to scrutinise this legislation in an effective manner? We are meant to be the house of review, not of haste. It would be very helpful therefore to see some of this information before we pass the bill.

I will conclude my remarks there, Mr President.

HON SALLY TALBOT (South West) [4.21 pm]: Thank you very much, Mr President. Are we still working without the clocks?

The PRESIDENT: Yes.

Hon SALLY TALBOT: I will do my nine minutes to start with.

The PRESIDENT: Persevere. I am told that every effort is being made to get them sorted.

Hon SALLY TALBOT: Thanks, Mr President.

Hon Stephen Dawson: I hope you paid the power bill!

The PRESIDENT: Maybe we have not!

Hon SALLY TALBOT: I will do my best. We do not realise how much of an aid it is to planning our speeches until we have to do without it.

There is a very famous line in one of the first episodes of *The West Wing* around 1999 when one of the characters says, “There are two things in the world you never want to let people see how you make ’em—laws and sausages.” I have to say that line came to mind when I took a look at this bill to re-merge Verve Energy and Synergy. I have to say, Mr President, as you probably very well know coming from Margaret River as you do, that sausages have come an awful long way since 1999. I am sure that you wander into your local butcher shop regularly and see things like chicken and ricotta sausages and lamb and rosemary sausages.

The PRESIDENT: Member, I just remind you that the Margaret River Gourmet Escape was on last weekend, which had gourmet sausages!

Hon SALLY TALBOT: There you go, Mr President. You yourself can bear personal witness to the fact that sausages have come a long way since 1999!

However, the same cannot be said for this government’s capacity to make laws. We are still back in the dark ages when decisions seem to have been made away from any sort of public scrutiny. That is not the most serious thing, though, and that is fine; we are all well used to working in political systems where decisions get made in certain ways. When people think, hope or expect that they will be consulted or have a say on something and are then not consulted, they have their nose put out of joint and get grumpy about the way decisions are made. We can all live with that. We are all professionals. We are all realists. We know how things are made.

However, the extraordinary thing about this legislation that we are looking at today is that nobody seems to own it; nobody seems to want it; and nobody except the Premier will lay any sort of real claim to having generated the thoughts that have resulted in this bill today. Nobody knows that more starkly than the former Minister for Energy, who today in his reincarnated role as Minister for Education is now the Leader of this house and who has what must feel like to him the dubious pleasure—sarcasm does not translate well into *Hansard* but that was me speaking sarcastically or at least ironically—of taking this bill through this house. That is because we know from many, many statements that he previously put on the public record during his time as Minister for Energy that he deeply disagrees with the fundamental premise of this bill. He is on record many, many times having said that he would not approve the re-merger of Verve and Synergy. I will have a bit more to say about that a little later.

I am talking not just about the former Minister for Energy, who will be taking the bill through this place over the next few days, but also about every Liberal member of the government who is sitting in this place listening to this debate. I am talking about every member of the National Party who is in an alliance with the government. Why, when member after member after member on my side of the house has got up and sought the call over this third day of debate, has no member of the government sought the call? Why has no member of the government, the Liberal Party, jumped up to explain to the house and to put on the record in *Hansard* how the passing of this

bill and the re-merger of Verve and Synergy is going to benefit their constituents? Maybe it is not going to benefit their constituents and maybe that is why they will not stand and talk about it. Is it going to benefit industry? Is it going to benefit any of the players down on the Terrace? Is it going to benefit any of the people who are the major source of funds for the conservative party in this state? I would think that, even if this bill is not going to benefit any of the people who walk into the electorate offices of members of the government, those members might stand and talk about how this bill might benefit the big end of town.

However, they are absolutely silent. They have nothing to say on any of this. I have scoured the media from one end of the state to the other. Thanks to the excellent service run by the Parliamentary Library, we can now read any newspaper anywhere in the state and see any comment that has been made about this bill by members of the Liberal Party or the National Party. I did that. I spent some time and I asked my staff to give me a hand looking at every newspaper all over the state and we could not find anything.

Hon Adele Farina interjected.

Hon SALLY TALBOT: There was an absolute deafening silence, as Hon Adele Farina says. It was a long job because there are a lot of newspapers and a lot of members of the government and the National Party—they are in government—but not one thing of substance were we able to determine.

The Leader of the House has a very tricky job to do as he takes the bill through this place, because nobody on the government side of the house is prepared to stand and defend this legislation. The reason they will not do it is the way this legislation was generated; it is very hard to find the genesis of the legislation. If the bill referred to the introduction of some form of further competition or further disaggregation of energy generators, retailers and suppliers in the metropolitan area or in the regional areas—any of those sectors anywhere in the state—it would not be hard to find the genesis for those ideas. All the government's talk and all the government's rhetoric right up until 10 April this year was about keeping the system as Labor had established it with the bills that we took through Parliament in 2005 for a disaggregated system. A disaggregated system best serves the interests of governments in Western Australia, which are constantly looking for sources of funds and revenue in particular, and every member of the Liberal–National government knows that. When governments look at the disaggregated system, the cherry on the cake has been finding an expenditure that it can translate into current expenditure. That is the gem. We know that this system was introduced in 2005 as a way of doing that.

Debate interrupted, pursuant to standing orders.

[Continued on page 6951.]

QUESTIONS WITHOUT NOTICE

EDUCATION — FEDERAL FUNDING

913. **Hon SUE ELLERY to the Minister for Education:**

I refer to Christopher Pyne's advice to federal Parliament that Western Australia will receive \$120 million over four years under the new schools funding agreement.

- (1) Given that the previous federal Labor government's revised offer to WA across all school sectors was approximately \$260 million over four years, how is \$120 million over the same period a better deal financially for WA schools?
- (2) How is it that Christopher Pyne can quantify the amount that WA agreed to yesterday, but the minister cannot?
- (3) The Premier told the other place today that the last offer from the previous federal Labor government was \$137 million over four years, not \$260 million. Where did the Premier get that figure from?

Hon PETER COLLIER replied:

I thank the honourable member for the question.

- (1)–(3) I am very happy with the outcome of what was decided by the federal government on the Gonski funding model. I will not go into the governance component because that is not a part of the question. The funding that has been agreed to—at this stage in principle—between the Western Australian government and the federal government is exactly the same as that agreed to in the final offer by Julia Gillard to the state government.

Hon Sue Ellery: How do you get that?

Hon PETER COLLIER: Please, I am answering the member's question!

That \$260 million was offered to the three non-signatory states and was across all sectors. That was the offer at the time, and the Western Australian government was quite comfortable with that. That meant that Western Australia was then part of a funding agreement. The previous Labor government extinguished WA's

involvement and made Western Australia, Queensland and the Northern Territory redundant in terms of funding. It said we were not going to get any!

Hon Sue Ellery: But you did not sign!

Hon PETER COLLIER: Of course we did not sign; it was abhorrent! It would have imposed these massive governance requirements on classrooms throughout Western Australia and we simply could not agree.

Hon Sue Ellery: Why did you agree to less?

Hon PETER COLLIER: We have not agreed to less.

Hon Sue Ellery: You have—\$120 million is less.

Hon PETER COLLIER: I will explain that to the member. We have not agreed to less. I will go on to the \$120 million as I have no problem answering that question for the member. That \$120 million is over a calendar year, which is of course what schools are in. The four years finish in December 2017, which means that six months are not included in the funding model. That is exactly what the situation is.

Hon Sue Ellery: It still does not add up!

Hon PETER COLLIER: The Leader of the Opposition has been caught out; she is incorrect!

Several members interjected.

Hon PETER COLLIER: That \$120 million reflects the final agreement over calendar years and not financial years. The agreement we have at the moment has been agreed to in principle; we have not signed anything at this stage and negotiations are continuing. That brings me to the second part of the member's question about how Christopher Pyne could quantify the amount that the WA government had agreed to and I could not. I did the eminently responsible thing: negotiations are continuing. I agree that the amount will be around \$120 million. However, I am not willing to agree with the member when she suggests that I am saying that is definitive and that is it. Quite frankly, I want to make sure we iron out all the creases in the agreement. This has just occurred in the last few days and I want to iron out all the creases in the agreement to get it right. I can say that \$120 million is around the ballpark of what it will end up as.

I have answered the final part of the member's question. As I said, we are looking at calendar years and not financial years.

Hon Sue Ellery: It still does not add up!

Hon PETER COLLIER: It is not the same! We are talking about a four-year agreement. We are talking about \$120 million over the four-year agreement, but it does not include January to June in the financial year post-2017. What we will do then is what we do on each and every occasion: we will negotiate with the federal government for another funding agreement. The issue of whether or not we did not get as much as other states or why we received less in comparison with other states goes back to what I have been saying constantly in this place and publicly for the last 12 months. That is, the school resourcing standard that is used to determine what actually occurs with this funding model has worked on the premise of around \$9 000 for each primary school student and \$12 000 for each secondary school student. Schools in Western Australia combined are funded on average at \$15 700 per student. We have the best resourced schools of any state.

Hon Sue Ellery: The Premier said that was insulting when federal Labor put that argument.

Hon PETER COLLIER: It was! It was absolutely insulting!

Hon Sue Ellery: So it is insulting when Labor says it, but it is not insulting when you say it!

Hon PETER COLLIER: The honourable member is talking about \$186 million over six years spread throughout all the sectors.

Hon Sue Ellery: No, I am not. I am talking about the four years.

Hon PETER COLLIER: The original offer, which we said was insulting, was \$186 million over —

Several members interjected.

The PRESIDENT: Order! This is not a debate. A question was posed. Let us hear the answer, which is required to be concise and relevant.

Hon PETER COLLIER: Thank you, Mr President, I have been looking forward to this question. As I said, Julia Gillard's original offer was \$186 million over six years for all three sectors. We would have got \$8 million in the first year of that offer in 2014. That is why we said it was insulting.

LAND CLEARING REGULATIONS — CHANGES

914. Hon SUE ELLERY to the minister representing the Minister for Environment:

I refer to the recent government decision that land clearing regulations will be softened.

- (1) Has the Minister for Environment received representations from government members or ministers on the regulations; and, if so, from whom and when?
- (2) Has the minister met with stakeholders in relation to this decision; and, if so, which groups or individuals and when?

Hon HELEN MORTON replied:

I thank the member for some notice of question.

- (1)–(2) Various forms of stakeholder liaison and representations have occurred in relation to reviews of the clearing provisions of the Environmental Protection Act 1986 since 2008.

On 22 January 2013 the government arranged a public native vegetation forum in Esperance. The forum was attended by the then Minister for Environment, the member for Eyre and the director general and representatives of the then Department of Environment and Conservation. The amendments to the clearing regulations contribute to the government's 2013 election commitment to work to reduce unnecessary burdens for farmers prohibiting their future growth and success. Clearing of native vegetation is one of the key relevant areas of regulation.

CONSTRUCTION SUBCONTRACTOR FINANCIAL ASSISTANCE SCHEME

915. Hon KATE DOUST to the Leader of the House representing the Minister for Finance:

I refer to question without notice 892. Do subcontractors have to pay GST on the amount received from RiskCover?

Hon PETER COLLIER replied:

I thank the honourable member for some notice of the question. I do not like the response that I have received. I will speak to the minister and, ideally, I will provide a response tomorrow.

GRAIN RAIL NETWORK — EXPENDITURE

916. Hon KEN TRAVERS to the parliamentary secretary representing the Minister for Transport:

I refer to question without notice 860.

- (1) On what date did the minister receive the advice?
- (2) Who provided the advice?
- (3) On what basis did the advice suggest the minister did not have to give notice in accordance with section 82 of the Financial Management Act?
- (4) Will the minister table the advice; and, if not, why not?

Hon JIM CHOWN replied:

I thank the honourable member for some notice of this question.

The member mentioned question without notice 860 in his question. That is not stated in the response.

Hon Ken Travers: Have you got C933?

Hon JIM CHOWN: Yes. The answer I have received is as follows —

It is unclear from this question which answer the member is referring to in his question. I request the member provide clarifying details so that the minister can respond with the appropriate information.

GRAYLANDS HOSPITAL — FUTURE PLANS

917. Hon STEPHEN DAWSON to the Minister for Mental Health:

I refer to recent media speculation over the future of Graylands Hospital.

- (1) Will the minister confirm that the Barnett government is considering scaling down the number of beds and services offered at Graylands?
- (2) Can the minister confirm that the government is considering selling off land around the facility?
- (3) If yes to (1), when will a decision be made on the facility's future and when will the government announce the sites of any proposed new mental health facilities to replace beds lost at Graylands?

- (4) If yes to (1), will the minister advise which mental health inpatient services will continue to be provided at the Graylands site?
- (5) If no to (1), when will the Barnett government commit to providing the necessary funding to update the ageing facilities at the site?

Hon HELEN MORTON replied:

I thank the member for some notice of this question.

- (1)–(5) Any consideration of future bed numbers and services at the Graylands site will need to be considered as part of the development of the 10-year mental health services plan that is being developed jointly by the Mental Health Commission, the Department of Health and the Drug and Alcohol Office. The first stage of the plan will be provided to me, as Minister for Mental Health, by the end of this year. It is anticipated that the plan will be completed by April 2014.

METRO AREA EXPRESS LIGHT RAIL

918. Hon LYNN MacLAREN to the parliamentary secretary representing the Minister for Transport:

- (1) Will a delay in plans to construct part of a light rail network connecting Curtin University to the City of Perth impact Curtin University's town plan for a light rail terminus?
- (2) Did the minister consult with Curtin University when considering delaying this part of the project?
- (3) Did the minister consult with the Town of Victoria Park when considering delaying this part of the project?
- (4) How will the delay impact town planning by the Town of Victoria Park?
- (5) Can development of this section of the light rail network into the city proceed?
- (6) If no to (5), why not?

Hon JIM CHOWN replied:

I thank the honourable member for some notice of this question.

- (1) The Metro Area Express light rail network route announced by the government does not go to Curtin University.
- (2)–(3) No.
- (4) The MAX light rail project team is working closely with the Town of Victoria Park and Curtin University in planning for the future alignment of light rail to ensure the alignment can be taken into account for town planning purposes.
- (5)–(6) Please refer to part (1).

The PRESIDENT: Members, you might be aware that the volume in the chamber is not too good today; it is connected to our electrical problems. We hope to have all of that resolved by the end of tonight's dinner break. Bear with us. Hansard is obviously having difficulty picking up the sound.

PEEL HEALTH CAMPUS — REDEVELOPMENT

919. Hon SALLY TALBOT to the parliamentary secretary representing the Minister for Health:

Can the minister confirm that the government is currently considering a proposal from the operator of the Peel Health Campus for its redevelopment and subsequent extension of the operating contract?

Hon ALYSSA HAYDEN replied:

I thank the member for some notice of this question.

South Metropolitan Health Service, as the contract manager, has not received a proposal from, nor entered into any formal discussions with, Ramsay Health Care, as the operator of the Peel Health Campus, about any redevelopment of the site or subsequent extension of the operating contract.

POLICE — MISSING PERSONS CASES

920. Hon LJILJANNA RAVLICH to the Attorney General representing the Minister for Police:

- (1) On an annual basis since 2008, how many missing persons cases —
 - (a) were reported to police; and
 - (b) remain unsolved?
- (2) What is the total backlog of unresolved missing persons cases since 2008?

- (3) How many of the cases in (2) were murder investigations that were commenced and then abandoned?
- (4) What was the reason for each case in (3) being abandoned?

Hon MICHAEL MISCHIN replied:

I thank the honourable member for some notice of this question. I am advised that the information requested is not readily available; therefore, it is not possible to provide an answer in the time available. The Minister for Police requests that the member place this question on notice.

ARE YOU BUSHFIRE READY? — ADVERTISING CAMPAIGN

921. Hon SAMANTHA ROWE to the Leader of the House representing the Minister for Energy:

I refer to the Are you Bushfire Ready? advertising campaign.

- (1) Is the total cost of the campaign \$1 million; and, if not, what is the total cost?
- (2) What is the source of that funding?
- (3) What is the cost, if any, of —
 - (a) payments to *The West Australian*;
 - (b) payments to Channel 7 Perth; and
 - (c) payments to Mr Ben Roberts-Smith?
- (4) What are the details of other costs, including advertisement production, advertisement screening, publication or dissemination?

Hon PETER COLLIER replied:

I thank the honourable member for some notice of this question.

- (1) The total cost of the campaign is \$999 788.
- (2) Western Power was the source of campaign funding as part of its commitment to providing a safe, affordable and reliable essential service to the community. By way of context, Western Power has spent \$250 million on bushfire mitigation programs in preparation for this year's bushfire season. Western Power is also working closely with the Department of Fire and Emergency Services, the Department of Parks and Wildlife, other emergency services and the community to implement the key theme of "shared responsibility" from the Keelty inquiries into the Perth Hills and Margaret River bushfires.
- (3)
 - (a) Print advertising to promote the campaign in *The West Australian* amounted to \$142 000.
 - (b) Television advertising to promote the campaign on Channel 7 amounted to \$207 628.
 - (c) The fee paid to Ben Roberts-Smith was \$50 000.
- (4) The entire cost of the campaign was \$999 788. This figure is inclusive of all advertising production, advertisement screening and publications and dissemination.

WHITE SHARK MONITORING PROGRAM

922. Hon AMBER-JADE SANDERSON to the minister representing the Minister for Fisheries:

I refer to the Department of Fisheries' current white shark monitoring program undertaken jointly with South Australian and South African authorities.

- (1) When did this current program commence?
- (2) How much has the Western Australian government spent towards this program in each financial year since it began?
- (3) How many sharks have been tagged under this program by —
 - (a) the WA Department of Fisheries;
 - (b) South Australian authorities; and
 - (c) South African authorities?
- (4) What resources does the Western Australian Department of Fisheries have at its disposal to tag white sharks?
- (5) Has the government conducted any reviews into the effectiveness of shark tagging programs; and, if yes, will the minister table them?

Hon KEN BASTON replied:

I thank the honourable member for some notice of this question.

- (1) The full-scale shark monitoring project was initiated in 2011–12 as part of the shark hazard mitigation initiative funded by the Liberal–National government.
- (2) Expenditure in the last three financial years was \$608 286, \$947 453 and \$292 030.
- (3)
 - (a) 152.
 - (b) 180.
 - (c) 50.
- (4) The Department of Fisheries has access to significant resources to assist with the shark monitoring project, including a 21-metre research vessel and a large patrol vessel. It also has priority access to regionally based patrol vessels and mobile research vessels. The project also has use of a remote operating vessel.
- (5) The program has been in full operation for less than 18 months.

CANE TOADS — CONTROL**923. Hon ROBIN CHAPPLE to the minister representing the Minister for Environment:**

I refer to a statement made by the Minister for Environment in *Hansard* on 20 August 2013 regarding the government's decision to cease funding the Kimberley Toad Busters in the current financial year.

- (1) What is the role of the state cane toad coordinator and what is the budget he or she has to work with?
- (2) Which islands off the Kimberley coast are being used as wildlife refuges and how is the health and wellbeing of wildlife being monitored?
- (3) With limited mobile phone coverage in most parts of the Kimberley, will the minister please explain how Kimberley communities and visitors will be able to access the cane toad app he launched a few months ago?
- (4) Kimberley Toad Busters is continuing aspects of its work on a voluntary basis, especially the community education and biodiversity conservation parts of the program, in an effort to slow the “cane toad front” as it moves westwards. When are the cane toads expected to reach the major river systems of the West Kimberley and when will they arrive in the tourist town of Broome?
- (5) What is the government doing to prepare tourism operators and resort managers for the arrival of the cane toads?

Hon HELEN MORTON replied:

I thank the member for some notice of this question.

- (1) The state cane toad coordinator manages the implementation of the cane toad strategy for Western Australia. This includes coordinating the implementation of the Kimberley islands project within the Kimberley science and conservation strategy. The budget is \$750 000 a year.
- (2) The Kimberley islands have been prioritised for their conservation value and representative species that are most likely to be impacted by cane toads. Thirty islands are considered to be a priority. A biosecurity strategy is being developed and will identify quarantine and surveillance activities. Six of these 30 Kimberley islands will be surveyed and monitoring plots established in 2014.
- (3) The cane toad app was a joint project with the University of Western Australia's centre for excellence in learning unit, the Department of Parks and Wildlife and the Kimberley Toad Busters. The app complements community education programs and resources developed by the Department of Parks and Wildlife. All major towns in the Kimberley have mobile phone coverage.
- (4) The rate of expansion of cane toads will be determined by rainfall, terrain and temperatures. Based on the current rate of expansion of 50 kilometres a year, there is potential for cane toads to reach Halls Creek during this wet season, Fitzroy Crossing and Derby in two to three years and Broome in five years or more. Cane toads potentially could reach the upper parts of West Kimberley rivers this wet season but they have not arrived on the western shore of the Cambridge Gulf to date.
- (5) Information is available to community members, tourism operators and resort managers from the Department of Parks and Wildlife offices in Broome and Kununurra, as well as the department's website. A cane toad newsletter is produced quarterly, providing information on the state cane toad strategy. It is available from the Department of Parks and Wildlife offices in the Kimberley, is published on the department's website and is emailed to key stakeholders.

MIDLAND RAILWAY LINE — THIRD AND SEVENTH AVENUE BRIDGES

924. Hon ALANNA CLOHESY to the parliamentary secretary representing the Minister for Transport:

I refer to the government's plans to replace the Third and Seventh Avenue timber railway bridges on the Midland line.

- (1) What is the expected cost for the replacement of each bridge?
- (2) What is the current timeframe to complete the replacement of both bridges?
- (3) Where is the funding for these replacements reflected in the current 2013–14 state budget?

Hon JIM CHOWN replied:

I thank the honourable member for some notice of this question.

- (1) It is expected that they will cost \$11.4 million and \$10.5 million respectively.
- (2) It is mid-2016 and mid-2015.
- (3) It is on page 393 of budget paper No 2.

LEGAL AID — APPLICATIONS

925. Hon ADELE FARINA to the Attorney General:

Of the 3 276 applications for Legal Aid funding received in 2012–13, how many applications were granted funding?

Hon MICHAEL MISCHIN replied:

I thank the honourable member for some notice of the question.

The member is, with respect, mistaken. I am advised that 8 941 applications for aid were approved and granted funding by Legal Aid WA in 2012–13—6 983 for state matters and 1 958 for commonwealth matters.

ACTING COMMISSIONER FOR CHILDREN AND YOUNG PEOPLE — JENNI PERKINS

926. Hon SUE ELLERY to the Leader of the House representing the Premier:

I refer to a media report that the Premier has appointed former director general of the Department for Communities, Ms Jenni Perkins, as the Acting Commissioner for Children and Young People for up to 12 months.

- (1) What was the process used to appoint an acting commissioner, was it advertised and who was consulted about the appointment?
- (2) Will the Premier table the instrument of appointment of the Acting Commissioner for Children and Young People; and, if not, why not?

Hon PETER COLLIER replied:

I thank the honourable member for some notice of this question.

- (1) Ms Perkins was appointed as Acting Commissioner for Children and Young People by the Governor in accordance with section 14 of the Commissioner for Children and Young People Act 2006. No, the act does not require advertising for an acting appointment. The Attorney General consulted with the Public Sector Commissioner prior to recommending the appointment of Ms Perkins to the Governor. Ms Perkins is an experienced chief executive officer with suitable skills, who is available to take up the acting appointment.
- (2) Yes.

I seek leave to table the appropriate document.

Leave granted. [See paper 1074.]

ALCHERA LIVING — WEERONGA VILLAGE — COMPLAINT

927. Hon KATE DOUST to the Minister for Commerce:

I refer to a letter the minister sent to my office regarding Mrs Erin Borgfeldt and Weeronga Village entitled "Constituent's Complaint against Alchera Living", reference 44-06974.

- (1) Could the minister please provide an update on the current standing of the investigation into the financial status of the association and its capacity to meet its financial obligations?
- (2) When will the full investigation be completed?

Hon MICHAEL MISCHIN replied:

I thank the honourable member for some notice of the question.

- (1) The investigation has almost concluded. The association has satisfied the Department of Commerce of its capacity to meet its financial obligations.
- (2) The department expects to complete its investigation within the next fortnight and is presently seeking to meet with the complainant to inform her of its findings.

ANSTEY–KEANE DAMPLAND — BUSH FOREVER SITE

928. Hon LYNN MacLAREN to the minister representing the Minister for Environment:

- (1) What instances of rubbish dumping have been identified at the Anstey–Keane Dampland Bush Forever site this year?
- (2) What is the status of the proposed extension of Keane Road?
- (3) Will the minister ensure that the Anstey–Keane Dampland is preserved intact?

Hon HELEN MORTON replied:

I thank the honourable member for some notice of the question.

- (1) Illegal rubbish dumping is an ongoing issue in the Skeet Road area of the Anstey–Keane Dampland. Large amounts of rubbish have been dumped in this area and the adjoining privately owned land of lot 67 and 171 Skeet Road. The most recent clean-up in this area was undertaken by the City of Armadale on 8 November 2013. Another significant source of rubbish in the area is wind-blown rubbish entering the Bush Forever site from areas adjacent to the site. The Department of Parks and Wildlife and the City of Armadale are currently liaising with developers to ensure that this rubbish is cleaned up. Department of Parks and Wildlife staff regularly remove rubbish from parts of the Bush Forever site under its management. Specific information on each instance of rubbish dumping is not available.
- (2) It is understood that the City of Armadale is seeking to release an updated public environmental review for the formal eight-week public comment period, which is expected to commence either in late 2013 or early 2014.
- (3) The government, in cooperation with other key stakeholders, will continue to give a high priority to on-ground management activities within Jandakot Regional Park and the surrounding area to ensure the maintenance of the important conservation values of the Anstey–Keane Dampland.

SCHOOLS — ELECTRONIC SPEED ZONE SIGNS

929. Hon KEN TRAVERS to the minister representing the Treasurer:

- (1) Can the minister table a copy of the criteria used to select the schools that will receive electronic flashing speed zone signs in 2013–14?
- (2) If no to (1), why not?

Hon JIM CHOWN: I actually do not have question C946 here.

Several members interjected.

The PRESIDENT: Order. I believe another minister may have that question somehow or other. Is that right?

Hon HELEN MORTON: Yes. Do you want me to answer it?

The PRESIDENT: Yes, I think so, if you have it in front of you.

Hon HELEN MORTON replied:

I thank the member for some notice of this question. Hon Ken Travers, this was sent to the parliamentary secretary representing the minister for the Treasurer; as I represent the Treasurer in this house, I am providing the answer.

- (1)–(2) The Liberal–National government has a proud history when it comes to delivering safety outcomes for school communities. In fact, it was the Court government that introduced 40-kilometre school zones in the mid-1990s. As the member would be aware, at the 2013 state election the government committed to installing LED signs at every school with a 40-kilometre zone. The announcement brings the total number of school sites treated up to 237, which is in stark contrast to the five signs installed under the eight years of the previous Labor government.

Several members interjected.

The PRESIDENT: Order!

Hon HELEN MORTON: I encourage the member to revisit and refer to his previous questions without notice, in particular question without notice 771 asked on 16 October 2012, which answers this question. I also table a copy of the minister's media statement for the member's information.

[See paper 1075.]

DEPARTMENT FOR CHILD PROTECTION AND FAMILY SUPPORT — VIEWPOINT PROGRAM

930. Hon STEPHEN DAWSON to the Minister for Child Protection:

I refer to the Viewpoint program used by the Department for Child Protection and Family Support.

- (1) Will the minister provide the ages of the 921 children who participated in the 2013 survey; and, if not, why not?
- (2) Will the minister table an example copy of the correspondence sent to children in the care of the chief executive officer inviting them to participate in the survey; and, if not, why not?
- (3) Can the minister advise which other state and territory governments have commenced using the Viewpoint program to survey children in care?
- (4) Will the minister table a copy of the questionnaire used in the survey; and, if not, why not?

Hon HELEN MORTON replied:

I thank the member for some notice of this question.

- (1) During the period 1 July 2012 to 30 June 2013, Viewpoint was provided to children aged between four–17 years. The following is a breakdown, by age, of the 921 children who participated in Viewpoint during this period: four–six years, 178; seven–nine years, 265; 10–15 years, 423; and 16–17 years, 55. From July 2013 only children aged five–17 years are invited to participate in Viewpoint.
- (2) Child protection workers meet with children in the care of the chief executive officer of the Department for Child Protection and Family Support to discuss how they would like to contribute to the development of their care plan, which is reviewed at least annually. Viewpoint is one of a suite of options available to children to facilitate their participation in care planning. In an attempt to encourage increased participation in Viewpoint, the department recently sent letters and a flyer inviting children to complete the questionnaire. These are tabled.
- (3) The Australian Capital Territory, Queensland and Victoria use Viewpoint. All states and territories except Queensland are working towards the use of Viewpoint for the purpose of collecting data for the 2015 national report on the views of children and young people in out-of-home care.
- (4) Questionnaires are provided in accordance with the participant's age. Questionnaire age groups are four–six; seven–nine; 10–15; and 16–17 years. These are tabled.

[See paper 1076.]

PARKFIELD PRIMARY SCHOOL AND KINGSTON PRIMARY SCHOOL — FUNDING

931. Hon SALLY TALBOT to the Minister for Education:

I refer to the Barnett government's decision to reduce funding for state schools.

- (1) Based on projected enrolments for 2014, what is the cash value of the following cuts for Parkfield Primary School and Kingston Primary School —
 - (a) the 30 per cent reduction in school support program resource allocation;
 - (b) the new long service leave liability levy;
 - (c) the 1.5 per cent procurement saving;
 - (d) the cessation of performance management funding; and
 - (e) changes to other school grant components?
- (2) Based on projected enrolments for 2014, for each of these schools what is the cash value of reductions in full-time equivalents in 2014?
- (3) What reductions are planned in 2014 to the FTE Aboriginal and Islander education officers at these schools?

Hon PETER COLLIER replied:

I thank the honourable member for some notice of the question

- (1) The first answer is in tabular form, so I seek leave to have it incorporated into *Hansard*.

Leave granted.

The following material was incorporated —

The following information (a) represents the actual School Support Programs Resource Allocation reduction for 2014. For all other responses (b) to (e) the projected 2014 reduction is indicated, based on current enrolment projections. The actual reduction will be determined at the February 2014 census. Parkfield Primary School and Kingston Primary School do not currently receive any of the school grant components that will cease in 2014.

	(a)	(b)	(c)	(d)	(e)
Parkfield Primary School	\$7,599	\$29,476	\$1,487	\$7,285	\$0
Kingston Primary School	\$28,037	\$33,442	\$1,763	\$8,676	\$0

- (2) The actual changes will be determined at the February 2014 census. Parkfield Primary School: \$83 035 due to a projected reduction of 0.75 teacher FTE, and a projected reduction of 0.07 education assistant FTE as at 31 October 2013. Kingston Primary School: \$594 490 due to a projected reduction of 4.6 teacher FTE and a projected reduction of 2.2 education assistant FTE as at 31 October 2013.

Teacher FTE reductions are driven by a combination of changes to staffing formulas to maintain 2013 teacher FTE numbers in 2014 across all WA public schools, as well as reductions associated with changes in projected student enrolments. For Kingston Primary School, the majority of the reductions in teacher FTE relate to a decrease of projected student enrolments. The school is expected to have 50 fewer students in 2014 compared with 2013, due in part to the opening of Treendale Primary School in 2014.

- (3) Parkfield Primary School, 0.06 FTE; Kingston Primary School, 0.11 FTE.

WESTERN AUSTRALIA POLICE — AUTHORISED STRENGTH

932. Hon SAMANTHA ROWE to the Attorney General representing the Minister for Police:

- (1) What was the authorised strength of each policing district—regional and metropolitan—on 1 November 2013?
- (2) What was the actual strength for each of the policing districts in (1)?

Hon MICHAEL MISCHIN replied:

I thank the honourable member for some notice of this question. The Minister for Police advises —

- (1)–(2) The information requested is not readily available, therefore it is not possible to provide an answer in the time available. I request the member place the question on notice.

MINISTERS OF THE CROWN — GOVERNMENT-OWNED VEHICLES

933. Hon ROBIN CHAPPLE to the Leader of the House representing the Premier:

I refer to the article in *The Sunday Times*, “MPs vote for V8 power”, featured on 24 November 2013.

- (1) Can the Premier confirm that he and four of his ministers have opted for a V8-powered vehicle as their government car?
- (2) If yes to (1), can the Premier explain why he has opted for a V8 over a more fuel-efficient and lower CO₂ emission vehicle?
- (3) Other than the approved vehicles listed in the article and compared with a V8, does the pool of government vehicles offer more fuel-efficient and lower gas emission vehicles?
- (4) If yes to (3), what are they?
- (5) If no to (3), why not?

Hon PETER COLLIER replied:

I thank the honourable member for some notice of the question.

- (1) There are currently three V8 Holden Caprices in the ministerial fleet, with one on order for Minister Baston.
- (2) The new model Holden Caprice is only available with a V8 ULP engine. The six-cylinder ULP engine has been replaced with a LPG-powered V6 engine. With the limited LPG fuel outlets across the metropolitan and rural areas, this may have a critical impact on the operational use of this type of vehicle. GM Holden has adapted the V8 engine to operate using the active fuel management system.

This system increases fuel economy and reduces greenhouse gas emissions by only using half the engine's cylinders under certain conditions. Importantly, it is manufactured in Australia.

- (3)–(5) In June 2010 the Premier approved a uniform fleet of vehicles—white colour only—for ministers, parliamentary secretaries and officeholders of the Parliament as follows: Holden Caprice V6 ULP automatic; Ford G6E V6 ULP automatic; and Toyota Prado GXL 3.0 litre turbo diesel automatic, which is only for demonstrated regional use. In moving to a uniform fleet, only the mentioned vehicles are approved as ministerial vehicles.

QUESTIONS ON NOTICE 392, 552, 566 AND 603

Papers Tabled

Papers relating to answers to questions on notice were tabled by **Hon Peter Collier (Leader of the House)**, **Hon Ken Baston (Minister for Agriculture and Food)** and **Hon Alyssa Hayden (Parliamentary Secretary)**.

MARGARET RIVER — PERIMETER ROAD PERTH–DARWIN HIGHWAY

Questions without Notice 895 and 898 — Answer Advice

HON JIM CHOWN (Agricultural — Parliamentary Secretary) [5.09 pm]: I table documents in answer to questions without notice 895 and 898 asked by Hon Lynn MacLaren and Hon Samantha Rowe on 28 November.

[See papers 1079 and 1080.]

ELECTRICITY CORPORATIONS AMENDMENT BILL 2013

Second Reading

Resumed from an earlier stage of the sitting.

HON SALLY TALBOT (South West) [5.10 pm]: Mr President, I will not go over the points that I made earlier in this debate, other than the very last point that I made, because I am sure other honourable members in this place will agree with me that nothing is quite as effective in making one lose one's train of thought than seeing your face, Mr President, as the clock ticks towards the moment at which you are going to cut us off.

The very last point that I was making was that if we were looking at a different sort of bill—namely a bill to extend the disaggregation of Western Power and extend the moves that the Labor government made in 2005 to increase competition and put downward pressure on wholesale electricity prices—we would have no trouble in finding a genesis for that idea. The fact is that all the government's rhetoric up until 10 March 2013 supported the existing system. It supported the regime that had been put in place by the Labor government in 2005, with the support of Liberal members of this Parliament. However, when we look for the genesis of this bill, we find nothing. Indeed, what we find—this is the point I was making—is contradictory points of view. We need go no further than a comment made by the former Minister for Energy, Hon Peter Collier, now the Leader of this House, and, in another incarnation, Minister for Education, on 26 August 2009, when he said —

I'm of the view that the merging of Synergy and Verve will not solve the problems as they currently exist, therefore the government will not be following this path.

That was August 2009. The Liberal–National government had been in power at that stage for only 11 months. Perhaps the government has made discoveries since that time that have led it to go down a completely different path. However, if that is the case, the government has not been prepared to put that on the record. I again put it to the house that the opposite is true. Every public utterance by Hon Peter Collier, the former minister, between 26 August 2009 when he made that comment, and 10 April 2013, suggested that the government was opposed to a re-merger of Synergy and Verve. I do not make that claim because of a lack of evidence that the government was plotting to do this. I make that claim on the basis that the government made a lot of policy statements during that three and a half to four years after the former Minister for Energy promised that no merger of Synergy and Verve was on the table. I will go into more detail about that documentation later if I have time.

It is now 3 December 2013, and we have only five and a half more sitting days before this place gets up for the summer recess. We are debating a bill that I assume the government wants to get through this place before we go home for the recess or go back to our electorates for the recess. The provisions of this bill are supposed to come into effect on 1 January 2014. That is in less than one month. Yet we have not heard any arguments from the government in this place about any aspect of this bill. We have not even heard an argument about why we need to deal with this bill before we get up from this place for the summer recess. We have certainly not heard any substantive arguments from members of the Liberal Party or the National Party about the merits of this bill. I therefore ask again: who wants this bill? We are very used in this place to weighing up competing arguments. That is what the business of this chamber is supposed to be about. We are supposed to look at two cases or

several cases and at the arguments that support those cases and decide on the merits of those arguments what path this house will choose to take. Obviously there will be times when strong ideological differences and policy differences divide each side of this house. But it is not clear to me that any ideological differences are at play here. It is not clear to me that we are talking about a strongly held belief on the part of members of the Liberal Party and the National Party. Were we talking about a strongly held belief on the part of government members, one would think that those comments would have been put in support of the bill. However, as I have said, apart from the Premier and the Minister for Energy in the other place, who have been trying to put the arguments in support of the bill, we cannot find arguments from any other government member in support of this bill.

Therefore, when I go to my electors in the south west of this state, in my electorate of South West Region, I will not be able to put to them any competing arguments from the government as to why this bill will be a good thing for them. I am happy to explain to each and every one of my electors, and each and every member of the communities in the south west, why I think this bill will be a bad thing for them, and that is what I intend to do, using the debate in this place as the vehicle to do that. I think this bill will be a very bad thing for my electors. I do not think it will deliver what the government claims it will deliver. It certainly will not deliver increased competition. It will not deliver downward pressure on the wholesale price of electricity. The most important thing for my electors in the south west is that this bill most definitely will not deliver downward pressure on retail electricity prices. As honourable members on this side of the chamber who have spoken before me know, that is what most concerns our electors. The people who walk into our electorate offices day after day, and the people who write, email and phone our offices, want to know what can be done by government about the high cost of electricity. All I can say to them is that nothing that this government is doing will have any effect on putting downward pressure on retail electricity prices.

We have to ask why this is the case. It appears that nobody other than the Premier wants this merger to go ahead. I cannot say anything about the minister, because we obviously uphold certain standards in this place. I always remember that the former and most estimable Clerk of this place, Laurie Marquet, opened his contribution to my induction session as a fledgling member of Parliament by saying that he was proud to say that in the other chamber they have the politicians, and in his chamber they have the parliamentarians. We maintain certain standards in this place; therefore, I know that if I use the kind of extraordinary language that was used in the other place, you, Madam Deputy President, will probably rule me out of order. But I will quote from *Hansard* of the other place. It was suggested that the minister had done such a bad job of trying to explain the benefits of the bill because he was either too incompetent, too lazy or too stupid to do his job properly. I think it may be any of those things, without repeating such injudicious language. I think it also might be because he does not believe in it. And that is at the core of the problem. Nobody on the other side of this chamber is prepared to come in here and argue the merits of the case, because, fundamentally, they do not believe in it. Fundamentally, what members of the government believe is what was sold to them as the merits of the original case for disaggregation—that is, increased competition in the market, downward pressure on wholesale prices and making suppliers shop around for the best prices. That is what honourable members opposite believe. Of course, they know that this bill goes against the very tenets of their belief system, and that is why I suggest that they are all silent. I think this has affected the minister's defence of this bill.

We had an extraordinary situation recently, but it was not in relation to this bill; it was in relation to a bill that we will look at in this place presumably sometime next year. The usual briefing was put on for members of Parliament by officers from the department, and maybe people from the minister's office, to explain to members of Parliament clause by clause what a certain bill meant. I am told—I was not there myself—that the minister in question, the Minister for Local Government, actually turned up at this briefing, which was an extraordinary thing. Nobody had ever seen a minister go to a briefing on a bill that he or she had carriage of!

Hon Sue Ellery: Maybe he needed to understand what was in the bill himself.

Hon SALLY TALBOT: That is exactly my point, Hon Sue Ellery. It was pretty clear. I am told by those who were there that the reason the minister went to the briefing on his own bill was to try to find out what the hell was going on in his portfolio.

I was one of several members on this side of the chamber who had an excellent briefing from people from the department about this bill. I see that they have to endure the agony of sitting through what is clearly going to be a long debate. It was an excellent briefing. I was a little disappointed that it was not on the bill; it was on the regulations, which do not actually exist yet. Nevertheless, we got the briefing from people who clearly have a deep understanding of what the bill is trying to do. I am a bit disappointed that the Minister for Energy did not come to that briefing, because I think it would have been quite useful for him. I was equally disappointed that the former Minister for Energy did not come, because he might have got some key lines from some of the people who have been dealing with energy legislation obviously for a couple of decades and who know this field inside out. Sadly, that was not the case; only backbenchers and members of the opposition were at that briefing. The minister clearly missed out on an opportunity to find out what the hell is going on in his portfolio.

I ask honourable members—not on my side of the chamber because we have all done our homework and we are absolutely steadfast in our opposition to every aspect of this bill—of the Liberal and National Parties whether there is a plan. What are we supposed to be doing here? I am reminded of that wonderful line from the Batman movie in which Heath Ledger plays the Joker. There is this great scene in which the Joker gets into the usual catastrophic situation that he always gets into and he slithers down the outside of a building and ends up in a messy heap covered in blood and obviously in a pretty parlous state. Somebody says to him, “What’s the plan?” and he says, “Do I look like a man with a plan?” I am sorry, Madam Deputy President, but when I look at the Minister for Energy, I have to ask the same question: does he look like a man with a plan? No, he does not. He looks like a man who has been asked to sell the unsellable. He has been asked to sell something to the Western Australian community that, fundamentally, he does not believe in.

I do not make those comments lightly. It is a big responsibility being a minister of the Crown. It is a position that carries enormous power and influence. It would be nice to think that our ministers of the Crown in Western Australia took their responsibilities sufficiently seriously to devise pieces of legislation that they can sell to the Western Australian community with their hands on their hearts. I think the minister in the other place does have some understanding of his task as energy minister. As Hon Ken Travers referred to, there is a sense that the honourable minister in the other place has been put into the position of trying to get the Premier’s agenda through. The Premier was clearly failing to get his agenda through with the previous minister, Hon Peter Collier. Maybe the Premier sees the current minister, Hon Mike Nahan, as a bit of a troubleshooter or a doer in receiving a set of instructions and implementing them.

When I was doing some research into the background of this bill, I found a set of very clear statements about what the minister believes in. It was quite refreshing. I have waded through all this gobbledygook and every time this topic comes up in the other place, members of the Liberal and National Parties flounder when trying to find something to say. We found some nice clear statements from the Minister for Energy. This is from an article on page 1 of *The Weekend West* of Saturday, 21 September 2013. It was an exclusive by Daniel Mercer and Gareth Parker. It is headed “Power shake-up” and states —

The Barnett Government is preparing a long-term plan to sell WA’s power utilities that would reap billions for taxpayers but place critical electricity infrastructure in private hands.

Energy Minister Mike Nahan revealed the proposal —

Thank goodness we have an energy minister who is actually out there talking about his plans for the energy sector —

as he outlined a shake-up of the State’s energy system that would introduce competition for the consumers’ dollar for the first time.

I can tell members that the electors of Western Australia must have sat bolt upright in their seats at the breakfast table as they read that and thought, “Thank goodness; at last we have got a clear direction from the energy minister. He’s going to sell all the state’s energy assets.” The article continues —

It is believed electricity prices would have to rise up to 10 per cent for the plan to be implemented, —

I think they would have slumped a bit in their seats at the breakfast table when they read that, although the community has got very used to these colossal increases in electricity prices since this government was elected in 2008 —

though energy economists claimed it would eventually drive tariffs down through competition.

This, of course, is real Liberal Party speak. This is the good stuff. This is when the red blood courses through Liberal Party members’ veins; this is when they get the sparkle in their eye, even if it might be only in their right eye—that is, when they start talking about driving tariffs down through competition. There is even a calculation in the article of the likely saving. It states —

A typical household customer now pays about \$1510 a year.

The minister has talked about there being a significant decrease in the amount paid per household per year. He was quite specific. He said that he wanted generator Verve and retail Synergy—this had already been announced of course on 1 January. I will start again because this is very confusing. It is very important that members understand exactly what the Minister for Energy said. He said that he wants generator Verve and retailer Synergy to be merged on January 1 to be split into two or more competing businesses within five years.

We need to be a bit of a grammar expert to understand this sentence. It does not say he wants generator Verve and retailer Synergy to be merged on 1 January. It says that he wants generator Verve and retailer Synergy to be split into two or more competing electricity businesses within five years. I am sure the *Hansard* will show beautifully how that is set out grammatically. All of a sudden, the minister is saying in September 2013 that he wants a different outcome from the one contained in this legislation that is being debated in the Parliament of Western Australia. This is where some of our colleagues in the other place got themselves into a bit of trouble

because a couple of them had problems with the concept of “gentailer”. The minister clearly says that the companies known as gentailers—not genitalia, which is why some people got a little bit confused. That was because they are politicians and we are the parliamentarians; we do not have any trouble with the term “gentailers”—because they generate their own electricity and then sell it to households, and it is not a complicated concept, who would compete for customers. The article says that the minister was in an expansive mood when he outlined his vision for the energy sector in Western Australia; he confirmed that the gentailers would eventually be privatised and Western Power, which controls the vast network of poles and wires in WA’s south would be quarantined. The minister said that we have to get Synergy and Verve in a good state to find out what they are valued at.

It may be that at the end of that article the community of Western Australia was slightly bemused about what the energy minister was doing, given that in outlining his vision, he seems to have directly contradicted the content of this legislation with his vision. But at least he was outlining a vision. Hurray! We have a Minister for Energy with some vision. That is not to say the previous minister did not have vision. If I have time I will talk about his vision. Unfortunately, it is nothing like the Premier’s vision and, I think, nothing like that of the current energy minister. It is a little hard to say, though, because two days later the current energy minister muddied the water considerably. Remember that the first article was Saturday, 21 September 2013. On Monday, 23 September, two days later, there is another headline—on page 12 this time—which was obviously not as dramatic as the minister’s vision, which made page 1 on the weekend. On the Monday the paper carried the headline, “Business backs power privatisation” and stated —

WA’s biggest business lobby has thrown its weight behind the Barnett Government’s long-term plan to privatise electricity utilities, arguing it will ultimately lead to lower power prices.

Hurray! Now the government even has the business community signed up to this vision because it is reflecting something that everyone knows is dear to the Liberal Party’s heart. It is about introducing competition and lowering prices. The article further states —

The WA Chamber of Commerce and Industry’s endorsement comes after Energy Minister Mike Nahan revealed plans that would allow households to choose where they bought their electricity from for the first time

That was the Monday, two days later, when the big end of town was signing up to the energy minister’s vision for gentailers. Remember, his vision for gentailers is that he does not want Verve and Synergy merged; he wants them separated so that they can accurately gauge their market price prior to introducing specific forms of competition, and somewhere down the track looking at selling them—all to drive down retail prices. But then, lo and behold, five days later, on Thursday, 26 September, we see the headline on page 16 of *The West Australian* “Premier pulls plug on power privatisation”. It states —

Premier Colin Barnett has slapped down key elements of his Energy Minister’s reform blueprint, opening a confusing policy rift within the State Government.

Mike Nahan outlined his agenda for the State’s electricity market in an interview with *The Weekend West*. It involved merging retailer Synergy and generator Verve Energy, before splitting it into two “gentailer” companies within five years.

Those entities would compete for customers and ultimately be privatised some time beyond the next State election in 2017 under Dr Nahan’s plan.

Dr Nahan, the Minister for Energy, had a plan. Do not tell me this was just some kind of thought bubble. What minister goes out on a Friday, which is when he must have talked to the media, and outlines a vision for the energy sector? On Friday the Premier is silent; Saturday, the Premier is silent, which was the day when the big end of town came out and said, “Yes, we like this. For the first time there might be some sense of leadership in the energy sector in Western Australia.” The Premier is silent on Friday, Saturday, Sunday, Monday and Tuesday. Presumably, some time on Wednesday, the Premier pulls the plug on the minister’s vision. What an extraordinary sequence of events. No wonder not one single member of the government, whether in the Liberal or the National Party, is prepared to come into this place and contribute to the second reading debate.

Hon Peter Collier: It hasn’t finished yet.

Hon SALLY TALBOT: Not one single member has sought the call in two and a half full days of debate on this bill. There is a little sequel to this sad story I am outlining. On Wednesday, 2 October, the *Canning/Victoria Park Examiner* contained a statement that Dr Nahan—this newspaper calls him Mr Nahan, but I will call him Dr Nahan—denied claims that there was a division between himself and Mr Barnett. Presumably the minister was trying to clarify the situation. I am not sure that he succeeded in doing this but I will let honourable members make up their own mind. In the *Canning/Victoria Park Examiner* of the first week of October, he stated that there was no uncertainty on the future of the energy sector in Western Australia and there certainly was not a lack of communication between himself and the Premier.

I am sorry, but I have been through the details of what the minister said when he said he wanted Verve and Synergy split to get their true value and then to sell them. The Premier said, “No, we will not do any of that.” A week after all these shenanigans, the minister has said that there is no uncertainty for the future of the energy sector in Western Australia. He wants to talk to the major players in the energy sector. I am sorry; if he can get a single one of those major stakeholders down there on the terrace to say, “I agree with the energy minister; there is no uncertainty about the future of the energy sector in Western Australia”, I will go he. They simply will not say that. Every single player in this arena has come out in opposition to the direction that the government is taking, not because they have some kind of deeply held ideological belief about the direction we should be taking, but because, in their view, the government is seriously misguided. All the government is doing by re-merging Verve and Synergy is reintroducing that degree of protection into the industry—all those structural inefficiencies that motivated the Labor government to disaggregate Western Power in the first place. That is what everyone in the energy sector is saying and why no-one on the other side of the house is prepared to come into this place and stick up for a piece of legislation that they are asking us to wade through.

The DEPUTY PRESIDENT (Hon Adele Farina): Member, I take this opportunity to let you know that you have about six minutes left.

Hon SALLY TALBOT: Thank you, Madam Deputy President. We on this side of the house can count. We know that steadfast opposition members, which we are outlining to the government will not be enough to win the day when this bill comes to a vote, are absolutely determined that not one element of this bill that we oppose will go unexamined as it proceeds through this house. That indeed is the role of this place. The role of this place is sometimes to use the numbers to make substantive changes to legislation, but when we know that is not going to be possible, the role of the opposition in this place is to try to get on the record exactly what the government expects to happen as a result of the legislation it is putting through this place. That is so that down the track in years to come we can go back to the government and the community can go back to their local members of Parliament and say, “I’ve just read what you said in December 2013. You said this and you said that. You said that merging Verve and Synergy would make the energy sector more efficient. You said it would drive down retail prices. Well, it hasn’t done that. What have you got to say now?”

That of course is beside anything to do with what the legal processes say about the way in which this place operates. The extent to which members of the government put remarks on the record in these debates is very significant for the future of a sector such as the energy sector in this state. That is because people will go back and read *Hansard* and they will see what government members were promising. They will see the responses from government members to the specific questions that we will bowl up to them throughout this debate and people will be able to hold them accountable.

At the moment I think the community’s breath has been taken away by the sheer effrontery of a government that went to an election on 9 March saying that it would not merge Verve and Synergy; and then 32 days later broke that promise. It took the government 32 days, from 9 March to 10 April, to break that promise. When on 10 April the Premier, as part of an economic statement, said that chief among the proposed changes was the re-merger of Verve and Synergy, we could have heard the collective jaw hit the ground all over Western Australia.

The minister and the Premier had made it clear in every single month up to the state election that Verve and Synergy would not be re-merged. It had been made very clear to industry stakeholders that there would be no re-merger. The government had not been silent on energy policy during that time. Indeed, the former minister, Hon Peter Collier, had released two very substantial policy documents during the time he was energy minister. The first document “*Energy2031: Strategic Energy Initiative: Directions Paper*” of March 2011 was a very substantial document, which was obviously meant for discussion and consultation with the sector and the community. Then some 15 months later in August 2012 the final paper “*Strategic Energy Initiative: Energy2031*” was released.

The previous minister therefore had not been sitting back failing to take the initiative on talking about the future of the sector. We have two very, very substantial documents. Do those documents refer anywhere to reversing the disaggregation that Labor put through in 2005? No, they do not. In fact these two documents use the language of that disaggregation. If we go back and compare some of the key terms, we can see that all the language is there to reassure people that the disaggregation system will continue.

One thing I found at the back of the directions paper was a disclaimer. It is the standard disclaimer that governments use when they put out discussion documents. But does it not make bitter reading to find in that document of March 2011 the following statement? It reads —

The State of Western Australia nor any of their respective officers, employees and agents:

- 1) Make any representation or warranty as to the accuracy, reliability, completeness or currency of the information, representations or statements in this document ...

- 2) Shall be liable, in negligence or otherwise, to any person for any loss, liability or damage arising out of any act or failure to act by any person in using or relying on any information, representation or statement contained in this document.

The information and advice contained in this document is provided in good faith. However, the accuracy and appropriateness of that information and advice is not guaranteed.

What a sad thing to find! The standard legal disclaimer at the back of a government document has in fact done the full circle, so that we can apply that disclaimer about the accuracy and appropriateness of the information in that document to every single element of the newly revealed vision for energy for this state from this Liberal–National government. That is, nothing that the government proclaimed up until 10 April 2013 has proved to be accurate. It may or may not have been given in good faith—I could not possibly comment on that—but certainly not one piece of information the government provided was accurate. And now it has to walk away from years and years and hundreds of pages of policy advice on this bill that bears no resemblance to anything that it has ever talked about before 10 April this year.

Madam Deputy President, is that my wind-up look?

The DEPUTY PRESIDENT: Yes, it is.

[Member’s time extended.]

Hon SALLY TALBOT: Does that give me another 15 minutes?

The DEPUTY PRESIDENT: Yes.

Hon SALLY TALBOT: Thank you, Madam Deputy President.

[Interruption.]

Hon SALLY TALBOT: That noise is because I set the timer on my laptop to “boing” and it is on silent, so I do not know why it is “boinging”. I am very sorry about that, Madam Deputy President. It is lucky that it is you and not the President sitting in the chair!

I thank the house for the extension of time, which gives me the opportunity to make a couple of more references to these very extensive policy documents that the government had already released by the time we got to the election. They do indeed make stirring reading, apart from some very glamorous photographs of the previous Minister for Energy at the front of the documents and the fact that he is making all the right noises. If I were an energy stakeholder down on the Terrace, I would have been pretty happy to see this “*Energy2031*” document. There is no space, by the way, between “*Energy*” and “*2031*”, which is just to show how modern the government is being! I would have been quite heartened by this document if I were an energy stakeholder. In fact when I read a document like this, it makes me think that in certain modes there is not that much difference between the kind of policy the Labor government was pursuing with disaggregation and the vision of the previous Minister for Energy. That is because he starts off his introduction to the final document, which was supposed to be a 20-year blueprint for the state, by saying —

Energy is essential to our way of life and it is vital that we have affordable, secure, reliable and cleaner energy into the future.

That is clearly the sort of statement to which any electorate in Western Australia would warm. What does any householder in Western Australia want, apart from what is outlined in this final policy document as the goals? I have to say that I do not approve of the use of the term “goals” in policy documents. Goals are things people score with balls! The term should be “objectives” or “objects”. However, the “goals” are outlined as follows —

- 1) **Affordable energy:** Western Australians have access to affordable energy that meets their needs.

We could all vote for that, could we not? That is what we all want: affordable energy. Unfortunately, of course, that is not what energy consumers in Western Australia have had ever since this government was elected in 2008. The second goal is —

- 3) **Secure energy:** Western Australia’s energy supply is sufficient to meet demand over the longer term.

I have to say there is a big question mark over that objective. It is beginning to appear a fairly substantial proposition that when the Premier goes anywhere near a major project in this state and gives it his blessing that from that moment the project is doomed to fail. Members can look at Oakajee and James Price Point. God forbid that the Premier should come out and endorse any energy project to secure Western Australia’s energy supply! However, it is a laudable objective and one which everybody on this side of the house would agree with.

The third objective reads —

Reliable energy: Western Australia’s energy supply is safe and of a consistently high quality and delivered with minimal disruption.

Of course, that is what everybody wants, and everybody would vote for that. Any elector who was trying to make up their mind whether to vote Liberal or Labor on the basis of energy policy would have been pretty happy with that.

The final object in this policy paper reads —

Cleaner energy: Western Australia's energy production and use demonstrates good environmental stewardship and minimises greenhouse emissions.

I have to say there is a very large cloud, which may or may not be of greenhouse gases, hanging over that object as we wait to see which way the Liberal Party will go on the whole question of climate change policy.

All those objectives are highly laudable and were signed off by the former Minister for Energy. One would presume they were taken to the March 2013 state election as the basis of an energy policy for the next 20 years. Sadly, 32 days later, the electorate found that was all based on untruths. Perhaps the saddest part, with the benefit of hindsight, of this “Strategic Energy Initiative *Energy2031*”, the final document, is found in part 5, “Achieving the *Energy2031* vision”. I imagine that the former Minister for Energy finds this pretty distressing, too, when he remembers that this document states —

The publication of this Strategic Energy Initiative *Energy2031* is a significant milestone, but it does not represent the end of our ambitious plan for the energy sector.

This Strategic Energy Initiative contains a series of pathways and potential supporting strategies. Over time, short and long-term policy decisions and actions will be taken by Governments against this vision for the future. The vision will be achieved through both small steps and significant reforms. The goals of affordable, reliable, secure and cleaner energy will provide strong guidance for decision-makers.

I ask the Minister for Energy to comment specifically on this in his second reading summary at the end of this debate: where in this final policy document does it open the way for the re-merger of Verve Energy and Synergy? The whole point of the *Energy2031* vision is that we have one entity that generates electricity and another entity that sells the electricity. The creative or productive tension between the two of them is ultimately what drives that downward pressure. The fact is that for the first time, with the passage of Labor's bill in 2006, we had two agencies competing in an open marketplace. Where in the former minister's policy document that I have just referred to does it open the door for that re-merging? Frankly, if the former minister is not able to explain it as being one of those steps that he was contemplating at the time—even if he did not write those words, he signed off on them and he has endorsed them, and it is his picture at the beginning of the document—where does all that come from? The answer is far from clear to members on this side of the house, and I ask the minister to address that specifically when he, as the minister with carriage of this bill, responds to the second reading debate.

As I said, it is so obvious it barely needs saying, Verve is the energy generator and Synergy is the retailer. In preparing for this debate I went to the two websites so that I could be absolutely clear in my own thoughts about what it is we are merging. Members will see that Verve Energy has a little subtitle on its website, “Generations ahead”. If anyone in Verve forgets what they are doing, they can look at their website and see that they are a generator because they are “generations ahead” Verve Energy owns and operates power stations at Collie. I note that the Collie Chamber of Commerce and Industry is the one and only entity that I have been able to find that actually thought on 10 or 11 April that maybe the re-merger was a good thing. I read their comments and I thought that they were out there protecting the energy generation industry in Collie, and they do a good job of that. But I think that even the Collie CCI, by the time it got to the end of its press conference, realised it was clutching at straws. Verve has power stations in Collie, Kwinana, Cockburn and Pinjar. Verve also has wind farms in Albany, Esperance and Kalbarri. It has wind and diesel systems at Bremer Bay, Coral Bay, Denham and Hopetoun; and it has a solar farm at Greenough River. By feeding all that power into the south west interconnected system, Verve is responsible for something like 55 per cent of all electricity that is generated into the Western Australian market. I have not talked about Horizon Power yet, which is responsible for some part of the remaining 45 per cent, but it is Verve that generates about 55 per cent of the electricity in Western Australia.

I then went to the Synergy website to do the same exercise. I want to share with honourable members, in the few minutes remaining to me, what I found. A large message flashed up on my screen thanking me for visiting the Synergy website. It said that I had been randomly chosen to take part in a brief survey to help Synergy identify what it was doing wrong and where it can improve. I thought, “My goodness, they've got the right person here! I've got some views on this.” It could improve by not letting itself be merged with Verve—if it had any say about it! The main thing that occurred to me was that this is clearly Synergy looking for some kind of feedback from its customers, because it is not quite sure what it is doing and where it can improve. I am going to read what the note said because I thought it was a little unusual. It said that the survey would not launch until I had completed my visit and that it would take fewer than five minutes to complete the survey. I said that the results would be anonymous and would be used to help Synergy gain a better understanding of its customers' needs so that it could better service those needs. It said if I wished to participate in the survey once I had finished using

the website I should select “yes”. Of course, being someone who thought it would be quite good to have my say on some of these things, I clicked “yes”. I then went into the website and I started looking at things I was interested in. I could not help noticing, and I know this is not the direct responsibility of the minister with carriage of the bill in this place but I want to put it on the record, that the link to the Economic Regulation Authority was broken. There was no way I could get from the Synergy website to the economic regulator. I thought that was interesting because, of course, the ERA had been one of the main critics of the re-merger of Synergy with Verve. I am sure that this was entirely innocent, but I thought there was a rather poignant irony in the fact I could not get from Synergy to the ERA website. The message said that the page did not exist or I had used an out-of-date link. I thought that was probably true and, sadly, it was an out-of-date link. I should also comment on the fact that when I finished using the website, remembering that the note said that if I wished to participate in the survey once I had finished using the website to select “yes”, I then closed the website but the survey did not come back. I looked for it. I truly did, because I was perfectly prepared to take part in that survey. I do not know whatever it is that Nielsen is supposed to be supplying for Synergy, but maybe someone will come and have a look at that.

As a result of my research into this bill I was left with a whole series of questions. I hope I get an opportunity to raise these questions when we go into committee on the bill. It is not clear to me that anything in this bill is about the cost of electricity. It is not clear to me that it is about microeconomic reform.

The DEPUTY PRESIDENT (Hon Adele Farina): Noting the time, I make the comment that the member will have two minutes left after the dinner break.

Sitting suspended from 6.00 to 7.30 pm

Hon SALLY TALBOT: In the last two minutes remaining, I thank the house for its indulgence in granting me an extension of time. However, just before the dinner break I went through a series of questions I hope will be answered when we get further into this debate. Perhaps the main one is, according to the government’s view of things, when did things start going wrong? What has been going wrong since September 2008 when the Barnett government came to power? What has led the government to this point at which it wants to re-merge Verve and Synergy?

As I said earlier, there is nothing in the draft discussion paper that the former minister put out in 2011, there is nothing in the policy statement that the minister endorsed in August 2012, and there is nothing about things going wrong with the disaggregated system that could be fixed by a move such as this. If, in the alternative, the government’s answer is, “Well, nothing is going wrong”, my question is: what started to go wrong in only August 2012? That was the last time that the government spoke about energy policy until 10 April this year when it decided to end disaggregation. Did things start going wrong only after the “Strategic Energy Initiative, *Energy2031*” paper was released in 2012?

We deserve to have answers to this question and it is important in considering how we move on from this place that we have answers to those kinds of questions. I look forward to hearing the minister who has the responsibility for the bill in this place—who, after all, had the benefit of being the energy minister for a number of years—answer those questions.

HON JACQUI BOYDELL (Mining and Pastoral) [7.33 pm]: I rise tonight to add to this debate. I support the Electricity Corporations Amendment Bill 2013. I did not want to disappoint my Labor Party colleagues by allowing them to continue to state that no National Party members were willing to speak on the bill. At the encouragement of Hon Sally Talbot and Hon Kate Doust last week, here I am!

The Electricity Corporations Amendment Bill means that the electricity retail corporation trading as Synergy and the electricity generation corporation trading as Verve will likely merge upon the enactment of this bill on 1 January 2014. As I understand it, there is some important background and history to this bill. It is important to recognise the intention of the government at that time to try to encourage some privatisation in this area. In 2001, the Gallop Labor government initiated a review of the electricity market. The review was conducted with the intention of disaggregating the market, thereby moving away from a government vertically integrated monopoly. The debate circulating at that time in Australia and elsewhere was one of privatisation. Probably critical to the debate swirling around were issues including market forces, competition, the need for private investment in an ever-growing utility market that was an ever-burdening problem for governments past and future, and the need to take some risks at that time. To its credit, the Labor government at that time under Geoff Gallop did take some risks with a view to privatising the electricity market in Western Australia. However, the need to now review that market to bring it back into a merged state to allow for a better future positioning of the privatisation of that market is where we stand today with this bill.

By 2006, the reform saw the disaggregation of Western Power into four publicly owned entities—namely, Verve as the generator, Synergy as the retailer, Western Power as the network provider and Horizon Power as the regional provider outside the south west interconnected system. As I understand it, even with all the best

intentions and great promises, the reform that was sought at that time has not been delivered. In fact, Synergy has and is forecast to continue being a significant loss-making entity to not only this government, but also certainly future governments. The total government subsidy to Synergy and Verve since disaggregation in 2006 has been \$2.5 billion. This is despite the fact that electricity tariffs to households have increased by about 78 per cent. It is clear that with Synergy continuing to make substantial losses, and also given the high levels of subsidy provided by government to these entities, the situation is untenable and unsustainable for this Liberal–National government and future governments. With that in mind, I think the responsible decision is to acknowledge that change has to occur. We have to create a recalibration of the electricity industry that allows for future privatisation in a much more energetic way than it has been managed previously.

I support the bill on the principle that back in 2006 when the government at that time introduced the opportunity for privatisation, it was a good thing. The government had the view that this utility would supply energy to Western Australia without the government being part of that delivery in the long term. That has not worked and we need to do something about it. We are the decision-makers in government in Western Australia. We must create an environment into the long term that allows for the privatisation of this market to be successful. For those reasons, I support the bill. However, I share the concerns of some within the industry that by undertaking this merger we are creating a potential superpower within the electricity market. I have two key concerns that I will raise in the house today. The first relates to the urgency of this bill and the second relates to the regulations that surround this corporation.

Firstly, I find it a little concerning that currently we are undergoing a detailed review of the structural aspects of the electricity market. That is due to be completed after this bill is potentially passed in this house, which is a concern. The second concern I raise relates to how we intend to manage this potential monopoly, even if for a short time. Clause 22 replaces section 62 of the Electricity Corporations Act and provides for the segregation of functions so that the retail and wholesale arms of the merged entity can be managed separately so that competition garners the support of industry and the wider public. To allay public fears of anti-competitive behaviour by the re-merged entity, perhaps that clause could expressly state that the segregation powers in the bill will ensure that the merged corporation does not engage in anti-competitive practices. It is important to make clear the reasoning and importance of these segregation powers, and I urge members to consider that when we come to consider that clause of the bill. It is also important that under proposed amended section 75 satisfactory regulations are developed so that competitive principles enshrined in the Competition and Consumer Act 2010 are duly applicable to the merged Synergy and Verve corporations. That is essential for the ongoing future of the electricity market.

Hon Peter Collier: It is refreshing to have someone talking about the bill.

Hon JACQUI BOYDELL: Thank you, minister.

I cannot reiterate that enough. We must do as much as we can so that the merged entity's market dominance is not abused for anti-competitive purposes. An environment must be created so that the private sector in the future and the existing private operators in the market can be confident that the market is fair and just. That is important to the ongoing nature of the success of the potential future privatisation of the electricity industry.

The bill also refers to the minister's role for approving arrangements. Perhaps to avoid any perceived conflicts of interest, the Economic Regulation Authority or another independent body should play a greater role in the determinations of that corporation, and that should be considered at the committee stage. To allay concerns of some in the industry, perhaps the arrangements that have been made should be revisited, given the review currently underway, which will probably not be reported upon until after the house has voted on the bill, and that in six to 12 months, in line with the release of the current review, we revisit where we are and what improvements can be made in the electricity market. That would allow for immediate action to be taken and to show industry that the government is interested in the effects of the Verve and Synergy merger and its wider impacts on the economy. I would like to see that occur. It bodes well in our relationships with private investors in the current market and shows good governance around what is being created for the future.

I strongly support the bill and I strongly support the need for changes within the electricity industry. As I have said, the state of the industry is untenable and change was needed. The government intends to make that change by proactively merging those two organisations, bringing it back to government, and considering how the electricity market will work in the future and possibly move forward. That is a good and responsible decision to make. The inefficiencies and costly requirements of the Electricity Corporations Act 2005 need to be removed. There is a changing environment and management of those inefficiencies must be more flexible. Most importantly, as manager of the state's finances, the government is obliged to do all it can to create profitable entities in the market. However, the government needs to be clear about the management of the merged organisation and its obligations to competition, private sector involvement and transparency. I hope that those concerns are discussed more at the committee stage. I support the bill. It is a proactive and responsible decision of government and I commend the minister for bringing it to the house.

HON ALANNA CLOHESY (East Metropolitan) [7.45 pm]: I rise to also speak to the Electricity Corporations Amendment Bill 2013. As members have heard, this bill seeks to amend the Electricity Corporations Act 2005, to bring about a re-merger of Synergy, the electricity retailer, and Verve, the electricity generator. The government claims that the merger of these two entities will achieve cost efficiencies and reduce corporate overheads in the new re-merged business. The government also claims that this is a first step in a broader reform and that it will promote an efficient electricity market that delivers cost-effective, reliable and safe electricity for consumers. I certainly hope that is what this bill does, but I have my serious doubts that it will do that. In examining this bill, there seems to be no explanation how, where or, indeed, why these so-called reforms are being brought about and why this re-merger is happening. I am particularly concerned for consumers that there will be a safe, reliable and effective market for them, but I have grave doubts that will occur. I will talk specifically about the effect on consumers later.

I did a fair amount of research on this bill, mostly because, due to other parliamentary business in the form of committee hearings, I did not get the opportunity to attend the one briefing provided for the opposition. I am extremely disappointed that the bill has been brought about with undue haste, particularly as that one briefing provided very little detail on this issue. I agree with Hon Jacqui Boydell about the urgency of this bill. This bill has been brought about with undue haste. In my research of the bill I could not see a reason for it being rushed through. We have not been told about the impact of the merger, particularly on consumers, or why the merger is necessary. Although one of my colleagues gave me a handout from the briefing, which, in part, was useful, there was no technical detail on the bill in that handout. As we know, most of the technical detail relating to this bill will be vested in the regulations. Again, I cannot understand why the government is bringing this bill forward without providing any detail on what will be included in the regulations, and I cannot see the unnecessary haste as a reason for that. The regulations have not been drawn up and the government is not revealing in any great detail what will be in them in. I am left to draw my own conclusions about the Electricity Corporations Amendment Bill 2013 without any great detail because despite making promises to the contrary, that Verve and Synergy would not be merged, the government, as we now know, in its second term did exactly the opposite and took steps to re-merge Verve and Synergy.

Even though early on the Premier promised that there would not be any re-merging of Verve and Synergy, there has always been a will within certain sections of the Liberal Party for that re-merger to occur. Certainly, at the time of the election and until very recently, the government was not sharing that will to re-merge Verve and Synergy. However, certain sections of the Liberal Party, the higher-ups really, had the will; in fact, this re-merger is being driven by the higher-ups in that party. We now know that this re-merger is the first step down the road of privatisation, despite the fact that the government promised no privatisation of electricity or other utility assets. We do not know why we are being asked to take this step down the track to privatisation, because there is no clear evidence for this need in the bill. Will it achieve cost savings as claimed? Perhaps it is about achieving cost savings to address the government's budget bottom line. Will it positively affect consumers and households? Will it make it cheaper and easier for industry in Western Australia? Will it reduce our reliance on non-renewable energy sources? There is no evidence because there is no business case or other evidence associated with the bill that we are being asked to pass. However, the government ploughs ahead with the re-merger and with privatisation, driven by not facts but blind ideology. We know about the market mechanisms in other jurisdictions that have brought electricity generators and electricity retailers together. We know from the experience and evidence in those jurisdictions that re-mergers or mergers do not work as a cost-saving measure for government. We know from the experience in other jurisdictions that it does not work to reduce utility costs for consumers. We know that it has not worked in other jurisdictions to reduce dependence on non-renewable energy sources. The government has not provided us with any evidence to the contrary because the government has not provided us with any evidence. It is what I call policy developed in a vacuum.

Last week, Hon Kate Doust gave us a pretty important history of the government's position on the disaggregation of electricity corporations over the years. It was a really detailed and interesting history. I thoroughly engaged with it because it is really important to understand the history of the development of legislation. Through that history we can identify the inconsistencies in approach in policy over time. For me, it was important to see the true picture of who or what is driving this change. Hon Kate Doust talked about the changes being kicked off by the former energy minister as he was then, now Premier Barnett, in the Court government. Initially, the now Premier opposed the disaggregation of Verve and Synergy in 2005 and was really quite vocal about his opposition, although he did not divide. He voted with his party to support the changes that were being brought about in 2005.

Throughout the first term of the Barnett government, there were kind of niggles or little temptations about the re-merging of Verve and Synergy, but nothing really ever came about. There were little bits and pieces here and there but nothing really happened. Why? Because there was no evidence of the need for it and no evidence about how successful it would be. However, I acknowledge that quite a deal of work was done on it; a significant amount of work was done by consultants. In fact, a lot of money was spent on consultants. Over that four-year period, the Premier made muffled sounds, muted sounds, about the re-merger. Several times the Labor Party

tried to identify what the Premier really wanted to do, but we never really got an answer on that. But all the time the Premier seemed interested in it, but not interested enough to, of course, promise at the election that the Liberal–National government would re-merge Verve and Synergy. Certainly, there was not a promise at the election that the government would do that, but a month after the election, the idea of the re-merger popped up again. There is significant opposition to the idea of the re-merger, which I will go into a little later, but it was not promised around the time of the election. A lot of that opposition comes from what we would imagine to be traditional supporters of the Liberal Party. The Chamber of Minerals and Energy in a media release last year, when there was initial burbling about re-merging, was very much against any idea of re-merging the two entities. In fact, the chief executive, Reg Howard-Smith, said —

“Re-merging Verve and Synergy would be a retrograde step in the market reform process,” ...

“The suggestion that re-merging Verve and Synergy will put downward pressure on prices has not been demonstrated.

“No independent analysis of the economic impact of re-merging Verve and Synergy has been undertaken.

“A re-merger will significantly dampen enthusiasm for private investment, decrease competition and put upwards pressure on energy prices.

“At a time when governments all around the world are adopting policies to increase competition, we are stepping back into the dark old days of State owned utilities dominating electricity markets.

...

CME has forecast electricity demand to grow by 70 per cent in the next five years ...

There we have it; the Chamber of Minerals and Energy does not support a re-merger.

But still the Premier is not listening. The government cannot tell us why this bill is needed or who will benefit from the bill. What about the savings? The government has not been able to tell us how those savings will be made; nor can the government tell us what the costs will be. How will the costs be borne out? There will be costs associated with a re-merger. Will those costs—this is a particular concern to me—outweigh the supposed savings being made? The government claims that this merger will of course produce savings. Of course, the government has to be worried about that, because the government has lost the AAA credit rating. It needs to find some rescue remedy for its budget bottom line. We also know that the government lost its AAA credit rating by focusing on the wrong priorities. Here it is again with the wrong priority. It is still on this track. One of the significant difficulties I have with this bill is that there is no business plan. There is nothing to tell us what savings will be made, so we just have to assume that. What sorts of savings will there be? Will we end up saving in pens and paperclips? Certainly, there will not be any savings in the cost of running the board, because the total number of board members will be the same as the current number at the two separate entities. There will not be any savings on the board. There might be some savings on the rent, but we do not know about that because there is no business case.

What is the other step in this bill? What else do we have to consider? We have to consider that this will put us on the full track to privatisation. The government did not go to the election saying that it would re-merge Verve and Synergy. The government did not say to the people of Western Australia that it would do this so that it could fatten the two entities and then split them again and sell them. It did not say that it was on the track to privatisation. In fact, before and after the election, the Premier denied that privatisation was on the agenda, despite evidence to the contrary. But we know that it was always on the agenda, particularly on the Premier’s agenda. One person connected with the Liberal Party tried to be honest about privatisation being on the agenda. That was before the election. In fact, on 20 February, Darren Brown, the former chief of staff of the former energy minister, Hon Peter Collier, was honest enough to mention in his private blog that the government was on a very clear trajectory of privatisation. He said that a very clear line from the Premier’s office was that privatisation of the utility was a second-term project.

Hon Ljiljana Ravlich: First you run it down and then you sell it off.

Hon ALANNA CLOHESY: That is what we think is going to happen, but we do not know because there is no business case. We do not know what is going to happen. Mr Darren Brown said that selling assets such as Western Power was well within the core ideology of the traditional Liberal Party and that the government’s decisions to rapidly push for cost reflectivity in energy tariffs and increase state debt over the past four years were perhaps more telling than anything that privatisation at least was on the agenda. Of course, in response to that the Premier said that those claims were simply untrue. The Premier said that there would be no privatisation. In fact, the Premier put out a statement about that on 21 February this year. There we have it. Before the election, the Premier denied, denied, denied; in fact, he denied more than three times. The former energy minister was relieved of this portfolio and the new energy minister, Mike Nahan, let the cat out of the bag after the election.

The Minister for Energy, Mike Nahan, has since said that power generator, Verve, and retailer, Synergy, which are to be merged on 1 January, will be split within five years into competing electricity businesses that perform both roles and then partly privatised. He was quoted on WAtoday on 21 September as saying —

“You have to have a big player that has retail—sells to the public—and generation. We’re putting them back together, integrating them, and then we would split out,” ...

“And I expect part of that to be sold.

“You put them together, then you split, so you know what is the optimum generation, what are the contracts to sell.”

Not all that long ago, Dr Nahan said that he expected the privatisation to take place after the next state election: “We are re-merging these two entities, fattening them up, chopping them up, selling them and privatising them.” On 25 September, only a couple of days later, the Premier said —

There is no plan to merge and demerge and then privatise the utilities. That is simply not Government policy.

That was reported in *The West Australian* of 26 September. Cannot keep track? Who said what? I suggest that that demonstrates a disorganised government. The left hand does not know what the right hand is doing, which is ironic given that that is what the merger is meant to be about—bringing the generator and the retailer back together so that they know what is going on.

As I mentioned earlier, I have some particular concerns about privatisation. As we have heard time and again, advocates of privatisation argue that privatisation is good to raise much-needed cash to assist governments’ sagging budget bottom lines. Advocates of privatisation also argue that it is good for competition and therefore, ultimately, good for consumers. We know that privatisation is on the agenda, but let us look at the impact of full privatisation of state-owned assets in other jurisdictions. Professor John Quiggin, whose work broadly in the field I respect, has done a lot of work in this regard. He looked at the fiscal impact of the privatisation of the Victorian electricity industry particularly because the common assumption up until the point at which this paper was published in 2002 was that the privatisation of electricity assets had been good and had been a successful fiscal exercise for the Victorian government. His analysis found something completely different. I will quote from the “Fiscal impact of the privatisation of the Victorian electricity industry”. At time of writing, Professor Quiggin was the Australian Research Council’s senior fellow at the school of economics at the Australian National University. As I mentioned, his analysis suggested something completely different, and I quote —

A simple arithmetic exercise ... suggests that the fiscal benefits of electricity privatisation are, at the least, problematic. The gross proceeds from the sale of the electricity industry assets was around \$20 billion. At an interest rate of 6 per cent (equal to the real bond rate at the time of privatisation), the use of this sum to repay debt would yield an annual saving of \$1200 million per year. The earnings (before interest and tax) of the State Electricity Corporation of Victoria (SECV) in its last year of operation before privatisation were \$1202 million (SECV 1993). On this simple calculation, the short run impact of privatisation on the net income of the Victorian public sector was almost exactly zero.

On the straightforward sale of Victorian public assets in the electricity industry, the net outcome to the government was almost exactly zero. I wish the Western Australian government had actually looked at Professor Quiggin’s work before it headed down the road. That was before privatisation. Professor Quiggin’s analysis continued on the outcomes after privatisation of the Victorian government’s electricity assets. His analysis took into account the interplay of the local generators and retailers in the national electricity market and I recognise that Western Australia is different and does not engage with the national electricity market. However, here is a really important point. I quote —

... it is necessary to consider impacts on consumers and workers. In most cases, the effects of privatisation, considered in isolation, are relatively modest, since the behavior of corporatised government business enterprises is fairly similar to that of private firms. However, since every stage of the process in which government agencies have been converted into commercial public enterprises has been accompanied by reductions in employment and job security, it seems reasonable to assume that this trend will continue under privatisation, leaving workers worse off.

It is similarly difficult to disentangle impacts of privatisation on consumers from the general process of regulatory change that has gone on at the same time. Clearly the prospect of privatisation encouraged the Victorian government to raise electricity prices in the early 1990s. However, these higher prices have been taken into account in computing the income foregone by the government.

...

In general, the effect of privatisation and regulatory change has been to replace uniform prices, based on a rather vague notion of equity, with highly differentiated prices, driven by market incentives.

Consumers seen as ‘desirable customers’, such as businesses and high-income households have benefited from greater choice —

So there are some good things —

and, in many cases, lower average prices.

However, according to Professor Quiggin —

... suppliers ... sought to dump less desirable customers or to force them into residualist arrangements designed to minimise the costs of serving them.

In summary, heading down the privatisation road under this government, we find that the government does not actually make any money on the initial sale of publicly owned assets. We also find that privatisation causes unemployment and job insecurity. We also find that privatisation creates highly differentiated prices, which only benefits those who can afford to pay—the richer—and leads to the dumping of poorer customers. This bill will take us on the path to privatisation and, as I said, the evidence suggests that that is not where we want to be, particularly if we are concerned about prices, consumers and job security. I know I am concerned, but it does not seem that this government is.

The other aspect of this bill I was concerned about is that it does nothing to reduce our overreliance on non-renewable energy. In fact, the re-merger it will probably have the opposite effect.

Several members interjected.

Hon ALANNA CLOHESY: Verve has already cut, has it not —

Hon Ljiljana Ravlich interjected.

Hon ALANNA CLOHESY: That is right. Verve has already axed a wind farm and its green unit. Let me guess what that was because of.

Several members interjected.

The DEPUTY PRESIDENT (Hon Simon O’Brien): Order, the multiple interjections are preventing Hansard from hearing the speaker, who is Hon Alanna Clohesy and who I invite to continue her remarks.

Hon ALANNA CLOHESY: Thank you, Mr Deputy President.

We know the axing was because of cost saving and this bill will not do anything to turn that around. In fact, there was not all that much done to enhance renewable energy. The Oates report found that climate change and the prices of other energy sources have been a challenge for the government, which was quite interesting. Those things have also been a challenge for the government’s electricity generator and retailer. I quote from the “Verve Energy Review” that was conducted in 2009, which was an important review.

Hon Peter Collier interjected.

Hon ALANNA CLOHESY: Yes, I agree it was an important review.

Hon Kate Doust: It just shows the government did not pay much attention to it.

Hon ALANNA CLOHESY: Certainly not much in that review indicated why this bill is necessary. In fact, nothing in that review indicated why this bill is necessary. On the point of renewables, Peter Oates, the consultant to the review, found the following —

Climate change initiatives are a critical and pressing issue facing the industry which could potentially impact the viability of some of Verve’s plant and Synergy’s contracted generation, and poses significant challenges to the system as a whole.

Climate change does pose that challenge. The report went on to identify that while there was a need to develop renewable energy sources because at the time we had renewable energy targets and carbon pollution reduction mechanisms, it would be a complex thing for the state, but something it could deal with. I quote further —

The various State and private entities in the sector are currently pursuing different and uncoordinated strategies.

The report said that there were challenges. The renewable energy target was a challenge, climate change itself was a challenge and carbon pollution reduction mechanisms, which at the time were about to be brought in, were a challenge. The real challenge was that the various state and private entities were pursuing different and uncoordinated strategies. What would we do about that? We would try and work on bringing a bit more coordination into the sector, would we not? Actually, what the government did was sit on its hands and watch the further deterioration of Verve and Synergy’s capacities to develop renewables in response to climate change. As I mentioned, the electricity generator Verve was later forced to axe its renewable energy unit and put on ice one of the biggest wind farms in Western Australia. Maybe I should have used a different choice of words there.

Verve confirmed that the axing of the unit and the stopping of one of the biggest wind farms in Western Australia was in response to the minister's demand for cost savings and his demand that new power stations not be built—the axe had been brought down.

Hon Ljiljanna Ravlich: He lost all the money in the solar power bungle and Muja.

Hon ALANNA CLOHESY: Muja A and B and a few other things; lots of other things. So far, we can see that there are a few losers from this proposed merger.

Several members interjected.

The DEPUTY PRESIDENT (Hon Simon O'Brien): Order! We have already heard from Hon Ljiljanna Ravlich on this question on 26 November. Hon Alanna Clohesy has the call.

Hon ALANNA CLOHESY: The losers will be jobs, job security, reasonable prices for consumers and renewable energy. But this bill will also have other impacts; in particular the impact on services and costs to consumers. We know that power supply has been a major problem over a number of years. For example, in the East Metropolitan Region that I represent, power outages have been a significant concern over a number of years. This information is based on a number of questions put to the Minister for Energy over time. From 2009 to 2011 there have been 288 power supply interruptions in the Mundaring area. The causes of those interruptions were equipment failure and some 21 per cent were planned outages as a result of maintenance. Of these outages, about 16 per cent in 2010 and 17 per cent in 2011, were unknown causes. What I would like to know, and will pursue if we get to the committee stage of this bill, is the impact of this re-merger on enhancing the power supply to people living or operating businesses in Mundaring, Parkerville and Stoneville. How will the outages in the hills area be reduced as a result of this bill; that is my main concern. What will the provision of an electricity generator and bringing back the retailer do to assist in affecting power supply? Not much.

As we all know, the cost of living has increased, particularly the basic cost of electricity, which has increased significantly by about 62 per cent over the last four years. How will the re-merger of these two entities address the cost of living and the cost of energy to householders? In particular, out of the last budget the increase for householders for the average cost of electricity was just four per cent. They are the issues of concern to me. The other issue of concern is the cost of addressing the ring-fencing that is supposed to go on to prevent market information being spread between the two entities. What will be the cost of that, particularly in terms of training, because I am sure that has not been taken into account? How will this affect jobs and job security and how will this promise security of supply to householders and retailers? How will this assist in decreasing our reliance on non-renewable energy? How will this assist in reducing average household charges? None of those questions can be answered because we have no information on this bill. I look forward to addressing those issues further down the track in committee stage.

HON MARTIN ALDRIDGE (Agricultural) [8.27 pm]: I rise to make a few remarks on the Electricity Corporation Amendment Bill 2013. I do not want to consume too much time because I am sure the opposition has a lot more scrutiny to do tonight before we move to, and pass through, the third reading of the bill before we rise. As someone who was not in this place when the disaggregation of Western Power was considered in the early 2000s, I am amazed at the hypocrisy of the opposition to come into this place and continue to lecture the government on energy reform and energy policy given its track record in this area.

The Electricity Corporation Amendment Bill 2013 seeks to amend the Electricity Corporations Act 2005 to provide for the vesting of assets, liabilities and rights of the electricity retail corporation, otherwise known as Synergy within the electricity generation corporation, otherwise known as Verve Energy. My colleague Hon Jacqui Boydell canvassed a lot of the specific areas of that bill earlier this evening. The merged entity will trade under the name of Synergy, which I think is much more understood and recognised in the community than Verve. Looking at the history of how we got to this place tonight and the need for these reforms at this time is interesting. When the Gallop government took office in 2001, it conducted an extensive review process with a view to disaggregating Western Power in order to increase market competition and lower power prices. The review process identified, amongst other problems, that the energy market in Western Australia is different from the energy market in the eastern states. It has been interesting to hear some of the speakers during this debate, and even this evening, continually referring to what is happening in the eastern states and making comparisons between Western Australia and eastern Australia, when, as we know, the markets are quite different. Our market is small, isolated and volatile, and it is dominated by an existing competitor with monopoly access to electricity generation and retail services.

There was also uncertainty about whether our private energy sector was mature enough to enter into the market and compete with and replace Synergy and Verve. At the time, the Labor government claimed power prices would decrease by 8.5 per cent. It also claimed that the disaggregated entities would continue to operate profitably. Neither of those two things happened.

Prior to the disaggregation, Western Power's annual profit was some \$400 million, with residential electricity tariffs at 13.9c a kilowatt hour and no subsidy from the government. As a new member to this place, it is almost hard to imagine a time when that would have been the case.

Hon Kate Doust interjected.

Hon MARTIN ALDRIDGE: The honourable Deputy Leader of the Opposition has had her go.

Following the disaggregation of Western Power in 2006, many of the perceived benefits, some of which I have talked about, relating to market competition and low energy prices simply have not been realised. Despite residential tariffs almost doubling to 25.9c, the entities have made substantial and continuous losses, resulting in the need for nearly \$2.5 billion in government subsidies since 2006. It seems that in trying to disaggregate a competitive market, the previous government introduced inefficiencies in the service delivery of energy, leading to a massive spike in cost. Therefore, the reaggregation of Verve and Synergy is necessary to combat some of those inefficiencies.

Whilst we as a government conduct our own review into what the marketplace should look like and how it should operate in an efficient manner, I am advised by the minister that extensive consultation has taken place by both him and the merger implementation group—MIG—contrary to the views that some members have placed on the record in this place that there has not been consultation. The minister advises me that some 20 meetings have occurred between the government and the WA Independent Power Association Inc. Meetings and workshops have been held with key stakeholders, including the private sector electricity market participants, regulatory bodies and government agencies. Members of the National Party have also met with some of those private sector organisations to consider some of their concerns. They also acknowledged that the government has had an open-door policy on discussing these reforms. They might not be happy with all the reforms that have been suggested in this place this evening, but they appreciate and understand the government's position. They have their interest at heart and we as the government have the interest of consumers and taxpayers of this state at heart.

The current electricity market arrangements have been in place since 2006. As I have said previously, they have failed to achieve some of the key measures that the reforms were designed to achieve. We have heard a lot about exacerbated tariff increases in recent years and, interestingly, an oversupply in generation capacity, which has largely been underwritten by the state, for long-term power purchase agreements.

I want to reinforce that this is the first step in a broader reform program to improve the efficiency of the electricity sector, so that we implement a market that will serve this state much better in the medium to long term than what we have experienced in the past decade. Much of the debate this evening has been focused around the short-term benefits, the reduced corporate overheads and how much we will save on power purchase contracts and fuel procurement and the like. I appreciate that that is a small element, in my view, of the benefits. The real benefit will come in the medium to long term from structuring a market and a generation and retail sector that will be competitive and subject to market forces, and will become an efficient producer and supplier of energy to our state.

We have some time to consider these broader reforms as the Independent Market Operator forecast a surplus of 396 megawatts of capacity above that required in 2016–17. Given current load forecasts, it is anticipated that the additional baseload generation will not be required until approximately 2020. I find some of those figures astonishing; we have simply built enough generation infrastructure in this state to last us through to 2020. If the Independent Market Operator's predictions are right, we have some time to implement the reforms properly and appropriately to ensure that we are in a position to again attract private sector investment by the time we reach that milestone.

I agree with previous speakers that electricity generation is vitally important to our economy and our community. I do not accept that we have got this right thus far and that we should give it a bit longer to let it work itself out. Let us get the market conditions right before we need that next wave of investment in 2020. That investment is likely to come from the private sector, so we need to ensure that those conditions are right, or government will ultimately continue to bear the costs and risks associated with additional generation capacity. Whilst implementing this first round of reforms, we must also be mindful of the private investment that has occurred since 2006. The government will be judged by the private sector now as it will in future years when we again seek its assistance to develop and invest in our electricity markets. The government has committed to honouring existing power purchase contracts with those existing private generators.

In the last few days we have been considering this bill, one of the other matters that came up in the debate relates to the tariff equalisation contribution. I understand that the Economic Regulation Authority and members opposite support the removal of the TEC, which essentially is a cross-subsidy between south west interconnected system customers and non-south west interconnected system customers. The TEC ensures that the tariff paid by people in Broome or Kununurra is the same as that paid in Perth or Bunbury on the SWIS. The SWIS covers a large tract of our state from Kalbarri in the north to Kalgoorlie in the east and Albany in the south. In fact, all of

my electorate is located within the SWIS, yet I advocate for the retention of the TEC to ensure some equity in power tariffs across our state's vast regions. At the moment, consumers bear the cost of the TEC, ensuring equity across the network. Members opposite propose that the government should bear that cost and that tariffs in the SWIS should be reduced with the removal of the TEC. For the government to assure the provision of electricity provision in Western Australia is an enormous risk. When the tables turn in this place and we return to a city-centric government, government members will not be inclined to commit taxpayers' money to ensure equity across the consumers in the SWIS and non-SWIS markets. They are a small group of voters and I am sure that a bit of electoral pain for some budget gain will be considered by future governments.

Although I do not expect the TEC to be impacted by these reforms, it may be impacted by future reforms and future private sector investments in the network, depending upon the form of the future market. If we move to a truly competitive market in the SWIS, in particular, it may be argued that the TEC should be removed and replaced by an operating subsidy from government. I tend to agree that having a private generator and retailer picking up the bill for network costs in other parts of the state for non-customers may not be tenable and will be a matter that the minister and the government will need to consider if we head down that track. Ultimately, my National Party colleagues' strongly-held principle is uniform tariffs, and whether we are in government or opposition, we will ensure that such arrangements remain either as a cross-subsidy from consumers or an operating subsidy from government. It is fair to say that I approach these reforms with caution. They are significant reforms and many members in this place have already highlighted their concerns during this debate. It is important that we get this right. We must ensure that we maintain the private sector's confidence in government to make the right decisions. Government will need private sector partners at some stage in the future. I am confident that the Minister for Energy is listening to the views of industry and other stakeholders and will do his utmost to ensure that those relationships are maintained and prosper in the future.

At the beginning of my comments I said that I wanted to keep my contribution brief, because Hon Jacqui Boydeell had already this evening made a contribution on behalf of the National Party. Since my colleagues had a briefing on the bill—members opposite, we also only had one briefing—they are more than comfortable with the reforms and the need for reform.

Hon Sue Ellery interjected.

Hon MARTIN ALDRIDGE: It is astonishing that the opposition continues to hurl comments across the chamber whilst failing to remember its record in this area from 2001 until it lost government in 2008. It has failed to take some responsibility in this place tonight or at any time during the debate for the contribution it made that has resulted in the need for this reform. I hope members in this place keep that in mind when it comes to a vote later this evening. The Minister for Energy and his representative in this place, the Leader of the House, have my full support in the passage of this legislation.

HON STEPHEN DAWSON (Mining and Pastoral) [8.42 pm]: I rise to make some comments about the Electricity Corporations Amendment Bill 2013. From the outset I welcome the contributions from my friends in the National Party, Hon Jacqui Boydeell and Hon Martin Aldridge. It is very good to see three of the five Legislative Council National Party members in the chamber at once. It is a rare occasion these days, if not a novelty. It was also interesting to hear a member of the National Party acknowledge—it happens only on rare occasions—that the National Party is part of the government. We all know that that is the case, but National Party members toy with that at various times.

I have not been in this place for very long. Indeed, I was not aware of the ins and outs of this legislation nor was I aware of all that went on before, so I did some research to make sure I could make a contribution to the debate on this bill. I wanted to find out when we first got an inkling that the merger might happen. Members may remember that privatisation, amalgamation or reintegration had been ruled out previously. People had not been told that it would happen. The first time we got wind of it was during the Premier's press release about changes to the machinery of government on 10 April this year, in which the Premier states —

Chief among the proposed changes is the merger of Verve and Synergy.

After referring to the Department for Child Protection being renamed the Department for Child Protection and Family Support, a new standalone Department of Lands, the renaming of the Department of Indigenous Affairs to the Department of Aboriginal Affairs—which I and the community support—and the Drug and Alcohol Office being joined to the Mental Health Commission, the statement reads —

Mr Barnett said the changes to Verve and Synergy would deliver improved efficiencies in electricity delivery.

The Premier said splitting up Western Power into separate State-owned entities had failed to deliver lower electricity costs, in fact it had contributed to higher electricity costs in the South-West grid.

Mr Barnett said while the electricity market changes had attracted some private sector investment they had also resulted in a lack of longer-term planning on electricity market requirements, including energy security.

There is more about the reintegrated entity. That was the first time we heard about it. I then decided to find out who supports the legislation. Who has called for it and said that it is a good thing? I struggled to find anyone who said it was a good thing. However, I found a range of statements from a variety of organisations that are against it.

Hon Peter Collier: Read *Hansard*.

Hon STEPHEN DAWSON: Minister, I know that government and National Party members are in favour of the legislation. However, very few organisations are in favour of it. Members in this place would do well to remind themselves that we do not live in a bubble. We live in a state and we are supposed to do things in the best interests of the state. We are supposed to take into consideration the concerns of the constituents and organisations that we seek to represent.

I refer to a 10 April press release from the Energy Supply Association of Australia titled “Remerger of Verve and Synergy bad news for WA households.” The Premier’s statement was on 10 April and this statement was released later the same day. It reads —

Today’s announcement by the Barnett Government of a proposed remerger of power utilities Verve Energy and Synergy will reduce competition, risking higher, not cheaper, energy bills for WA households.

Energy Supply Association of Australia (esaa) CEO Matthew Warren said WA businesses and households will be worse off if Premier Barnett’s proposal to merge the two utilities proceeds.

“The best way to drive down energy prices is to increase competition. The remerger of Verve and Synergy will just lock up the WA market, discouraging private investment which means WA taxpayers will end up footing the multi-million dollar bill for new electricity generation,” Mr Warren said.

“That means less WA taxpayer money for important public projects like new schools, roads and hospitals. And for what? There is no evidence of any benefit to the WA energy market from this proposed reform.

We already know from debate in this place over the past few weeks that there is less money for schools; in fact, there is a tax on the education system. Although the press release states that the reintegration will mean less taxpayer money for important things, such as schools, it is already happening. That is the view of the Energy Supply Association of Australia. I also found a statement from the Chamber of Commerce and Industry on 23 April 2013, which was made a couple of weeks after the last one I read out. The title reads, “Further evidence re-merger won’t reduce energy costs, Statement by CCI General Manager Advocacy, David Harrison”. It states —

A new independent report provides further evidence about the benefits of a competitive electricity market in Western Australia, and cautions the Government against re-merging Verve and Synergy.

The report, commissioned by the Independent Power Association, finds the decision to break up Western Power into four separate businesses hasn’t led to higher electricity costs.

It includes that bringing together the two state owned electricity bodies is not the answer.

The report found “...**savings would amount to less than 0.4 percent of a typical residential electricity bill, or around \$5 per customer per year**”.

The report echoes the findings of the Economic Regulatory Authority’s draft report released earlier this month —

That is April —

which found rising electricity costs for households and business were a result of higher generation, network charges and transmission costs.

The State’s peak business group, CCI, is strongly of the view that the current reform process towards a competitive electricity market must continue, and is the best way to keep downward pressures on prices.

CCI urges the State Government to carefully review the report as it sets out a convincing argument as to why the current reform path needs to be continued.

It is obvious that the government did not listen to this press release from the CCI of 23 April.

Then there was another statement on 14 May 2012. I went back and trawled through Google—Google has been my friend for doing research on this bill—and found another statement from the CCI, titled “Energy re-merger will cost electricity users more: ERA. Statement by CCI Chief Executive, James Pearson”, which states —

The latest Economic Regulatory Authority’s (ERA) report has found a re-merger of Verve and Synergy would ‘ultimately result in higher prices’ and ‘be to the detriment of electricity consumers’.

WA's peak business group, CCI, has long advocated for a continuation towards a fully competitive energy market as the only way to put long-term downward pressure on the cost of producing electricity.

The report found:

'A merger between Verve Energy, the largest generator in the market, and Synergy, the largest retailer in the market, would be detrimental to consumers because it would likely discourage future private investment, reduce competitive tension, reduce transparency, and increase the need for regulatory oversight. This would ultimately be to the detriment of electricity customers.'

That is another statement, again, not in favour of this merger and, in fact, again, against it—totally against it.

I found another statement from 10 April 2013, the day on which the machinery of government press release was issued, and again from the CCI, titled "Re-merger plan will set back reform and deter private sector investment. Statement by CCI Chief Executive, James Pearson". Members would know that the CCI is an unnatural bedfellow of the Labor Party and normally advocates, as it would say, in the best interests of business. However, this statement, issued again on the same day that the press release of the Premier was issued, states —

Today's announcement to start the process of re-emerging Verve and Synergy will set back reform of the electricity market and deter private sector investment.

That is similar to what was said the year before —

The drivers of a more efficient electricity system, competition at both the generating and retailing ends of the supply chain, will be significantly weakened.

CCI agrees with the Government that there are significant cost pressures facing electricity consumers, but re-merging Verve and Synergy is not the answer. There are a number of changes already planned that would ultimately deliver a better outcome for suppliers and consumers and place downward pressure on prices. This includes a review currently being undertaken by the Public Utilities Office.

I skip to the bottom, where it states —

WA businesses want to work with government to achieve better outcomes in energy markets for suppliers and users. However, unwinding uncompleted reforms that would have led to greater competition is not the answer.

There are a range of other statements. Another one from the CCI on 12 March 2012, titled "No evidence & no consultation leading to a poor decision on energy re-merger". The same stuff: the CCI is disappointed; lack of consultation; lack of benefit; lack of real benefit for anybody from this re-merger.

Then there is another statement, this time from the Chamber of Minerals and Energy of Western Australia, dated 10 April 2013, which states —

While The Chamber of Minerals and Energy of Western Australia ... welcomed the plan to split the Department of Environment and Conservation —

Another of the changes to machinery of government announced in the Premier's press release —

and separating the management and conservation of our environment from the role of environmental regulator it is disappointed with the State Government's proposed merger of Verve and Synergy.

"Merging Verve and Synergy will be a retrograde step in the market reform process," CME Chief Executive, Reg Howard-Smith said.

"CME believes a competitive energy market will best serve the community, allocating resources efficiently, delivering lower costs over time and supporting jobs and growth," said Mr Howard-Smith.

"With disaggregation of the former Western Power and the creation of the Wholesale Electricity Market, Western Australia has been on the path towards a more competitive market. A merge of Verve and Synergy will undermine this progress to competition.

The statement goes on. That is another outside organisation not in favour of the merger.

In my research I found a range of newspaper articles. I have to say, I could not find anyone singing about this decision of the government. As I was doing my research I also found some other concerning articles about actions that went on in the other place, particularly one from *The West Australian* of 13 November 2013. Even though I read the paper every day, it is funny that some things soak in if they are of interest to me or concern my portfolio or electorate but I may not pay a lot of attention to them.

Hon Robyn McSweeney: You can't believe a lot of it.

Hon STEPHEN DAWSON: That is certainly true, Hon Robyn McSweeney; we cannot believe everything we read in the papers.

Hon Robyn McSweeney: Not all of it, but some of it.

Hon STEPHEN DAWSON: Absolutely, but when some of it is repeated time and again, I think, “Hang on, I am reading this. It is written by a few people, from a few different organisations, and appears in the paper a few times, so there must be something to this!”

I found a range of articles that relate to the amalgamation or re-merger of Verve and Synergy. The first one reminded me of the occasion the state government used its numbers in another place to protect Premier Colin Barnett from appearing before the Parliament’s powerful Standing Committee on Procedure and Privileges over his misrepresentation of a letter in Parliament. That article states —

The Premier has been under fire for telling journalists in April and Parliament twice a fortnight ago that the chairmen of Verve and Synergy had written to him in March last year asking for the entities to be merged. But the letter was later revealed to make no such request and instead sought a meeting with Mr Barnett about the Government’s merger plans because its key objectives were “not entirely clear” to the chairmen.

The Premier has been out and about saying in the joint letter that the two chairmen had said that they were asking for this merger to happen. In fact that was not the case. When the other place sought to scrutinise this issue and what the Premier had said, the Barnett–Grylls government, as it was then, used its numbers to quash an inquiry. That was one article. I then found an editorial from the *Weekend West* of 2 November this year titled, “Power merger must be argued on the facts”. It starts —

The issue of re-merging the State electricity utilities Verve and Synergy has produced a series of inconsistencies from the Barnett Government culminating in a loose interpretation of the facts this week by the Premier.

It goes on to say —

Colin Barnett misrepresented the contents of a letter from the chairmen of Verve and Synergy in an effort to back his case for the merger. In April, he cited the letter from Verve’s David Eiszele and his Synergy counterpart Mike Smith, saying they had told him the two agencies should be amalgamated. He returned to that letter in Parliament on Wednesday, stating that the pair wrote, “This does not work; you need to put the entities back together”.

However, we know that was not actually what was said. Those two chairmen of those two government entities had not actually asked for the organisations to be re-merged.

I found another article from *The West Australian* dated 1 November, titled “Barnett spin on merger letter”, which states —

Colin Barnett admits he took “licence” with the contents of a letter he used to justify the decision to merge State-owned utilities Verve and Synergy.

It goes on; I will not read it again because it is the same kind of stuff. We know the letter never said what the Premier said it did. We know those two agencies did not write a letter saying that they should be amalgamated.

There are a range of other articles. Another one, comment by Gareth Parker, from 1 November is titled, “Letter loses power to back Premier’s claim”. There is one dated 31 October titled, “In the dark on power games”. This articles states —

The Electricity Corporations Amendment Bill will pass the Legislative Assembly in coming days, and it will pass the Legislative Council in the weeks to come.

That the bill will pass in the weeks to come, given the article was dated 31 October, is probably wishful thinking! Today is 3 December, some four to five weeks later, and we are providing proper scrutiny to this bill. It is very important to note this point because we have seen the media in recent times report that ministers, in fact, have accused the opposition of not providing proper scrutiny to bills in this place.

Hon Robyn McSweeney interjected.

Hon STEPHEN DAWSON: Hon Robyn McSweeney, if she was here, would know that we do provide proper scrutiny! In fact, we take that job to heart. We are here to ensure that bills in this place get proper scrutiny.

Hon Robyn McSweeney: What bill went through that nobody said anything about? What bill was that?

Hon STEPHEN DAWSON: I cannot remember the bill that Hon Robyn McSweeney is alluding to; however, I was making the point that ministers in this government have accused the opposition of not providing proper scrutiny to legislation in this place.

Hon Peter Collier: It’s true.

Hon STEPHEN DAWSON: It is not true! We are providing proper scrutiny to this legislation. In fact —

Hon Peter Collier: This is great!

Hon STEPHEN DAWSON: Thank you.

Hon Peter Collier: I don't have a problem with it, but you did on three bills, you did! You passed three bills in four minutes.

Hon STEPHEN DAWSON: I am glad —

Hon Peter Collier: Yes, you did!

Hon STEPHEN DAWSON: Yes, but if a bill is supported and it is a fairly simple bill, it is not just a case of we sitting here —

Hon Peter Collier interjected.

Hon STEPHEN DAWSON: Think of the conversations that happened beforehand. Think of the briefings that happened beforehand. Something does not just lob in here and then we say, "Okay, yes, let's go and do it!" We have caucus—we have a Legislative Council caucus, we have a parliamentary caucus of Labor MPs. We provide scrutiny; we have a shadow cabinet. These things go through a rigorous process before they get in here; before members of the opposition actually stand up and make points and talk about the legislation. We do take the issue of providing scrutiny to bills. We do treat it importantly. I say sorry to Hon Robyn McSweeney; I think I saw her yawn. I will take that —

Hon Robyn McSweeney: I did not! How rude.

Hon STEPHEN DAWSON: I think perhaps it might have been a cough! I beg her pardon.

Hon Robyn McSweeney: Yes, I think so!

Hon STEPHEN DAWSON: However, even if it was a cough, I take the hint and will get back to the legislation at hand, that is, the Electricity Corporations Amendment Bill 2013.

Hon Robyn McSweeney: You're getting a bit cheeky these days!

Hon STEPHEN DAWSON: I do beg her Hon Robyn McSweeney's pardon. I had a good relationship with her for many years, including when I was in the minister's office. I have always valued her contributions and have certainly always taken her calls. I will try to make a good impression this evening by not being cheeky. I will go back to my articles and research in relation to this bill, and back to people's views and lack of support for this issue of the re-merger of Verve and Synergy.

Dr Nahan —

Hon Adele Farina: Based on what evidence?

Hon STEPHEN DAWSON: Based on what evidence is a good point! Because if members remember, I have already quoted from press releases from a range of organisations, including the Chamber of Commerce and Industry and the Chamber of Minerals and Energy, but it was particularly the Energy Supply Association of Australia—or one of them—that said basically there are no savings or benefit to the community from this bill. Having digressed from the bill, I will go on. The article from *The West Australian* of 30 October, titled "Power merger cost kept secret" states —

Dr Nahan said a combined Verve and Synergy could save as much as 30 per cent on its fuel purchases—primarily long-term gas and coal contracts—by co-ordinating its buying activities and achieving economies of scale.

I will skip through a part, and continue on where it states —

Dr Nahan said yesterday the Government had spent \$2.4 million so far on the merger but could not say what the ultimate cost would be because "it hasn't been put together yet".

Asked how much the merger would save, he said: "I can't say for sure but it will save hundreds of millions of dollars."

Now I have yet to see any proof of that; I do hope that when the minister delivers his second reading response he will tell the house by spelling it out where these savings will be. Also, it would be good for us to know how much has been spent on the merger. Obviously, that amount of money will need to be taken out of the amounts that Dr Nahan is confident of saving. I will continue reading —

Dr Nahan claimed the Government had done extensive financial modelling but this would not be released before the merger was debated.

Opposition Leader Mark McGowan said it was now apparent Labor would not see the complex regulations that would govern the operation of the Bill before a vote.

“They are hiding the detail from the Parliament and the public, so we don’t know the way the new entity will be governed,” Mr McGowan said.

Dr Nahan defended the absence of the regulations, saying regulations associated with the split of Western Power were not produced until six months after the relevant legislation passed Parliament.

But that demerger came after a five-year reform process and was supported by then-Liberal opposition, Mr McGowan said.

It is a good point because it was not one particular party that made the decision to create Verve and Synergy. It was a number of political parties; yes, Labor was in government, but the Liberal Party, the then opposition, had a hand in this. People should remember that.

I will keep going through my research. I found an article from the *Canning Examiner* on 2 October 2013, titled “Nahan denies division with Premier”. The article, written by Andrea Downey, states —

Shadow minister for energy Bill Johnston said division between Premier Colin Barnett and Minister for Energy Mike Nahan over the future of the state’s energy sector confirmed the state government was not accountable.

Those are quite harsh words. Just because the minister and the Premier had two different views, both probably long-held views—one was in favour of this stuff; one was not in favour of this stuff—it is a bit harsh of Bill Johnston to say that the state government was not accountable. However, I know what he was saying; there are definitely issues in government and there are definitely a number of points of view. The article continues —

In recent media reports Mr Nahan said the future of the energy sector involved merging retailer Synergy and producer Verve before splitting it into two companies but Mr Barnett refuted this in question time last Wednesday saying the two would only be merged.

Mr Johnston said it was clear there was still division during question time last Thursday when Mr Nahan did not answer questions on whether he had spoken with Mr Barnett about the issue.

Bill Johnston said —

“It appears Colin Barnett doesn’t talk to or trust his ministers, he see’s himself as a one man band.

“Colin Barnett has always been like that, it is just that for the first four years he was in government he was able to hide his arrogance and disregard for his ministers.

It is not a rare occurrence, I have to say, that ministers and Premiers have different views. I dare say that there is often a range of views around the cabinet table. However, the article highlights that there are a number of views on this issue in the Liberal Party and there have been a number of views on this issue for a long time. Perhaps Dr Nahan was more conscious of the comments of the Chamber of Commerce and Industry of Western Australia, the Chamber of Minerals and Energy and the Energy Supply Association of Australia, because there seemed to be some reticence on his part about this re-merger. However, it is obvious that the Premier did not listen to the concerns of organisations such as the CME, the CCI and the ESAA because this legislation is in front of us.

There are more of these articles. I will not quote from them all, but I want members to know that there are more articles out there and a variety of organisations that do not support the re-merger. On page 74 of the business section of *The West Australian* dated Thursday, 7 November 2013, is an article by Daniel Mercer, titled “Power plays a threat to investment, Alinta warns”, which states —

WA’s biggest private energy provider has called for a wholesale review of the State Government’s changing role in the electricity market, saying it was stifling reform and threatening valuable investment.

The rare comments on government policy from Alinta Energy, which supplies electricity to 10 per cent of the South West market, were made as part of an inquiry by WA’s economic watchdog into microeconomic reform.

Touching on the Barnett Government’s decision to merge State-owned generator Verve with retailer Synergy, Alinta warned the move was likely to slash the market’s efficiency and scare away investment. It said the Economic Regulation Authority should review the appropriateness of the State’s involvement in the sector as well as its cost.

If it found the private sector was better placed to service electricity customers, Alinta said the ERA should prepare a blueprint for the Government’s exit.

...

“The Government’s recent announcement to re-merge Verve and Synergy has the potential to create further inefficiency, with the merger raising concerns by market participants about the negative impact it may have on competition and investment in the market.”

Therefore, Alinta is against this merger. Obviously, as a private energy provider, it has an interest; nonetheless, we have to recognise that it has an important interest and its views should be taken into consideration. Alinta is against the merger. We have heard the CCI make comments against it. We have heard the Chamber of Minerals and Energy make comments against it. We have heard the Energy Supply Association of Australia make comments against it. With the exception of people in this place, not too many people are in favour of the merger.

In my research, I found another story. The article written by Courtney Trenwith was on watoday.com.au on 23 April 2012 and is titled “Energy re-merger would see power price hike”. It states —

Re-merging WA’s power suppliers would lead to higher electricity prices and make the state wholly responsible for energy security, an independent report has found.

The state’s power suppliers have become so concerned about the prospect of a re-merger they have joined forces to establish a lobby group, WA Independent Power Association, which they say will fight for a competitive power industry.

Launching the association this morning the group released a report by Frontier Economics on the consequences of re-aggregation.

Electricity retailer Synergy and supplier Verve were separated from Western Power in 2006.

There have been rumblings since about the possibility of re-merging the trio, with some claiming the disaggregation had at least partially caused higher electricity prices, led to inefficiencies in Verve’s capacity and been financially detrimental to Verve and Synergy, and thus the state and general public.

However Frontier Economics found “none of these claims stand up to scrutiny”.

Re-merging the three state-owned enterprises would likely weaken the prospects for competition from the private sector as well as assign greater responsibility for energy security to the state.

There would likely be less investment in infrastructure eventually leading to a poorer performing network.

“The worry is that under the integration of Verve and Synergy the options for independent power producers would be foreclosed,” Frontier Economics economist Amar Breckenridge said.

...

Re-merging would save the companies \$5 million per year in corporate costs, amounting to only \$5 per customer or 0.4 per cent of a typical household bill.

Meanwhile inefficient practices due to less competition could increase prices.

That is one organisation that is happy to go on the record. It did a bit of work and got an independent report. It went on the record and said that re-merging would save the companies \$5 million a year in corporate costs. Even though the WA Independent Power Association went on the record and said that there would be these savings, I have not heard anything from the government about what would be saved from this re-merger. In fact, I am very sceptical of whether there will be any financial benefit to the state from re-merging the two entities, Verve and Synergy.

I have to say that Frontier Economics’ 2012 report titled “Proposed re-aggregation of Verve and Synergy: Report Prepared for the WA Independent Power Association Inc” is a good read. The executive summary was the part that I found most informative and helpful. I will quote from the report. It states —

Over the past decade, reforms have been progressively implemented in the Western Australian electricity sector, in a bid to develop the conditions for competition and for private investment. Both competition and private investment have been seen as means to achieve wider public policy aims, in particular, the promotion of economic efficiency through cost minimisation and least cost supply, more cost-reflective pricing, and a reallocation of risk away from the state and to the private sector.

The disaggregation of Western Power, and the creation of separate wholesale and retail entities in the form of Verve Energy and Synergy, respectively, was one of the mechanisms selected to achieve the objectives pursued by reform. The decision is consistent with the approaches adopted in other jurisdictions in Australia and overseas, where the unbundling of the incumbent state-owned monopolist was a necessary first step in the reform process. Given the specificities of the Western Australian market, including its size and remoteness, a number of other specific mechanisms were also adopted as part of the reforms.

It goes on to state —

Under the reforms, some \$2.6 billion had been invested in new generation capacity as at 2010, and Verve’s share of generation capacity declined from close to 90 per cent to below 60 per cent. At the

same time, various reviews conducted by successive governments and the Economic Regulation Authority (ERA) are clear that competition is still a work in progress, notably in the retail sector. The ERA has also evinced concerns about the impact of recent policy decisions on the future development of competition, notably the termination of the displacement mechanism under the new vesting contract between Verve and Synergy.

There are a couple of more quotes that I want to get on the record because I think they are important. Just in case, I remind members that I am talking about the Electricity Corporations Amendment Bill 2013, and these quotes absolutely relate to the passage of that bill. These quotes should go on the record and should be heard by members in this place. The report continues —

Recent proposals made concerning the re-aggregation of Verve and Synergy thus come at a time when WA is seeking to build on the progress achieved to date through the reform process, but also where the fragile nature of competition and private sector participation have been highlighted. In particular, a decision to re-aggregate would remove one of the central elements of the reform process to date.

The motivations underpinning the proposals for re-aggregation have not been formally articulated, and are therefore not always clear. Various pronouncements by proponents of re-aggregation suggest that ... the vertical separation of Verve and Synergy has led to various inefficiencies, notably in the use of Verve's capacity; that vertical separation is at least partly responsible for higher electricity prices and that re-aggregation would moderate other sources of pressure on prices; and that vertical separation has been financially detrimental to Verve and Synergy, and thus by extension to the state, as the shareholder, and the general public.

However, none of these claims stand up to scrutiny.

I could go on about this report, but I will not, other than to say that I encourage any of my colleagues who have not read the report to read it and take on board what has been said in the report. It is a very good report, and I commend the WA Independent Power Association for putting it together.

I am running out of time, but I want to put on the record a few other things about the bill. One thing in particular relates to section 14 of the Electricity Corporations Act 2005, which refers to the chief executive officer. It states —

- (4) It is a condition of service of the chief executive officer of the Regional Power Corporation that, while he or she holds office, his or her ordinary place of residence is to be in or near the town where the head office of that corporation is located.

Members would be right in thinking that they had not heard any National Party or regional members of Parliament make a point about this issue. It is a very important point, because clause 9 of this legislation will amend section 14. On clause 9, the explanatory memorandum states —

This clause removes the requirement for the Horizon Power Chief Executive Officer to be domiciled in or near the town where the head office is located. The head office of Horizon Power cannot be located within the area serviced by the South West Interconnected System.

It is an absolute shame that the government is seeking to make this amendment. I think the CEO of Horizon Power should have to live in the regions. I think that this organisation that provides power for the regions, particularly the north west of the state, should have somebody at its helm who lives on the ground in the community and who knows what the people in the community think. I think it was good foresight to include the original section in the Electricity Corporations Act 2005. I put on the record that I am greatly disappointed at this change that will be made. I am greatly disappointed in my friends from the National Party, who have not raised a peep of concern about this proposed amendment.

I want to put on the record a couple of other things. One relates to Horizon Power making the decision to make almost 50 per cent of its staff redundant, which Horizon has claimed will improve organisation of the utility company in the Pilbara. I struggle to work out how getting rid of 50 per cent of the staff of Horizon will benefit the regions and how it will provide better services for people in the regions. An article from the *North West Telegraph* of 20 November states —

A Horizon spokeswoman said other cuts would occur in the regions, but would not indicate if the utility's Pilbara workforce would be among those affected.

"I can't confirm at the moment as this is still being worked through," she said.

[Member's time extended.]

Hon STEPHEN DAWSON: I promise that I will not take up the whole time.

Hon Alyssa Hayden: Have you got more articles to read out?

Hon STEPHEN DAWSON: I have articles, annual reports, the Verve Energy and Synergy 2006 annual reports and the inaugural annual reports of the two organisations, which are a great read. I could quote from those if the parliamentary secretary would like. In fact, I can give her copies at the end of my speech. If she is that concerned about it, I will share it. I also have information from the annual report of the Western Australian Energy Ombudsman about complaints received by energy corporations. I could talk about those and bring them to the attention of members. Although the parliamentary secretary might jest about me reading from articles, I think it is important to get this stuff on the record. There is no doubt that Western Australians should know that there is very little support for this amalgamation—this reintegration—of these two entities.

Sorry, Mr Deputy President; I digressed. I was talking about the fact that Horizon Power will make redundant almost 50 per cent of its staff. What I was saying relates to the Electricity Corporations Amendment Bill 2013, and I will tell members why it does. Horizon Power is mentioned in the bill. As I was saying, I struggle to work out how making redundant half the staff of this organisation will benefit people in regional areas, particularly people in my electorate. I really struggle to work out how they will benefit from this decision. It is an appalling decision and I leave that point there.

The other issue I want to get on the record relates to the fact that Verve has recently axed its renewable energy unit and shelved one of WA's biggest wind farms. Those initiatives were mentioned in the annual reports, which I am sure Hon Alyssa Hayden, after hearing me tonight, will seek copies of.

Several members interjected.

Hon STEPHEN DAWSON: They did not and I have to concentrate. I will not be sidetracked; I want to get these last few things out before my time runs out.

I am concerned about Verve axing its wind farm and its green unit. I am very concerned that state-owned utilities are not involved in sustainable development. Whatever people think about climate change—I know there is a range of views in this place—some of these wind farms and developments have been beneficial to the region and to the people in the Deputy President's (Hon Brian Ellis) electorate and in my electorate. It is a backward step to scrap this unit and indeed the wind farm.

It is a pity that Hon Martin Aldridge is not in this place tonight. He is there! But he cannot interject from that seat or he will get into trouble. I just make that point! I have seen it happen to someone else before. He can get Hon Robyn McSweeney to interject if he needs to.

Hon Robyn McSweeney: I am good at it!

Hon STEPHEN DAWSON: Hon Robyn McSweeney is very good at it!

Hon Martin Aldridge basically threw a bit of mud at us across the chamber and accused us of wasting money over the years. Let me remind this chamber —

Hon Kate Doust: Plastic cows and musical toilets!

Hon STEPHEN DAWSON: I will not even get into royalties for regions and the waste of money on plastic toilets and cows et cetera.

Several members interjected.

Hon STEPHEN DAWSON: I am concentrating on this bill and I want to remind the chamber about a press release the Leader of the Opposition put out on 19 June. It states —

The Barnett Government must finally be brought to account to explain its scandalous waste of a quarter-of-a-billion dollars on the failed Muja AB power station refurbishment.

WA Labor Leader Mark McGowan said the inexcusable blunder had left WA taxpayers with a massive financial loss and a decrepit power station that still does not work properly.

“This is a major Barnett Government scandal involving huge losses despite the Premier promising in May 2009 that it would not cost taxpayers a cent,” Mr McGowan said.

Hon Martin Aldridge talked about wasting money. This press release goes on to state —

“Unfortunately this is the latest in a growing list of Barnett blunders in the energy sector that will cost taxpayers almost \$1 billion dollars.

“These costly mistakes include the solar feed-in tariff affair (\$417m), the Pilbara underground power fiasco (\$100m), the Pilbara generation project (\$100m), the Synergy billing system failure (\$54m), the HEGT power station construction cost over-run (\$36m), the HEGT capacity penalties (\$20m) and the Mumbida wind farm (losses unspecified).”

Mr McGowan said the scandal was a tragic waste of taxpayer's money at a time when the Barnett Government is slashing front line services and jobs in hospitals, schools and police stations.

As I have said countless times during my comments this evening, there is very little support for this bill in the general community. There is very little support for this bill in the business community. The Chamber of Commerce and Industry of Western Australia, the Chamber of Minerals and Energy, the Energy Supply Association of Australia and the Independent Power Association are all against it. They do not support this bill. I thank you, Mr Deputy President, for allowing me to make a contribution this evening.

HON ADELE FARINA (South West) [9.34 pm]: I rise to make a contribution to the consideration of the second reading speech on the Electricity Corporations Amendment Bill 2013. I state up-front that I oppose the bill. The bill is part of what the government has asserted is a broader reform of the energy sector, yet it has failed to articulate the nature and scope of that broader reform and where this bill fits into that. We have been told that the bill will deliver the re-merger of Synergy and Verve; however, the reason for the re-merger, the government's policy intent with this bill and the benefits the re-merger will bring are not clear, because the government has failed to articulate the policy of the bill in the bill's second reading speech. In the second reading speech the minister detailed the skeletal framework of the bill with very little to no explanation of the detail of the regulatory framework created by the bill, because this detail is not covered in the bill. The government simply has not worked it out yet. Nevertheless, the government has introduced a bill into Parliament saying, "Trust us; we will work out the detail later and put into the regulations. Just do not rush us with the detail; we will get around to it at some stage." Without this detail and without government clearly articulating the policy of the bill, it is impossible for members to adequately and responsibly consider the bill, much less pass the bill. The second reading speech should clearly articulate the policy of the bill as it serves as extrinsic material for the purposes of statutory interpretations, if needed, by the courts. The second reading speech failed to deliver this critical instruction and the reason for this is largely that it has not been worked out yet and so is not contained in the bill. If this was not bad enough, the second reading speech refers those interested in any detail to the explanatory memorandum; however, this detail should really be contained in the second reading speech and not in the explanatory memorandum. It gets worse. When one turns to the explanatory memorandum to find out about the detail promised in the second reading speech, it is simply not there; that detail is missing even in the explanatory memorandum. No matter where we turn with this bill, whether it is the second reading speech or the explanatory memorandum, the reality is that the real detail of the bill is unknown because the government simply has not worked it out yet.

I have long expressed my concerns about the quality of explanatory memorandums, which in most cases explain very little and are not worth the paper they are written on. The explanatory memorandum for this bill falls into that category, although, to be fair to the writer of the explanatory memorandum, the reason it does so is largely because the detail is not in the bill and the government has not worked it out yet. It is bit much to ask that detail to be in the explanatory memorandum when it is not contained in the bill and the government is still working it out. The second reading speech for this bill sets a new low and I encourage the Leader of the House to arrange for instructions to be provided to drafters of second reading speeches and explanatory memorandums on what is required in each instrument, because we are certainly not getting that from this government. I will come back to these issues later.

Given the lack of policy articulation in the second reading speech, it is necessary to outline some of the relevant history to the bill. Members will know that despite voting in favour of the 2006 disaggregation of Western Power the Liberals have since become highly critical of it, blaming it for over-regulation of the sector and high electricity costs. Various members of the Liberals have from time to time raised suggestions, from a re-merger to changes to the regulatory framework and privatisation, as solutions for addressing the problems within the sector. This speculation has created uncertainty in the industry, which has thereby undermined competition in the industry.

In 2009, the Liberal government tabled the Oates report on Verve and its relationship with Synergy; the report looked at why Verve was losing as much money as it was—significant amounts of money. The Oates report identified a number of problems, including artificially low electricity prices; unforeseen maintenance costs that flowed, in part, from the requirement to resuscitate the decommissioned Muja AB power plant, which, as we all know, was mismanaged and cost hundreds of millions dollars; a market structure that penalised Verve for its balancing of the markets; and deficiencies in the vesting contract, which is an unbelievably complex document that governs financial flows between Verve and Synergy. These were just some of the main issues identified in the Oates report, which made a number of recommendations to address the problems identified. The Oates review also explored the future structure of Verve and Synergy, which is very relevant to our considerations today. Interestingly, the Oates report did not advocate for a re-merger of Verve and Synergy, stating that a re-merger, while having some advantages, would also bring with it a number of disadvantages.

The Oates report found that a merger would give government more control over the system, but it would also reduce competition and result in a greater level of state sponsorship in risk capital support. In effect, it would cost more and result in increases in electricity costs. Further, with appropriate improvements to market rules, the structure would deliver greater competition and reduce taxpayer exposure to the expensive exercise of building

new power plants. That is the recommendation to government by the Oates report. The government's Oates report did not recommend a re-merger of Synergy and Verve. That is an important message for us to remember in our consideration today. Due to increasing speculation and confusion on the government's position on a re-merger and after a lot of pressure from industry for the government to declare its position, the then energy minister announced in 2009 that the government would prepare a strategic energy initiative, which would be the blueprint for the next 30 years. The blueprint, which was intended to be released in 2010, took longer than the government anticipated. It took a further two years to finalise and many hundreds of thousands of dollars. It was finally released in 2012. The blueprint, which sets out the strategic direction for the industry for the next 30 years, said absolutely nothing about re-merging Verve and Synergy. At the time, the then energy minister confirmed a re-merger was not on the government's agenda. I repeat: it was not on the government's agenda.

During the 2013 state election campaign, the Liberals said absolutely nothing about dumping its blueprint for the energy sector or about re-merging Verve and Synergy if re-elected. Business and industry reasonably believed the issue had been put to bed, much to the relief of industry, as most of industry had raised serious concerns about the proposal to re-merge Synergy and Verve. They could rely on the fact that the government's own reports did not support the re-merger. Within about a month of winning government, Colin Barnett, not his newly appointed energy minister, announced to the shock and amazement of members on this side and industry that the government would re-merge Synergy and Verve. We all know the announcement was made contrary to expert advice provided in the government's own reports; without the Premier receiving substantial advice on its implications; contrary to industry concerns; and without consultation with key stakeholders. Based on the debacle that followed with the energy minister announcing government's intention to re-merge Synergy and Verve and after five years split them into two companies and then privatise the companies and the Premier saying there was no such plan to re-merge and privatise the utilities, it would appear that there was little or no prior communication between the minister and the Premier about the government's intention and government's strategic intent for the industry.

Perhaps the Premier's announcement was news to the energy minister and cabinet, as during that period the Minister for Energy acted as though he had been caught out. His actions were those of someone who had been caught unawares by the Premier's announcements. In making the announcement, the Premier declared the new merger entity would be effective as of 1 January 2014. The exact reasons for that particular date have never been articulated; it seems to be a date that was plucked out of the air. Despite this announcement, the government did not bring the bill before Parliament until late October. With the clock ticking, it proceeded to declare the bill urgent and pushed it through the other place. This government makes an announcement that states it will do something by 1 January but then takes until late October to introduce a bill into Parliament to effect that announcement. With the clock ticking fast, the government uses its numbers to ensure that the issue is pushed through Parliament.

Debate adjourned, pursuant to standing orders.

ALBERT EDMUND COCKRAM

Statement

HON ROBYN McSWEENEY (South West) [9.45 pm]: I read with interest "*The West Australian* 100 Most Influential: The business leaders who shaped WA: 1829 to 2013". I saw the humour in the headline "An apology to history and a plea for mercy" and the first line "Let the argument begin." Being a very keen reader of our early history and having a great grandfather who was a very prominent man in Western Australia in the early part of the century in racing, mining and agriculture, I take great interest in people who shape our state. I very much enjoyed reading this publication and everyone mentioned in it certainly has earned their place in Western Australian history. However, I was very surprised that my great grandfather Albert Edmund Cockram did not rate a mention. I wonder what we have to do in this state to be recognised. I am a great believer in putting history back where it belongs and in this short time I will try to do that. *The Western Mail* documented his life story after his death in 1943 and on 27 December 1945 the story ran under the heading "Memoirs of a Racing Man". It reads —

Prominent in business and racing circles. Mr Cockram was one of the biggest importers to the commonwealth of thoroughbred stock, especially horses. He was responsible for the establishment of Belmont Park and Goodwood race courses and had much to do with the inception of trotting in this State.

His two sons (Vivian and Claude) were in their younger days prominent amateur riders and now own two of the most improved farms in the Great Southern district.

They are Fairfield in Katanning and Clear Hills in Gnowangerup. Albert owned Belmont racecourse and Goodwood, and being the biggest importer of thoroughbred stock to the commonwealth meant being the biggest importer into Western Australia—not just Western Australia, but Australia. Those two things alone should have put him in the business 100. Perhaps livestock and thoroughbred horses and racehorses being imported from

New Zealand, England, Ireland and France is thought of as leisure and not a £1 million industry as it was. In one year alone he shipped 150 horses into WA. Albert was born in Western Australia in Gingin in 1870 and was educated at Hale School. *The Daily News* on Monday, 10 December 1934, at page 7, under the headline “As They Were—and Are” states —

Mr A Cockram followed pastoral and stock-breeding pursuits in early life. He has now come to be recognised as an expert and authority on the pastoral industry stock breeding and racing, while he is also noted for his keen business sense.

...

His importations have done much to improve the breeds of crossbred sheep and blood horses. Mr Cockram has few equals in Australia as a judge of horses. ... is known to the agriculture societies in all capital cities.

In racing circles he has achieved much success among the most important being victories in the Perth Cup, the Sydney Cup, and the Epsom and Metropolitan Handicaps.

Mr Cockram has also found time to indulge in mining both for gold and coal.

As I have said before —

The newspaper of the day used to say, “Our own Albert E. Cockram has imported, during his long association with the stud stock business, more thoroughbred racehorses than any other man, syndicate or stud company in Australia.” The amount of stake money won by horses imported by “A.E.C.” would go a long way towards erasing the estimated deficit of “Micawber” Mitchell’s government for the current year.

“‘Racy’ Stories of the Past” states —

... he is the only Australian who has ever acted as an adjudicator of horses and cattle at important Shows abroad.

This is a man born and educated here. It also states —

By the importation of high-class stock of all classes from all parts of the world Mr. Cockram has rendered exceptional service to the State. ... He was the first to introduce into this State the Lincoln and Dorset-horned sheep ...

He also introduced a number of Clydesdales, Shires, and Suffolk and Hackney stallions and mares.

I have previously mentioned and named some of the numerous thoroughbred horses that he purchased overseas and sent all over Australia. He was the father of racing in Western Australia, yet that was not enough to put him in *The West Australian’s* top 100 most influential business leaders in WA. The winner of the Sydney Cup, Ian ‘Or, was owned by Albert Cockram and James Nicholas. James Nicholas was a businessman and the owner of Cobb and Co. He raced his horses in Singapore and also brought them out from England to race in Australia. He was also one of the largest landowners and pastoralists in Western Australia. He designed and brought the first buses into Western Australia and was responsible for making many miles of roads. He was not mentioned in the list of the top 100 businessmen. I am sure his granddaughter, Gina Rinehart, would have been as disappointed as I was that our forebears were not recognised, given their lasting legacy.

Albert Cockram was also the principal in the expedition led by Mr E.J. Stuart to explore the coast from Derby to Wyndham and take the first moving pictures of that area. This is also documented in “‘Racy’ stories of the past”. From this expedition, he took up 100 acres for a port and also about one million acres of the finest land in Australia, which was around the Wyndham area. That has been documented. Albert and Mr Stuart took to England a large number of exhibits from the north west and filled Australia House, where, for six months, their film attracted visitors daily from all parts of the world and succeeded in getting a wonderful amount of publicity for our state. The moving pictures filled the houses in Australia and were shown all over the world. Albert spent thousands of pounds advertising our state and declared, as quoted in “‘Racy’ stories of the past”, that —

... there is enormous wealth lying idle in our great Nor’-West and millions of population within four to ten days sail waiting where an enormous trade could be done.

I have found that book on the north west and I have it with me. It was published in 1923. Unfortunately, the first moving picture film has long since been lost. The original pictures are in the J.S. Battye Library of West Australian History and some are still with family.

Albert was the owner of Wongong Estate, where he kept some of his horses and had a racetrack. He owned 7 000 acres at Roelands and purchased Eden Park in Kelmscott, which he cut up into five and 10-acre lots. That has been documented. He put a large dairy on this land and imported the first milking shorthorns, on which machines were used for the first time. He purchased 3 000 acres at Roleystone, which was owned by his

grandparents, the Buckinghams. He had many pastoral leases. One, from memory, was the Warburton Ranges. He is quoted as saying that the most valuable shipment of merino sheep ever imported into WA by one man was when he bought the greater part of the stud of Mr Melville Collins of South Australia. Albert purchased studs from many parts of Australia and brought them back to WA.

I do not have time to go into his land transactions, but I do know that he was a very big commercial landholder. Albert brought the first Rolls-Royce into Western Australia. I thank Mr Roger Fry, president of the Western Australian branch of the Rolls-Royce Owners' Club of Australia, for the research that he did for me. This was a silver ghost Rolls-Royce, which was delivered to A. Cockram of 2 Kings Park Road; that is documented. It came here in 1913 and his sons used it to race. Albert purchased property with frontages to Barrack Street and Murray Street and sold them for a 300 per cent profit. That certainly sounds like another business transaction.

Albert Cockram was the major shareholder of Griffin Coal in the south west, which is in my electorate. He started Griffin Coal with four other partners. Griffin Coal was his. He was chairman for some years. When he died in 1943, my grandfather, Claude Cockram, became the major shareholder of Griffin. That company has employed many families and was a huge business, but it was still not enough to get him into the top 100 businesspeople for Western Australia.

I have so much more history, but I have made my point. I have not done him justice because so much of what he achieved has been left out. Did he have a lasting legacy? Yes, he did. Why was he not recognised? Why was James Nicholas not recognised? They talk about the six hungry families in Western Australia; these two make it eight. These two people were known Australia-wide. History shows that Albert Edmund Cockram was a wonderful businessman and a great ambassador for our state on a world stage, yet it seems that he has been forgotten. A book of who's who lists him as being president of the Stud Merino Breeders' Association of WA; vice president of the Royal Agricultural Society; chairman of Griffin Coal; owner of Belmont Park Racing Ltd, Cockrams Co Ltd and Thornlie and Belmont stud farms; and life member of the Hunt Club, the Western Australian Trotting Association and the Western Australian Turf Club. His offices were in Withnell Chambers. I am writing a book on him so that his history will never be forgotten and never again will he not appear in the top 100 people in Western Australia who helped make this state what it is today.

PLEDGE FOR NATE — DRINK-DRIVING CAMPAIGN

Statement

HON AMBER-JADE SANDERSON (East Metropolitan) [9.54 pm]: On the evening of 21 January this year, a mother put her eight-month-old son to sleep in his cot. At 2.28 am that night she was woken by a huge explosion. She rushed out to see what on earth it could be. Where her son's bedroom was there was a mess of rubble and debris and a massive car. She eventually found her baby, crushed under the wheel of that car. What started as an average night in an average household doing what millions of families do every night—that is, putting their children safely to sleep in their own beds—turned into a never-ending living nightmare for this family. Nate Dunbar, the innocent victim of this tragedy, was my cousin. I rise tonight to put on the record how this incident, caused by one person's decision to drink and drive, has affected this family.

When the Hilux crashed into the rear of my cousin's house in Tug Cove, which backs onto Hester Avenue, it was travelling at such speed that it went through an external wall into Nate's bedroom and through an internal wall into their elder son, Kai's, bedroom, pushing his bed up against the furthest wall and trapping him in his bed. Frankly, he is lucky to be alive; if he did not have a raised bed, he probably would not be. When Nate's parents, Justin and Stacey, reached the scene they were blinded by the car's headlights, but they could see their baby son underneath the vehicle's wheel. Unable to free him, Stacey desperately attempted to give her baby CPR. Kai witnessed the unfolding scene, unable to be removed from this horror. In her victim impact statement, Stacey described the terror, impact and helplessness she felt at not being able to help her son. She says the look on Justin's face as he collapsed in grief, realising he was helpless to save his son, will forever haunt her.

Melissa Ann Waters, the woman driving the car, had been drinking since the afternoon after finishing nine straight nights of work at Quinns Rocks Sports Club. She had eventually driven to a friend's house after stopping at a bottle shop. There they consumed more alcohol to a point where, according to one of her friends, they were falling down drunk. When she indicated that she was going to drive home, they implored her not to and in fact hid her keys. They did the right thing. Her friends eventually fell asleep and she found her keys and embarked on the journey home, which would ruin two families.

I think everyone who heard about this tragedy was affected by it. I cannot begin to imagine what it was actually like to have to endure it. Hundreds of teddies were placed by friends and strangers at the site of the crash and hundreds turned out to pay their respects at a candlelight vigil held shortly after.

Over the last few years our family has watched Justin and Stacey build their lives together. Neither started life with any great privileges. Stacey is a hairdresser and Justin recently completed an apprenticeship as a mature-age

student. They purchased their first house in Merriwa with the assistance of the first home owner grant and have worked hard to build their future and family. A couple of years ago they lost their second son, Chase, in utero—a heartbreaking loss for them. So their joy was immense when their third son, Nate, was born on 12 May 2012. Anyone who knows the family could not fail to see how they adored both Kai and Nate. Stacey would update Facebook several times a day with what Nate ate, what he did and every milestone he made, and with Kai's latest merit award. I give this background by way of demonstrating how normal they are—they are like any other family in this state, just trying to support their family—and how this could really have happened to anyone.

Nate's family is not the only family ruined by this totally avoidable tragedy. Melissa Ann Waters, the driver, has three children herself. The youngest is only four years old. She was sentenced to three years and eight months in prison. She will be eligible for parole in one year and 10 months. There is no doubt that she is devastated and remorseful, but this is all a consequence of her actions and decisions. There were no pressing circumstances requiring her to drive home. How different all of their lives would be if she had made a different choice and chosen to get a taxi home or stayed the night at a friend's house. In Western Australia in 2011–12, 15 000 people were caught drink-driving. That is a staggering number of people who made the choice to get behind the wheel of a car instead of undergoing the small inconvenience of waiting for a taxi.

I tell this story not because it is an utterly tragic story but because this family does not want this death to be in vain. Last week, with the support of *The West Australian* and Channel 7, Stacey and Justin launched a campaign to raise awareness of the consequences of drink-driving, called Pledge for Nate, and it has featured in the paper and evening news since Friday last week. The campaign asks people to go to the website and publicly pledge that they will not drink and drive. As of 9.45 tonight over 4 000 people from the country had pledged. Leading up to Christmas and New Year, major community figures will come out to support the campaign and *The West Australian* will explore every aspect of drink-driving. We all need to take responsibility for ourselves and our friends. There is a level of acceptance of drink-driving that we cannot continue to tolerate, and we all know someone who has done it.

I urge all members to go to pledgeforrate.thewest.com.au to pledge and to share the page and do everything that we can to stop drink-driving.

WELLS PARK

Statement

HON PHIL EDMAN (South Metropolitan) [10.00 pm]: I wish to make a statement about Wells Park in the City of Kwinana, a well-used local park close to where I live. The Kwinana ship wreck is located there and the City of Kwinana, through the support of this state government over the years, has poured money into the park to upgrade boat ramps and put in swing sets and barbecues. It is a well-visited family area, which my wife, young children and I visit.

Recently, on 15 November, Hon Nick Goiran came to visit that area, as the area is part of the Western Trade Coast. I brought the member to that park so that he could familiarise himself with the Kwinana wreck. It was good to have him there and explain to him that it was basically a well-visited area, although it is close to and in the vicinity of an industrial park.

I am disappointed to announce—I wish I did not—that, unfortunately, the block of land opposite Wells Park has been ear-marked for fuel tanks. The Department of State Development and LandCorp have gone ahead and made a decision for a 24-month lease option for the land. There was no consultation with the Kwinana Industry Council or with any local members of Parliament, including Hon Simon O'Brien and Hon Nick Goiran. There was even no consultation with the City of Kwinana. LandCorp and DSD have singlehandedly decided that this is the best spot for the company Puma Energy to house diesel and petrol, right opposite the park.

I do not have a problem with industry going into these areas, but we need to be mindful of what industry is put across from a park where there are families. Imagine for a second, an undetected leak in a fuel holding tank and the volatile fuel evaporates and creates an explosive cloud, which can travel some distance. Imagine what would happen if someone were to light a candle, barbecue or even mosquito coil. There could possibly be an explosion.

I am frustrated how a decision can be made to put this sort of facility on this particular block of land. I am not against Puma Energy being in the Western Trade Coast, but there are definitely other places in the Western Trade Coast where that type of facility or industry could go. I am not convinced that opposite a well-known family park, that is absolutely packed out on weekends, is the right place for that type of industry.

I will be doing my utmost to have the Department of State Development and LandCorp reconsider their decision, by, hopefully, if it can—even though a lease option has been signed up with Puma Energy—finding an alternative location.

COMMONWEALTH PARLIAMENTARY ASSOCIATION*Statement by President*

THE PRESIDENT (Hon Barry House): At nine o'clock tomorrow morning the annual general meeting of the WA Branch of the Commonwealth Parliamentary Association will be held in the Legislative Council chamber. Firstly, all members are invited and it would be nice to see many members of the Legislative Council here. Secondly, could members make sure that there is nothing on their desks that they do not want other people who might be sitting in their chair tomorrow morning to see.

House adjourned at 10.05 pm

QUESTIONS ON NOTICE

Questions and answers are as supplied to Hansard.

WORSLEY ALUMINA — BAUXITE OPERATIONS

392. Hon Robin Chapple to the Leader of the House representing the Minister for State Development:

With respect to Worsley Alumina Pty Ltd and its subsidiaries and associated companies and their bauxite mining operations in Western Australia, I ask:

- (a) how many tenements are held by each company by type, number and hectare size;
- (b) how many hectares have been mined in each of the last five years;
- (c) how many hectares will be mined each year when the company expands to its full approved rate of production;
- (d) what is the total area mined to date;
- (e) how much of the total area mined required the clearing of native forest;
- (f) how many hectares have been rehabilitated to date;
- (g) how much of this area has been rehabilitated with jarrah forest species;
- (h) what is the current annual production of bauxite and alumina;
- (i) when the company expands to its full approved rate of production, what will be the annual production of bauxite and alumina;
- (j) how many hectares are currently used as Residue Disposal Areas;
- (k) what is the total area of closed Residue Disposal Areas;
- (l) what area of new Residue Disposal Areas will be required each year when the company expands to its full approved rate of production;
- (m) how much residue has been produced in each of the last five years;
- (n) what is the total amount of residue produced to date;
- (o) how much residue will be produced each year when the company expands to its full approved rate of production;
- (p) when do the company's mining leases expire;
- (q) when does the company anticipate completion of its approved expansion; and
- (r) will the Minister please table a map showing the mining leases, the area mined to date, and the area rehabilitated to date?

Hon Peter Collier replied:

Department of State Development

- (a)–(b) [See paper 1077.]
- (c) The amount of land cleared for mining each year will depend on the structures of the ore body. Clearing will be completed to the extent required to meet the 4.7 Mtpa alumina production target while not exceeding limits set under the 10 year mine planning process submitted to Government. In 2014, it is predicted that 220 hectares will be cleared.
- (d) The total area cleared for mining to date is 4,036 hectares (including clearing for supporting infrastructure, haul roads and water storage, previously excluded from the reported figure).
- (e) The total area of native vegetation cleared for bauxite mining is 3,263 hectares. This figure includes clearing for supporting infrastructure, haul roads and water storage, which were previously excluded from the reported figure. This is in line with the definition of bauxite mining within Worsley's Environmental Ministerial Statement No. 719.

The total area of private land remnant vegetation clearing is 391 hectares (including clearing for supporting infrastructure, haul roads and water storage, previously excluded from the reported figure). Note that 382 hectares of private pasture was also cleared.
- (f) A total of 2,343 hectares has been rehabilitated to date. This includes 1,846 hectares of rehabilitation on crown land, 304 hectares of rehabilitation on private forest and 193 hectares on private pasture.

- (g) Jarrah forest species have been used in all forest and bushland rehabilitation undertaken at the mine. Of the 2,343 hectares of rehabilitation, a total of 2,151 hectares has been rehabilitated with jarrah forest species, with the remaining 193 hectares rehabilitated with pasture.
- (h) The current annual production rates for the 2013 financial year are 14.1 million dry tonnes of bauxite and 4.3 million tonnes of alumina.
- (i) When Worsley expands to its full approved rate of production, the annual production rates are expected to be 18.8 million dry tonnes of bauxite and 4.7 million tonnes of alumina.
- (j) The total area currently used as Residue Disposal Areas is 640 hectares.
- (k) The total area of closed Residue Disposal Areas is 71.2 hectares.
- (l) Bauxite Residue Disposal Areas will extend up to the full capacity footprint until 2017, when the footprint will measure 829.9 hectares (including rehabilitated bauxite Residue Disposal Areas of 71.2 hectares).
- (m) [See paper 1077.]
- (n) A total of 148 million (dry) tonnes of residue has been produced to date.
- (o) A total of 10.34 million dry tonnes of residue will be produced each year when Worsley expands to its full approved rate of production. This represents the maximum expansion rate.
- (p) ML 258SA expires in 2046.
- (q) Construction of the Efficiency & Growth project has been completed and the expanded plant is ramping up.
- (r) Yes. Maps showing the mining leases, area mined to date and area rehabilitated to date [See paper 1077.]

BUNBURY REGIONAL HOSPITAL — NURSES

396. Hon Adele Farina to the Parliamentary Secretary representing the Minister for Health:

I refer to the accumulation of nurses' leave entitlements at the Bunbury Regional Hospital, and I ask:

- (a) how many nurses are employed directly by the Department of Health as permanent employees at Bunbury Regional Hospital;
- (b) how many nurses are employed as agency staff at Bunbury Regional Hospital;
- (c) in relation to each (a) and (b), as at 1 July 2013, how many nurses had been employed for 12 months or longer;
- (d) in relation to each (a) and (b), as at 1 July 2013, how many nurses had been employed for seven years or longer;
- (e) in relation to each (a) and (b), as at 1 July 2013, how many nurses had been employed for 10 years or longer;
- (f) in relation to each (a) and (b), as at 1 July 2013, how many hours of annual leave were owed to nurses working at Bunbury Regional Hospital;
- (g) in relation to each (a) and (b), as at 1 July 2013, how many hours of personal leave were owed to nurses working at Bunbury Regional Hospital;
- (h) in relation to each (a) and (b), as at 1 July 2013, how many hours of long service leave were owed to nurses working at Bunbury Regional Hospital;
- (i) in relation to each (a) and (b), from 1 July 2012 to 1 July 2013, how many hours of annual leave were taken by nurses working at Bunbury Regional Hospital;
- (j) in relation to each (a) and (b), from 1 July 2012 to 1 July 2013, how many hours of personal leave were taken by nurses working at Bunbury Regional Hospital;
- (k) in relation to each (a) and (b), from 1 July 2012 to 1 July 2013, how many hours of long service leave were taken by nurses working at Bunbury Regional Hospital; and
- (l) between 1 July 2012 and 1 July 2013, how many leave applications by nurses working at the Bunbury Regional Hospital were denied due to a lack of available staff?

Hon Alyssa Hayden replied:

- (a) Total permanent nurses as at 30 September 2013 — FTE: 178.4, Headcount: 234.
- (b) No agency nurses were recorded as paid by Bunbury Regional Hospital in September 2013.

In relation to the answers provided to questions (c) to (l), agency nurses are not direct employees of WA Health, and are employed on a shift by shift basis. Length of service, leave entitlement, and leave taken are not applicable to agency nurses and therefore not recorded.

- (c) 232 (headcount) permanent nurses.
- (d) 127 (headcount) permanent nurses.
- (e) 91 (headcount) permanent nurses.
- (f) As at 11 November 2013, 34,828 hours accrued by permanent nurses.
- (g) As at 11 November 2013, 62,670.6 hours accrued by permanent nurses.
- (h) As at 11 November 2013, 14,322 hours accrued by permanent nurses.
- (i) 42,868.6 hours taken by permanent nurses.
- (j) 19,533.6 hours taken by permanent nurses.
- (k) 6,701.6 hours taken by permanent nurses.
- (l) Records are not maintained on the number of leave applications denied.

Notes:

- Data Source: HR Data Warehouse.
- Nurses include Registered Nurses, Enrolled Nurses, and Enrolled Mental Health Nurses.
- FTE is counted as hours worked in the specified month, divided by the Award Full Time Hours for the same period. Hours include ordinary time, overtime, all leave, public holidays, Time Off in Lieu, and Worker's Compensation.
- FTE is based on actual (paid) month to date FTE.
- Personal Leave with regards to question (g) is given as the accrued total, as Personal Leave is not paid out upon termination.
- Personal Leave with regards to question (j) includes total hours of personal leave taken with and without pay. Unpaid personal leave occurs when an employee exceeds their accrued personal leave entitlement.
- Leave accruals cannot be reported on retrospectively, therefore leave accruals given are as at 11/11/2013.

BUSSELTON HOSPITAL — NURSES

403. Hon Adele Farina to the Parliamentary Secretary representing the Minister for Health:

I refer to the accumulation of nurses' leave entitlements at the Busselton Hospital, and I ask:

- (a) how many nurses are employed directly by the Department of Health as permanent employees at Busselton Hospital;
- (b) how many nurses are employed as agency staff at Busselton Hospital;
- (c) in relation to each (a) and (b), as at 1 July 2013, how many nurses had been employed for 12 months or longer;
- (d) in relation to each (a) and (b), as at 1 July 2013, how many nurses had been employed for seven years or longer;
- (e) in relation to each (a) and (b), as at 1 July 2013, how many nurses had been employed for 10 years or longer;
- (f) in relation to each (a) and (b), as at 1 July 2013, how many hours of annual leave were owed to nurses working at Busselton Hospital;
- (g) in relation to each (a) and (b), as at 1 July 2013, how many hours of personal leave were owed to nurses working at Busselton Hospital;
- (h) in relation to each (a) and (b), as at 1 July 2013, how many hours of long service leave were owed to nurses working at Busselton Hospital;
- (i) in relation to each (a) and (b), from 1 July 2012 to 1 July 2013, how many hours of annual leave were taken by nurses working at Busselton Hospital;
- (j) in relation to each (a) and (b), from 1 July 2012 to 1 July 2013, how many hours of personal leave were taken by nurses working at Busselton Hospital;

- (k) in relation to each (a) and (b), from 1 July 2012 to 1 July 2013, how many hours of long service leave were taken by nurses working at Busselton Hospital; and
- (l) between 1 July 2012 and 1 July 2013, how many leave applications by nurses working at the Busselton Hospital were denied due to a lack of available staff?

Hon Alyssa Hayden replied:

- (a) Total permanent nurses as at 30 September 2013 — FTE: 58.3, Headcount: 89.
- (b) No agency nurses were recorded as paid by Busselton Hospital in September 2013.
In relation to the answers provided to questions (c) to (l), agency nurses are not direct employees of WA Health, and are employed on a shift by shift basis. Length of service, leave entitlement, and leave taken are not applicable to agency nurses and therefore not recorded.
- (c) 87 (headcount) permanent nurses.
- (d) 45 (headcount) permanent nurses.
- (e) 36 (headcount) permanent nurses.
- (f) As at 11 November 2013, 17,852.3 hours accrued by permanent nurses.
- (g) As at 11 November 2013, 17,129.8 hours accrued by permanent nurses.
- (h) As at 11 November 2013, 6,149 hours accrued by permanent nurses.
- (i) 16,973.3 hours taken by permanent nurses.
- (j) 6,824.5 hours taken by permanent nurses.
- (k) 3,086.5 hours taken by permanent nurses.
- (l) Records are not maintained on the number of leave applications denied.

Notes:

- Data Source: HR Data Warehouse.
- Nurses include Registered Nurses, Enrolled Nurses, and Enrolled Mental Health Nurses.
- FTE is counted as hours worked in the specified month, divided by the Award Full Time Hours for the same period. Hours include ordinary time, overtime, all leave, public holidays, Time Off in Lieu, and Worker's Compensation.
- FTE is based on actual (paid) month to date FTE.
- Personal Leave with regards to question (g) is given as the accrued total, as Personal Leave is not paid out upon termination.
- Personal Leave with regards to question (j) includes total hours of personal leave taken with and without pay. Unpaid personal leave occurs when an employee exceeds their accrued personal leave entitlement.
- Leave accruals cannot be reported on retrospectively, therefore leave accruals given are as at 11/11/2013.

MARGARET RIVER HOSPITAL — NURSES

404. Hon Adele Farina to the Parliamentary Secretary representing the Minister for Health:

I refer to the accumulation of nurses' leave entitlements at the Margaret River Hospital, and I ask:

- (a) how many nurses are employed directly by the Department of Health as permanent employees at Margaret River Hospital;
- (b) how many nurses are employed as agency staff at Margaret River Hospital;
- (c) in relation to each (a) and (b), as at 1 July 2013, how many nurses had been employed for 12 months or longer;
- (d) in relation to each (a) and (b), as at 1 July 2013, how many nurses had been employed for seven years or longer;
- (e) in relation to each (a) and (b), as at 1 July 2013, how many nurses had been employed for 10 years or longer;
- (f) in relation to each (a) and (b), as at 1 July 2013, how many hours of annual leave were owed to nurses working at Margaret River Hospital;

- (g) in relation to each (a) and (b), as at 1 July 2013, how many hours of personal leave were owed to nurses working at Margaret River Hospital;
- (h) in relation to each (a) and (b), as at 1 July 2013, how many hours of long service leave were owed to nurses working at Margaret River Hospital;
- (i) in relation to each (a) and (b), from 1 July 2012 to 1 July 2013, how many hours of annual leave were taken by nurses working at Margaret River Hospital;
- (j) in relation to each (a) and (b), from 1 July 2012 to 1 July 2013, how many hours of personal leave were taken by nurses working at Margaret River Hospital;
- (k) in relation to each (a) and (b), from 1 July 2012 to 1 July 2013, how many hours of long service leave were taken by nurses working at Margaret River Hospital; and
- (l) between 1 July 2012 and 1 July 2013, how many leave applications by nurses working at the Margaret River Hospital were denied due to a lack of available staff?

Hon Alyssa Hayden replied:

- (a) Total permanent nurses as at 30 September 2013 — FTE: 15.9, Headcount: 23.
- (b) No agency nurses were recorded as paid by Margaret River Hospital in September 2013.

In relation to the answers provided to questions (c) to (l), agency nurses are not direct employees of WA Health, and are employed on a shift by shift basis. Length of service, leave entitlement, and leave taken are not applicable to agency nurses and therefore not recorded.

- (c) 24 (headcount) permanent nurses.
- (d) 19 (headcount) permanent nurses.
- (e) 13 (headcount) permanent nurses.
- (f) As at 11 November 2013, 3,698.2 hours accrued by permanent nurses.
- (g) As at 11 November 2013, 5,382.3 hours accrued by permanent nurses.
- (h) As at 11 November 2013, 1000.3 hours accrued by permanent nurses.
- (i) 2,819.2 hours taken by permanent nurses.
- (j) 1,519.1 hours taken by permanent nurses.
- (k) 788.4 hours taken by permanent nurses.
- (l) Records are not maintained on the number of leave applications denied.

Notes

- Data Source: HR Data Warehouse
- Nurses include Registered Nurses, Enrolled Nurses, and Enrolled Mental Health Nurses
- FTE is counted as hours worked in the specified month, divided by the Award Full Time Hours for the same period. Hours include ordinary time, overtime, all leave, public holidays, Time Off in Lieu, and Worker's Compensation
- FTE is based on actual (paid) month to date FTE
- Personal Leave with regards to question (G) is given as the accrued total, as Personal Leave is not paid out upon termination.
- Personal Leave with regards to question (J) includes total hours of personal leave taken with and without pay. Unpaid personal leave occurs when an employee exceeds their accrued personal leave entitlement.
- Leave accruals cannot be reported on retrospectively, therefore leave accruals given are as at 11/11/2013

BUNBURY REGIONAL HOSPITAL — INTENSIVE CARE UNIT

450. Hon Adele Farina to the Parliamentary Secretary representing the Minister for Health:

I refer to the Bunbury Regional Hospital intensive care unit and high dependency unit admissions:

- (a) for each of 2010–11, 2011–12 and 2012–13, how many people were admitted to the high dependency unit (HDU); and
- (b) for each of 2010–11, 2011–12 and 2012–13, how many people were admitted to the intensive care unit, excluding HDU beds?

Hon Alyssa Hayden replied:

Time Frame	(a) HDU	(b) ICU
2010–11	1795	ICU not open
2011–12	1672	ICU not open
01/01/2012– 12/12/2012	677	ICU not open
13/12/2012– 2013**	511	136

* Data extracted from TOPAS

**The Bunbury Hospital ICU opened in December 2012

BUNBURY REGIONAL HOSPITAL — OPERATIONS

452. Hon Adele Farina to the Parliamentary Secretary representing the Minister for Health:

I refer to the Bunbury Regional Hospital operating theatres, and I ask:

- (a) for each of 2009–10, 2010–11, 2011–12 and 2012–13, how many operations were performed in each of the theatres;
- (b) for each of the years stated in (a), how many of the operations were:
 - (i) elective surgery;
 - (ii) the result of attendance at the emergency department; and
 - (iii) other, please specify;
- (c) for each of 2009–10, 2010–11, 2011–12 and 2012–13, provided as a percentage, what was the rate of use for each of the theatres;
- (d) for each of the years stated in , what percentage of the operations were:
 - (i) elective surgery;
 - (ii) the result of attendance at the emergency department; and
 - (iii) other, please specify; and
- (e) for each of 2009–10, 2010–11, 2011–12 and 2012–13, how many days was each theatre closed?

Hon Alyssa Hayden replied:

(a)

	2009–10	2010–11	2011–12	2012–13
Theatre A	3047	2843	3041	3184
Theatre B	1371	1414	1488	1565
Theatre C	1254	1324	1311	1321
Theatre Endoscopy	1711	1765	1970	1988
Recovery Room*	46	69	96	98
Total	7429	7415	7906	8156

*The recovery room figures refer to “anaesthetist only” completed procedures. This includes procedures such as Peripherally Inserted Central (PICC) Lines, epidural blood patches, controlled intubations, etc.

(b)

	2009–10	2010–11	2011–12	2012–13
(i) Elective	6052	5956	6366	6596
(ii) ED*	1331	1390	1444	1462
(iii) Other**	46	69	96	98
Total	7429	7415	7906	8156

*It is not possible to separate those emergency cases which are transferred to theatre via the Emergency Department and those which come from the wards. It is estimated that less than 1% of emergency cases come from the wards.

**Anaesthetic.

(c) 2009/10

Theatre A

AD* session (0800–1700) Elective = 65%

AM session (0800–1200) Elective = 101%

PM session (1300–1700) Elective = 94%
 E1 session Emergency Mon — Fri 1800–0800 (staffed until 2130hrs, then on call coverage) = 14%
 SA1 session Emergency Saturday 0800–0800 (staffed 1000–1630, then on call coverage) = 21%
 SU1 session Emergency Sunday 0800–0800 (staffed 1000–1630, then on call coverage) = 19%

Theatre B

AD* session (0800–1700) Elective = 77%
 AM session (0800–1200) Elective = 80%
 PM session (1300–1700) Elective = 80%

Theatre C

AD* session (0800–1700) Elective = 74%
 AM session (0800–1200) Elective = 90%
 PM session (1300–1700) Elective = 87%

Endoscopy Theatre

AM session (0800–1200) Elective = 61% (20% of sessions “open” but not utilised/staffed)
 PM session (1300–1700) Elective = 51% (20% of sessions “open” but not utilised/staffed)

2010/11

Theatre A

AD session (0800–1700) Elective = 68%
 AM session (0800–1200) Elective = 93%
 PM session (1300–1700) Elective = 86%
 E1 session Emergency Mon — Fri 1800–0800 (staffed until 2130hrs, then on call coverage) = 15%
 SA1 session Emergency Saturday 0800–0800 (staffed 1000–1630, then on call coverage) = 22%
 SU1 session Emergency Sunday 0800–0800 (staffed 1000–1630, then on call coverage) = 21%

Theatre B

AD session (0800–1700) Elective = 73%
 AM session (0800–1200) Elective = 87%
 PM session (1300–1700) Elective = 77%

Theatre C

AD session (0800–1700) Elective = 81%
 AM session (0800–1200) Elective = 94%
 PM session (1300–1700) Elective = 82%

Endoscopy Theatre

AM session (0800–1200) Elective = 63% (20% of sessions “open” but not utilised/staffed)
 PM session (1300–1700) Elective = 43% (20% of sessions “open” but not utilised/staffed)

2011/12

Theatre A

AD session (0800–1700) Elective = 69%
 AM session (0800–1200) Elective = 92%
 PM session (1300–1700) Elective = 97%
 E1 session Emergency Mon — Fri 1800–0800 (staffed until 2130hrs, then on call coverage) = 17%
 SA1 session Emergency Saturday 0800–0800 (staffed 1000–1630, then on call coverage) = 20%
 SU1 session Emergency Sunday 0800–0800 (staffed 1000–1630, then on call coverage) = 22%

Theatre B

AD session (0800–1700) Elective = 75%
 AM session (0800–1200) Elective = 86%
 PM session (1300–1700) Elective = 85%

Theatre C

AD session (0800–1700) Elective = 78%
 AM session (0800–1200) Elective = 94%
 PM session (1300–1700) Elective = 85%

Endoscopy Theatre

AM session (0800–1200) Elective = 71% (20% of session “open” but not utilised/staffed)
 PM session (1300–1700) Elective = 54% (20% of session “open” but not utilised/staffed)

2012/13

Theatre A

AD session (0800–1700) Elective = 75%
 AM session (0800–1200) Elective = 91%

PM session (1300–1700) Elective = 98%

E1 session Emergency Mon — Fri 1800–0800 (staffed until 2130hrs, then on call coverage) = 17%

SA1 session Emergency Saturday 0800–0800 (staffed 1000–1630, [then 0800–2000 from Sept 2012] + on call coverage) = 28%

SU1 session Emergency Sunday 0800–0800 (staffed 1000–1630, [then 0800–2000 from Sept 2012] + on call coverage) = 22%

Theatre B

AD session (0800–1700) Elective = 80%

AM session (0800–1200) Elective = 83%

PM session (1300–1700) Elective = 87%

Theatre C

AD session (0800–1700) Elective = 84%

AM session (0800–1200) Elective = 93%

PM session (1300–1700) Elective = 89%

Endoscopy Theatre

AM session (0800–1200) Elective = 52% (20% of session “open” but not utilised/staffed)

PM session (1300–1700) Elective = 54% (20% of session “open” but not utilised/staffed)

* AD — All Day sessions Endoscopy suite has been included in this data.

(d)

	2009–10	2010–11	2011–12	2012–13
Elective	81.4%	80.4%	80.5%	80.9%
ED	17.9%	18.7%	18.3%	17.9%
Other	0.7%	0.9%	1.2%	1.2%
Total	100%	100%	100%	100%

(e) For each of 2009–10, 2010–11, 2011–12 and 2012–13:

- Theatre A was not closed at all. It has an on-call roster which means it is available 24/7.
- Theatres B, C and the Endoscopy Theatre were closed for 52 weekend days, 10 public holidays and 12 Christmas shutdown days.

SUICIDES — SOUTH WEST

535. Hon Adele Farina to the Attorney General:

I refer to Budget Paper No. 2, Volume 2 at page 537 “Appropriations, Expenses and Cash Assets”, and ask of the suicides completed in both Bunbury and the South West region in each 2012 and 2013, how many were:

- Female;
- Male;
- under the age of 16 years;
- 16 years to under 18 years;
- 18 years to under 25 years;
- 25 years to under 45 years; and
- 45 years and over?

Hon Michael Mischin replied:

Data extracted from the National Coroner’s Information System is only able to produce reports for the Bunbury coronial jurisdictional area as a whole, not the actual location of the death.

The Bunbury coronial district is comprised of Bunbury and the towns of Augusta, Australind, Boyup Brook, Bridgetown, Brunswick Junction, Busselton, Collie, Donnybrook, Dunsborough, Harvey, Manjimup, Margaret River, Nannup, Pemberton, Waroona and Yarloop.

(a)–(b) The number of cases determined by a Coroner to be suicides in the Bunbury coronial jurisdiction in 2012 was 18 and in 2013, 15 as at 13 November 2013.

In 2012 there were a total of 6 female and 12 male suicides.

As at 13 November 2013, there has been a total of 1 female and 14 male suicides.

Please see the table below showing age at the date of death:

	Age	2012	2013
(c)	Under 16 years	0	1
(d)	16 – 18 years	0	0
(e)	18 – 25 years	3	3
(f)	25 – 45 years	6	7
(g)	45 years and over	9	4
Total		18	15

HEALTH SERVICES — SOUTH WEST

540. Hon Adele Farina to the Parliamentary Secretary representing the Minister for Health:

I refer to Budget Paper No. 2, Volume 1 at page 129 “Appropriations, Expenses and Cash Assets”, line item “delivery of services”, and ask:

- (a) of the \$4.5 billion in total appropriations provided to deliver services, what portion in dollar amount of this is allocated for the WA Country Health Service in the South West region;
- (b) how does this compare to the total appropriations for the WA Country Health Service in the South West region in 2012–13;
- (c) if the Minister is not able to provide this information, why not;
- (d) if the information is not known at this time, when will it be known;
- (e) of the total appropriations allocated to the WA Country Health Service in the South West region in 2012–13, how much was for consultants, and what service(s) did the consultants provide; and
- (f) of the total appropriations allocated to the WA Country Health Service in the South West region for 2013–14, how much is for consultants and what services are the consultants engaged to provide?

Hon Alyssa Hayden replied:

- (a) \$222m in operating funds.
- (b) The 2013–14 allocation represents a \$13m increase over the 2012–13 South West allocation of \$209m.
- (c)–(d) Not applicable.
- (e)–(f) Nil.

HEALTH — 2013–14 STATE BUDGET

544. Hon Adele Farina to the Parliamentary Secretary representing the Minister for Health:

I refer to Budget Paper No. 2, Volume 1 at page 130 “Spending Changes”, line item “Public Sector Workforce Reform”, and ask the Minister to detail the reforms and how the reforms will impact service delivery?

Hon Alyssa Hayden replied:

Public Sector Workforce Reform comprises the following measures:

- A cap on growth in general government agencies’ salaries expenditure equal to projected growth in the Consumer Price Index (CPI);
- A new public sector wages policy that caps wage and conditions increases to projected growth in the CPI;
- A voluntary severance scheme targeting 1,000 positions across the general government sector; and proposed enhanced redeployment arrangements, subject to legislative amendments, to provide for involuntary redundancy as a measure of last resort.

The reforms are not expected to impact on health service delivery. Under activity based funding (ABF) budget settings for health service delivery are determined with reference to projected growth in health activity and the projected average cost as determined by the Independent Hospital Pricing Authority.

HEALTH — INTERGOVERNMENTAL AGREEMENT

546. Hon Adele Farina to the Parliamentary Secretary representing the Minister for Health:

I refer to Budget Paper No. 2, Volume 1 at page 130 “Spending Changes”, line item “Extension of the E Health Intergovernmental Agreement”, and ask:

- (a) what does the extension of the intergovernmental agreement entail; and
- (b) where will the eHealth services be provided?

Hon Alyssa Hayden replied:

- (a) An intergovernmental agreement in the form of a COAG National Partnership Agreement (NPA) on E-Health, signed in November 2009 by Commonwealth, State and Territory Health Ministers, expired on 30 June 2012. The NPA included agreement by the parties to make a joint financial contribution to the operation of the National E-Health Transition Authority (NEHTA) for the period July 2009 to June 2012.

The NPA has been succeeded by an E-Health Intergovernmental Agreement in the form of a Memorandum of Understanding (MOU) in Relation to the Development of an Effective National eHealth Capacity, which has been signed by the Commonwealth and all State and Territory Governments.

The MOU commits to continuing support and funding for national E-Health initiatives for a further two years to June 2014 by the Commonwealth and all State/Territory Governments, and the development of a business case and governance arrangements for the longer term.

The MOU covers the joint funding by all Governments of NEHTA's work program, recognises that joint investment in the National Health Services Directory will be required, and recognises the Commonwealth Government's funding of the Personally Controlled Electronic Health Record and regulatory oversight of national E-Health services in relation to privacy matters.

- (b) The MOU builds towards the establishment of E-Health capacity to support service provision across the entire health system, including Commonwealth, Territory and State services.

The MOU has been published and is available on the Commonwealth Department of Health's website: <http://www.health.gov.au/internet/main/publishing.nsf/Content/ehealth-mou>

HEALTH SERVICES — SOUTH WEST

548. Hon Adele Farina to the Parliamentary Secretary representing the Minister for Health:

I refer to Budget Paper No. 2, Volume 1 at page 132 "Significant Issues Impacting the Agency", line item "Sustained Delivery of Health Services", dot point 2, and ask how much of the \$2.2 billion in activity growth funding over the next four years is anticipated to be provided to the WA Country Health Service in the South West region?

Hon Alyssa Hayden replied:

As Health Service budgets are determined on an annual basis, funding growth to the South West for activity based services across the forward estimates cannot be quantified for the period requested.

Funding provided for activity based services to the South West increased from \$166 million in 2012/13 to \$192 million in 2013-14. The component relating to the additional activity based growth funding provided by Government is not separately identifiable.

HEALTH SERVICES — SOUTH WEST

552. Hon Adele Farina to the Parliamentary Secretary representing the Minister for Health:

I refer to Budget Paper No. 2, Volume 1 at page 134 "Significant Issues Impacting the Agency", line item "Infrastructure", dot point 2, and ask:

- (a) will the Minister provide an itemised list of all infrastructure provided under the \$325 million for the Southern Inland Health Initiative, including location, works completed and cost; and
- (b) what is the current status of the construction of the new Busselton health campus?

Hon Alyssa Hayden replied:

- (a) The current \$325 million Southern Inland Health Initiative (SIHI) capital program comprises of five separate streams of works:

Stream 2 — Integrated District Health Centres \$147.1 million
 Stream 3 — Primary Health Centre Demonstration Program \$43.3 million
 Stream 4 — Small Hospital and Nursing Posts \$108.8 million
 Stream 5 — Telehealth \$5.5 million
 Stream 6 — Residential Aged & Dementia Care \$20 million

[See paper 1081.] for a list of all works currently undertaken within the SIHI project on a site by site basis for the 2012/13 financial year. Please note however, that the capital funding expended to date is for enabling works items and is actual construction expenditure only.

- (b) Construction of the Busselton Health Campus is approximately 50% complete. The last major concrete pour occurred in September 2013. Interior fit out has commenced. Temporary roads are in place to maintain site access and the first of the new car parks is being used by staff and patients. All existing services continue to be provided from the site.

HEALTH SERVICES — PALLIATIVE CARE

557. Hon Adele Farina to the Parliamentary Secretary representing the Minister for Health:

I refer to Budget Paper No. 2, Volume 1 at page 142 “Palliative Care”, and ask:

- (a) how much of the 2012–13 budget allocation was spent in the South West (SW);
- (b) how much of the 2013–14 budget allocation is expected to be spent in the SW;
- (c) if the information requested in (a) and (b) cannot be provided, why not; and
- (d) if the information requested is not known at this time, when will it be known?

Hon Alyssa Hayden replied:

- (a) The 2012–13 budget allocation for South West Palliative Care of \$1.365 million was fully spent.
- (b) All of the 2013/14 budget for South West Palliative Care of \$1.419 million is expected to be spent during 2013/14.
- (c)–(d) Not applicable.

HEALTH SERVICES — ROYALTIES FOR REGIONS FUNDING

566. Hon Adele Farina to the Parliamentary Secretary representing the Minister for Health:

I refer to Budget Paper No. 2, Volume 1 at page 152 “Income Statement – Income from State Government”, line item “Royalties for Regions Fund”, and ask the Minister to itemise how the Royalties for Regions funding is being spent, the total cost of the project, service, program and/or other which is in receipt of Royalties or Regions funding and the proportion being funded from Royalties for Regions. Further that the Minister table the business case for each of the projects, services, programs and/or other being funded or part funded by Royalties for Regions?

Hon Alyssa Hayden replied:

[See paper 1082.] for details of the Royalties for Regions funded services and programs.

The majority of these services and programs are 100% Royalties for Regions funded. Some of those listed may be part of a larger service delivery program; however, the funds have been applied to specific initiatives that would otherwise not have been undertaken.

As these programs largely relate to new or improved services, they will require ongoing funding commitment, and therefore it is not possible to provide a total estimate of cost for each project.

The requested business cases were considered as part of Economic and Expenditure Reform Committee (EERC) and Cabinet deliberations and are therefore considered ‘Cabinet in Confidence’ and as such are privileged and not able to be released.

MINING TENEMENTS — MERCURY CONTAMINATION

586. Hon Robin Chapple to the Minister for Mental Health representing the Minister for Environment:

I refer to question without notice No. 411, asked on 13 August 2013, about the mercury contamination at mining tenements M15/497 and M15/498, and I ask:

- (a) has the Department of Environment Regulation started investigating this suspected contaminated site, as required;
- (b) if yes to (a), can the Minister table the findings;
- (c) if no to (a), why not;
- (d) who is the current holder of these mining tenements;
- (e) is the current holder of these mining tenements responsible for the rehabilitation of the site, including decontaminating the soil;
- (f) if no to (e), who is responsible; and
- (g) what actions has the holder of the tenements or the responsible person as defined in (f) done to rehabilitate and decontaminate the site?

Hon Helen Morton replied:

The Minister for Environment has provided the following response.

- (a) The Department of Environment Regulation (DER) does not undertake independent investigations of contaminated sites. Under the *Contaminated Sites Act 2003*, DER will work with responsible parties to ensure that appropriate investigations and remediation of contaminated sites occurs.
- (b) Not applicable.
- (c) DER classified the impacted portion of mining tenements M15/497 and M15/498 (the site) known as the former Paris Gold Mine as ‘possibly contaminated — investigation required’ under the Contaminated Sites Act on 4 April 2012.

DER wrote to the leaseholder, St. Ives Gold Mining Company (SIGM) on 17 May 2013 advising that action was required in relation to the investigation of contamination at the site, with a deadline for the provision of information relating to assessment at the site of 28 June 2013.

On 3 July 2013, DER received a letter from SIGM dated 28 June 2013 which provided information regarding several previous contamination investigations undertaken in 2005 and 2007. SIGM also advised that it was in the process of preparing a Mine Closure Plan (MCP) which encompassed the assessment and management of contamination along with rehabilitation at the site.

DER is unaware at this time if the MCP has been submitted to, or approved by, the Department of Mines and Petroleum (DMP).

DER will continue to correspond with stakeholders, including SIGM and DMP, to ensure that appropriate management of contamination at the site occurs.

- (d) The current leaseholder is the St Ives Gold Mining Company Pty Ltd.
- (e) Rehabilitation of mine sites falls under the jurisdiction of DMP, therefore I recommend that this question be referred to the Minister for Mines and Petroleum. However, the Contaminated Sites Act provides a hierarchy of responsibility for remediation of contamination, where some responsibility may be portioned to all identifiable former leaseholders. Requests for determination of responsibility for remediation can be made to the Contaminated Sites Committee, which is independent of DER.
- (f) See response to (e) above.
- (g) I recommend that this part of the question be referred to the Minister for Mines and Petroleum.
DER is unaware of any decontamination activity being conducted at the site to date. However, it is understood that SIGM is preparing a MCP that would be expected to address contamination issues.

FITZROY CROSSING — HEAT RECORD

589. Hon Robin Chapple to the Minister for Mental Health representing the Minister for Environment:

I refer to the article entitled “Fitzroy Crossing breaks its temperature record”, on page 2 of the *Kimberley Echo*, Thursday, 7 November 2013, and ask:

- (a) does the Minister or his department/s conclude that this record was the result of global Climate Change impacts; and
- (b) if no to (a), what does the Minister conclude that this temperature record was the result of?

Hon Helen Morton replied:

The Minister for Environment provides the following response.

- (a)–(b) Weather and climate refer to different aspects of meteorology. Weather is the brief, rapidly changing condition of the atmosphere at a particular place and time while climate describes the average weather over at least 30 years. Western Australia’s climate demonstrates natural variability.

Climate change refers to any long-term trends or shifts in climate over many decades. Neither a single extreme event or a single warmer or cooler month, year or decade on its own is sufficient evidence to assert climate change is or is not occurring, but statistically significant changes in average conditions over many decades do provide evidence of a changing climate.

Climate change is superimposed on natural climate variability, leading to a change in the frequency, intensity and duration of extreme events. While no individual records can be attributed to climate change, it has been predicted that there will be a greater frequency, intensity and duration of extreme events such as heatwaves as a result of climate change.

DEPARTMENT OF AGRICULTURE AND FOOD — SURVEY

603. Hon Ken Travers to the Minister for Agriculture and Food:

I refer to the 2012–13 Department of Agriculture and Food annual survey used to measure key performance indicators, conducted by Painted Dog Research, and ask:

- (a) will the Minister table a copy of the full survey report provided to the department; and
- (b) if not, why not?

Hon Ken Baston replied:

- (a) Yes. I am pleased to table the survey, which my Department uses as the basis of some of its most important Key Performance Indicators (KPIs). [See paper 1078.]
 - (b) Not applicable.
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