

Hon Amber-Jade Sanderson; Hon Darren West; Hon Helen Morton; Deputy President; Hon Kate Doust; Hon Dr Sally Talbot; Hon Ken Travers

ELECTRICITY CORPORATIONS AMENDMENT BILL 2013

Second Reading

Resumed from 26 November.

HON AMBER-JADE SANDERSON (East Metropolitan) [7.55 pm]: I rise again to speak in opposition to the Electricity Corporations Amendment Bill 2013. All Labor members in this chamber will oppose this bill.

As I said last night, the purpose of the bill is to merge the two entities of Verve and Synergy. That will bring the retail and generation arms under a single board with a view to making economies of scale and saving taxpayer dollars. Those claims have not been demonstrated clearly in the bill. It will essentially create a huge entity and a virtual government monopoly in the energy market, which seems a far cry from the microeconomic, private enterprise and small government philosophies of the party that introduced this bill. On the outside it looks as though it is actually contrary to many deeply held beliefs of the Liberal Party, which is why it creates some confusion for me. Certainly, there are questions that I will go through later. If legislation is the vehicle through which we pursue our politics and our ideology, then this bill is certainly not one of those from the Liberal Party. The ideals that are held close to the party are the creation of wealth, competitive enterprise and consumer choice. There is no evidence that this bill will introduce any of that into the energy market; in fact, it could potentially have the opposite effect. Handing control of 80 per cent of the market to a huge entity does very little, from what I can see in the research I have done, to encourage innovative private operators, particularly in the renewable energy market. It is certainly not evident from what I have seen that that would happen. There is some discussion in the community about this. The usual friends of the Liberal Party—the Chamber of Commerce and Industry, the Chamber of Minerals and Energy, the Economic Regulation Authority, the WA Independent Power Association and the private sector—have found no comfort in this bill and do not have any support for it. No-one in the private sector in this market is saying that this bill is a good thing. In fact, it was clear in the briefing we had that the private sector is saying, “We don’t want you to do this, but if you have to ...” That is the opposite of support; the private sector and most of those representative bodies are saying, “Don’t do this.” Therefore, it seems an anathema to me why we are pursuing this course. It certainly is not the result of clear and meticulous planning, and I will go over that when I talk about the energy initiative.

I will touch on a quote that really demonstrates some of the thinking in the sector around this bill and that the disaggregation of Western Power into the four entities has not been given enough time to work properly. Frank Tudor, who runs Horizon Power, in an article in *The West Australian* last year stated —

... that the benefits of the split up of the old Western Power in 2006 were only likely to be apparent after 15 to 20 years ...

That does not fit with political cycles, clearly, but this disaggregation needs more time to work. He stated —

“The benefits of disaggregation were espoused to be immediate ... It was an investment, pretty much like a capital investment, that was only ... going to yield a benefit over a long period of time ...

This major sector reform has not been pitched to the community very well at all, because people are confused about why the government is pursuing this. It is really another example of dishonesty and omitting to tell the whole truth to the electorate before the election. It is another example of saying one thing before the election and doing another. This is a really major, significant reform to a critical utility that everyone uses and needs, and nothing was said about it before the election. In fact, although nothing was said about it before the election, the Premier announced this reform in one of the first press conferences he held after his re-election, so it was clearly at the front of his mind during the election campaign.

The Premier made similar announcements a number of times over the previous term of government, but it had been hosed down by several members of his own party and cabinet, one of whom was the previous Minister for Energy, Minister Collier. In an online ABC News article of 28 August 2012, not six months before that, the minister was quoted as saying —

... it’s certainly not a priority as far as the Government’s concerned.

“What we will be doing is working with industry to ensure that we can modify the market rules to make sure that we have as most efficient system as we possibly can.”

That would seem to be a sensible approach—actually examining the market to see how we can entertain more renewable energy with a greater number of smaller operators accessing the grid and providing cleaner energy. Looking at the market seems like a sensible way to go; this bill does not seem to do that at all. The minister went on to say —

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“We feel that we’ve got to look at reducing costs with regard to the market structure and that’s exactly what we’ll be doing,” he said.

“I’ll be working with a working group over the next couple of months to ensure that we have the best possible system that reduces the costs to provide the best possible outcome ...

However, further along, the article continues —

The Chamber of Commerce and Industry’s chief executive, James Pearson, says the merger option should be taken off the table for good.

Another aspect of the—to put it kindly—opaque decision-making that the Premier seems to engage in was illustrated in his reference to a letter that he stated was the silver bullet that demonstrated that the re-merger had to take place because the sector wanted it. I refer to the joint letter from the chairs of both Synergy and Verve. The Premier was pushed a number of times to table the letter but he refused to, until it was eventually flushed out through intense pressure in the Parliament and from the media. It turned out that the letter did not say that at all; in fact, it asked more questions than it answered and it was clear that both chairs were asking what the government’s objectives were with the re-merger. It was obvious, at that point, that they were not clear as to the government’s objectives in re-merging those two entities. Having been to the briefing, carried out my own research and rifled through numerous papers, I am still not entirely clear what the government’s objectives are, and I am certainly not convinced that this bill is going to achieve any of the government’s stated objectives.

At the briefing we attended earlier this week it was stated that there were three main objectives to this legislation. Firstly, cost; secondly, energy security; and thirdly, to ensure that the private sector stays in the market. If we look at cost first, we see that there is no business case for this. The only response we have had is that the right numbers are appearing; “We’re crunching the numbers, and the right numbers are appearing”. This is taxpayers’ money; a state cannot be run on an instinct or on a feeling. We could not run a business or a government department on that; there is no institution that would survive running on an instinct or a feeling or the right numbers coming out. It does not make any sense. Taxpayers expect much more accountability and a much clearer business case if we are going to embark on such a huge reform that will actually benefit them in the long run. At the end of the day, that is the purpose of this Parliament—to benefit the community, and everything we do in this Parliament should do that.

We are facing cuts to schools. We have seen the aims for Fiona Stanley Hospital being clawed back; it was to be a paperless hospital, but that is now going to be delayed. There are going to be pay cuts to hospital workers, police retrenchments and public sector cuts, yet there has been no business case for the re-merger of Verve and Synergy. We do not know how much it is going to cost for what has been a hobbyhorse of the Premier for many years.

The first objective is clearly not demonstrated. I have some sympathy for the second objective, energy security, but if diversification of energy sources is the key to energy security, this legislation will not achieve that at all, because they will have to get access to the grid. We have been told, “Oh, they’ll play fair; we’re going to ring-fence. They’ll play fair and they won’t treat themselves any better than anyone else.” I am yet to get my head around how we will actually operationalise that sort of ring-fencing in the organisation.

The third objective is to ensure that the private sector stays in the market. There is no evidence that this re-merger will ensure that. The re-merged entity will control 80 per cent of the retail market and 60 per cent of generation. I would hate for this bill to limit the opportunity of other private investment. Billions of dollars of private investment are being put into renewable energy across the world, and we need that in Western Australia; we are incredibly well placed, yet we will have created this giant in the market that will narrow opportunities for those renewable and sustainable options that people want more of.

Claims have been made in the other place that the disaggregation of 2006 created too many regulatory entities. It did, indeed, create a number of regulatory entities and converted one of the regulatory entities. None of these will be removed as part of this bill; in fact, it will create yet another regulatory entity. Some numbers have been floated around in respect of regulations created by the disaggregation. Minister Nahan claimed in his second reading speech that the disaggregation had cost \$9.7 million in annual management costs since 2006. That is, I agree, a lot, but let us look at the evidence for those management costs. He also claimed that it had cost \$500 million in additional establishment, management and regulatory costs. There will obviously be a significant cost in creating even one more regulatory body, so we are bringing them together and introducing one more regulatory body to make sure that they play fair in the market. That is essentially because the private sector is spooked by this move. The government said, “Don’t worry; we’re going to merge them, but we’re going to create another regulatory entity, even though we believe in less regulation, to make sure that they play fair.” That is bizarre; it is a little back-to-front. There are questions about whether legislation is even required for bringing these two entities together, yet the main thrust of this bill is to introduce that regulatory body.

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If we are talking about this being an incredibly heavily regulated entity, we need to see the regulations so that we can see how it will be regulated. We have only half the information that we need to see how this legislation is actually going to work, which is why members on this side of the house are struggling to see how it will produce the outcomes that are claimed for it by the government. We are really struggling to see that, because we cannot see the actual regulations. How is it going to be regulated, how are the ministerial controls going to be exercised, and how is the ring-fencing going to be operationalised? We have just been told, "It'll be okay; the first draft will be ready this week." Well, the bill is in the upper chamber of the Parliament and the first draft of the regulations was ready only this week. This is very poor planning and another example of a bill that has not been properly planned and meticulously thought out for a major reform that has not been properly planned and meticulously laid out for the community and for the Parliament to properly scrutinise.

The bill was declared urgent in the other place, which was another unpalatable aspect of this process. We have had some time in this chamber to look at the bill, but in the other place it was not allowed the usual time to sit on the table so that members could consult with their electorates and major stakeholders to see whether the bill would be of benefit to their constituents. There are clearly a number of issues with this bill that have not had proper planning.

I now come back to the regulations. It was claimed in the other place that \$9.7 million in additional annual management costs have been created since 2006 and \$500 million in establishment, management and regulatory costs. That is a lot of money. I would like to see the evidence of that. This government has been in government for five of the last seven years and has been presiding over those management and regulatory costs, so why did it not do something sooner? Why has it taken the government this long to address those issues instead of making such a huge reform and using this as an excuse? There is no use in wrapping up the business case in two weeks when this bill is being debated now.

Extraordinarily, the Minister for Energy in the other place stated that he does not know the cost because the government has not done it yet. A hospital or a school would not be built on the premise of we do not know the cost because we have not done it yet. A service would never be provided on the premise of we do not know the cost because we have not provided it yet. Taxpayers expect proper planning and due diligence from government. They expect the government to know the costs and to be able to present those costs to them. The evidence that it will save hundreds of millions of dollars is not clear. We do not know the cost, the regulatory environment or the savings, yet we are still asked to support this bill.

I struggle to see how the ring-fencing of the three or four entities can genuinely work in an operational sense by bringing these organisations together. I am concerned for the staff within those entities. Significant burdens will be placed on them and I am concerned about whether they will be adequately supported and trained so that they do not breach any internal confidentiality. I am really concerned that they have the ability to go about their work and conduct their business and are given support and training to not inadvertently breach confidentiality when dealing with other units of the business. That is a potential risk for people working in the new Synergy.

Looking through the directions paper "Strategic Energy Initiative, *Energy2031*" —

Hon Peter Collier: A wonderful document.

Hon AMBER-JADE SANDERSON: It is a very thorough document, but in my view there are some flaws in it because it lacks serious planning for renewable energy. I ask now: what was the point? Is this the same as the red tape reduction plan? Nothing in that document talks about this kind of major reform. The government pours in resources and the time and effort of people who are passionate about the sector, interested in the sector and want to see a thriving sector, and then throws all of that out the window because the Premier has changed his mind. In fact, some of the objectives laid out in that document contradict the purpose of this bill. It is a flawed document because it does not provide any proper planning and policies for renewable energy, and it certainly does not talk about re-merging these two major entities.

I want to talk about renewable energy in relation to this bill. WA is incredibly well placed and has abundant renewable energy sources. WA is amazingly globally well-placed to harness the natural resources to provide a cleaner and more sustainable future. WA has wind, solar, wave, geothermal, biomass and concentrated solar thermal—a technology that moves towards the ability for solar to provide base power, which has always been a fundamental issue with solar power. In fact, a recent article in the South Australian newspaper *The Sunday Mail*, dated 24 November, talks about how ZEN Energy Systems is developing storage for solar energy through photovoltaics, which has always been a fundamental issue for people who have solar panels. I have them. It would be nice to say what we can have, but we cannot; we feed it back in. The article states —

... ZEN Energy Systems Chief Executive Officer Richard Turner says.

...

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“We have the technology now to generate and store energy in the home far cheaper than purchasing that energy from the grid.”

Manufactured in South Australia ...

“Householders are increasingly seeking protection against rising energy bills ...

“The case for harnessing free energy from the sun is as compelling as ever.”

The first commercial installation is underway. The article continues —

“Generating solar energy is one thing, storing it is quite another ...

It is. That is the leap that solar energy needs, not only to do it but to do it in an affordable way that households can manage. These are the technologies that the state needs to be looking at—that is, renewable, sustainable and clean technologies. They are great initiatives.

I also want to touch on comments made in a journal *Towards Sustainability: German and Australian perspectives on climate change and energy policies*, which is more interesting than one would think it could be. It contains some comments of Albert Goller, who is the managing director of Siemens Australia Ltd. Siemens is a hugely successful global company and Goller’s comments about Western Australia are interesting, especially from someone so senior who clearly has a strong business instinct and is a leader in the business community. He is reported in the journal as saying —

Without a doubt Australia is blessed with natural resources and it has the space and the climate that is positioned perfectly for the production of renewable energy on a large scale. In that respect, Australia has the potential to be the most admired country in the world, as a sustainability leader that other countries can learn from.

I believe we are missing opportunities to harness this power, this potential and this opportunity. This bill reflects the old way of thinking. The old way of thinking is about dirty fuel, coal-fired power stations. It is not about how to harness the ability for solar to run base energy. It is not about developing innovative and new market techniques to allow this sort of innovation to flourish. According to Bloomberg, global investment in renewable energy is worth \$260 million a year. We need some of that in WA, when the renewable energy market in Australia is shrinking —

Hon Peter Collier: It doubled here over the last four years.

Hon AMBER-JADE SANDERSON: It has shrunk in the last 12 years. It has retracted in the last 12 years.

Hon Peter Collier: In Western Australia, the renewable energy component has doubled since we took office.

Hon AMBER-JADE SANDERSON: In Australia it is retracting, and that is partly due to political uncertainty, certainly over the last few months with the election of the federal government and its direct action plan. We should be harnessing the majority of that investment for new jobs, clean jobs and green jobs and a much more sustainable future.

Comments made by the energy minister last week indicate that he is walking away from renewable energy and, rather than encouraging new large-scale renewable projects, he said that Western Australia is clearly in the situation of having excess generating capacity. Some arguments about gold plating of the energy sector that we have seen were discussed. He went on to state —

“To build additional capacity on top simply to satisfy the RET (the national renewable energy target) is a sub-optimal approach and expensive for taxpayers. Western Australia can satisfy its RET requirement by purchasing certificates from projects on the Eastern States.”

He is proposing to abandon local renewable projects and subsidising wind and solar farms in the eastern states to meet our renewable energy target requirements. That came from the energy minister and it is deeply disappointing and concerning. I want this government to address the market issues that will enable Western Australia to harness its true potential, as outlined by Hon Peter Collier in August 2012. I feel that this bill does not do that; in fact, it makes it harder for smaller operators, who are spooked by and deeply uncomfortable with this bill and the creation of this huge entity, to do that.

Lastly, I want to touch on the cost of living and the impact that electricity and utility prices have on the cost of living because it is related to this bill. We keep saying that it will impact on costs and it will help costs. There is no evidence of that. At the end of the day, the people in my electorate need to be able to turn on the lights, pensioners need to be able to put on the heater, and the people who live in West Swan and Midland need to be able to turn on the air conditioning on a 42-degree day when there is no sea breeze, but a nice hot wind coming from the desert, knowing that they will be able to pay the bill. Over the past five years, we have seen savage

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increases in those costs. The rise in the cost of living and in utility charges is a significant contributor to those—I am sorry does the member have something to add?

Hon Paul Brown interjected.

Hon AMBER-JADE SANDERSON: I look forward to his contribution to this bill.

The rising costs of living create major stress on households, and those stresses result in homelessness, family stress and people losing their ability to cope with everyday life. Balancing the family budget is one of the most stressful things that most families have to do. Most members in this chamber probably do not have to deal with that stress at that acute level every day. It is really tough. I want this government to introduce better provisions and support for people on low incomes and government pensions so that they can pay their utility bills and to properly subsidise those people who want to engage in renewable energy. So far there has been no articulation from the government about how this bill will support any of that. The community is confused by this bill and why the government is engaging in this process. It needs to be much better articulated. I want the government to address market issues that will enable proper renewable, sustainable energy, not deal with the immediate cost issues. That is why I will not support this bill.

HON DARREN WEST (Agricultural) [8.22 pm]: I also rise to speak against this rather strange piece of legislation, as my colleagues have done before me. The Electricity Corporations Amendment Bill 2013 typifies the state of the government at the moment. It is a bill that nobody understands and nobody really wants and has clearly been thought up and drafted in a terrible hurry. Quite frankly, it typifies a chaotic, dysfunctional, divided and deceptive government, and I will go into some details about why I think that in the next 45 minutes.

Several members interjected.

Hon DARREN WEST: I think that most of the electorate agrees with what I am saying. It seems to come up in every debate. There does not seem to be any order, cohesiveness, function or merit in the legislation that comes before us, as little as there is. I do not think this bill is any different.

We have shown over and over again how this government will say anything—or in this case not say anything at all—to get elected, and then, after the election, it thanks everyone profusely for putting it into government, but does a 180-degree turn on those who supported it. The promises and commitments made were taken at face value by an electorate that clearly appreciated what it heard and gave its precious vote accordingly. The electorate put its faith in the government, only to be let down again and again. I have talked in this place several times about promises made and commitments broken and how the electorate has been let down. This is a slightly different case. In this case, we have seen the Premier stoop to a very low level. I will go into that in more detail, and I have some documentation I am sure members are familiar with. In bringing this legislation to the people, the Premier has told a blatant, barefaced, deliberate, shameless untruth to achieve a sneaky and deceptive outcome that he alone defiantly seeks. Even the Minister for Energy has not really sought this bill, because my understanding is that the first the energy minister knew of this legislation was when he saw it in the cabinet submission. His only involvement has been his second reading speech in the other place, but I will go into that further a little later.

The Premier seems to think that this is a good idea and many of his colleagues have agreed, which I can understand. I think there is some level of smarts in a member supporting the leader's position, but nobody else thinks this is a good idea, as has been pointed out by previous speakers. Mums and dads do not think this is a good idea. They are very cynical about a government that has increased power prices by as much as 60 per cent. They are very cynical about a government that seeks to change something that has been a relatively recent change—that is, the disaggregation of Western Power. Mums and dads in Western Australia immediately wonder what this will mean for them, because they have been let down time and again with massive increases in power bills. Not only have they been let down with massive increases in power bills, but also businesses, many of which use great amounts of power, have been let down. It is getting to a point in Western Australia at which our power prices are becoming a bone of contention in whether businesses will come to Western Australia to do business or whether they will move somewhere else in Australia where they can get some relief from the massive increases in power prices that have been brought about by the Barnett-Grylls government. Of course, as has been pointed out by Hon Amber-Jade Sanderson, business is spooked by some of the actions of both the state and federal Liberal governments.

I believe that the Chamber of Commerce and Industry of Western Australia is not in favour of this merger, which I found strange, just as I had difficulty in comprehending why a Liberal government that believes in small business and free enterprise would advocate for the Duties Legislation Amendment Bill 2013. We argued all night about that bill, but it was passed by Liberal members. Even the CCI does not advocate for the re-merger of Verve Energy and Synergy. I wondered why members opposite, who have been supported strongly by the CCI

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over the years—many members in this and the other place have been members of, or have represented, the CCI—would not take some notice of what the organisation is saying to them.

The Chamber of Minerals and Energy does not seem to think this is such a great idea. It has said publicly that it does not believe in re-merging these two entities, it does not see the value in it, and it will result in increased power prices for the industry. The Energy Supply Association of Australia does not believe in it. I understand that even the Economic Regulation Authority would be opposed to such a merger.

Why we are debating this? Why has the Liberal government brought such a proposition to Parliament? There has to be a reason. If there is no valid or compelling reason from any of these groups, and I have not yet heard from anyone opposite—I hope a contribution from someone opposite may convince me otherwise—that there will be good positive outcomes for Western Australia from this legislation, why would it be brought to Parliament? It is badly designed legislation. It is poor legislation from a poor government. I am yet to be convinced by anyone—I look forward to the contributions—about why we have this legislation in front of us. To me, it is an unnecessary piece of legislation. Western Power was disaggregated not so long ago, with the agreement of the organisations that I have mentioned. I think it was widely recognised that it would take 10 to 15 years for the maximum benefits of the disaggregation to show. Why would we not let that disaggregation process take its course? It needs to be acknowledged by those on the other side that, with the benefit of hindsight—I think voters also would agree—former energy minister and Treasurer Eric Ripper probably was not a bad fellow to have in charge of some of these big utilities and in charge of the books of Western Australia. When he left, as has been pointed out several times, state debt was at \$3.8 billion. By the time this government lot has finished in eight years it will be \$28.3 billion. Maybe it is time members opposite sat and thought that maybe there was some good method in what Eric Ripper as energy minister had to say at the time disaggregation was touted. Mums and dads of Western Australia know their power bills did not rise significantly under energy minister Ripper or his successors, as they have under this government; they have risen in titanic proportion since the election of this government.

This bill does not really support the government's stated objectives in the area of reviewing our energy sector. Again I have to ask: if it does not support the government's stated objectives, why bring such legislation into Parliament? I do not see a plan at all to support the introduction of the legislation and I do not see any community interest. I do not have people calling my office. Neither I nor any of my colleagues have people bumping into us in the street saying, "You really need to do this. It's in the public interest. It's a great idea." As a matter of fact all I hear is the contrary. I think people are confused. I think people are a bit spooked. People are concerned about what this legislation will mean to them.

Verve Energy and Synergy have not asked for this legislation. Contrary to what the Premier told Parliament, neither Verve nor Synergy asked for this legislation. In a short while I will quote from a letter sent to the Premier from Verve and Synergy jointly. They indeed have not asked for this legislation. Given the events that have happened since then, I think the contrary is true.

Another aspect of this bill that I do not get, as a person who has been involved in a business and who has had to sit down and do a budget every year and make a plan for the following year's financial activities, is that we have not been told by government, because it cannot tell us, how much this legislation will cost or save Western Australians. To me that is just bizarre.

I would think that one of the ways the government would rationalise legislation is to say to the people who elected it, "We are doing this because at the end of the day in five years we anticipate, whether we are right or wrong, that this will save your household X number of dollars a year; we anticipate that this will save businesses so much per year; we anticipate that this will increase investment in the state; and we anticipate that this will attract business." The government cannot say any of these things. It has brought into Parliament this poor legislation designed on the run without the approval of any of the major players in the sector and without any information on what it will cost or what it will save, yet we are being asked to support this legislation. Of course we would not support that legislation; I would be surprised if anyone does, but let us wait and see.

I have not seen any documentation to explain why we need this legislation. I have had nothing. Even the briefing left us in some doubt about why this legislation is coming forward and why we are debating it. The cart is well and truly before the horse. Why could this legislation not have been in an intelligent, tangible form that we could all understand before it came to this place or the other place?

The cabinet decision to merge Verve and Synergy was made without consulting Verve or Synergy. That would be strange enough and would set off an alarm bell in itself. As clearly stated in the letter I will quote later in my remarks, I wonder why the government would bring in legislation with a cabinet decision to merge Verve and Synergy without first consulting the two organisations in question. That is very strange, and once again signals a dysfunctional, chaotic and disorganised government.

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The Public Utilities Office has not been consulted on any level, which I thought the government perhaps might do when drafting legislation. If the government did not consult with it at that stage, perhaps it might have consulted with it when it was preparing the legislation for cabinet. Certainly I would have thought that before it brought the legislation to Parliament it would have had a bit of consultation with the Public Utilities Office. Even if it did not entirely agree with the legislation, perhaps there could have been parts about which the government could say, “We have talked to the Public Utilities Office and it is in general agreement” or “in some agreement” or “is not in agreement”, but at least there would have been some level of consultation.

As I have said before, I am advised—although I am not a member of cabinet and do not work in the minister’s office—that the Minister for Energy, the member for Riverton, had no knowledge of this legislation until he received the cabinet submission that went to the other members of cabinet. That to me would set off an enormous alarm bell. If the Minister for Energy is not driving this major reform into the energy needs of the future and the energy utilities of Western Australia, then the logical questions are: Who would be behind this? Is it the Premier? Is it somebody else in cabinet? Is it perhaps someone from outside the cabinet? Which person might come up with this novel idea, prepare the legislation, draft it and have it ready to go to cabinet without telling the energy minister? That is another reason not to get right in behind this legislation without asking a series of questions and another reason not to in the first instance support this legislation.

As I pointed out, the process has been nothing but flawed. The government is a bad government that is unable to manage the finances of Western Australia and keep the promises it made at the election, and I think even the trust of the Premier and the office of the Premier have been somewhat tainted in getting this bill to where it is today. A flawed process from a bad government will always lead to a flawed bill. That is what we have here. We are being asked to consider a flawed piece of legislation. Quite frankly, it should get thrown back to whomever came up with it, and that person should be told, “Go away, have another go. There’s a lot of questions to be asked about this. There’s a lot you need to sort out. Take it away, sort out these issues, consult with these industry groups, get some good advice, bring back the bill, show the energy minister before you put it to cabinet and let’s have another go.” That is the logical thing to do and I think any Premier worth his salt would do that—not this one!

Once again the people of WA will have to foot the bill when this all goes wrong, as I believe it will. Any evidence I have seen so far makes me think that this will go wrong, and when it does we all know who will have to pay. They are the same old people that the government asks to pay every time; the same people for whom the government put up electricity, water and gas prices; the same people for whom the government put up car registrations, insurance and stamp duties. They are the same people who will have to pay yet again. I can tell members that a lot of people in Western Australia are not doing so well, despite the state being the powerhouse of the Australian economy. Although we have lost our AAA credit rating, a lot of people are doing very well, but a lot of people are chasing their bills around the fridge door trying to find a way to make the sums add up so that they can be paid. People have had to go without putting on their gas or electric heater because they cannot afford to pay the bill. There are elderly people who are cold in winter. As pointed out earlier by Hon Amber-Jade Sanderson, not everyone lives in Cottesloe. There are people who need to put on their air conditioning when it gets to 42 degrees, and they are not all in Perth. A lot of those people live in my electorate in the wheatbelt and further east. Hot winds come in from the east in the afternoons from way out in the Great Victoria Desert, across the wheatbelt and into the environs of Perth that make it hot and people need to put on air conditioning.

I think it is unreasonable to expect that in a country like this the government will put electricity prices up so high that not everyone will be able to afford to run air conditioning when it is hot. But I suspect that will happen because this is what the government always does. Once again the people of Western Australia are going to have to foot the bill for the government’s mismanagement. It has run up debt and has no political will to reduce it or deal with it. It has lost the AAA credit rating which is now down to AA+. There are going to be costs involved just in that act of treachery on the people of Western Australia.

The government is going to merge these companies with no plan and no process. We know that the government is not good with money and I suspect that prices will rise again. I also suspect that Liberal members, along with their dressed-up friends in the Liberal–National Party, will do as the emperor says and support this legislation. I have made some very good and valid points, as have my colleagues on this side of the house, about why this should be thrown in the air, re-evaluated, looked at again and brought back to this place in a more logical and meaningful form. I do not suspect that people on our side of the house will support this legislation; I will not because it would be irresponsible to support this piece of legislation. It is not a good piece of legislation; it is poorly crafted.

I will now talk about a few other things in this legislation. Hon Kate Doust touched upon this in her comments. As a regional member, I like the idea of decentralisation. I like the idea that people who run government

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agencies and are involved in the big decisions made by government agencies that do the majority of their business in regional areas actually live in a regional area. I think that they should make a contribution and a commitment to regional areas and the best contribution one can make to regional areas is to live there. A person can be part of the community and understand what the people they are working for need and want. The notion that the chief executive officer of Horizon Power is based at Horizon headquarters in Karratha is good. Indeed, Hon Nigel Hallett agreed with that. When a recommendation that this should be reviewed was put to the former Labor government in 2007, Hon Nigel Hallett —

Hon Ken Travers: Quick as a gun he was.

Hon DARREN WEST: He was quick as a gun! He put out a very sensible press release and showed some immense intellectual capacity. He said —

Fly in fly out is not an option when it comes to the provision of electricity in regional Western Australia.

...

The excuse is that because the CEO cannot fly to these areas, travelling by car is more time consuming, costly and difficult to schedule, which would have a negative impact on the service provided to these out of the way places.

He argued that if he lived in Perth it would be easier to fly. The other thing that Hon Nigel Hallett said in a press release when he was the shadow regional development minister in 2007 was —

Welcome to the realities of life in regional Western Australia. The tyranny of distance and its impact on those living and working in regional WA is just a fact of life. People in regional areas just have to live with it and work around it or nothing will ever get done.

They were the words of Hon Nigel Hallett in 2007. To its credit, the state government of the day listened to the sensible comments made by Hon Nigel Hallett, it took heed of his words and indeed —

Hon Ken Travers: I suspect that his comments were pivotal.

Hon DARREN WEST: I think they were pivotal because —

Hon Kate Doust: It cruelled his career.

Hon DARREN WEST: I think so too. It did cruel his career, maybe because he is the odd one out over there, or because he is the only one with a bit of commonsense.

Hon Ken Travers: I suspect it was because of those comments that the Premier never made him a minister.

Hon DARREN WEST: It may be so, because even then maybe the Premier thought that Hon Nigel Hallett was talking a lot of hot air, when it turned out that Hon Nigel Hallett was right! I think that this is actually a good idea. I will be most surprised if the National Party supports this. Goodness me! It has just spent \$688 billion up there to win the seat and now the government is going to take Horizon Power out of the seat. I expect that the National Party will surely have something to say about this issue.

Hon Amber-Jade Sanderson: But will they?

Hon DARREN WEST: We will see when it comes time for a vote. As often happens, members of the National Party say one thing, but when it comes time to vote they do not quite back up the talk with the walk. We will see.

Hon Ken Travers: Three months after the issue was debated, the honourable member for North West Central finally raised it in the press but forgot to talk to the minister about it.

Hon DARREN WEST: Is that a fact? The poor old minister.

Hon Ken Travers: The National Party takes its time getting around to doing anything.

Hon DARREN WEST: Yes; that seems to be the way. I digress. I will be most surprised if the Nationals walk out on the Karratha community, because the National Party has expended a lot of energy and money in winning over the Karratha community to win the seat of Pilbara. Good luck to them. But let us see whether it will stick by those people now that it has the votes or will we see the usual —

Hon Ken Travers: Like it did to the wheatbelt community.

Hon DARREN WEST: Just like it did to the wheatbelt community. Thank you very much for the votes but goodbye, we are off somewhere else because we have other people more important than you.

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Hon Helen Morton: Why not just turn around and have a little knitting circle over there.

The DEPUTY PRESIDENT (Hon Simon O'Brien): Order! We have gone from startled gazelles to knitting circles, but what we are actually on is the Electricity Corporations Amendment Bill 2013 and Hon Darren West is telling us why it should or should not be read a second time.

Hon DARREN WEST: In a brief response to the minister, it sounds like a great idea, but I would need to learn to knit. If the minister has any knitting tips, I would be pleased to hear them. My grandmother was an avid knitter and used to knit several garments, so there was no real need for me to learn. I will go back to the bill at hand. As Hon Ken Travers has pointed out, the Nationals have walked out on the wheatbelt community.

Hon Ken Travers: The way electricity prices are going the member may need to learn to knit again for those cold winter nights.

Hon DARREN WEST: A scarf for those cold winter nights when we cannot afford to put on a heater. Seriously, the Nationals have walked out on the wheatbelt. The tier 3 railway lines are closed—we have talked about that in this place. On the day that we were condemning the government for closing the tier 3 lines, Co-operative Bulk Handling took a record receive of 487 000 tonnes in one day—the biggest day ever.

Hon Ken Travers: And 17.

Hon DARREN WEST: And 17; 487 017 tonnes in one day and we were condemning the government for closing the tier 3 railway lines. The National Party walked out on the wheatbelt—goodbye!

Hon Ken Travers: Did the National Party members walk, or was it more a case of running?

Hon DARREN WEST: I think they may have been chased out.

Hon Ken Travers: Chased out, you reckon?

Hon DARREN WEST: The bus services to little communities like Mukinbudin, Trayning and Bencubbin are all gone and closed. The Nationals walked out with those—see you later. The *AvonLink* is going to close at the end of the year. The National Party has walked out on the wheatbelt and the *AvonLink* has gone. The country local government fund has gone. The point I am trying to make is that those opposite make these big commitments and say all this good stuff, such as keeping the CEO of Horizon Power in Karratha, but now they are going to take him away. Under this legislation they are going to take the CEO of Horizon Power out of Karratha. It is all good to say that they support regional development and all these things; the reality is that that is what they say, that is the talk, but the walk is very different. They are going to take the CEO of Horizon Power out of the regional areas. It makes no sense, just like the rest of this bill.

Hon Ken Travers: Clearly the member did not understand so maybe you should re-explain it to him, but a bit slower so he can follow you this time.

Hon DARREN WEST: I would love to, Hon Ken Travers, but time is going to be the enemy yet again. There is only 20 minutes to go.

The DEPUTY PRESIDENT: Order! The other enemy is multiple people talking and poor Hansard has to take down the member's remarks for posterity. If people could let Hon Darren West get on with it, he can continue his remarks.

Hon DARREN WEST: The final point about talking the talk, walking the walk and not supporting regional Western Australia is that today I asked a question about the Bundiyarra Boomerang Hostel. Well, you know, talk, big fanfare, press release and photo op—no, no dice, no hostel, it is not coming.

Hon Jacqui Boydell: Stop helping him try to make sense.

Hon Kate Doust: Is that the member's contribution to the debate?

The DEPUTY PRESIDENT: Order! Hon Darren West has the call, not half a dozen other members at the same time.

Hon DARREN WEST: I would be happy to take advice from the National Party on not making sense because they are the experts.

The other thing I would say is that it is hardly surprising that members of the National Party would agree to the CEO of Horizon Power moving to Perth, because that is where most of them live as well. Why not? But business can be done in the bush; we have proved that. I can offer advice to members on that. If members think that is not how it is, they can join the Liberal Party and be done with it. On this issue, the National Party and the Liberal Party, to use an agricultural analogy, could be seen as fleas on the same dog. WA Labor does not accept this legislation and as I have pointed out, it a poorly drafted, silly piece of legislation that should never have been

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brought into this place. Of course, we will not accept that. The Australian Labor Party was formed in a regional area, so we have some understanding of the importance of returning wealth, keeping employment and giving some real say to the regional areas. I will keep fighting for that. This bill does not do that and that is another reason to oppose it.

I still do not know why the Liberal–National government wants to do this. I hope some members on the other side will get up and give us a rousing 45-minute contribution about why this legislation should be supported. I am open to good ideas and suggestions, and if the arguments were strong enough I would be happy to get behind this legislation and support good commonsense, but I doubt that will happen.

This government has made some terrible decisions in the area of energy. As I pointed out, Eric Ripper as energy minister set a fine example that should have been followed by members opposite. We have seen some disasters from the former Liberal energy minister and we do not have to go into too much detail. We all know that millions and millions of dollars have been lost at Muja. I think there will be more losses as a result of the passage of this bill and taxpayers will again have to pay. There was also the solar panel debacle. What a doozy that one was! It will end up costing taxpayers \$50 million. It was a flip-flop decision that the government could not make its mind up on and it ran off half-cocked. Sound familiar? It is doing it again. The government ran off half-cocked, did not consult and did not think. It just charged in with a line item in the budget. There was an outcry. The government backed down—another \$50 million lost. Good processes were not followed on that issue either. Do members know what? The people who made these decisions are still in this place making them today; there are still poor decisions getting made today. There is a big pipeline called the Windimurra pipeline. It was another poor decision. It is sitting out there not being used. I think it is time those opposite started listening to some of the lessons that Hon Eric Ripper put up and started listening to some of the comments coming from this side of the house. When it comes to running the state I think the Labor Party has a better record than the Liberal–National government. I think the government needs to do better for taxpayers.

Hon Helen Morton interjected.

Hon DARREN WEST: We left the AAA credit rating, we left with a magnificent set of books, a \$3.8 billion debt that was easy to service and money in the bank to pay for Fiona Stanley Hospital, and look at what the government has done with that. What have we really got to show for this blowout of debt and the loss of the AAA credit rating? We are not all rolling around. People are worse off than they were then, with their power bills and higher charges. I do not think the government can sit over there and say, “Oh, yeah.” Government members had better go and find a mirror and have a look at themselves, because realistically they are the only ones saying they are doing good job.

Hon Helen Morton: What did the people of Western Australia tell you, my friend?

Several members interjected.

The DEPUTY PRESIDENT: Order! Hon Darren West is addressing the second reading debate of the Electricity Corporations Amendment Bill 2013 and members are not here to drown him out.

Hon DARREN WEST: The voters of Western Australia did support the Liberal government. It does elections very, very well because it promises the earth and delivers nothing. The people of Western Australia now know exactly what the government is like, and we will wait and see how the next election goes. I think the people understand now that it all sounds great before the election. It all sounds fantastic. Everything is good. The posters are good. As I have pointed out before, the Milli Vanilli experience is exactly what the government is. It all sounds great until we put the record on and it is not as good as we were led to believe. I sincerely know that. At the next state election I think the result will be very different for the government. I will let the government bask in the glory of the last election because, for me, the next election is what matters.

It is my understanding that we are being asked to support a major piece of legislation about which the Premier has been, at best, untrue. There is not even a business case for why we should do this. In any other business, in any other government instrumentality, there are better checks and balances than this. There must be a business case, a plan, as to how we go about things. There is not even a business case. That raises enough serious questions in itself. If there is no business case, how can we possibly support a piece of legislation? I think that would be irresponsible. That is why we did not have a AAA credit rating, because the government is irresponsible. There is no fully funded, fully costed plan; there is not even a business case. I think this bill is the precursor to a privatised energy sector in Western Australia. That concerns me because the government has a bit of a record with privatisation. We have seen the privatisation of future services at Fiona Stanley Hospital, the paperless and patientless hospital, as well as at the Midland Health Campus. There are concerns among working people about what this privatisation will mean. Historically it means losses of jobs, losses of wages and conditions, profits going offshore and a reduced quality of services for those who use them—the taxpayers.

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There are many examples of privatisation going bad. I use the example of the tier 3 railway, which was leased to a private operator and is now closed. It would have been better off in government hands. We are not always best off swinging entirely to the privatisation way. There is some middle ground. I understand that those opposite do not agree with everything being nationalised. We do not agree with everything being privatised. The compromise will be somewhere down the middle. The disaggregation of Western Power did that. It kept the nationalised power model going as well as opening things up to competition from private operators, and I think we were in a fairly good place. I do not think there is a need to move further towards a privatisation model by merging these two electricity organisations.

Renewable energy is the energy of the future. Rather than rearranging the deckchairs on the *Titanic* by misleading the other place and the Premier making comments that turn out not to be exactly true, we would be better off to put our energies into pursuing renewable energies. Western Australia should be the king. We should be the home of renewable energy—both baseload and peak energy load. We should be kings of the world. We have lots of tidal action. We have lots of sunshine; with climate change, we have more and more sunshine. We have lots of wind. We should be engaging this. I note that the current Premier of Western Australia, when he was energy minister back in the 1990s, was instrumental in Western Australia's very first renewable energy project, the wind farm at Albany, which enjoyed the installation of 12 wind turbines. They produce 21 megawatts of energy annually. That project captured the imagination of the Albany community and the Western Australian community. I remember specifically taking holidays to Albany in about 2001 or 2002 so we could have a look at these wind turbines. It was a good project. It opened in 2001 once the government changed, but the current Premier was certainly involved. He has done nothing since. He has not been actively engaged in renewable energy since. There are so many opportunities we can pursue. It is more than just photovoltaic units on roofs of houses. There are so many opportunities. There is concentrated solar power, tidal energy harnessing and more and more wind turbines that could power Western Australia both in peak load and baseload systems.

While I touch on privatisation, I want to quote from an article that appeared on PerthNow that states —

THE West Australian government denies its pre-election promise not to privatise electricity assets was a lie —

The government has denied that. We will see whether that is another broken promise. The article continues —

despite freshly-revealed plans to sell off Verve and Synergy.

After Standard & Poor's stripped the state of its AAA credit rating this week, the WA government said power and water utilities, and land and port assets were potentially on the block as the Liberal-led government sought to reduce debt.

Premier Colin Barnett told parliament on Wednesday —

This article came out on 21 September —

that assets sales were the quickest and most direct way of doing so.

It is getting worse all the time. We have run up debt and we are going to sell the back paddock of the farm to help reduce the debt. That is no way to reduce debt, because if we sell our assets, we will not have any income-generating streams and the spiral goes on and on. I have seen it before with farming families who get into strife. They sell off a bit of land and five years later the whole lot has gone down the tube because no income is coming in.

I will talk a little about the letter, of which I have a copy, to the Premier from Verve and Synergy. This has been debated quite a lot. Nowhere in the letter does it say that Verve and Synergy are in favour of an amalgamation of the two organisations. Nowhere in the letter does it say that. However, the Premier said in Parliament that this letter did support it—that Verve and Synergy were in favour of supporting a merger and that the letter confirms it. Premier Barnett was caught out once this letter was obtained. It was pretty easy to obtain because the people who wrote the letter had some level of horror that the Premier would misquote what they had said in a letter directly to him. It was quoted and this was incorrect. I have here from the Leader of the Opposition some fast facts with a few key dates. On 10 April 2013, at a press conference announcing the merger, the Premier said —

“I guess one of the telling points came mid last year when the chairmen of both Verve and Synergy wrote to me and said the two should be amalgamated and I took that advice,” ...

Here is the letter; that is incorrect. The letter did not say that at all. The Premier was telling a gross untruth and the Premier knew he was telling an untruth. The Premier deliberately misled the people of Western Australia because he would have known that. He surely would have read this letter and understood that it does not say that

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Verve and Synergy are in favour of a merger. Go forward six months, on 30 October 2013 in Parliament during debate, the Premier said —

... why would the chairmen of both Synergy and Verve write to the Premier of the day and say, “This does not work; you need to put the two entities back together”?

...

I’m just telling you that the chairmen of the two utilities wrote to me in a joint letter, saying, “This does not work; put it together.” —

Here is the best word; at the end he said —

Fact.

Fact—it is a total fiction! This letter does not say that; this letter says the opposite of that. It looks for further information. It is not a fact; it is a bare-faced untruth. The Premier knew this. I think that this is a bigger issue than even this piece of legislation, but that is what we are talking about tonight.

On 31 October, the next day, when questioned in Parliament, when this letter came out and journalists and members of Parliament received copies, the Premier, when caught with his hand in the lolly jar, said —

Perhaps what I said yesterday might have been a slight overstatement.

A slight overstatement! When he has deliberately misled the public of Western Australia about what the letter said, the Premier called it a “slight overstatement”. The Premier went on to say —

The letter does not actually call for an amalgamation but certainly makes comments along those lines.

It does no such thing; it asks for clarification on what plans the Premier has for the merger of Verve and Synergy. I urge all members opposite to read the letter, the Premier’s comments in *Hansard* and the information that I have here, because they will find out that the Premier is misleading them as well, if they are not aware of it. The Premier also said —

No, the letter does not specifically ask the government to do it; but it is a persuasive argument in favour of amalgamation. That is the way I interpret it.

I put it to the Premier that is not the way it should be interpreted at all; it is certainly not the way it was written. I think that the Premier knows that is not the way it is interpreted. I think the Premier has been caught. I think it is a very serious offence when the Premier of the state, to get a piece of poorly worded, badly drafted, shambolic legislation through Parliament, has to resort to telling deliberate, bare-faced untruths. I think that is a matter for another body. For that reason alone, for the fact that the Premier has come out and been so disdainful to the Parliament and to the people of Western Australia, once again, Minister for Mental Health, I think the people of Western Australia probably will not be so kind to the government next time. Knowing that the Premier has been quite prepared to look down the barrel of a TV camera and lie directly into their lounge rooms, I do not think that they will be so kind.

The letter from the Verve Energy chairman and the Synergy chairman is dated 30 March 2012 and actually states —

... the Government’s key objectives for the proposed merger are not entirely clear to us.

That is what the letter states. I do not know whether members opposite interpret that to mean “we want a merger”. I do not. The letter also states —

Consequently, the Corporations are keen to avoid being involved in what might turn out to be a less than satisfactory process or outcome, —

I still do not interpret any of that as “we want a merger” —

and to this end we suggest that the Corporations undertake a conventional due diligence exercise before a decision is made to proceed.

We cannot interpret that in any way as “we want to merge”. Therefore, it is very, very clear that the Premier has misled Parliament, he has misled the people, he has misled his own party, he has misled the National Party and he is attempting to mislead us. He will not mislead us; we are onto him; we know what he is like and eventually everybody else will, too.

That is yet another reason not to support this silly piece of legislation.

Withdrawal of Remark

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Hon HELEN MORTON: I believe that the member is alluding to a debate in the Assembly and under standing order 41 that is not allowed. I have also heard him make allegations of the Premier of our state misleading the Parliament and I believe that that probably falls under section 44 and imputations and personal reflections on another member of Parliament. I think that it would be appropriate for him to withdraw those statements.

The DEPUTY PRESIDENT (Hon Simon O'Brien): I will consider that matter and reflect on it.

Hon KATE DOUST: I listened very carefully to the debate that Hon Darren West has been engaging in. He made a number of comments about the Synergy–Verve letter that was sent to the Premier in 2012. It is in fact a letter that I referred to in my own contribution to the second reading debate. It is out there in the public arena and it has been debated quite intensely in the public arena. We have only to read articles in *The West Australian* to acknowledge that it considers that the Premier misled the Parliament on this particular issue and he did not provide the actual detail that was in that letter; he stated entirely different facts. I do not see that the member is impugning the Premier at all; he is simply stating a fact that everyone in the community is fully aware of, that the Premier purported the letter to be one thing and we actually know it is entirely a different thing. Therefore, I do not think that the member has said anything different from any other member who has already made reference to this letter. It is public knowledge that the Premier was not entirely honest about this matter.

The DEPUTY PRESIDENT: Thank you, member. I am just reflecting on the point of order. I am not going to leave the chair, but it is a serious point of order that has been raised. I need to reflect on the point that has been raised and seek some advice.

Members, this is potentially a very serious matter and that is why I have asked the indulgence of the house for a few minutes to seek advice. I will now offer some advice in response to the point of order that has been raised. I was, of course, listening with interest to the debate, and listening closely. There are a couple of points that I would offer to members generally; they are not particularly offered to Hon Darren West, who just happened to be the member speaking at the time, although I am sure he will take note, as will other members.

Firstly, standing order 58 requires that a member must identify any document quoted in debate, including an uncorrected version of *Hansard*. That is just a matter of course; when you say, “I want to quote from this document”, you should identify it. That was just something I picked up.

Hon KEN TRAVERS: I do not think he was quoting that.

The DEPUTY PRESIDENT (Hon Simon O'Brien): The actual wording that was used was, “and I quote”, and that was what alerted me to it. Again, there has been other discussion of this point; that is not the particular point that was raised, but I was actually about to raise it with the member about now anyway.

That then leads me to the matters that the member went on to discuss, and one of those was the question of imputations and personal reflections, which again takes us back to standing order 44. Again, I think this just indicates that there is a need for members to be careful, when engaging in proper and relevant debate, about how they couch their terms to avoid transgressing this particular standing order. While it would be quite in order for a member engaged in debate, as was the case here, to point out apparent contradictions—in this case, from a government minister, or an incongruity in the quoting of a letter and the subsequent identification of what the letter really said—and while that may be entirely relevant to a debate such as a second reading debate, it is then that members perhaps need to be careful that they do not go a few steps further than that and start making personal reflections on other members. That is why the L-word is probably a good one to avoid. In response to that part of the point of order raised, I think the point has been made, and I will simply advise the house that I think we were getting a bit close to that point of breaching standing order 44, so hopefully we have returned from that.

The other issue raised by the Minister for Mental Health related to standing order 41, which relates to allusion to debate in the Assembly. It states —

A Member shall not allude to any debate of the current calendar year in the Assembly, or to any measure impending therein.

The advice that I have received from Clerks at Table is that this standing order is intended most particularly not to anticipate and seek to influence some matter that may currently be before the other house. The practice of this place, as I have observed it over many years, has been that there is on occasion relevant reference to the other place as a matter of course; it has become so commonplace that it is the custom and practice of the house to tolerate that, although if we start to stray into a debate that purports to closely examine and forensically take apart a debate or a proceeding in another house, we clearly are then transgressing standing order 41. It is an interesting point, and insofar as the honourable member was looking in some detail at proceedings in the other house, I think the point of order about allusion to debate in the other place must be upheld on this occasion.

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That deals with the point of order, and I hope it has clarified that; however, I will take this up with the President because he might be interested in offering some further advice to the house on another occasion. Having dealt with that point of order, we now return to the question: that the bill be read a second time. Hon Darren West.

Debate Resumed

Hon DARREN WEST: It is not my intention to breach standing orders. As I am not fully conversant with all of the standing orders, I am happy to take the Deputy President's sage advice and will adapt my contribution accordingly. I must point out that as a result of the interjections and points of order, I will not get through all of my contribution and I may need to ask for an extension of time. Many of my comments did not come from the other place. To clarify, the comments of 10 April 2013 are from a press release made by the Leader of the Opposition, and they were made at a press conference and not in the house.

Point of Order

Hon SALLY TALBOT: I raise a further point of order—not to interrupt Hon Darren West who is doing a fine job complying with the Deputy President's instructions—but about the reference to standing order 41 regarding references to debates in the other place in the honourable minister's point of order. In her second reading speech leading the debate for the opposition, Hon Kate Doust referred to the noticeable differences between the second reading speeches of the minister in the other place and the minister representing the minister in this place. The speeches were different in substance, very different in length and there was a great deal of material omitted from the second reading speech made in this place. This is clearly a matter of some concern to the opposition. I am raising this now not to get in the way of other members contributing but so we can have some clarity on this point after the Deputy President has spoken to the President. To what extent can we debate something like five pages of speech on a bill that was not amended going missing in the transit between the two houses?

At the risk of trespassing on the Deputy President's patience slightly, the nature of the second reading speech in the other place and the way it was couched was the subject of quite substantial public criticism. That suggests that it should be the subject of quite vigorous debate and discussion during the second reading debate in this place. I would ask the Deputy President to take that on board as well.

The DEPUTY PRESIDENT (Hon Simon O'Brien): Yes, I will take that on board and I will refer the matter to the President. I think the house might benefit from his reflection on this overnight and perhaps a ruling to help guide us on the matters raised. For now, I observe that it has long been the practice that we have our own debates in this house. If members observe incongruities between the two houses or within another house, then that may be the subject of a public debate, but it is not necessarily a matter for this house. Again, I thank you for your observations and I will refer this matter to the President. I thank members for their patience and willingness to take on board the comments I have made.

Debate Resumed

Hon DARREN WEST: As I previously indicated, I have been thrown around a little bit by the points of order. I know everyone makes valid points of order but it has thrown me a bit. As I am sure members are aware, sometimes one forgets where one is and loses one's place.

I just clarified that the quotes I referred to were in a press release from the Leader of the Opposition, Mark McGowan. The quote attributed to the Premier was made at a press conference. I concede there was a quote from a debate but I was unaware that there was a standing order —

Point of Order

Hon KATE DOUST: I understand Hon Darren West seeks to provide an explanation to the issue canvassed earlier and perhaps he needs a couple of extra minutes to explain himself and I seek that he is granted an extension of time.

The DEPUTY PRESIDENT: I do not know that he was trying to do that.

Darren West: I still have a bit to contribute and I seek leave to continue my remarks.

[Member's time extended.]

Debate Resumed

Hon DARREN WEST: I will wind this up. I accept that the comments attributed to the Premier were from the debate. I was unaware of the standing order and I thank the Deputy President for pointing that out to me. The final quotations were from question time, which, from my interpretation of that standing order, may be fair game because they were not part of a debate. I also quoted from the letter.

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I wanted to point that out and now I will be brief; rather than make my expanded remarks I will shrink them down and give a summary. When I read the two second reading speeches, they were markedly different. The bill that was read in this house was markedly different from the bill read in the other place. I deduced from reading the two speeches that we have a very annoyed Minister for Energy. There is no plan to reduce costs in the merger of these two entities. If there was a plan to reduce costs, we would have heard about it. This government is desperate for some good news. It is desperately seeking something bright to give to the electors and taxpayers of Western Australia. Clearly, there is no plan to reduce costs. A government desperate for some good news would be screaming from the rooftops the reasons it is doing this and how it would save people money. I can only assume that because we are not hearing that, there are no cost savings. Once again, if there are no cost savings, why is it being done?

The Chamber of Commerce and Industry of Western Australia has repeatedly been on the record not supporting this merger. Why does the government disagree with the Chamber of Commerce and Industry? It is after all the CCI's domain and an area in which they could offer good advice. I know that in a former life the Premier was very heavily involved with the CCI; as were other people here. Why is it that the government is putting up a piece of hastily convened, poorly drafted and bad legislation that the CCI does not agree with? It does not make sense.

This legislation has no friends. I cannot find anyone who says this is a great idea—nobody at all. It seems that even the Minister for Energy is not a friend of this legislation. It is one of the many things that this government does that has no friends. I touched on topics such as the school cuts, tier 3 rail, the *AvonLink* closure and regional bus services, all of which have no friends. The government continues to put up legislation that is not well liked or well received by the community. I wonder why the government is doing this when there are no economic benefits to this legislation; the CCI and other stakeholders are not involved; and it was clearly quickly and poorly drafted without input from the Minister for Energy. There has been debate about ring-fencing and how regulations can deal with it—I will not go on about it too much more—but it does make me wonder how this will work in an operational sense. It is not fair on employees to have such a veil of secrecy and high level of confidentiality. I think there are times when employees feel compromised by this issue and the veil of confidentiality surrounding it.

I believe that the only involvement that this minister had on this bill was when he read his second reading speech, which, as I pointed out, is vastly different from the second reading speech in this house. It goes from bad to worse. I also refer to the strategy document that Hon Amber-Jade Sanderson pointed to and that the Leader of the House thought was a good document; he referred to it as a well-drafted document. However, it is at odds with this bill. Once again, it is not a friend of this bill.

Over the years we have seen some tremendous bungling by this government—namely, waste at Muja and gold-plating the energy generation system for political gains, which has pushed up prices. Power prices have risen by over 60 per cent. It is the same old people who are paying it. That is, people who get up early and go to work every morning are coming home with less disposable income in their bank every fortnight thanks to this government. This legislation will have a big impact on families. There will be a massive impact on the cost of living for Western Australians. Once again, what is even worse is that not only have we lost the AAA credit rating, but we are not creating an environment that is inviting for business to come to Western Australia. Yes, we have resources; yes, we have gas, but if our power prices are too high, people will choose to do business elsewhere. They do not have to come here. They can go to the eastern states, they can go overseas; businesses can relocate to areas that are best for them to do business. The higher that the government pushes prices, with poorly drafted bad legislation that the Premier has to be somewhat deceptive about to get through, the more we wonder what message that is sending to businesses and enterprises around the world to come and do business in Western Australia.

No-one gets this bill; we do not get this bill; I do not really think members opposite get this bill; the Chamber of Commerce and Industry of Western Australia does not get the bill; all the people who I have mentioned earlier—nobody seems to understand this bill. Therefore, I will not vote for it and nor should members opposite. Thank you.

HON KEN TRAVERS (North Metropolitan) [9.31 pm]: I rise to indicate that I oppose the Electricity Corporations Amendment Bill 2013 in both policy and in detail. I am the one who is often keen to give those types of opposition speeches; I have given them in the opposite way on many occasions when I have supported a bill in both policy and detail. Recently, however, we had the Leader of the Government complain in the media that members of the opposition were not giving sufficient scrutiny to the legislation as it comes through this place.

Hon Peter Collier: That was in response to the comments of your leader!

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Hon KEN TRAVERS: It does not matter why; the minister needs to accept responsibility for his own comments. They were the comments he made.

Hon Peter Collier interjected.

Hon KEN TRAVERS: The minister complained that we lacked scrutiny on legislation. They were his words; that is what he went out there and told the media. He did not think the opposition was giving enough scrutiny to legislation. I feel incumbent now to make sure I detail, for the benefit of the Leader of the House, the minister who is handling this bill in this place, why I do not support the bill in both policy and detail.

The long title of the bill states —

An Act to amend the *Electricity Corporations Act 2005* to provide for the merger of electricity corporations, to consequentially amend other Acts, and for other purposes.

Quite a benign-sounding long title to the bill. However, of course, it is a bill that has a long history. I think if we were to look for a piece of legislation that we have dealt with in recent times that best summarises the way in which the Barnett government has behaved since the March 2013 election, this is the bill! This bill highlights the chaos, the dysfunction and the confusion that has reigned in the Liberal–National government since the date of the election. The Minister for Health is always very confident in expressing how positively the people of Western Australia voted for the government on that day. That is true!

Hon Helen Morton: Are you referring to me?

Hon KEN TRAVERS: Yes.

Hon Helen Morton: I am the Minister for Mental Health and Disability Services.

Hon KEN TRAVERS: Sorry, my apologies to the Minister for Mental Health. However, I suspect the government may be looking for a new Minister for Health in the not-too-distant future. I am sure the Minister for Mental Health would be a prime candidate because when we look at her record so far, the minister has not actually achieved much, so she would be a perfect replacement for the current minister.

Hon Helen Morton interjected.

Hon KEN TRAVERS: In all seriousness, I always rated the minister as one of the people who had capabilities on the government side. I am yet to see where that has manifested itself. The action plan that the Minister for Mental Health assisted the former Minister for Mental Health to write is a plan that we are still waiting to see the light of day some five years later.

Hon Helen Morton interjected.

Hon KEN TRAVERS: The Minister for Mental Health is trying to drag me off the issue. I will not be distracted because I want to stick to why the policy and detail of this bill should be opposed. I make the point that the Minister for Mental Health made the comments earlier that this government had a resounding victory at the last election; that is true and I accept that. I do not think the people of Western Australia, when they voted for the government at that time, expected that they would see so quickly the chaos, the dysfunction and the confusion that has reigned for the past six months. In fact, I think it was only about a month ago or less at the Liberal Party state conference, that the Premier drew a line in the sand and said it was all finished. Yet, we continue to see the chaos occurring. As I said, this bill absolutely summarises that chaos, dysfunction and confusion more clearly than any other piece of legislation that we have dealt with in recent times.

The whole issue around electricity and the electricity corporations has a long history. Again, it is interesting to note that when the people voted in March, they were not told by the government that this legislation would be coming forward. We had the on-again off-again marriage of the two entities for the past four years, but the now Minister for Education, who was then the Minister for Energy, ruled it out. He made it very clear it was not going to happen. We never actually ever heard a definite statement that the minister or the government would merge these two entities.

I would have thought an issue of this significance and merit would have warranted it being taken to the people. I wonder what the people of Karratha would have said about even the more minute details of this bill, but nonetheless important details, such as the removal of the requirement for Horizon Energy to have its head office in Karratha. Why was that never made public to the people of Western Australia by one or other of the coalition partners in this government? Why did they not make that clear to the people of Karratha? We know that the great warrior—the white knight on that issue—is back in the chamber. Obviously, he was away earlier on urgent parliamentary business —

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Hon Kate Doust: We welcome his wise words on this matter!

Hon KEN TRAVERS: We look forward to his wise words on these matters because I am sure he has not had a conversion on the road to the government back bench on this matter. However, I make the point that this matter has a long history. I want to take members through a bit of the history because in the long version of the second reading speech, as opposed to the short version of the second reading speech, I think it will start to resemble the long title of the bill and the short title of the bill in future if we continue the history. There was a lot talked about with the supposed history of the legislation. But one key element that was never mentioned was that WA Labor went to the 2001 election with a policy of reform of the energy area. At the time it was considered quite unique for a Labor Party to be out there advocating for a policy that had a fairly strong market-based approach. That was supposedly the domain of the Liberal Party. Apparently, the Labor Party was supposed to be opposed to those things. But interestingly, at the time, there was a lot of support within industry in Western Australia for that market-based approach. It was a balanced approach. It did not support privatisation, but it did support the use of markets to drive efficiency in the energy system in Western Australia. It was a very comprehensive policy that was written by the then Labor opposition. In fact, I think Eric Ripper is one of the people who have been given credit for it, but one of the other architects of that policy, whom I recall doing a lot of work on it, was the former member for Cockburn, Bill Thomas. He was one of the great intellects of anyone to go through Parliament in a long time and certainly in my time as a member of Parliament. He never saw high office, but one of the significant contributions he made was in developing the policy that the Labor Party took to the 2001 election. In the 2001 election policy, Labor's plan for the electricity industry was very clear. The executive summary of the 2001 election policy states —

- **introducing genuine competition**

Western Power's generation division will be separated from transmission and the other divisions. An electricity market will be established that welcomes private sector participation and encourages genuine competition.

It goes on to state —

- **promoting fair trade**

An independent electricity industry Regulator will be established. The Regulator will ensure that the industry is conducted in a transparent way and is fair to all participants, prospective participants and consumers. In particular, monopoly or near monopoly providers must not be able to exploit consumers.

That is very interesting. We will understand later that what will be set up today if this bill is passed is a monopoly or near monopoly provider that will potentially have the capacity to exploit consumers. If time permits, I will go through in a fairly detailed way why I think that will occur.

The policy also referred to ensuring accountability. It made a very clear statement about privatisation not being the answer; it was not about privatising. We know that one of the things that occurred prior to that was the disaggregation of the old centralised energy utility, which included both electricity and gas. That disaggregation created AlintaGas, which was privatised by the then Liberal government. Interestingly, the minister at the time is the now Premier.

Some of the background provided in that document included a comment that the restructuring in Western Australia had been limited. It referred to the old State Energy Commission of WA being split into Western Power and AlintaGas, with AlintaGas being privatised. It goes on to make this point, which I think is very telling —

This limited restructuring has not been sufficient to stimulate a truly competitive electricity market in this State. Robert Booth, in his book, *Warring Tribes—The Story of Power Development In Australia* describes Western Australia as “the high cost State”.

Western Australia has the least competitive electricity market in Australia, and apart from the Northern Territory, its consumers continue to pay the highest prices.

Again, it is very interesting to note that, despite all the claims by members opposite that these reforms have caused Western Australian consumers to pay more, the Liberal Party energy policy for the most recent state election referred to the cost of power and stated that Western Australia has the second lowest energy costs of any state in Australia. I think it is worth remembering that Western Australia has a very difficult energy market to service. The eastern states have a major grid that operates from Queensland to South Australia. We do not. Western Australia also has in its energy prices an in-built tariff equalisation charge, which means that consumers in the south west interconnected system pay an additional cost to subsidise the system in the rest of the state run

Extract from *Hansard*

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p6682a-6698a

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by Horizon Power; in fact, parts of the SWIS are subsidised. I do not oppose that; I support that. But it is another cost borne by consumers in Western Australia. I note the time so I will not go through in detail a number of the documents that confirm that Western Australia has now gone from having the highest electricity costs in the country, second only to the Northern Territory, to having one of the lowest electricity costs.

I will make a final comment before I sit down tonight. When I looked through the Liberal Party's policy, I could not find a single mention of the merger. It never took it to the people of Western Australia before the 2013 election.

Debate adjourned, pursuant to standing orders.