

**WATER SERVICES BILL 2011**

*Committee*

The Chair of Committees (Hon Matt Benson-Lidholm) in the chair; Hon Helen Morton (Minister for Mental Health) in charge of the bill.

**Clause 1: Short title —**

**Hon SALLY TALBOT:** I want to raise a couple of general points under this clause to get clarification on the key points raised in the second reading debate. The minister gave us what I heard as a personal assurance that there will not be a problem with privatisation, but I am afraid the minister will have to be a bit more specific than that. The legislation, the second reading speech and the explanatory memorandum specifically refer to a couple of key terms such as the fact that the desired outcome of this legislation is that it will support private sector participation. I first ask for the minister's comments about the specific ways this legislation supports private sector participation compared with existing arrangements that, presumably, the government thinks do not support private sector participation.

**Hon HELEN MORTON:** To put it as succinctly as possible, the real benefit of the new legislation in the way private operators can be involved is that, to give private operators the opportunity to participate, there will not be a requirement within this legislation to make regulations; it will be embedded in the legislation.

**Hon SALLY TALBOT:** At that stage, does the minister mean embedded in the act or in regulations associated with this act?

**Hon HELEN MORTON:** Once licensed, a private operator will not need regulations to be involved, and the requirements around licensing can be found in this bill.

**Hon SALLY TALBOT:** What about the fact that this legislation provides the benefits of competition? Can the minister tell us what those are and why they are not provided already?

**Hon HELEN MORTON:** The two easiest examples are that the current water boards—Busselton Water and Aqwest—will be able to provide sewerage, which they currently cannot, and they will also be able to operate anywhere in the state if they so choose. At the moment, they are restricted to operating in quite defined areas. If I remember correctly, when we were dealing with the previous piece of legislation and trying to make it possible for water flow from the Bunbury catchment area through to Busselton, we had to go through quite a rigmarole just to enable them to do that.

**Hon SALLY TALBOT:** I think that the minister quite wantonly misinterpreted any comments about my frisson of fear.

**Hon Helen Morton:** I do not even know what frisson of fear means!

**The CHAIR:** Order, members! There are about three audible discussions going on in the chamber. The acoustics have not been too good of late so I would just ask members that if they need to have a chat, to please do so behind the Chair or outside the chamber because it is a bit difficult to follow the speakers, and I am sure Hansard would be experiencing the same difficulties.

**Hon SALLY TALBOT:** It is a shiver of fear related specifically to the explanation that bringing a water provision into the twenty-first century was going to involve a degree of accountability that had not been there before, and specifically we have been told that that degree of accountability would be modelled on the energy utilities. Now, there has just been a very major problem exposed with Western Power, as the minister well knows. It seemed to me to be passing strange that we were using that as a model, but I certainly was not talking about the disaggregation of the energy utility, as the minister very well knows.

One of the ways of keeping track of what a government trading enterprise is doing, given that they report as offline budget agencies, is through statements of corporate intent. We have a very sorry history of GTE's providing statements of corporate intent over the past couple of years. Are the three entities that we are looking at—the Water Corporation, the Bunbury Water Board and Busselton Water—currently required to submit statements of corporate intent?

**Hon HELEN MORTON:** I appreciate Hon Sally Talbot explaining what “frisson of fear” actually means because “a shiver of fear” makes it even more applicable to my previous comments —

**Hon SALLY TALBOT:** The minister is increasingly speaking in riddles here. Can we ask her to explain what that last comment meant, given that you, Mr Chairman, have already made a ruling in relation to a previous point of order about imputations being made in this chamber?

**The CHAIR:** I did ask the minister in a previous ruling to be more circumspect in relation to the comments. I am not exactly sure what that comment was designed to do. I would simply ask that the minister perhaps on this occasion, given I gave a little leeway last time, withdraw any imputation in that particular remark because I do not think my previous comment was necessarily taken on board as it should have been.

**Hon Helen Morton:** I am just having a look to see what I have said before.

**The CHAIR:** The point I am trying to make is that I would like the discussion to stay on the exact nature of the question that was asked; that is what I am asking. I want you to acknowledge or suggest to the house that any imputation is withdrawn.

**Hon HELEN MORTON:** The comments that I made previously were around a number of things and one of them in particular was the recollection of the management of the energy portfolio under a previous arrangement. I do not understand why people cannot make a comment like that. It is of some concern to me that this is being drawn out in that way, but if there are real concerns that somehow or other making a comment like that—

*Withdrawal of Remark*

**Hon SUE ELLERY:** I have watched the proceedings from my office. I was not in the chamber. What I understood you asked the member to do, Chair, was to withdraw. She is now reflecting on your judgement and that is against the standing orders.

**The CHAIR:** That point is absolutely correct. I was waiting for you to make the point but what the Leader of the Opposition says is correct. I made a request of you earlier to be more circumspect in your remarks. That was the end of that particular standing order request from Hon Ed Dermer. You are certainly going a lot further than what the standing orders permit you to do. I am reflecting on what Hon Sally Talbot has asked in this particular sense, and I do not have any intention of going back to the previous statement. I have asked you to do this in a spirit of cooperation in the chamber simply because the previous remark did have a double meaning as far as I was concerned; it could have been taken either way, and I gave some licence there. I am just asking you to perhaps stay on board with the remarks that were due to come out from what Hon Sally Talbot asked you in a question. I am asking you to withdraw any imputation in what you said in relation to the request from Hon Sally Talbot. That is all I am asking you to do, minister.

**Hon HELEN MORTON:** I withdraw.

*Committee Resumed*

**Committee interrupted, pursuant to standing orders.**

[Continued on page 5130.]

*Sitting suspended from 4.17 to 4.30 pm*