

**WATER SERVICES BILL 2011**  
**WATER SERVICES LEGISLATION AMENDMENT AND REPEAL BILL 2011**

*Cognate Debate*

Leave granted for the Water Services Bill 2011 and the Water Services Legislation Amendment and Repeal Bill 2011 to be considered cognately, and for the Water Services Bill 2011 to be the principal bill.

*Second Reading — Cognate Debate*

Resumed from 26 May.

**MR F.M. LOGAN (Cockburn)** [5.52 pm]: Thank you, Madam Acting Speaker, for the opportunity to contribute to these two pieces of legislation: the Water Services Bill 2011 and the Water Services Legislation Amendment and Repeal Bill 2011. These are significant pieces of legislation, particularly the Water Services Bill. In effect the Water Services Bill is a rewrite of a significant number of existing pieces of legislation, namely the Water Agencies (Powers) Act 1984; the Country Areas Water Supply Act 1947; the Country Towns Sewerage Act 1948; the Land Drainage Act 1925; the Metropolitan Water Authority Act 1982; the Metropolitan Water Supply, Sewerage, and Drainage Act 1909; the Rights in Water and Irrigation Act 1914; the Water Services Licensing Act 1995; the Water Corporation Act 1995; and the Water Boards Act 1904. All of those acts will be effectively harnessed, amended or replaced with the Water Services Bill. The Water Services Legislation Amendment and Repeal Bill contains changes that will be made to some acts such as the Rights in Water and Irrigation Act 1914, which will continue on but will be amended as a result of the first bill, the Water Services Bill. However, a significant number of bills will disappear, hence the reason for the repeal bill, and be replaced with the Water Services Bill 2011.

The history of the Water Services Bill goes back to the commitment given by the then Carpenter government to sign on to the National Water Initiative that was initiated by the then Howard commonwealth government. As part of the National Water Initiative, each state around Australia committed to modernise, overhaul and reform not only its existing water legislation, but also the operations of its water and sewerage services. The commitment to the National Water Initiative from the then Labor state government was in 2005, not long after the election of the Gallop Labor government. However, Premier Gallop's illness and his replacement with Premier Carpenter led to a change of heart on opposition to the National Water Initiative by the then Labor government. The previous Labor government under Geoff Gallop believed that Western Australia would not actually get a great deal out of the National Water Initiative, as primarily it was aimed at—and still is—reform of water rights along the Murray–Darling basin in the eastern states, and that it would not have a significant impact on Western Australia. Incoming Premier Carpenter wanted to ensure that we acted in a harmonious way, given that all other states and territories were moving to the reform of water legislation and water services generally, and so committed Western Australia to sign on to the National Water Initiative to overcome some of the penalties that the then Howard government had imposed on Western Australia for not signing on, and to basically move on with life. That was the beginning of the steps that have ultimately concluded with this legislation before the house this evening.

When Labor went to the polls in August 2008, there was already a draft water services bill with the Department of Water and with the Minister for Water. A significant rewrite, therefore, had already taken place on all those pieces of legislation that I referred to in my opening remarks. The then minister, Hon John Kobelke, was proceeding to finalise the Water Services Bill. Had Labor remained in power until February or March 2009, without a shadow of a doubt that Water Services Bill would have been endorsed by cabinet and would have been introduced into this house probably in late 2008. Obviously that did not occur. The government was replaced with the Liberal–National government and a new Minister for Water was appointed, the member for Eyre. Really, it can only be suggested that the new minister sat on his hands on this legislation for his entire period in office. One question I would like to put to the Minister for Water is: what happened with this Water Services Bill? It was not exactly ready to go in late 2008, but it had been concluded in the sense that drafting had been finished, it was about to be run past cabinet and it would have been introduced to this house before December 2008. Yet, following the election of the Liberal–National government, the bill appears to have literally dropped out of debate and analysis and has remained in limbo for a period. I can only presume—this is why I would like to hear the minister's answer on this—that it remained in limbo while the new government decided what it was going to do with this legislation and with the commitment to the National Water Initiative.

*Sitting suspended from 6.00 to 7.00 pm*

**Mr F.M. LOGAN:** I will continue my contribution to the cognate debate on the second reading of the Water Services Bill 2011 and the Water Services Legislation Amendment and Repeal Bill 2011. The frontbench

members of the Labor opposition feel fighting fit now because we have all been down to the gym, so we are ready to give the government a good smashing!

**Mr R.F. Johnson:** So, are you ready for a heart attack or something?

**Mr M. McGowan:** There was only one Liberal down there!

**Mr F.M. LOGAN:** There was only one Liberal down there, and it was not the member for Hillarys!

**Mr R.F. Johnson:** I don't even know where it is.

**Mr W.R. Marmion:** It wasn't me.

**Mr F.M. LOGAN:** That is right; and it was not the member for Nedlands either!

Before the dinner break, I ended the debate on the Water Services Bill 2011 and the repeal bill by asking the minister why it had taken so long for this bill to appear before the house, given where it was up to when Labor left office. I would like the minister to address that criticism when he responds to the opposition's second reading debate. However, I make it clear to the house that the opposition will be supporting this bill, and, given that it is a cognate debate, it will also be supporting the repeal bill. We will not be moving amendments, but we will be taking this matter to consideration in detail for the purposes of seeking further information about the impacts of the various clauses in this bill, and asking various questions.

**Mr W.R. Marmion:** We have some amendments.

**Mr F.M. LOGAN:** In that case, minister, we will definitely go into consideration in detail.

I have given an outline of the bill and what it intends to do, and voiced our initial criticism of the length of time it has taken to bring this piece of water reform legislation to the house. I will now go to the Water Services Bill and make a few general comments about the impact of the bill, and then I will go through some of the detail of it.

Obviously, the intention of the bill is to consolidate the acts and modernise the legislation for the purposes of water reform in Western Australia. Significant water reform took place under the former Labor government, which begs the question of how far water reform will go under the current Liberal–National government, and what is the Liberal–National government's intention in seeking further water reform that would be possible under this new Water Services Bill. After the minister responds to my criticism about the length of time, one of the first issues I would like him to address on the consolidation of all these bills and the general impact of the Water Services Bill is the intention of the bill and the intention of the Liberal–National government with respect to water reform. One of the changes that this bill will introduce is that other water services—not necessarily providers—will be available to industry and the general public, should the minister of the day sign off on those new services. The objectives of the bill as outlined by the minister's department are, according to my notes, "To enable an effective, competitive, sustainable water services industry that is responsible to all Western Australians."

This side of the house has very significant concerns about not only the content of this bill, but also the general direction of the Liberal–National government around the privatisation of public assets and public services, hence the second question I put to the minister, which was whether he would provide a broad overview of what the Liberal–National government intends to do in terms of future water reform in this space—in water services. If we go back one minister to the current minister's predecessor—the member for Eyre—he was very proud of the fact that he was the first water minister in Western Australia to sign off on a public–private partnership for the water treatment plant in Mt Helena in the Shire of Mundaring. As the minister knows, a significant investment was sought by this government; it may well have been sought by the Water Corporation and proposed to the government, but nevertheless the government signed off on it. I am not too sure who initiated it—whether it was Water Corporation or the government—nevertheless, it was signed off. The minister's predecessor seemed to be very happy that this massive piece of equipment that normally would have been paid and constructed by Water Corporation had been pushed out to the private sector for, I believe, a 35-year period—it was a significant period—for the building, operation and maintenance of that piece of treatment plant in Mt Helena.

Should it be the intention of the government to continue on the path of entering into public–private partnerships with the existing or future assets of Water Corporation, we will see—this is the concern of the Labor opposition—the death by a thousand cuts of Water Corporation. Gradually, Water Corporation's importance as the monopoly supplier of water and the trusted—when I say "trusted", I mean trusted by the general public—guardian of our water and sewerage services will be undermined, whether by the continuation of PPPs, which would undermine the confidence of the general public in Water Corporation and its ability to deliver services, or its gradual diminution as a service provider for and on behalf of the state. That is the concern the Labor opposition has. The reason we have that strong concern is that the Water Services Bill allows the contracting out of services, whether it be for sewerage, drainage, re-use of sewage and drainage water or stormwater services. All of those services could quite effectively and legally be put out to the private sector under this Water Services

Bill. That does not mean that the Water Corporation could be privatised following the introduction of this bill—we asked that question of the minister's office and they were quite clear that the privatisation of Water Corporation would require other legislation to be introduced to the house. But we can look at what the minister's predecessor has already done. The minister's predecessor took the first step in actually undermining, I believe, the confidence of the general public in the Water Corporation by taking a large asset that normally would have been owned, operated and constructed through and by the Water Corporation and putting it out to the private sector through a public-private partnership. That is one example. That is the reason we have those concerns. That is the reason I asked the second question: is this what the government intends to do with the Water Corporation and particularly its role in the provision of drainage and sewerage services?

Another example that has come to our attention goes to what is allowable under this bill. It is a project that has already been partially funded. There is an intention to take this project much further and make it much bigger. There is a proposal by the Peel Development Commission and five local councils in the Peel area to undertake a water re-use scheme. I would certainly like the minister's comments on this proposal, which I am sure he is aware of. This proposal, which I will go through, would be specifically allowed under this legislation. As the minister knows, the PDC and the councils intend taking water from the Gordon Road waste water treatment plant in Mandurah and piping it through to a baseload customer, being Alcoa, for re-use.

The concerns I have are shared by members of the Labor Party. Firstly, what is the minister's view on that proposal? Why is the Peel Development Commission leading a consortium of local councils to establish a private company—namely, Peel Infrastructure Holdings Pty Ltd—to provide water to a very large multinational company in the area? They have apparently selected Tyco as the preferred private sector proponent to fund, build and operate the water re-use project. I would like to know the minister's view on this proposal, given that it would not have seen the light of day without the existence of this legislation. What is the minister's view of a consortium of local councils being led by a public sector agency to establish a private company to provide water to an American multinational through a preferred private contractor, who will build and operate it for them, when an alternative could have been for Alcoa to go to the Water Corporation as the key organisation and ask it how it could help to resolve the problem, or even to go out to tender? Because of the problems Alcoa experienced with water last year, its future objective is obviously to find alternative sources of water. What role is it for the PDC to step into the space currently occupied by Water Corporation to provide a service to Alcoa partially funded by royalties for regions? The money that has been used so far to establish this little scheme down in Mandurah is \$1.8 million from the royalties for regions country local government fund. I would have thought, and maybe the member for Rockingham could advise me on this, that it is not an appropriate use of that fund to use taxpayers' money to build infrastructure that will provide water to a giant international private sector company. I could understand it if the Water Corporation did this, because it would be a business transaction—it would be an investment in an asset that ultimately Alcoa would pay for as the customer—but in this case we have a group of councils led by a public service agency that is using taxpayer money from a fund that was really established to provide other forms of local government infrastructure to provide exactly the same service that Water Corporation does as part of its business operations. This will effectively be a subsidy to Alcoa.

I raised that example because I must ask: is this the type of service that we are going to see emerge in Western Australia as a result of this legislation? If it is, this is an appalling direction for water services in Western Australia. Of course, the Gordon Gekkos of the local governments and the Peel Development Commission obviously know no bounds when it comes to business acumen and investment. They have far grander schemes in mind than just building a \$21 million pipeline from Mandurah to Alcoa in Pinjarra. They also want to build a \$300 million pipeline from the Woodman Point waste water treatment plant in Munster to pump water down there as well. They will run it past the various horticultural precincts—some exist and some do not—and will provide water, I presume on a fee-for-service basis, to these supposed horticultural precincts and to other facilities such as abattoirs along the way to the preferred end point of the Peel region. That would be allowable under the Water Services Bill. Is that the sort of water service the minister considers to be appropriate going forward in Western Australia? I imagine that water services will take on, under this government's ideology, a far more competitive private sector theme when it comes to the delivery of those types of services to customers in Western Australia.

The Peel water re-use scheme proposal is quite visionary, which I suppose is the kindest word we could use for it, because not only does it want to use the water from the Woodman Point waste water treatment scheme for industry and for agriculture, but it also wants to do aquifer reinjection programs in the area. The Minister for Water knows what it takes to get approval to do an aquifer reinjection program in the Gnangara mound; it takes a significant amount of time and approvals, including a significant investment in a treatment plant before the water is then injected into the aquifer, which has to be taken into account in any of the concepts presented by stakeholders in this Peel re-use scheme. Nevertheless, it seems to be up and running; the stakeholders are off on

their merry way wanting to get significant amounts of money from the commonwealth, from the Minister for Water —

**Mr W.R. Marmion:** You mean they are up and running on their proposal.

**Mr F.M. LOGAN:** Yes, they are up and running on their proposal —

**Mr W.R. Marmion:** They are pushing their proposal.

**Mr F.M. LOGAN:** Yes. They have grand plans, as the minister knows, and they seek money from all sorts of sources. The reasons I raised it are: one, I want to know whether the minister is aware of it; two, I want to know what the minister's opinion of it is; and three, given the fact that both the Minister for Water and I, as shadow spokesman for water, share the same views and values on the recycling of water for potable use—for drinking—what is the minister's opinion of this scheme? It is a good use of water at a fit-for-purpose level, which provides another alternative source of water for other purposes, but, it is not an alternative to the system. The water that would be used in this scheme would not be replacing water from the south west interconnected system. It would maybe replace water from the dam and replace water from certain private sector bores, but it will not replace water out in the south west interconnected system and that is, in my view, a real problem with this proposal. If it was to actually save water by re-using waste water, I think there would be justification for the argument, but that is not there and I think it is a major flaw in the argument for this re-use scheme, particularly if the proposal is to take water from the Woodman Point waste water treatment scheme, which is large-volume water, and which both the minister and I agree should be identified for an alternative potable use of that water.

I ask that the minister address those issues I raised. First is the time frame. Second is the general overview of where the government wants to go on water. Third are the types of schemes and projects that the minister believes would be acceptable under this new Water Services Bill, given that I have highlighted two examples: one from within government, which is a public-private partnership project with Helena Water; and the second, ultimately from within government with the Peel Development Commission, but outside of the Water Corporation, which is an alternative proposal for the re-use of waste water. I would like to know the minister's views on those and whether they are examples that he or his government would approve as models under this Water Services Bill.

The next issue I highlight, before I go into the detail of the bill itself—it is not an issue I raised with the department; I should have done so but I did not—goes to the problems we had earlier this year with drainage fees. I do not believe—unless the minister can take me to them in the bill, and we will maybe do that in consideration in detail—that there are provisions in this bill that allow the minister to review from time to time the boundaries of the drainage zones that exist within metropolitan Perth. There might be a provision in this bill that allows or requires the minister to do a review from time to time, but I certainly cannot find it and if there is, I would like to minister to bring it to my attention. I would also like the minister to explain to me how a future review should take place under this bill. Who will be notified of that review and how will it be done? What obligations are there on either the minister or the Water Corporation—because the Water Corporation did the last review on the minister's behalf—to notify people of that review and to involve Water Corporation clients, the consumers, in that review? And, what requirements are there to notify both consumers and this Parliament about any proposed changes to the boundaries before they take place? I raised those questions because they go to the problems that even the Minister for Water admitted emerged as a result of changing those boundaries. Without a shadow of a doubt, the last changes to those drainage boundaries were done in secret. I think that even the minister acknowledged it was not done openly and that there was no transparency. It was done in secret; it was done over a significant period of time. Only local governments, the Department of Water and the Water Corporation seemed to know anything about the review that was taking place, and the minister had signed off on the review before notifying the general public, this Parliament and, most importantly, before notifying the consumers that they would have to pay more in drainage fees, or have to pay the fees when they did not have to previously, in an area that some had lived in for nearly all their lives. Those were the real problems associated with the drainage boundary review.

The other part of that drainage boundary incident that came to light relates to the fee. I would like to know whether this bill addresses that, because as far as I can see it does not. When I asked the minister questions in this house about the drainage fees, the review of the boundaries and the implementation of the new boundaries, I raised an issue about how the fees are structured and why they are structured in the way that they are. If the minister remembers, one of the criticisms was about the infrastructure for the drainage on a new subdivision—we talked about these examples; the developer had already been required to put in the stormwater drainage, and the drainage off the various blocks, as part of the development. There is also a requirement by both the Western Australian Planning Commission and local government to pay for that drainage infrastructure. As we found out and as the minister acknowledges—this applies to most if not all local councils in the metropolitan area that are within the drainage boundaries—local councils also structure a drainage fee as a component of their rates. On

top of that, as we are all aware, if boundaries suddenly change, people pay a drainage fee to the Water Corporation as well. Let us look at the entire sum that people have to pay. They have to pay the Water Corporation fees and they have to pay a component of a drainage fee to the local council because that is included in their rates, yet the infrastructure has already been paid for by the private sector developer in building the subdivision in the first place, and the purchaser of the block has already paid as part of the block price for that infrastructure.

**Mr W.R. Marmion** interjected.

**Mr F.M. LOGAN:** I agreed with the minister that when the Water Corporation can prove that it costs a significant amount of money to get rid of that water, there is no argument; people have to pay. The problem was that in the middle the local council was lurking around, and there did not seem to be any justification for the fees that they included in their rates. We know they were there, because the minister identified them when we had the debate on drainage fees and zones. How many slices are taken off the poor old landowner by government? The landowner paid for the drainage infrastructure when they bought the block. The local council believed it would get in on the act by including in its new rates some more drainage fees. My understanding is that there does not seem to be any justification for that. For example, when that water runs off the side of a hill and into an open area, most MPs in this place would battle their local councils to go down and clean the place up, never mind provide any service. We are actually struggling to get local councils to carry out their duties to the environment, never mind getting rid of the water. In most cases, the council does not own the infrastructure. There may be some examples where councils may own it, but in most cases they do not. They may have inherited the infrastructure off the developer, but they certainly have not paid for the infrastructure.

**Mr W.R. Marmion:** Once they inherit it, then they are responsible for maintaining it. You may have to give an example. They may not be maintaining it very well, but they do have to maintain that infrastructure. If the water eventually goes into a Water Corporation drain, then Water Corp has to maintain its drainage.

**Mr F.M. LOGAN:** As the minister knows, we have debated this at length, and there were quite a number of examples in which we identified that the open stormwater drains had never been looked after by either the council or the Water Corporation. In fact, an issue comes to mind that I had just the other day. It is a pity I did not get the newspaper article, because I would have tabled it in the house. This was the exact point. It happened in a park just off Cockburn Road in Coogee, where an underground stormwater drain had come out into a stormwater soak in the park. Every now and again, according to residents, somebody goes down—they do not know who that somebody is—and puts a bobcat through the soak and cleans out all the junk that is in there. But every year after it rains, on significant occasions during the year, the concrete inspection covers are blown off and left lying on either side of this hole, which is about 1.5 metres or two metres deep and right next to a playground. If kids were wandering around, they could drop straight down the hole. That occurred because the water went through into the soak but had to go past the mesh. The mesh was so fine, it blocked up. There was a backwash of the water, and it pushed the inspection pipe covers off.

Does the minister think that I, the residents or the local newspaper could get acknowledgement of whose responsibility it was to fix that? We asked the City of Cockburn, and it said it was the Water Corporation's responsibility. We asked the Water Corporation, and it said it was the City of Cockburn's responsibility. We went back to the City of Cockburn, which said, "No, they're telling lies. It is the Water Corporation." We went to the Water Corporation, which said, "That's rubbish. It's the City of Cockburn."

**Mr M.J. Cowper:** You're lucky you don't have Harvey Water in there as well.

**Ms J.M. Freeman:** You should have done something to disrupt it and then they would have both said it was theirs and both tried to fine you for it.

**Mr F.M. LOGAN:** That is a good point; I should have done that. In the end, after it was published all over the front page of the paper, the local council said, "We're only doing this because of our relationship with the Water Corporation. We'll go down there and put them back on, but only because we've got a good working relationship with the Water Corporation". To this day I do not know whose responsibility it is.

The problem is that the poor old residents of Coogee have paid for that. Not only have they paid for it, they pay more to the City of Cockburn in their rates for the very fact that they deny that it is their responsibility, and then they pay the Water Corporation for that piece of infrastructure. That is the reality of the problem that exists. I do not see anything in this Water Services Bill that is likely to address those issues or maybe even give the minister the power to address those issues, particularly when it comes to the minister's views of the local government's involvement in that infrastructure and local government's ability to charge for that infrastructure when it denies that it has a responsibility for it and pushes that responsibility over to the Water Corporation. That is just one

example, but I could go from constituency to constituency, and probably in the minister's own constituency there would be clear examples as well.

How does this bill help resolve those issues, given that it is clearly dealing with significant aspects of drainage and services in Western Australia? That was a big issue earlier this year about the changing of those boundaries. In summary of those issues, I ask the minister to explain in consideration in detail the minister's future powers to amend the boundaries of the zones and how he believes this Water Services Bill will help the minister or future ministers deal with the duckshoving of responsibility and particularly the charging of fees when those fees should not necessarily be charged.

Another issue that arises from this bill relates to the services part of this bill and applicants making proposals for services to the minister. What is the likelihood that the minister or his government would approve applications for services that take advantage of assets normally regarded as owned by and for the people of Western Australia—for example, sewer mining and stormwater mining?

The Peel Development Commission proposal that I referred to earlier has as part of its objectives a proposal to mine stormwater from in and around Mandurah and the Peel region. I have no doubt the Water Services Bill will allow the minister to agree to that, and to a company that came to him with a proposition to mine waste water from sewage. I would like to know exactly what would be the minister's intention should a company come to him with a proposal for either stormwater or sewage mining. How would that application be treated and dealt with under this bill, and would the minister be required to inform the house of an application for sewage mining, for example, and the likely approval or rejection of that proposal? What obligations would be placed on an applicant who came forward with a proposition for sewage mining—for example, health, environment, location and planning requirements—that currently does not exist in Western Australia, but which will be possible after this bill is passed? What would be the process for, and the obligations on, the applicant to comply with all those conditions? Insofar as the Department of Health requirements, which would be significant and onerous, there is no mention of how an application for sewage mining, for example, would be treated by the department or even put to the department. How do we get the Department of Health involved in the approval process given that it is not highlighted in this bill? That is the fifth section of the questions that I would like the minister to address.

**Mr W.R. Marmion:** I have got that as number six.

**Mr F.M. LOGAN:** Thanks very much. That is the sixth section of questions.

I will highlight a number of things in this debate, and we will deal with them in consideration in detail. In part 2, under clause 7(1) —

The Minister may exempt a person or class of person from the application of section 5(1) in respect of the provision of a water service in a specified area or areas of the State ...

The bill grants a number of exemptions, with similar wording, from compliance with other aspects of the bill. One relates to the granting of a licence for the provision of a water service. For example, under clause 11, "Grant of licence", the authority has the power to not grant a licence if it would be contrary to the public interest to do so. A number of other exemption provisions are contained in the bill. For example, under clause 15, "Transfer of licence", the authority may transfer a licence, but not if it would be contrary to the public interest to do so. I refer to the wording concerning what is in the public interest. Basically, the obligations in this bill can be overridden if the authority or the minister believes that it is not in the public interest to do so. I ask the minister, and will be asking in consideration in detail, to provide examples in which —

**Mr W.R. Marmion:** That already exists now, except there is a slight change. Currently, you have to get the government to sign off. This amends it so that I do not have to go to the government.

**Mr F.M. LOGAN:** For the purposes of a bill of this nature, it would be helpful for examples to be given to show what would be expected of a minister to override the obligations in the bill in the public interest.

The next issue that goes to the detail of the bill concerns clause 24, "Asset management system". This is interesting wording, given what the minister has just signed off on. Clause 24 provides —

- (1) It is a condition of every licence that the licensee must —
  - (a) provide for an asset management system; and
  - (b) give details of the system and any changes to it to the Authority; and
  - (c) at least once in every period of 24 months (or any longer period ...), provide the Authority with a report, by an independent expert engaged by the Authority, as to the effectiveness of the system.

It goes on to clause 25, "Operational audit". How will the new manager of the Water Corporation's assets comply with that provision? The minister has just signed off on a \$700 million contract with the asset manager

Mr Fran Logan; Acting Speaker; Mr Chris Tallentire; Mr John Kobelke; Mr Mick Murray; Ms Lisa Baker

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of Water Corp's assets, both north and south of the river. This replaces the two existing contractors that were required to carry out maintenance and asset management. Thiess and United Utilities have been replaced by Programmed Maintenance Services in a \$700 million contract, which effectively continues the privatisation of the operations and asset management of Water Corp's assets across the metropolitan area. How will Programmed comply with clauses 24 and 25 of the Water Services Bill 2011, given that it is not the licensee? Clause 24(1) states, "It is a condition of every licence that the licensee must" provide those things. Therefore, I would like further explanation on this in consideration in detail. I would like to go to that issue because Water Corp is the licensee and it is allowing Programmed to run its operations and assets and, effectively, to be bound to comply with all the conditions of this bill, yet Water Corp signs off on it. What if the independent audit finds that the company does not comply with the terms of the licence?

**Mr W.R. Marmion:** Their licence would be in jeopardy, wouldn't it?

**Mr F.M. LOGAN:** If Programmed did not comply with the terms set out in the bill, as the minister just pointed out, obviously there would be a problem with Water Corp, as the licensee. A private company such as Programmed, which has never before tackled a job this big in Western Australia, could say, "Hang on a minute, this is what we do. You pay for what you get, mate." Presumably, we would then have a legal stoush between the asset maintainer, which is required under this bill to be audited et cetera, and the licensee, Water Corp. I put it to the minister that that is the hazards of privatisation!

**Mr W.R. Marmion:** There is a difference between privatisation and contracting out.

**Mr F.M. LOGAN:** Yes, absolutely. Those jobs were previously done by Water Corporation employees. We can call a pig whatever we like; we can dress it up in whatever way we like—it is still a pig.

**Mr M.P. Murray:** It's like burnt toast.

**Mr F.M. LOGAN:** As the member for Collie–Preston says, "It's like burnt toast." He is obsessed with burnt toast today. No matter how much butter is put on burnt toast, it is still burnt toast.

Given who the government has contracted out the asset management, I believe that clauses 24 and 25 can and possibly will lead to future problems; and, if so, what will this or future ministers do? The powers the minister will have under the act to address these matters is an issue that I would like to address during consideration in detail.

I will not continue for much longer because other members would like to speak to the bills tonight, and I will have further opportunities to discuss them during consideration in detail. However, clause 96, "Disconnection or reduction in rate of flow etc.", of the Water Services Bill is a very topical issue, as the minister well knows. Both he and his predecessor are guilty of conspiring with the Treasurer and the Premier to whack up water prices and water rates to the point at which most households across Australia are bleeding from every orifice as a result of the prices that they have to pay for electricity, water and gas.

**Mr W.R. Marmion:** Our water prices are a lot cheaper than the Australian average.

**Mr F.M. LOGAN:** We do not live in New South Wales. There are plenty of other charges in Western Australia that do not exist in New South Wales and are certainly not as high in other jurisdictions as they are in Western Australia. I will give the minister the example of gas. They pay less for gas over there in the east. We have a million times more gas than they will ever have, and we are paying a lot more than they pay—try to work that one out. That is an example. We have to deal with what we have in Western Australia and the reality of price increases for Western Australia. I raise clause 96 because it goes to the issue of what happens when a person cannot pay a water bill. It states that a "licensee may cut off, reduce the rate of flow of or refuse to connect a supply of water" if one of the five options listed is met.

The issue for Labor is that this government has been presented with a significant number of proposals, many from the Western Australian Council of Social Service, about how to deal with people who cannot pay their bills. Despite that, the existing practice of reducing water to a trickle for those people who cannot pay their bills still applies in Western Australia. It does not apply in, for example, Victoria. If the minister wants to use examples from other jurisdictions, as he did earlier, I will use one because this Water Corporation practice does not occur in Victoria.

Madam Acting Speaker, may I ask for an extension?

**The ACTING SPEAKER (Ms L.L. Baker):** I am sorry, member for Cockburn; your time has run out. The bell has rung.

**Mr F.M. LOGAN:** Nevertheless, I will raise this during consideration in detail.

**MR C.J. TALLENTIRE (Gosnells)** [7.53 pm]: I rise to speak to the Water Services Bill 2011 and the Water Services Legislation Amendment and Repeal Bill 2011. As the shadow Minister for Water has stated, we on this

side of the house are very pleased to support the legislation and note that much of its preparation was done in the time of the previous Carpenter government and, I imagine, the Gallop government. When discussing water in Western Australia, it is important to note that it is really the Labor side of politics that has given the issue the primacy it deserves. When Geoff Gallop was Premier, he realised that Western Australia had to consider, as an utmost priority, the issue of how to supply its citizens with water. Geoff Gallop was absolutely right. Had we not had that vision from Premier Gallop and then Premier Carpenter I think we would be in a very sorry state today. We are, I think, the driest state in the driest inhabited continent, making water supply an issue that has to be treated with the utmost care.

The way we go about supplying water has for a long time been viewed through the prism of engineering initiatives being the solution to water supply. Although this legislation is primarily about the licensing arrangements that empower bodies to supply water, I think we need to highlight the importance of water efficiency—which we could perhaps term “water conservation”—and the need to make sure that this scarce resource is used as efficiently as possible. I look forward to hearing from the Minister for Water that there are provisions in this legislation that will enable the licence conditions imposed on a water supplier to require that water-efficiency technology is used to deliver the best outcomes for Western Australians. I understand that is not the present situation with the Water Corporation. It operates with a licence that does not insist that it strive for water efficiency. That is a terrible shame. The Water Corporation is a very well run organisation, with many excellent people. Primarily, the Water Corp has an engineering culture and background, with many of the senior people, including, I understand, the CEO, having engineering qualifications. That is laudable; that is fine. But we need to make sure that an organisation that has the financial capacities of the Water Corporation and the social responsibility to deliver such a volume of water to the population is guided by things other than a desire or a wish to develop new engineering projects to meet our water needs.

Water efficiency is the real issue that has to be looked at and I am looking forward to hearing from the minister that there are provisions in this legislation that will ensure that those who are issued with licences to supply water are compelled to deliver water in the most efficient manner. We would not want to see a situation in which an organisation makes money out of selling water and therefore wants to sell more and more water. That is not in the best interests of the state of Western Australia. We must make sure that the conditions put on licence holders ensure they deliver water efficiently.

During estimates, we call in the Water Corporation and look at the budget papers and the corporation’s expenditure. We have a list of the engineering initiatives that the corporation is looking at. Many millions of dollars are spent on all kinds of engineering initiatives. Obviously, the latest desalination plant is the Binningup plant, on which some \$900 million will be spent to deliver I think 45 or 50 gigalitres of water, with the potential for extra capacity and —

**Mr W.R. Marmion:** Another 50 gigalitres.

**Mr C.J. TALLENTIRE:** There is potential for another 50 gigalitres on top of that, which will take the plant output to around —

**Mr W.R. Marmion:** One hundred.

**Mr C.J. TALLENTIRE:** — 100 gigalitres a year.

**Mr W.R. Marmion:** Plus Kwinana, which is another 50; making it 150 in total.

**Mr C.J. TALLENTIRE:** That is 150 gigalitres in total from desalination plants. That is vital to Perth’s water supply needs.

**Mr W.R. Marmion:** And Geoff Gallop was a big supporter of that.

**Mr C.J. TALLENTIRE:** Indeed.

**Mr W.R. Marmion:** But Kim Hames claims that he was the initiator.

**Mr C.J. TALLENTIRE:** I am not sure whether Kim Hames was the initiator of desalination plant 1.

**Mr W.R. Marmion:** I just thought I’d get that into *Hansard* and we can have the debate.

**Mr W.J. Johnston:** That is just not true.

**Mr C.J. TALLENTIRE:** It is not my recollection at all.

**Mr W.R. Marmion:** Were you around then?

**Mr C.J. TALLENTIRE:** I certainly was. Indeed, I was actively involved in the assessment of the Kwinana desalination plant 1. At the time the initial proposal was being presented for public consultation, there was a suggestion —



**Mr W.R. Marmion:** What year was that?

**Mr C.J. TALLENTIRE:** That would have been in, I think, 2004 or perhaps 2003.

**Mr W.R. Marmion:** Minister Hames claims he was pushing it in the late 1990s.

**Mr C.J. TALLENTIRE:** Right. If a proposal was around in the 1990s, it was not very detailed. A proposal was not presented to the public. When a detailed proposal was presented, the issue of the day was: how will this plant be powered? There was a realisation that it would be very energy intensive. The fact is that desalination plants are very energy intensive. The Labor government of the day heard the community's concerns and determined that the plant would be powered by renewable energy. Initially, there was a suggestion that it would be powered by normal electricity from the grid and that there would be some offsetting of the greenhouse gas emissions associated with the production of the 45 gegalitres of desalinated water. I recall seeing a very elaborate biosequestration plan drawn up—a very detailed plan. The consultants who were employed to do that biosequestration plan went into enormous detail to see how much land in the Wheatbelt would be required to sequester the emissions associated with producing 45 gegalitres of desalinated water a year. However, the Water Corporation and the government of the day then saw that there was a far better means of proceeding, and they determined that the project must be powered by renewable energy. Some contracts were then entered into. Wind farms were coming on stream at that time. Of the total amount of energy that they produced, the portion required for the production of 45 gegalitres of desalinated water was to be pumped into the grid at different stages.

There was then a huge conversation, which was a very educative one for the general community, because the community realised that we did not need to have a desalination plant right next door to the renewable energy generation—so long as we were using our wonderful grid that extends from Kalbarri out to Kalgoorlie and down to Albany, we could pump in renewable energy at different times and, through an accounting process, determine that the desalination plant was fully powered by renewable energy. That is a good thing.

It is very timely that we are touching on this matter today, because the Water Corporation would be realising that although that decision is costing it a certain amount more per unit of energy required today, come 1 July 2012, relative to the cost of black power that it might have been purchasing, it will be slightly better off thanks to the Gillard government's decision to impose carbon pricing. That improvement and that difference in the situation will only increase. If members do not understand why that is the case, I think they need to look closely at the intent of carbon pricing. It is about determining how we generate energy in the future. If we are investing in a big coal-powered fire station or if we want to be in the business of producing electricity, we will have to decide whether we want to put, let us say, \$500 million into black power generation and incur the costs associated with the greenhouse gas emissions, or whether we want to go for electricity generation through a cleaner system and incur fewer, or perhaps no, greenhouse gas emission charges. We will not be required to have permits corresponding to the amount of emissions we are putting out. So here we have an example of the Water Corporation having made a smart and wise decision back in 2004 or 2005—we are struggling to pinpoint exactly when—that means that the water produced through the desalination plants comes to us through renewable energy, and that is a positive thing.

However, other benefits come through a strict set of licensing conditions imposed on an entity such as the Water Corporation or any other body that might be able to come forward as a water supplier into the future. I realise that the intent of this legislation is to enable others to come forward as water suppliers. That is when we must put good conditions on them. The primary condition is that they are efficient suppliers of water and that they work with the people who are their very consumers to help them reduce the amount of water they need. It must not be the other way around and that they end up wanting to push their buyers—consumers—to want more water, because if things are not done properly, it might mean that these businesses are more profitable, but it would also mean that we become less water efficient as a state on a per capita basis.

I will touch on some of the areas that I know the Water Corporation is working on—the sorts of things that can help us become far more water efficient. One issue that is receiving a sensible amount of attention and around which there is public education is groundwater replenishment. We take waste water, treat it and purify it, and then allow it to percolate back down into the aquifers to recharge the aquifers. That is an excellent initiative, and I think that the estimates are that it will give us between 90 and 100 gegalitres extra a year once that system is fully operational.

**Mr W.R. Marmion:** Yes, at least.

**Mr C.J. TALLENTIRE:** So that is an exciting development. Associated with that are some other things such as making sure that water is fit for purpose. At the moment, water that is drinking water standard is used for all sorts of purposes. It is a wasteful use of the energy, the effort and the technology that is used to purify water when that water is used for only, say, watering gardens. That water does not have to be of absolute drinking water standard. However, I believe that we can do a lot at the household level. I realise that the minister has

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implemented initiatives such as the shower swap program. I gather that the results of that are perhaps more positive than I had anticipated when the minister made the initial announcement, so that is a good thing. There is still an appetite for people to switch over their shower heads and become more water efficient and also use less energy. That is a positive thing, and the Water Corporation is driving that.

I have a question on notice to the minister to find out how much of that program is being driven by, or funded by, the federal government. I would really like to know from the minister just how much of the water efficiency work that is going on in Western Australia at the moment comes from the state government. My impression is that there is very little. Back in the days of the previous government, substantial funding came from the state government, as well as from the federal government, to help with a whole range of Waterwise activities. There is one in which I am particularly interested. In the Water Corporation document titled “Perth Residential Water User Study 2008/2009”, which I think is the last available document in that series, it is quite clear that the amount of scheme water—pure drinking water—that is put onto people’s gardens is still very significant. The document states that —

“Irrigation is the highest component of scheme water use in the average Perth household, accounting for 39%.”

That figure has come down, because previously I think it was more like 50 per cent of the average household’s water —

**Mr W.R. Marmion:** I thought it was 46 per cent, so I suppose it depends on —

**Mr C.J. TALLENTIRE:** It seems as though it is coming down, and that is a good sign, but we can do a lot more in this area. If it was possible to give people assistance through some sort of future Waterwise program to enable them to, say, halve the area of their garden that takes the watering required by exotic species, we could really make some substantial savings, and that would be very beneficial. This sort of program needs to be properly costed, because the benefits can be enormous. Just imagine if we were talking about investing in the creation of Waterwise gardens in the same way, with the same amounts of money, that we talk about developing capital-intensive engineering projects. Let us say we were to invest \$200 million in the Waterwise program to enable people to convert a portion of their garden to Waterwise plants. The result would be a very attractive garden. People can still maintain some lawn area if there is a desire for an area for children to play and things—that is all totally possible—but to have a reduction, say, by 50 per cent in water-intensive exotics would result in significant savings. The typical Perth household uses around 350 kilolitres of water a year. Let us say 39 per cent of that goes on the garden, we are down to 136.50 kilolitres of water a year going onto the garden. If we could halve that amount across the Perth metropolitan area, by my calculations we could save something like 15 to 16 gegalitres of water a year. This might be a little ambitious, but that is assuming we could run a program over 200 000 residences across the Perth metropolitan area. It would be quite a substantial program, I agree, but then we would be using \$200 million. That is really substantial. That is the sort of water saving that can only be delivered by —

**Mr W.R. Marmion:** The “Save 60” program saved 15 gegalitres and that was a \$1 million program. That was a community awareness program. That was probably a very good value-for-money program.

**Mr C.J. TALLENTIRE:** Indeed.

[Member’s time extended.]

**Mr C.J. TALLENTIRE:** To move on slightly from this idea of water efficiency in gardens, the other program is the winter watering ban. I think we really need to look at staggering that or extending it, especially with this trend of our winters being dryer on the whole. We have had an okay winter this year but what is notable is that the rainfall patterns seem to be changing, such that we are getting rainfall later in the year. September could be regarded as a month that has reasonable rainfalls. Extending the winter sprinkler ban could make substantial savings as well. That is certainly an option that I would be considering. The minister knows exactly how much of a water saving that winter sprinkler ban delivered. I have not got the figures with me, but I realise the Water Corporation has all that quantified extremely well.

I will turn now more to the specifics of the legislation. I am interested in the clauses relating to disconnection or reduction in rate of flow. This is in the Water Services Bill.

**Mr W.R. Marmion:** That is clause 96.

**Mr C.J. TALLENTIRE:** Clause 96, that is right. I have a concern with clause 96(1)(b), which refers to cutting people off, basically, if they have not been able to pay water charges within 30 days. The actual wording is —

- (b) water service charges ... due to the licensee for a water service provided in respect of the land remain unpaid for 30 days after they become due; or

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That poses a problem for people who may be travelling for more than 30 days, who may have missed a billing cycle, who may not have signed up for automatic payment of their bills, or may not be in a position to pay. Obviously there is always the option for them to contact the water service provider to ask for special terms to be arranged. That needs to be detailed a bit more. Clause 96(2) states —

A licensee may reduce the rate of flow of a supply of water to land if satisfied that it is necessary to do so to prevent the waste of water on or associated with the land.

A “waste of water” suggests that perhaps there is no occupied dwelling on the property, but if the minister is saying there is a waste of water, perhaps the water should be cut off anyway. That is something that I would like to hear the minister say a little more about. I think that clause 96(3) is good. It reads —

Despite any other provision of this Act, a licensee cannot cut off the supply of water to an occupied dwelling unless the occupier agrees to that.

That seems like a reasonable safety check in the system.

I am also interested in part 7 of the bill, “Powers in relation to interests in land”. I have some concerns with this section because it seems to me that through the vesting powers —

**Mr W.R. Marmion:** What clause?

**Mr C.J. TALLENTIRE:** Clauses 165 to 171. I am primarily concerned about clause 168, “Vesting of interest”. It seems to me that under this section there is the possibility to vest in an entity. It could be the Water Corporation but it could be any other company that comes in and says it wants to be in the business of supplying water to Western Australians. There is a power to vest land in that entity so that it can fulfil the requirements of its water licence. I am not sure that is a reasonable thing. We could be talking about handing over some very valuable pieces of land to a company just because it says it will supply water. I would like to know what limits there are on those provisions. They could well leave the state of Western Australia exposed to people perhaps even using the business of water supply as a front for the acquisition of land.

**Mr W.R. Marmion:** The member will find most of these provisions are already in existence and they are just being amalgamated.

**Mr C.J. TALLENTIRE:** If that is the case, I suppose I should be reassured that they have not been abused. The minister has outlined to us that the intent of this legislation is to enable other entities to come into this business of supplying water. To date we have really only had the Water Corporation and the other small boards in the business of supplying water. The Water Corporation is obviously an entity that is exposed to the very highest level of public accountability. It is possible that in the future we may find that other businesses, owned by people who are not as concerned about public scrutiny as the Water Corporation is, are simply in business for the sake of business and not in the business of supplying water because they want to do that for any societal community benefit. There is the potential that these things could be abused in the future. The fact that the minister says these clauses have come from existing legislation and have just simply arrived before us today because of an amalgamation of bills is of no reassurance to me, because the minister is changing things quite dramatically. He is opening up the whole sector to other entities and we do not know what their motivations might be. We need legislation to guard against any potential abuse.

I conclude my remarks by observing that the situation we presently have, with the Economic Regulation Authority being the sole body that can set conditions on a water licence, is obviously not a good arrangement. I understand the bill’s intent is that in the future the Minister for Water will have the capacity to place those conditions on water licences. That brings me back to my opening remarks about how important it is that we make sure that in the future those businesses involved in supplying water are driven by an obligation to provide water efficiently and are not driven by the desire to sell more and more water because that is how they optimise profitability. It is absolutely critical to the success of this legislation. If that is not the case —

**Mr W.R. Marmion:** It is the case. Clause 12(1)(q) specifically sets out the need for efficiency measures. Look at that. The member will be pleased with that.

**Mr C.J. TALLENTIRE:** Clause 12(1)(q) states —

the licensee developing and implementing programmes for the conservation and efficient use of water, including in relation to the use of water by customers of the licensee;

That is reassuring, minister. I think that is a positive step forward. As we go forward with this legislation, we will look to test that that will hold solid and that there is no scope for any organisation to avoid that in the future. I would be keen to hear whether that could be retrospectively applied to the Water Corporation, or perhaps it could be applied to the Water Corporation when its licence comes up for renewal. As I said before, at the

moment the Water Corporation, unfortunately, is not obliged to achieve water efficiency. I will conclude my remarks at this point. I am happy to support this legislation.

**MR J.C. KOBELKE (Balcatta)** [8.20 pm]: I appreciate the opportunity to speak to the Water Services Bill 2011 and the Water Services Legislation Amendment and Repeal Bill 2011, and to say a bit about the approach that this government has taken to water and to dealing with the emergencies we have and also about the need to reform our legislation, of which this bill is part. Clearly, I, the scientists and all the water authorities accept that we have a major issue with climate change. The south west of Western Australia is a global hot spot for climate change. Climate change is affecting our rainfall, with all the consequent implications that that has. The reduction in rainfall—given a certain percentage depending on what figures are taken—has amplified the fact that the amount of water running into our dams and the amount of water available in our groundwater resources have been affected even more adversely. There are complex relationships between rainfall and what goes into our dams and the replenishment of our marvellous groundwater reserves. That is a huge problem for Western Australia with our drying climate.

The Labor government, under Premier Gallop and then Premier Carpenter, took this matter seriously. It gave top priority to securing our water supplies for the future. There was no magic bullet; it was not something that could be fixed overnight. The Labor government took a multifaceted approach with a whole range of things to try to ensure that we have the best possible security for our water supply, which is absolutely essential to industry, agriculture and our urban environment. The government was recognised internationally as a world leader in trying to tackle that problem. But, of course, the Liberal Party in opposition did not believe it. Hon Norman Moore was critical of the government. He said, “You’re overstating the case. It’s not as bad as you say. You’re just hyping it.” They were the accusations that the Liberal Party made against the then Labor government. The Liberal Party did not think it needed to be given such a high priority. The problem is that, with the election of the Barnett government, the thinking has gone back to: “It’s not really a big problem. We’ll muddle along and we’ll get through.” The Barnett government has shown no real commitment to ensuring the security of water supply, particularly in the south west of Western Australia. That might be because a lot of government members are climate change deniers and do not want to get offside with Tony Abbott and his ridiculous position on this issue, or it might be because the Barnett government is just weak and incompetent and cannot see the need to give priority to water, and, if it does, it is just too incompetent to do anything about it. It just takes a muddle-along approach. I hope to lay out the facts of this legislation and also a whole lot of other little things which have not been done and which show that this government has been hopelessly incompetent on the issue of water and, I suspect, in a lot of other areas. Regrettably, that puts this state in a position of some jeopardy, because the problem is not going away. Climate change is real. The climate in the south west of Western Australia is drying. It is different in other parts of the state, particularly in the north. But the issue is that most of the population lives in the south west of Western Australia and the drying climate is having quite drastic implications here.

Under the previous Labor government, a lot of planning was done to deal with this change and to recognise that the water sources were changing. Of course, we were the first state to move in a major way to seawater desalination. That, along with a range of other things, meant that we had to shift our budget priorities to provide money for the new infrastructure. We copped a bit of stick because we slowed down the infill sewerage program, which was a very good program started by the Court government. But the resources had to be found to secure the urgently needed water resources, and so there was a shifting of priorities. A lot of extra money went towards making sure that we could build desalination plants and a range of other things that needed to be done to give us greater security of water supply. When this government came to power in September 2008, it simply put it on the backburner; it was not a priority. In fact, earlier this year at the end of summer, our dams were close to empty. If we take account of the fact that the last 100 or 110 gegalitres cannot be taken because of the turbidity and the problems that go with that, our dams were getting close to empty. This placed greater reliance on our very good and quite plentiful groundwater, which was a resource that we had been overdrawing for some time, and later I will talk about those problems. If we had not had a reasonable winter, as we have had, we would have had no real useable water in our dams, putting even greater reliance on our groundwater and our desalination plants. Labor committed to the first plant at Kwinana. It had it all set up and ready to go, as it did with the second plant. This government has now moved to double the capacity of the southern desalination plant at Binningup. Again, that was a last-minute catch-up decision by the government. It was obviously convinced by the Water Corporation and other advisers that we were in a dire situation. So what did the government do? It just said that, as Labor had done all the planning and had doubled the size of the inlet, the easy solution was to just double the capacity of the southern desalination plant. It was a good move, but the point I am making is that it was a last-minute catch-up decision, because this government is way behind in dealing with the major problems we have with the water supply in the south west of Western Australia. The Barnett government has always given water a very low priority. It is not worried about water security until it becomes an emergency, and then there is a last-minute catch-up decision to try to deal with it.

I will give some examples, including the legislation now before the house. The legislation we are dealing with at the end of 2011 had been drafted and was almost ready to come into the Parliament in 2008. We are three years behind with this legislation. I do not know why. Perhaps the minister will respond by way of interjection. Why has it taken so long to bring this legislation to the Parliament, when it was 95 per cent drafted by September 2008?

**Mr W.R. Marmion:** I wasn't there, but I've got advice from my advisers that it was not 95 per cent drafted, and I'll be telling you about it when I give my second reading response.

**Mr J.C. KOBELKE:** I thank the minister for the interjection. Clearly, when the new government came to power in September 2008, it had every right to change direction. It could decide that its particular policy decisions needed to be different, and I would expect that it would review the drafting done by Labor. But the fact is that all the key stakeholders were involved in consultation on the bill that was drafted almost to completion by September 2008. The advice I have on the bill as I see it here is that it is basically that legislation. There may have been a few minor changes, but this is the same legislation that was drafted under me when I was Minister for Water Resources in 2008. But, again, because it has been a low priority for this government, it has let it just lapse and drag along, and it has taken three years to get it into this place. Let me go to few more practical examples that will clearly show how this government has taken its eye off the ball and has not made water security a priority.

The Waterwise rebate scheme was seen as a great way of involving the community and getting it to recognise that water is a scarce resource that needs to be used carefully. What was one of the first moves of the Barnett government? It scrapped it. It did away with it to save something like \$4 million a year. When we were in government, we reviewed it every year; the Barnett government could have cut back on some aspects of the rebate or enhanced others—it was up to it to play with—but, no, it just cut it out. That sent a very clear message to the public that the Barnett government does not give water security and using water wisely a high priority. So, of course, a couple of years later it had to bring in winter water restrictions because it needed to catch up the water it could have saved through other means. It simply took its eye off the ball.

Another example is Logue Brook Dam. The deal was for that to provide an additional five gegalitres a year of drinking water. It was a very difficult decision when as Minister for Water I got cabinet to approve bringing that online for drinking water, because I was also Minister for Sport and Recreation and I was very much aware of how important that dam was to a range of water sports. It was a difficult decision, but the Labor government made the difficult decisions to protect the interests of the public. What did the Barnett government do? It said, "No, we can throw away five gegalitres a year. Let people enjoy their canoeing, skiing and fishing—don't worry about it." That was, again, a decision that the government was entitled to make. But if we look at what it means, it is saying that no priority is given to protecting and providing water.

Another classic example is the Karratha water supply. The government dropped the ball on planning for water for the Pilbara. It was a critical issue. Week after week ministers in this place—particularly the Leader of the National Party—talked about all the great things they are doing in the north. Great things are happening; resources are going in to make a real difference there, and I congratulate and support the government. But when it comes to basic planning—good government providing water—the government is missing in action. It has suddenly found that there is not enough water for all the big development that will take place in Karratha. This will stop expansion. More houses cannot be built and iron ore production across the wharves cannot be increased, because there is not enough water because the government had not done any planning for two years. The government then signed up for the Karratha seawater desalination plant at a cost of some \$370 million—incredibly expensive. To my figuring, that is about \$7 to \$8 a kilolitre; in Perth we pay about \$1 a kilolitre—\$2 a kilolitre, in round figures—for desalinated water. The government was going to pay \$7 to \$8 a kilolitre for desalinated water in Karratha, because it had not done the planning. It was lucky—the people of Western Australia were lucky—that it rained, so the government could scrap the desalination plant. Water went into the Harding River Dam and the Millstream aquifer was recharged, and so the government did not have to build the plant. It had the time to actually sit down and do some proper planning with companies. Because of legal issues, it could not go ahead with some of the other solutions, and I understand it has now found a resolution. I do not know how good that resolution is; if it is anything like its other muddling through, there might be problems in that. But at least it got out of this last-minute, knee-jerk reaction, which was to put a desalination plant in at huge cost.

The government cannot even get a small town such as Onslow right. Onslow has huge rents, and that causes big problems for the small population. Only a very small number of new houses can be built because there is not enough water. The government could put more bores into the water reserve at Cane River. That will not solve the problems of future development, but it will allow the town to progress. Has the government committed the

money? No; it is a promise. In the next few years it will do something about it. This government is behind the game all the time—incompetent. I could go on.

The government announced the Port Hedland infill sewerage program a couple of weeks ago. It was supposed to happen in 2008; it was funded by the Labor government. It was not an infill sewerage program such as that brought in by the Court government—it did not meet the criteria; it was special funding provided by the Carpenter government to allow urban redevelopment in Port Hedland. There has been huge growth in Port Hedland and there is a need for land, and redevelopment of the city centre near the wharf was an ideal opportunity for the redevelopment of Port Hedland. But it could happen only with sewerage. What did the Barnett government do? It scrapped the sewerage. Now it is going out, beating its chest and saying, “We’re doing it now”—years later. All that pressure for development in Port Hedland and all the good work currently being done by this government in putting in money is undermined by the government’s incompetence with water. It pulled money out of the infill sewerage program that would have taken place in Port Hedland.

What about the poor people of Carnarvon? Under the former Labor government, the first stage of the levee banks—the flood mitigation—was put in. Labor did a lot to prevent floods through flood mitigation in the south west and Carnarvon. The second stage in Carnarvon was delayed because it relied on re-routing the highway. The 2008–09 budget—the last Labor budget—had money for the second stage to protect Carnarvon. What did this government do? It took the money out and shelved it, and Carnarvon was flooded. This government’s failure to act and this government’s incompetence caused that flooding in Carnarvon. It was all planned; a \$1.25 million study had been done.

**Mr C.J. Barnett:** You have to be joking! That flood would have gone over any mitigation project, and every local knew that. It was such a great flood that it would have gone across anything that was built.

**Mr J.C. KOBELKE:** Here we have Kenrick Monk, making it up as he goes along and saying things that are not true!

**Mr C.J. Barnett:** Well, you know, that’s the reality.

**Mr J.C. KOBELKE:** The money was in the 2008–09 budget. Here are the budget papers, Premier.

**Mr C.J. Barnett:** Yes, but you didn’t do it—you didn’t do it! Like so many things, you didn’t do it!

**Mr J.C. KOBELKE:** Here are the budget papers! The government delayed it by taking the money out.

**Mr C.J. Barnett:** The truth is that you were here for eight years and you did not do it.

**Mr J.C. KOBELKE:** The Premier took the money out of Carnarvon, and the flooding was the result of the Premier’s inaction. That is what caused the flooding in Carnarvon.

**Mr C.J. Barnett:** You need to recognise that you were a failed government. You were a dodgy government, you had five ministers sacked, and you need to acknowledge it.

**Mr J.C. KOBELKE:** The Premier cannot get away from it. The Premier can say it was a hit-and-run when he fell off his skateboard, but he is the one who failed to do the flood mitigation, and Carnarvon suffered. The Premier wears that, and it will hang around his neck. It does not matter what else he says that is false.

What has this government done on the Gngangara sustainability strategy? All the research has been done to guarantee that groundwater, which is essential. Something like 70 per cent of the water we use in Perth comes out of the Gngangara mound. We are overdrawing it; we have known that for years. We put \$6 million into a study to set new benchmarks, and this government is sitting on it. There has been no real action to guarantee that water.

[Member’s time extended.]

**Mr J.C. KOBELKE:** I come now to the actual legislation. The legislation being prepared under Labor had two main thrusts. One was water services, which we have before the house now, and the other was water resource management. But, again, I have another clear example of this government simply not being able to make decisions on water. I have a quote from the Department of Water’s website dated 19 May 2010. The website possibly had not been amended much since the time of the Labor government, because it states —

Its program follows two broad themes—with the first theme focusing on better water resources management, and the second focusing on water services.

In May 2010, the Department of Water still had water resources as a higher priority than water services, which is the bill now before the house. That did not have to be the government’s priority. But the government had not even taken enough interest to get the Department of Water to say that, no, there were different priorities, because the government could not make a decision. It made a decision to finalise drafting on the Water Services Bill—

the bill now before the house—a couple of years after it came to government, but what about a decision on water resources? It has not made a decision. It has been more than three years, and it has a discussion paper. The legislation was being drafted; in early 2008, the Gallop government finalised its drafting instructions and started drafting the legislation. It was very complex, difficult legislation, and it was not as well advanced as I would have liked; it was not nearly finished. This government could have gone a different way—fair enough. Three years later, and it cannot even work out which way to go, so it has put out a discussion paper. The reason for the discussion paper is to give the government cover for doing nothing. By the time it gets answers back on the discussion paper and potentially makes a decision on what it will do, we run up to the next election and nothing happens. Therefore, all the government is doing is putting out a discussion paper. That legislation is critical to dealing with a range of problems that I will come back to in a moment.

I make a few brief comments specific to the Water Services Bill and the Water Services Legislation Amendment and Repeal Bill. We currently have about 10 statutes rolled into these two bills, and they are a timely update of what is very complex and old legislation, which is very inefficient. Under the Court government we went to a corporatisation model, and therefore amending bills amended a lot of other statutes. The Labor government came in, and we got rid of the Water and Rivers Commission and a lot of changes were made there. Therefore, umpteen changes have been made to basically about 10 bits of legislation that are very complex and difficult to understand. These two bills tidy up the legislation, modernise it and give a better basis for our water services. As I said, this legislation was drafted when Labor was in government, and it is largely what we brought forward.

There are a couple of concerns. Clearly, we recognise that competition has a role to play in providing efficient water services, but water infrastructure, by its nature, is monopolistic; we cannot have two pipes running down every street. We need to protect the public interest. There are concerns on this side of the house that there might be a move to greater privatisation, for which the government has an appetite, but by which the public will be sold short and end up paying much more for water. There are concerns about that.

There is also the fact that Bunbury and Busselton Water Boards, which I believe have performed admirably in recent years—it was not so some years back, but they have worked well more recently—have been brought under the same legislation as the Water Corporation. That means that they will pay a dividend to government. I faced that issue as water minister and I gave a commitment that we would not in any net terms require a dividend to government. It was only a policy decision; it was not in legislation. But this government has used its utilities as an arm of taxation. It has been taxing people through higher charges for water, electricity and other services. Now the real concern for Bunbury and Busselton is that those locally based water authorities will become a taxing arm of the Barnett government. I would be very concerned if what the government has done to the Water Corporation is what it will now do to the Bunbury and Busselton Water Boards, and use them as a tax agency because this government has not been able to control its expenditure.

In the little time I have available I now turn to the water resources legislation that this government simply cannot deal with because it is complex and requires hard decisions; therefore, this government will simply put it off. That has real costs. This government wants to avoid the political costs; therefore, it is using the Kenrick Monk responses of the Premier to say things that are simply not true. I give an example. The Karara mine needed a lot of water for a new mine. We want to encourage mining, and we need to have the water. However, that water is taken on a first come, first served basis, because the legislation is inadequate. The water resources bill was to provide a more adequate basis for equitable distribution of those water resources. I refer to farmers in the area. I am not sure whether it is Moora only. The member for Collie–Preston might help me. Is it Mingenew as well or just the Moora area where that water is taken?

**Mr C.J. Barnett:** Mingenew, not Moora.

**Mr J.C. KOBELKE:** I am not sure whether it goes as far north as Mingenew, but is certainly around that Moora and Mingenew area. There are farmers there —

**Mr C.J. Barnett:** It is a long way from Moora!

**Mr W.R. Marmion:** It's Morawa.

**Mr J.C. KOBELKE:** It is around Morawa; sorry. Thank you, minister. Farmers there will miss out because the mines got in first. The point is that it is a difficult management issue for any government because we have a scarce resource and growing demand. This is the situation all over Western Australia. Even in the Ord River region, with its huge amount of water, there are issues with demand potentially going beyond the resource. Therefore, we need modern legislation to fairly manage that water resource. That legislation was supposed to be the water resources bill, which this government has shelved. That issue with the mining around Morawa and Karara is a simple example in which this government wants to blame the previous Labor government because that situation was, and has been, in place for decades. The previous government was bringing in new legislation that was similar to what we have nationally—not identical, but similar—to give a better platform for equitable

distribution of that important water. The things that were to be covered by that legislation, again I just quote briefly from the Department of Water website from that date I have already given —

Some key aspects of proposed management reform in regard to modernising the allocation system and improving economic certainty in water scarce scenarios include:

entitlements based on good science and transparent management

licensed volumes matched to the available supply

ongoing or perpetual entitlements

ensuring community needs are central to allocation planning including protection of drinking water quality, the environment, quality of life, recreation and the sustainability of the natural and built environments.

security of total water resources by law.

They were the matters that we were seeking to put into legislation back in 2008. This government could do nothing but put out a discussion paper. We need a whole new, modern legislative framework to deal with the legal problems and the allocation problems that go with water being a scarce resource with growing demand. This government is not up to it. It is too hard for it to deal with. With such issues, there are potential winners and losers. This government does not want to make a decision; it does not want to get off-side with anyone. Therefore, in the end everyone will suffer. I remember having a debate in this place with Paul Omodei when he was here. His electorate around Manjimup had very good rainfall. When I talked about these ideas back in about 2007, Paul Omodei thought it was nonsense. He said that his stream always ran and that his dam was always full. I spoke to Paul earlier this year when he visited the chamber. He said his creek had stopped running. Perhaps the penny has dropped: climate change is impacting. We need a modern legislative base for handling the allocation and equitable distribution of that water resource. This government is not up to it as it simply cannot come to grips with the problems we face. There is further evidence of that from a response of 14 June to a question on notice I asked. We found that the commonwealth government took back \$2.7 million in grants to the state of Western Australia; I quote from the answer —

Penalties invoked by Cwlth for milestones not met ...

Those milestones were —

Integrated Water Resource Management for the Collie Catchment

The commonwealth pulled the money out because this government was so slow and was not doing anything. Secondly —

Support for a Statutory Management Plan for the Gngangara Mound

As I have already said, there was too little progress—it was a small amount—on the Gngangara sustainability strategy, and the commonwealth took the money away. Thirdly —

Statutory Water Planning in the Pilbara

I have already alluded to the huge amount of money that the government was to commit to a desalination plant. The commonwealth took money back from the state because it failed to do the statutory water planning in the Pilbara. That is from the minister's own answer to my question on notice. This government has failed to do the basic planning to try to ensure that we can secure the water resources we need.

I now take a couple of examples from the various applicable pages of the “National Water Initiative—securing Australia's water future: 2011 assessment”. Under “Ground and surface water resources covered by water plans, 2004–05 and 2011”, we find that the total number of plans completed in Western Australia is 14 out of 31. The strike rate is that 45 per cent of the plans are done. New South Wales has done 74 per cent of its plan; Victoria has done only 50 per cent; and Queensland has done 96 per cent. We have done 45 per cent. The government cannot even do the water planning that is required for it to know where to invest and what decisions to make to give greater security.

I will give one more example. On resource conditions relating to our waters and rivers, for Western Australia the report says —

There is no up-to-date broad-scale river health data available in Western Australia.

No other state got as damning a sentence as that. Other states are all doing things or have done them. Western Australia has not done them because this government in three years has not given priority to water.



**Mr C.J. Barnett:** All I can say is that you must have been an outstanding minister. You must have been wonderful—walked on water. I have never heard a former minister gloat and boast like you have today. Good luck to you! I have never heard anything like it. You must have been wonderful. You must have been perfect. Congratulations. I think you are a good guy, but this is not your best speech.

**Mr J.C. KOBELKE:** We were not perfect but we were recognised internationally and nationally for dealing with the issues. What we do know is that under this Premier it is too hard to deal with the issues. This Premier and his incompetent government are setting Western Australia up for major water issues, because they simply cannot deal with it. They can talk the talk, but they cannot walk the walk; they cannot deliver. We have seen it time after time. This Premier is going to scuttle the Oakajee project. He has stuffed it up properly with his interfering. It is a great project that should go ahead, and this Premier is stuffing around. The chances of it getting up are diminishing because this Premier simply cannot do it. He and his government have been caught out on water, time after time. They shirk any hard decisions; they cannot make the hard decisions. We can see the consequence from the examples I have given.

**MR M.P. MURRAY (Collie–Preston) [8.51 pm]:** I, too, stand to raise some concerns about the Water Services Bill 2011 and Water Services Legislation Amendment and Repeal Bill 2011. It reminds me of when Main Roads had crews that did all the work in many of the country areas. That capacity was gradually diminished until Main Roads operated only in some major towns, and in some cases there was only one person in an office in the country areas. Of course what happens is that service declines, because locals cannot go down and talk to someone and say, “Look, there’s a problem down there. We’ve had cars rolling over on rough roads”. Those sorts of things can happen when there is local knowledge and people can have some input.

Main Roads has been analysed over time, and many of the consultancy reports have proven that it would have been cheaper to keep Main Roads as it was, rather than privatise it or contract out services, as happens now. It will happen again under the Water Services Bill. Contractors will be called out. They will have no responsibility. If there is a major stuff-up in a contract, contractors will fold and start another company the next day. They do not have the responsibility that runs down the line. That happened many a time after the services of Main Roads were contracted out. One of the problems I foresee with the legislation is that the responsibility for and quality of service will be gone, because it will be done by contractors and there will be only a management crew over the top. It will be underfunded and certainly undermanned, as we now see with Main Roads. I see a very real comparison. It concerns me that those will be some of the problems into the future.

Over the period of this government services have already been cut in the area of deep sewerage. One of the things that happened when this government came to power was that it cut the deep sewerage program, which stifled country towns. It did not hurt the major towns as much as it hurt the country towns. The extension to Australind and the extensions in Capel were cut. Those areas, which should have been the growth areas, have missed out. They could have been areas where people wanting three-bedroom, one-bathroom houses could have built at a cheaper rate, rather than try to match it on the coast, which has caused the problems we are seeing now with mortgage defaults. That deep sewerage should have been done so that areas that were not as popular were able to expand, and now we do not have that ability.

Donnybrook is another example of that. It is a great town that is being stifled because of the lack of services and a lack of drainage and water provision. That is the direction in which we will increasingly be headed now, because it will be an exercise in dollar counting and not in providing services. A lot of governments, including some I have not been associated with, have forgotten that they should be providing a service and not trying to get a dividend to put into government coffers. Instead they say, “That’s how I measure my success—by the dividend.” That is not right. We should be measuring success by the services that are provided. I can tell members that services provided in recent times have been pretty poor.

The water pressure has been pretty poor in areas such as Balingup and down towards Boyanup. Certainly people have complained that they cannot get water pressure. In fact, in Collie they tried to wind the pressure back so that they could provide the service that was not being provided because the pipes were blowing out. In the end they had to replace the pipes. The problem arose because they were fixed on the cheap; some of these problems occur when the services are contracted out. The cheap fix will continue to be the problem.

Along with that, there is a lack of an overall management plan in the south west. Although there are different agencies in the south west, the agencies do not hook up. We have talked about Busselton and Bunbury and the Water Corporation, and the private group, Harvey Water, provides irrigation water but not necessarily drinking water. Those groups all have their own agendas, but the big plan is not there. That will get worse under this legislation, because it will again be about giving them a chance to make money on the way through, but service will be secondary. Private groups have shareholders, and they will be beholden to those shareholders. An overall management plan is an absolute must in the south west. The previous contributor to the debate also spoke about the lack of an overall plan for the future.

He also spoke about something that is quite dear to my heart. This government absolutely gutted an election promise of \$30-odd million to put a desalination plant on the east branch of Collie River. That river has now become a drain. Its survival this year has been dependent on good water being pumped into it out of the mining voids. It is water that in my view should have been pumped—because it is very good quality water, probably better than the water at Gnangara mound—and stored in the Harris River Dam. It should not have just been pumped into the river and out to sea. That is the only thing that saved the river, but it is a waste. It is a wasteful situation. That water that has not been trapped could have been pushed inland and could have fixed some of the problems. I do not think the Harris River Dam has overflowed for eight or nine years now, yet many billions of litres of water are going down the river out to sea; it is not being harnessed. It is a problem that I believe will get worse because cheap options will be taken. Yet, at the same time, we did not put a desalination plant on the east branch of the Collie River. Money was allocated; there was \$15 million from the federal government, and I believe \$15 million from the state government. It was also an election promise. It is another blow to the Collie town, as it could have created jobs. The water could have been freshened, and Wellington Dam could have been used for different purposes.

That brings me to Wellington Dam. Where does it fit in this overall plan? I do not see any future plan for this dam. It is the largest dam in the south west. It is certainly a very large body of water. Most of it gets run out to sea because of its salt content. We talk about water shortages, but the desalination plant was not put in on the east branch of the Collie River. They had a trial period when they ran water into mine voids, and in one year 20 000 to 30 000 tonnes of salt was put into salty water in that mine void. It was measurable at the Wellington Dam wall, where the amount of salt in the water bodies was reduced by over 200 parts per million.

It is an absolute tragedy that it was not followed through. Now we have a problem with the water that has been poured into the mine void; what do we do with it? The mining company now wants to mine that area. About six billion litres of salty water is in the mine void. My understanding is that some of that water is also leaking into the groundwater. A company wants to mine that water, but we do not have a desalination plant. I know where that water will go. I can just about guarantee members that it will be poured back into the river at a reduced rate, but the impact will not be reduced. That is a major problem with the Collie River. The Collie people have a really solid connection with that river and have been trying to work on the problems. This government has not helped. When we take away a \$30 million project, there will certainly be an impact somewhere. That impact is on the Collie River. The dam has more than 120-odd —

**Mr W.R. Marmion:** Wellington Dam? The capacity is 180.

**Mr M.P. MURRAY:** Plus scouring goes on. There is a lot of water in the dam, but there is still no real big plan. We talk about taking out for industry water that can be pumped back when some of the projects come to fruition. The Worsley Alumina Refinery was short of water this year. Where did it get water from? It did not get it from Wellington Dam. Worsley got it from our drinking water source, the Harris River Dam. It is an absolute blight on this government that it allowed that water to be used as industry water instead of ensuring water was taken from the Wellington Dam. The pipes that run very close to the Worsley refinery site could have been picked up. With a bit of foresight, that could have been a saviour in many ways. The fresh water from the mine could have been put into the Harris River Dam. The Harris River Dam could have been used only for drinking water. It was put there for that purpose because of the salty Wellington Dam. The salty Wellington Dam could have been used for the Worsley site. No; in the government's wisdom, because it got a higher price for it, Worsley used the fresh water, which did not have to be treated along the way. That is a local issue.

The overall picture is that money from the \$30-odd million has been taken away from the Collie community and used in other communities. I heard my colleague the member for Cockburn talk about the Alcoa plan, which will cost \$21 million. I suggest that some of the money that has been taken from Collie has been probably utilised down in that area instead of being kept up at the top where we could have had a far, far bigger plan and a wider range of uses for that water.

As I have said, the community is really, really angry. On a weekly basis I get representations from many people. One particular person, Mr Ed Riley, who I take my hat off to, has a passionate view about the Collie River. National Party members will come down into my territory in the next week or so. They will hear from Mr Riley because he has written to the ministers, including the Minister for Regional Development, who took three months to respond to him. It is all about the future of the waters around the Collie region.

We look across to the Donnybrook area. This year the floods through the Preston River really let the minister off the hook because the Glen Mervyn Dam was nearly empty; that was the whole supply of the irrigation water for the fruit and grape produce that comes out of that area. If we had to go through another dry year, that area would have been in big trouble. Thank goodness that did not happen. I am trying to point out the lack of planning all through that area and the lack of interconnections. It should be like an electricity grid. We should have those

connections so that we can pump, reverse pump, move the water around and store it when it is wet in one area and put it in another. At the moment, once Wellington Dam is full, the excess water goes out to sea.

I hope that the minister takes some consideration of how that overall plan has been implemented. I know that studies have been done. One was a delaying study implemented by the minister's predecessor; he spent \$250 000 on a study on the Collie River. That study has not surfaced; we have not seen that study and we certainly do not know what it was about. To me, the government spent \$250 000 on a study to try to extend the time factor so that it did not have to build a desalination plant.

Another area that I think is very important in country areas concerns subdivisions of a reasonable size—three or five acres—on the outskirts of towns where services are not provided. The subdivider of that land has to provide the water. That is fine; I do not have a problem with that. I have a problem concerning water being provided one kilometre down a road to four five-acre blocks that have been split from a 20-acre block. As the pipe is extended, there is no compulsion for the people who will hook in later to pay a fee. The person down the end of the line has to pay the full amount of the burying and the extension of the pipe—the whole lot. Not only do they get that rub, but if the Water Corporation thinks that there will be another subdivision at the far end of that person's block—not at the front end—it asks for the extension of the pipe to go right down to the end of the road so that it does not have to pay for the little gap in the middle. Again, that makes blocks on the outskirts of country towns very, very expensive. It certainly is an imposition on people who are trying to sell subdivisions and raise money and do the right thing on those extremities of town by dividing their 20-acre blocks into three-acre or five-acre blocks, which increases density. It is a fair sort of impost on someone to have to pay for water to be put in—power also has to be brought in—while they know that their neighbour is sitting there very quietly saying nothing. Then as the pipe goes past, the neighbour says, “Now it is here, I will hook in” and they get scheme water for a very cheap rate because someone else has had the pipe extended. How do I know about that? I did it to my brother-in-law. I have experienced that. That issue should be addressed. In some of the old systems of electricity supply, the person would put on the power right down to the end of the line. As other people hook in, they would pay a fee. That system has been lost along the way. I think that it is only fair for that to be the case for water; as soon as someone hooks in, they should pay. Most people will hook in because of the service being available. I hope that issue will be addressed under this bill.

I also refer to the issue of preferred providers. I am not sure about city areas, but in country towns we have preferred providers of services. I see that there is some recognition of that in the bill. That could be a person who is rung in the middle of the night to fix a burst water main or to dig a trench because the Water Corp crew is not available. I will not say that there is corruption, but sometimes it is too easy to ring the preferred provider instead of putting some of those jobs out for tender. That can make the cost higher than it would have been if some of those jobs were put out to tender. I am talking about reasonable size jobs, not only a weekender or something like that. I do not think the process is always followed correctly or strongly enough to make sure that everyone gets a crack at the job. The government says that if a company can provide the service at the cheapest price, that is who should be chosen. I have concerns that that has not always been the case.

To finish, I find the bill is a bit lacking on environmental issues for the Water Corporation and others and their responsibilities under the Environmental Protection Act and the Water Corporation Act. This is a double-up for the minister because it concerns both the water and environment portfolios. I find the bill is a little light; we should have a bit more in the bill about how we manage the environmental impacts. Environmental issues can be far ranging; I am not asking the minister to go into the EP act side of things, but into the way environmental issues are addressed under the Water Services Bill. I think that is just a little bit short.

In finishing, I would like to think, given the services provided, that if there is surplus funding, this government will reduce the dividend it takes, because it is overstepping the mark. Certainly, I hear from many people who come to my office complaining about their water bills and the services delivered. When a person wants to hook up a block to the water line that is less than one kilometre down the road, the cost is more than \$70 000. That is something city people would never dream of paying. Country people pay \$70 000 to get a guaranteed water supply, only to find there is no water pressure! Some blocks are sold with the caveat that there will be no water pressure. I want to thank the minister for helping me out recently when four blocks were sold without water pressure. The new owners were told they would be given water tanks and a pump to pump the water up to the tanks, but from then on if the service broke down, they would have to pay to fix that. Thank goodness commonsense prevailed. Once again, I thank the minister for dealing with that situation.

Country people should not have to put up with that sort of service; that should not be the case. If this legislation does its job, it will provide better services for less cost. But I do not see that happening. I see this as privatisation by stealth, in which there will be a shell at the top and everything else will be contracted out at a cost to our communities, especially in country areas. In the bigger cities, in the main, water is supplied to people's front gates; whereas putting water three, four or five kilometres out of a country town is a huge cost. In some farming

areas, people say it is not worth it and they make do with dams—that is, until recently. However, that attitude is changing given the past five years of drought.

I just hope that during the consideration in detail stage we will have small amendments to address any problems.

**MS L.L. BAKER (Maylands)** [9.11 pm]: I have a few specific points to raise on the Water Services Bill 2011 and the Water Services Legislation Amendment and Repeal Bill 2011.

**The ACTING SPEAKER:** Order, members! Order, member for Kalgoorlie!

**Ms L.L. BAKER:** I want to comment on the customer code and the impact of the Water Services Bill on customers. I will draw on comments from submissions made to the Water Corporation, the Economic Regulation Authority and others as background to the drafting of this bill. I start by way of reference to the ombudsman position that will be established, which is a fantastic idea. The minister will be aware of the opposition's support for this bill. The water services ombudsman is a role that has been contemplated for many years in this state, and when I was working in the Western Australian Council of Social Service it was discussed very frequently in relation to essential services. I note that part 4 of the bill is about the approval of the water services ombudsman scheme and therefore provides for the approval of that role. I express my very strong support for the scheme, in particular, the distinctions between customer and complainant in that part of the bill. I draw the attention of the house to that distinction, which allows tenants who are not customers of water service providers to lodge complaints that they may have with a water services provider to the ombudsman scheme. According to my notes, a submission made to the Economic Regulation Authority stated —

According to the 2003–04 ABS stats 24.62 per cent of people reside in residential tenancies in Western Australia, making up a significant proportion of water consumers. It is therefore necessary for those consumers to have access to the same customer protection measures as other consumers.

I note that it seems that that is going to happen, and that is fantastic.

Part 4, Division 4, “Membership of approved scheme”, specifies that licence approvals, transfers or renewals cannot be granted to a licensee unless the authority is satisfied that the person or the licensee is a member of an approved scheme—in this case the water services ombudsman scheme. This clause also places the condition that licensees are only allowed to provide water services to customers if they are members of an approved scheme, are bound by it and will comply with any decision or direction of the ombudsman. That is fantastic because all potential water service providers will be captured under the purview of the water services ombudsman scheme, and that will empower customers and ensure that they have better access to a good grievance procedure.

In relation to putting together a water services ombudsman scheme, I note on page 21 of the explanatory memorandum, the minister states —

There is currently an energy ombudsman operating in Western Australia, created under the Energy Coordination Act 1994 and the Electricity Industry Act 2004. It is planned that the Water Ombudsman will be co-located with the Energy Ombudsman and the bodies will share staff and resources with the existing Energy Ombudsman.

I would like some clarification on that. Although a water ombudsman is a wonderful initiative, I am very aware that the energy ombudsman is currently inundated with work and is failing to meet the turnaround times it wanted to achieve because of the sheer volume of people coming to the energy ombudsman with problems around the supply or billing of electricity. Members would be very aware of the increase in problems with that system.

My concern is that the implication in saying “with the existing ombudsman” is that there will not be resources to accompany the development of a water ombudsman.

**Mr W.R. Marmion:** There will be resources. It will be funded.

**Ms L.L. BAKER:** That will be good, because I am not sure, and indeed it is very unclear in the explanatory memorandum. The minister is either being really, really clever or shifty—I doubt the minister would be shifty; I am sure that he would be clever—because the level of resourcing for the water services ombudsman, over and above the already overused resources provided to the energy ombudsman, is not clear to me. I have a great concern about the capacity of the ombudsman's office and how it will manage.

**The ACTING SPEAKER:** Members, if you want to have a little chat you can go outside. I am sure that when you stand you like to be heard, and I am sure the member for Maylands does too.

**Ms L.L. BAKER:** Thank you, Mr Acting Speaker.

I will finish my comments about the ombudsman scheme. When that position is filled and the scheme is being set up, I encourage the minister to ensure a fair balance of industry reps and parties responsible for representing

the interests of consumers and at-risk members of our community during the stakeholder consultation process. The point that I make is that I have sat on the ERA's consumer consultative committee as the WACOSS representative. I know from my work in consumer representation in essential services that electricity or other utility companies will quite proudly speak about their very strong consumer representation; however, that role is filled by their manager of customer services. Whilst I understand why these companies think that is a consumer representative position, it is not. It is really important to underline the need to go outside the companies to find good, strong consumer representation, particularly in the important role of ombudsman.

Moving on from the water services ombudsman, I will deal with the last-resort supply arrangements that follow in the bill. My view is, and I am sure that most people in this house would understand, that access to water is an essential human right. Therefore, its continued and uninterrupted supply, without detriment to consumers, should be the major focus for regulations. We are a very, very wealthy country. Fortunately, we do not have to go to the well with a bucket and carry it back on our heads or force our children to spend most of their day walking to the well and coming back with water. I firmly believe that consumers should not be disadvantaged by supply-of-last-resort events that are beyond their control. As such, the protection provided in this bill is very good, and I applaud the minister on that.

I will talk for a while now about restricting supply. Again, I take my comments back to my personal experience with the Western Australian Council of Social Service. We had instances of people being put on the low rate of supply, or the slow supply of water. The rate of water supply is turned down, but I cannot remember what the amount is per hour. Is it a litre?

**Mr W.R. Marmion:** It's enough to drink.

**Ms L.L. BAKER:** It is about a litre. It is a ridiculously small amount. It seems to me to be completely counter-intuitive. I will qualify my remarks by saying that certainly my experience when I was doing that job at WACOSS was that the customers who were having difficulty paying for water were not ones who consciously decided to flit it all away by leaving all the taps and the sprinklers on, filling their pool and washing everything in the house, including the car and the dog, 23 times a day. They genuinely seemed to be people who did not understand that if there was a leak somewhere in the pipes underground between the connection and their home, they were responsible for it. They were people who were genuinely very concerned on finding a huge bill delivered to their door, and they genuinely needed help, which does not mean that they needed their supply of water cut to a drip.

The minister would be aware that many health issues are associated with this situation. Restricting water to manage debt has way more negatives than it will ever have positives, and not just of a social nature. Restricting people's access to water has health and hygiene issues associated with it. For instance, insufficient water flow for family members to have a bath has direct ramifications for children, because when they go to school, they will not have had a bath or their clothes will not have been washed. They are then ostracised, which leads to social exclusion. This heightens their sense of anxiety, and that leads to them not being able to fit in and not being accepted at school, and adds to social dislocation. That is not a good thing. It disrupts the school and it disrupts the participation of those children and isolates them. Therefore, minister, it is my position that restricting water flow equates to a regressive approach to the provision of any sort of equality in this very wealthy country in which we live. I would argue against giving any company the right to do that. There are better ways of managing loss of payment. I think most of the research that I knew about when I was previously in that role pointed to the fact that overseas experience showed that there are much better ways of managing debt than reducing or restricting the supply of water.

Provisions relating to disconnecting or reducing water flow would be better placed within relevant code regulations as opposed to the bill itself. That would ensure that provisions for reducing a customer's water flow are delivered only with appropriate consumer protections and with greater detail of the means by which a licensee may or may not be permitted to reduce water flow to a household. I think it is really important to talk and think about that. I am not sure what the debates about the inclusion of that provision in this bill were, but I for one would not be supportive of its continuation.

As we have heard from my colleagues and from the minister in his second reading speech, this bill is about water services, or the provision of, or the licensing of people to provide, water and all the things that wrap around that. I will talk a little about water quality and how it relates to this bill. Water quality is something that I am told the Water Corporation does not get involved in very much. Part of the problems that we have had with the management, supply and quality of water in this state is that the Water Corporation has jurisdiction for the drains that flow into, for instance, the Swan River, but the corporation looks at its role only in terms of managing floods through those drains. The quality of water in the drains is not really the issue. The drains were put in place to take the overflow from stormwater and the like. By their very nature, they are about crisis management, so the Water Corporation really does not care about the quality of the water, as long as it is all flowing. That argument

is a complete nonsense when it comes to what goes down the drains or what comes out of our driveways, what comes out of our gardens, what comes out of the catchment area, what comes out of the light industrial areas along the riverbanks in my electorate and what flows directly into the river. As a starting point, it is really important for this government to try to sort out the issue of water quality and who is responsible for maintaining water quality, because it is certainly not clear; it is very ambiguous at the moment and has been that way for some time. The minister is in a position to try to fix that or to bring some clarity to the situation.

We know from a plethora of reports that have been prepared by not only the Swan River Trust, but also by the Department of Water and by doctors and professors in this area, that the Swan River is, at the very least, besieged by pollution, and some of that is from the worst sort of pollutants. I will read out some of the chemicals. They range from persistent organic pollutants such as dieldrin, heptachlor epoxide and DDE to potent endocrine-disrupting herbicides such as terbuthylazine, atrazine and simazine. The Swan and Canning river system is horribly polluted. In 2009, studies conducted of the levels of chemicals in the river sediment in the feeder drains and in the leaking riverside landfills confirmed that there was a constant flow of banned and restricted chemicals straight into the river system, and possibly into the food chain.

In my electorate in particular, I am extremely aware of the issues around the phosphorus and non-nutrient loads that go into the river through the main drains in Bayswater. The Bayswater main drain is one of the worst, and the minister would know about that. If we are going to provide a good water service under this bill, we also need to make sure that we have a quality of water. I know that we are not drinking very much from the Swan River, but it is a major part of our state, so it is extremely important to me that we have a healthy river system and a healthy catchment system feeding into all our dams and the like.

[Member's time extended.]

**Ms L.L. BAKER:** Finally, I want to talk about the riverbank grants scheme. The Swan River Trust missed out on funding in the state budget. There was no additional funding to rebuild eroded foreshores. I will go back to 2004. One of my colleagues mentioned earlier tonight that former Premier Gallop made a major investment to significantly improve the state's investment in the health of our river system. I certainly found evidence of that. In 2004 we spent \$125 000 on riverbank funding. In that year the Labor government, under Dr Gallop, increased funding to \$1 million a year. The unfortunate thing is that that was in 2004. Now we are significantly down the line from that, but we are still putting, as far as I can see, \$1 million a year into the councils for riverbank and foreshore restoration. I looked at the riverbank grants scheme figures in the Swan River Trust. It allocated a total of \$912 761 for 12 foreshore protection and rehabilitation projects for 2011–12. Remember, the total figure was just over \$900 000, and \$229 000 of that went to the City of Melville, which is, coincidentally, mainly Alfred Cove and Riverton. The sum of \$250 000 went to Nedlands, for a very important project I am sure. That is nearly \$500 000 of a total expenditure of \$900 000. I also point out to the minister that the City of Bayswater in my electorate did not get any money in the riverbank grants scheme. That is probably completely coincidental, but I am a bit puzzled as to why my electorate, with nine kilometres of riverbank in a very sensitive part of the river and which has a real need regarding river quality, got no funding.

**Mr W.R. Marmion:** You got funding for the drain.

**Ms L.L. BAKER:** We did get some funding for the drain specifically, and I thank the minister for that. We have a massive resource in the River Guardians and all the work they do. We are not capitalising on that if we are not funding smaller projects and helping that along at the same time.

I also mention the really successful auditing program for small businesses that happens all along that light industrial area. There was a high impact on reducing the runoff into the river of the really bad contaminants as a result of that. Small businesses just needed to know what to do and how to do that work better. A small investment in that auditing program—I am getting my two bob's worth in for next year's budget!—is a really good investment. The Swan River Trust says it has a high outcome for the investment that is made.

That summarises what I want to say about this bill. To complete my comments, the water services ombudsman and the position's funding is absolutely vital to make this bill work. There is a real question mark over the capacity to restrict services, particularly as it impacts on vulnerable and low-income consumers. Good, strong customer codes are absolutely essential. I recommend that we look at the electricity codes for consumers that are in place at the moment. There would be some good pointers around that. Finally, we need to continue to invest, firstly, to sort out who is responsible for the quality of water in our state, to make that clear, and to give that responsibility to some agency; and, secondly, to make sure the water quality investment continues in this state.

Debate adjourned, on motion by **Mr R.F. Johnson (Leader of the House)**.