

Standing Committee on Public Administration — Fourteenth Report — “Unassisted Failure” — Motion

Resumed from an earlier stage of the sitting.

Hon KEN TRAVERS: As I was saying before question time, it is quite extraordinary that we now come to a point at which we are debating a report that was tabled by the Standing Committee on Public Administration—its fourteenth report. Since that time, it has also tabled a special report that relates to matters contained within its fourteenth report. As members will recall, when this report was tabled, ministers were required to provide a response to this chamber within a period of four months. I should note that it was made very clear in the report that the report was subject to standing order 337, which was the previous standing order that states that a minister or the Leader of the House shall report the government’s response within four months. Subsequent to that, we have reduced that period to two months. The chamber has given the minister the benefit of allowing the report to be provided in the time frame that was previously provided for under the original standing orders.

We now arrive here today and we do not have the government response to what I think, without wanting to build up the egos of the members of that committee, is one of the most significant reports to be tabled in this chamber during this Parliament, and it probably matches some of the other reports that have been tabled in my time in the Parliament. It raises some very serious matters of concern. It raises serious matters that go to the heart of the operation of Western Power. It is a report that goes to the heart of the way in which the budget process operates between Western Power, Treasury and the minister. For us to arrive at this point today and not have a response from this minister I think again highlights the chaos in the energy portfolio and the clear chaos in this minister’s office in the way that he does things. More than that, it shows complete disrespect and contempt. If there were some other reason that he could not meet that time line, I would have thought that he would have —

Point of Order

Hon JIM CHOWN: Is this not committee reports?

Hon KEN TRAVERS: It is good to see Hon Jim Chown has woken up.

The DEPUTY CHAIR (Hon Brian Ellis): Hon Jim Chown, can you state the point of order again? We did not quite hear it.

Hon JIM CHOWN: I thought we were dealing with committee reports. Hon Ken Travers is not dealing with the committee report.

The DEPUTY CHAIR: There is no point of order. The report says that it requires a ministerial response and the member is speaking to that particular part.

Committee Resumed

Hon KEN TRAVERS: It may have been a while since Hon Jim Chown signed off on the report, but if he turns over a couple of pages, he will see the bit that refers to a government response in clear terms. I was happy to give the member credit for the —

Hon Nick Goiran: It’s not wise to be a smart Alec.

Hon KEN TRAVERS: Mate, I agree with you, and when someone takes a point of order like that to try to be a smart-arse, they will get it straight back. All right?

Several members interjected.

Withdrawal of Remark

Hon KEN TRAVERS: I withdraw.

The DEPUTY CHAIR: That comment has been withdrawn. Hon Ken Travers is dealing with consideration of the Standing Committee on Public Administration’s fourteenth report. I think we are back on that.

Committee Resumed

Hon KEN TRAVERS: In fact, I am clearly referring to the report because I was talking about what a significant and important report it is, how the issues it raises are so important and the fact that we do not have a response. I cannot believe that when the minister got this report, he did not immediately demand a response from Western Power. Western Power was able to respond to the committee. I cannot believe that the minister has not received a response from Western Power on this matter. Western Power responded to the committee and clearly indicated that it now understands the importance of its role to Parliament. Only one person in this state still does not understand the importance of their role to Parliament; that is, the minister who has failed to respond. The

minister can keep running, but he cannot hide from the issues contained in this report. At one point last week the minister even commented that this matter had all been resolved. I think the word he used about the power poles was “negligible”.

One matter that the committee raised in its report was the way in which Western Power allowed questions to be answered in the estimates committee of this Parliament, which suggested that Western Power understood what was going on with its power poles and had its checks down to zero. That was found to be incorrect. What we needed to hear before we got onto this debate today was that response from the government. We had a debate about it last week and it was determined that Sunday was the day on which the response should have been tabled before this house. We have now arrived at Wednesday. There have been two opportunities for ministerial statements before the commencement of this debate for the minister to explain to this house why he has not provided a response to it, if there is a valid reason for that. Because we get to this debate and we have not heard from the minister in that regard, we can only assume that there is no valid reason; that he simply wants to continue to avoid addressing the very serious matters that have been raised in this report, matters that go to the heart of the safety of regional communities, the operation of the power system in Western Australia and the way in which matters are dealt with in terms of the finance of those matters within Western Australia. I find it extraordinary because I think it is down to this minister, not just Western Power. In fact, one of the few things I would say is that I think the report has covered the issues extensively. It is unfortunate that there will be only 10 minutes a speaker on this because I am sure that members of the committee could go for a long time. One of the issues that is raised in the report is the state budget when Western Power appeared before the estimates committee of this Parliament. One of the sections quoted is an answer that the minister gave to that estimates committee. The committee made reference to the response that was given by the managing director of Western Power, but I think there is actually a question mark around the minister’s response to that committee. Either the minister was not fully informed of the matters by Western Power or he was giving that committee incorrect information. Whichever one it is, we should have received an answer to those questions today, before we got onto this debate. It is four months since the report was tabled—what is going on? This minister is presiding over chaos. He beat his chest last week to suggest that there were no problems with the massive blow-out in the solar panel feed-in tariff scheme. He is welcome to continue to believe that that is the case. We have this report and are now at the point at which we should be able to have a proper debate about it, and this minister has treated the chamber with contempt. What I want to hear from the minister today is whether he has received a report from Western Power in response to these matters; and, if so, when did he receive that report and why has he not tabled it in this chamber before today?

The government will have to get on with and ensure that it makes responses to reports a lot quicker because no longer will we have a situation in which a response is required in four months; in future the government will have two months to respond to a committee report. I accept that this is a substantial body of work, but I cannot believe that it would not have been made a priority. If I were the minister, I would want an initial response to this report on my desk the next day and a more substantial response within a couple of weeks. If these matters could not be responded to in that time frame, I would want a clear outline of where and why. These are very serious matters and given that, I cannot see why there could not have been a response to Parliament within two months, and certainly within four months.

I look forward to hearing an explanation from the minister. I hope that when we complete this debate and get the response from the minister that we will suspend standing orders to allow us to go back and have a more substantial and longer debate about the substantive matters contained in this report because I do not think that this report should be allowed to go through debate with just 10 minutes a pop for each member to speak to it. I am sure that Hon Max Trenorden will be able to inform the chamber of some very serious matters that need to be dealt with and I suspect that he is not in a position to adequately give us that explanation without knowing the government’s response. Therefore, I think today’s debate needs to be about why the minister has not responded to this report. At some point down the track, we should find a mechanism to ensure that we have another debate about the substantive issues contained in this report.

I conclude by congratulating the committee for the work that it did on this report because I think it is a very important committee report.

Hon MAX TRENORDEN: The first thing I would like to say is that it is actually quite a pleasure now to stand in the chamber after the President, Hon Ken Travers and many others did a review of the standing orders, so we are in a position to debate the Standing Committee on Public Administration’s fourteenth report before the minister’s response has been received. However, I must admit that has caused a little inconvenience, as has already been stated, because under the standing orders we have one chance to speak to this matter. We have deferred debate on this report a few times as committee members because if this is the only chance we will have, we would prefer to hear the minister’s response before making our own responses, as members would

understand. But that has already been discussed and it would be fantastic if some time in the future when the minister does report to the house, we have that chance. The committee would grab that with both hands and welcome it. Personally, from all members of the committee, we would like the opportunity to have a detailed debate about this report and we would welcome that with open hands.

I do not have a lot of time, but I will go through it. The committee members were me, Hon Jon Ford as deputy chairman, Hon Jim Chown, Hon Ed Dermer and Hon Ken Baston. I have chaired a few committees in my time—I do not know how many—and I spent a lot of my time in both houses doing committee reports. I commend to the chamber the work of those members and not only on this report. Since the establishment of the committee, I believe this Council should know that those members have worked hard and diligently and well. We are a team. Even though we debate amongst ourselves, we are a team. We have a common direction and different characters, but it works. I have not seen an inquiry for some time that worked as smoothly. The credit for that really needs to go to two sources: one is the members who understood and researched their task and applied themselves and the other, of course, is the staff. The staff at the time were Dr Colin Huntly; Christine Kain, who I just had lunch with today because she is unfortunately leaving the service of this chamber and who is an outstanding officer of this place and will be a sad loss; and Hannah Gough who was also with the committee.

I will quickly go through it because I have already used three minutes of my time. The terms of reference were established on 9 September 2009, so it took a long time for this report to go through its processes and be presented to the chamber. But I put it to the chamber that that was due to the diligence of the committee. Basically, anyone who takes the time to read the report and consider the issues that have been raised in it—the report has been around for several months now—will see that it is not a bad effort. It is not often that change emanates from an inquiry of a committee of this house or of the other house and that it causes an agency to move so far. We do not know how far it will go. That is the minister's task to a large degree, and we will hear from him in due course. We believe that we have delivered a very solid report.

There are seven matters in the committee's terms of reference. The first term of reference was to inquire into issues raised in the report entitled "2008 Distribution Wood Pole Audit Review" released by EnergySafety in May 2009. That was one of the catalysts. As we started to look at Western Power, we found that that type of reaction to the administration of Western Power overwhelmingly became our focus, because we could see the failings of Western Power.

I will run through a few issues in the executive summary. For those members who have read the report, I will just give an overview. There are a lot of potential consequences of wooden power pole failure, and I do not have to tell members in this place that those matters are, in many cases, matters of life and death. The committee is not a regulator of Western Power; it serves the Legislative Council. We believe we have done that; we have given the Legislative Council a report and we will work on that heavily. We focused on the findings of EnergySafety and the Economic Regulation Authority over a period. Some of the material is not in the report because the report cannot be thousands of pages long. EnergySafety and the ERA were making adverse findings about Western Power at the same time as Western Power was getting consultants to do its own internal audits that gave it 10 out of 10 time after time. In its own internal reports, it was giving itself top marks. At the same time as EnergySafety and the ERA was giving it failure reports, it was giving itself 10 out of 10 through its consultancy processes. Two questions that arise are: who appoints those internal auditors and how does that process apply? We very strongly state that that process should be done by the ERA, not by Western Power, but Western Power should pay the bill. The appointment of the auditor and the application and control of the audit should be in the hands of the ERA, not Western Power, to take away the opportunity for cosiness, if I can put it that way, between the auditor and Western Power. Western Power's internal auditors gave it a clear 10 out of 10 rating when it was painfully evident that that was not the case and could not be justified. I also have a concern that the pool of consultants in Western Australia is very small. They bounce around a range of activities and are just a bit too close. It is therefore very important that when an appointment occurs, there is oversight of the consultant. The minister will no doubt talk about that sometime in the future.

We had a go at the ERA, but not so much at EnergySafety. The ERA wrote some substantial reports of some 400 pages in its response to Western Power, but it took a lawyer to read those documents to come up with the findings. We had to go through those reports in great detail to find where the ERA was at. Even though the ERA was saying things publicly and the reports were on its website, those criticisms were not clear enough. EnergySafety made its criticisms pretty clear.

It is very reasonable to say that the Parliament missed a lot of activity since 2008, and a range of other people missed opportunities to bring Western Power into line. The committee is now considering another report in relation to the Auditor General. I do not know where that will go; it is a matter for the committee. That is also important. That is another section of the report that is yet to come.

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Hon ED DERMER: I would like to join the Chairman of the Standing Committee on Public Administration, Hon Max Trenorden, in thanking my colleagues on the committee and also the committee staff. Reference was made to Dr Colin Huntly, Ms Christine Kain and Ms Hannah Gough, who were the appropriate staff at the time the report was tabled. The actual duration of the investigation was more than two years, as our chairman has explained, and other staff helped us at different stages throughout the process. I will not name everybody now, but I would also like to extend my appreciation and that of my colleagues to everyone who assisted, not to mention the various witnesses who provided us with the evidence that gave us the basis to reach the conclusions that we did. I would like to particularly note the exceptional energy and effectiveness of Hon Max Trenorden as the chairman of the committee. I think that is a big part of what has made this work possible.

I remember some years ago travelling along Albany Highway with my family to Albany. We quite like Albany. I think for seven years in a row we used to go down there to escape the worst of Perth's summer.

Hon Matt Benson-Lidholm interjected.

Hon ED DERMER: My colleague Hon Matt Benson-Lidholm suggests that I am very wise in liking Albany. I think we both agree on that. This particular trip to Albany was very disturbing. I remember being diverted from Albany Highway because of what was obviously quite a horrific bushfire. The news got worse. We found out in due course that the bushfire that started near Tenterden cost the lives of two ladies who died in a field. It later became very evident that the bushfire was initiated by the failure of the infrastructure for distributing power. This is at the centre of what this report is all about. Fires are started by difficulties with power poles, and power poles obviously hold up electrical cables with a great amount of electrical power. It happens in the metropolitan area; there are pole-top fires in the metropolitan area. I used to wonder what a pole-top fire would look like until I stepped outside my electorate office once and saw one in Balcatta. It is quite startling. The difference—I think the chairman might have pointed this out at some point in our inquiry—is that if that type of event happens in a suburb, it is unlikely to start a bushfire, but when it happens in the bush, a bushfire follows. The loss of property can be horrific but, most importantly and most distressingly, loss of life can occur.

The reason I share the disappointment of my colleague Hon Ken Travers at not receiving the government response to this report within the four months specified in the report is the extreme urgency of the problem. I was referring to the Tenterden fire, which happened many years ago. I am remiss as well; I should have raised it in Parliament much earlier than I did. I am very pleased that the Standing Committee on Public Administration focused on this very important and urgent issue when it did. We would like to have got the work done more quickly but there was a lot of work to do. In the end it took us a little longer than two years to bring down the report. I think that if we had received better cooperation from Western Power in providing the information we were asking for, the report would have been delivered earlier.

The current condition of power poles in Western Australia poses a very serious danger; a danger that, sadly, has a record of costing Western Australians their lives. If we are to solve that problem, we must know the scale of the problem. One of the concerning and surprising issues to me is that the Western Power officials were unable to tell us exactly how many wooden power poles are out there, let alone where they are located. I would have thought that that was the most fundamental information that was required if the problem is to be addressed. Given the way our Westminster system works, it is very important that the ministers of the Crown responsible for their particular areas are given true and accurate advice from the officers in the various agencies or government enterprises about the size of any problem. This is a very big problem. It may turn out to be a very expensive problem to render the infrastructure of the poles safe. The need to remedy the problem is urgent. The starting point must be to give the responsible minister accurate information about the scale of the problem.

Part of the evidence that particularly disturbed me was when a very credible and experienced person involved in examining the safety of wooden power poles told us that the commonly used process of boring holes into the pole to test whether the wood is decaying or will remain strong enough to hold up the wires, and not fall over and create trouble for people, undermines the structure and strength of the power pole. We could not get evidence of how many power poles there were; we were getting good evidence to suggest to us that the method Western Power was using to test the strength of the power poles was making the power poles weaker. It is very, very disturbing. It may well be that a great deal of public money will be needed to rectify this problem. If that is the case, the sooner the people of Western Australia know about that, the better. If a minister is to do his job properly, and take the steps to render this infrastructure safe and reliable, he needs to be told in detail by the officers who answer to that minister what the problem is. If he is not told the problem, how does he get on with the job of fixing it? If he is to rectify the problem and render safe the infrastructure, he needs to know in detail what the problem is. The sooner that information comes through, the sooner something can be done to fix it.

Of course, the Parliament also shares that responsibility, because if a minister decides X resources are needed to fix the problem, he will have to come to the Parliament to seek the appropriation to make that possible. The

minister must know; the Parliament must know. They are two preconditions necessary before the problem can be fixed. We found that, rather than getting on with the job of rectifying and assessing the problem and telling us what was needed to fix it, senior officers of Western Power were evasive and obfuscating. I remember talking to a young journalist after the media conference we held when the paper was presented to the President. I understand it was deemed to be tabled on 20 January. She asked me when the response was due. It says in the report that the minister shall report the government's response within four months, which, as my colleague pointed out, was Sunday. I was not hanging around here on Sunday looking for the response, but it was something we expected by at least yesterday. When this young reporter asked me when I was expecting it, I thought that it was hardly relevant, because it was a matter of such urgent need that I expected to get the minister's response long before the four months that was allowed by the standing orders at the time. We have reached this point on this urgent matter after spending a great deal of time on the report for which many people provided us with honest evidence—some people provided us with evidence that may not be honest, but that is another matter—with the goodwill of trying to rectify this serious problem for the state. The report went to great lengths to point out what is needed. Given that people have lost their lives as a result of this problem, the urgency could not be greater and I am very disappointed not to have received the minister's response. I hope we get an opportunity to debate the matter again after the government's response to the report is received.

Hon JIM CHOWN: The Standing Committee on Public Administration spent two years on the inquiry into electricity transmission and distribution management by Western Power before it released its fourteenth report, which is a very in-depth report. Initially, as a country member, I was certainly interested in being part of the inquiry, especially in light of terms of reference (1), issues that arose from the wood pole audit review; (2), maintenance procedures; and (3), current wood distribution pole management practices, and so on.

As we looked further into Western Power, other issues came to the fore. In fact, this report is significant in revealing how the culture of Western Power has operated since disaggregation in 2006. I am personally happy to wait for the government response to this report because there is a great deal of information that requires digestion. I hope the minister will in time respond to the report in a most responsible manner. The report provides only three recommendations, which are quite heavy and significant recommendations. I would like to address one of them—namely, recommendation 3, which states —

The Committee recommends that, as a matter of urgency, the Government commission a wide-ranging independent inquiry into the structure, culture and operations of Western Power since its disaggregation.

One of the things that became most disturbing to the public administration committee was the culture of Western Power. I am a firm believer that culture is very important in any organisation. If the culture is wrong, the results that are required will not be achieved. This recommendation is based on the committee's findings that principal regulators to the authority—those regulators being the Economic Regulation Authority and Energy Safety—have on a number of occasions experienced great difficulty issuing compliance notices on the authority. These compliance notices are issued in the interests of public safety. Safety compliance in electricity transmission and distribution is literally a matter of life and death, as Hon Ed Dermer has already alluded to. Both the regulators have a civic and legislative duty to ensure that this state's electricity users have access to safe power requirements through a correctly maintained distribution system. On a number of occasions compliance notices issued to Western Power have been treated with disdain and arrogance. This culture is best exemplified when the ERA issued a section 32 notice on 8 June 2009. A section 32 notice is issued when the Economic Regulation Authority finds that an electricity distributor is in breach of its licence obligations. Western Power's reaction to this section 32 notice, as related to the committee by the ERA, was to brief its legal team to challenge the legal validity of the notice. This chamber will be interested to know that a similar section 32 notice was placed on Horizon Power. I quote Mr Kelly and Mr Rowe of the ERA at a committee hearing in regard to this matter —

Mr Kelly: If I could just comment, we issued a section 32 notice against Horizon in a similar vein following an audit, as we have done with Western Power. Within two weeks, the managing director of Horizon met with members of the authority and sought advice from the authority as to how they could best address the issues. A number of strategies were discussed. Within a short period of time, they were putting a program together to address all of the issues that were raised in the section 32 notice, and, in fact, sought an independent audit of their own volition and supplied it to the authority for consideration to have that section 32 notice lifted, and in fact it was.

Mr Rowe: They were so keen to get the section 32 notice off their books that rather than wait until the audit period we had set, they actually commissioned of their own volition an independent audit to convince us of that issue.

Western Power's reaction was totally different; it went into defensive mode. Horizon Power took these notices from the independent auditors on face value and took them as part of its responsibility to address the issues, and it also considered these notices to be something that would help their management practice in the future. The difference is obvious; we see a culture of arrogant noncompliance and a culture of responsible compliance. Obviously, the community at large is best served by the latter. The committee is concerned that this culture of arrogance within the senior echelons of Western Power has also permeated down to its middle management levels and is having a deleterious effect upon the performance of its independent contractors, who carry out most of the maintenance work within the Western Power organisation.

The committee travelled to Queensland to look at its system. Queensland went through a similar disaggregation in 2000, some six years before Western Power, and Ergon and Energex are the main energy distributors in Queensland. Over there they have a culture of actually listening to their contractors and actually listening to the requirements of the population at large; they actually listen to the government's requirements as well. It is a totally different culture and it works. Queensland's system in 2000 was very similar to the system Western Power inherited in 2006; it was unorganised and the maintenance programs were not working effectively. Ergon and Energex put in systems that work today, and within four years they had met most of the requirements of the Minister for Energy and Water Supply, and today they can identify every power pole. They have a process whereby if any power pole comes up for maintenance it can be replaced within 48 hours.

The culture even extended to the belief that Western Power is not accountable to the Parliament under the Electricity Corporations Act 2005. The committee rejected Western Power's notion, as all machinery of government is accountable to this Parliament, including Western Power; in fact, the Standing Committee on Estimates and Financial Operations states every year in its annual report that statutory corporations that discharge public functions are nevertheless emanations of the state, regardless of a selective reading of statutory provisions. This opinion was enforced as recently as 2010, when the Federal Court stated its decision on Sportsbet, which was that statutory corporations that discharge public functions are nevertheless emanations of the state.

The committee will not instruct the government on how to conduct its business; however, it is clear that the senior management of Western Power requires a paradigm shift and an adjustment of attitude on how the authority deals with its regulators, the Parliament and the people of this state. Since the tabling of this report it has become public knowledge that Western Power has announced the resignation of its managing director and the board chairman. Regardless of that, it is my and the committee's belief that the Western Power authority is at a crossroads. It has experienced an important moment in its evolution as a significant power distributor, and the Standing Committee on Public Administration encourages the Western Power board and the government to grasp the opportunity they now have to conduct an extensive review of all management practices within the organisation to make changes that will enable the authority to serve the Western Australian community in an open, responsible and compliant manner.

Hon KEN BASTON: I just want to say a few words, and first of all I acknowledge the staff and my fellow committee members.

This inquiry started in September 2009, when this committee decided to examine the findings of the "2008 Distribution Wood Pole Audit Review" of Western Power, published by the Department of Commerce's safety directorate, EnergySafety. That, of course, covered wooden power pole failure and wooden power pole safety.

This inquiry took some two years and comprised 36 public submissions, 26 private hearings, two public hearings, and thousands of pages of evidence, which resulted in the three recommendations that appeared in the report. To start off with, the purpose of the inquiry was to examine Western Power, Horizon Power and their regulators to see what they were doing with their power poles. However, it became quite obvious to the committee that the task at hand was to examine the culture of Western Power, so we decided to concentrate on that and focus on Western Power alone.

As a committee we travelled to Victoria and Queensland, as Hon Jim Chown said, and met with Ergon and Energex to see how they managed their power systems, during which it became very clear to us how they managed the audit of their assets and their pole inspection. We actually saw poles being inspected by contractors, and one of the things I noticed was a little simple thing that may not sound much to this house, but they dig down 450 millimetres beside a pole to ascertain its condition; here we dig down 100 millimetres. I must admit that I knew nothing about power poles before I got involved with this committee, and now wherever I go I have found myself looking at power poles. They have little green, red or yellow plugs that show the year they have been drilled into and tapped into to see the condition of the power pole. It was very obvious to us that the "dig and tap" method had to change. Other states' contractors all had little computers and they punched the information straight in and it went straight back into the database, and they knew where their asset base was.

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They knew the age of their poles. That does not mean to say that an old pole falls over—the same as members in this Parliament! Of course, it could be a 20-year pole, a 50-year pole or a 100-year pole, but as long as the organisation knows what its asset base is then it can actually work out how long that pole will be there.

I think the auditing of assets is absolutely important, and that became quite obvious. The committee realised that Western Power had 130 000 power poles in extreme fire danger areas, and it had another 4 000 wooden power poles that were not even in Western Power's database; it did not even know where they were. So how on earth can it keep its assets up and how on earth can it make sure its poles and overhead structures and everything else are in place if it has not got a clue about its asset base and the age of it and when it is going to fail, et cetera?

I recommend that all members read the report. I think recommendation 3 is crucial, and a culture change is badly needed in Western Power. I think that when an entity has to actually be summonsed to provide information, there are some problems in the culture of that utility. I recommend that everyone read the report and work it out for themselves; it took us two years to find out.

Hon PETER COLLIER: I would like to make a few comments on the report. Can I say at the outset that I would like to thank the Standing Committee on Public Administration for the significant amount of work and time it put into this report. It is a forensic report and it took two years, and I can understand fully why it took the committee two years, I have to say. As I have said in the past, we have one of the largest above-ground isolated networks in the world that has largely been ignored over decades by successive governments, and that has brought with it enormous issues with regard to the maintenance of the actual network itself. That, in one, is problematic.

The report has identified a number of deficiencies and the most prolific of them, with regard to the report and the outcomes of the report, is the identification, from events subsequent to the tabling of the report, of cultural issues within Western Power.

I say to the committee that it is preaching to the converted and I endorse the findings.

Hon Kate Doust interjected.

Hon PETER COLLIER: I have said that publicly, and I will continue to say it publicly. Having said that, we have made some significant inroads over the past three years and I would like to make comment about that aspect.

The government and Western Power responses to this report are complete and are going through the cabinet processes at the moment. I do not treat the Council with contempt, Mr Deputy Chair; I can assure you of that.

Hon Ken Travers: Why didn't you inform us of that before the debate started?

Hon PETER COLLIER: Goodness gracious; we upset him over there sometimes.

Hon Simon O'Brien: Yes, we do.

Hon PETER COLLIER: I will say again that I do not treat this Council with contempt. The report was, as I have said, an extremely forensic and detailed report, and I wanted to ensure that the government response was as comprehensive as it possibly could be. I was not satisfied with the first draft response that I received. I have to be honest; I was not satisfied with the response. We went back because I wanted to ensure that all the issues identified in the report were addressed in the government response. It is as simple as that. It is not a case of avoiding or hiding or running away, I assure you, Mr Deputy Chair. I have faced the cameras over Western Power I reckon more times than has any minister in the history of the state. I always face scrutiny —

Hon Kate Doust interjected.

The DEPUTY CHAIR: Order!

Hon PETER COLLIER: If you don't mind, I did not interrupt at all, Mr Deputy Chair.

Hon Kate Doust interjected.

Hon PETER COLLIER: Give me 10 minutes.

I always face scrutiny with regard to Western Power, and the government response to that report will be tabled very shortly—as I have said, it is in the realm of the cabinet processes at the moment—and then we will have the opportunity to discuss it more fully. Having said that, I will make a few comments about the report and its recommendations because, as I have just said, I would like to think that at a later stage we can have a more detailed debate.

As discussed, the report process was commenced in September 2009 with the committee originally resolving to examine the findings of the "2008 Distribution Wood Pole Audit Review: A Review of Western Power's

Response to the 2006 Regulatory Compliance Assessment of Western Power's Distribution Wood Pole Management Systems" published by EnergySafety. As I said, the process commenced in 2008 and considered the previous years. The EnergySafety audit report identified three high priority areas that needed improvement: namely, the wood pole inspection system; the wood pole replacement program; and the identification and replacement of old, unsupported and untreated wood poles in the rural distribution network. At the time, the inquiry was intended to much more comprehensively cover Western Power and Horizon Power. However, it became quite evident, as already articulated today, that the concerns were more primarily focused on Western Power and the committee therefore decided to focus its attention on Western Power. The committee considered Western Power's performance over a number of years, chronologically starting with the EnergySafety 2008 audit of Western Power's wood pole asset management systems, processes and practices, and that is what made the committee's task such an arduous and very, very difficult one. The end result is a committee report that highlights the deficiencies in the above-ground wood pole system. To suggest that these problems emanated over the past three years is naive in the extreme. The committee stimulus was the "2008 Distribution Wood Pole Audit Review", and we now have to ascertain how we can respond to the standing committee's recommendations and identify the ways in which we, as the government, have already responded in a number of ways, which I will do more comprehensively a little later.

A significant issue for the Standing Committee on Public Administration—in fact, it prompted a subsequent report—was the response of Western Power, not just during its appearance before the committee, but also the information that it provided to the committee. I have to say that I certainly was not satisfied with that, and I have previously said that if Western Power was able to have its time again, it would respond a lot differently and a lot more cooperatively with the committee. I am sure that Western Power would not disagree with that statement. One of the issues raised, and one of the phraseologies used by virtually everyone who has contributed to today's response to the report, is that of "cultural change" and the need for it within the corporation. I endorse that terminology. I remember when I appointed Mark Barnaba as chair of Western Power. When the announcement was made, I said that one of the most significant things that needs to occur in Western Power is cultural change. There was almost an attitude of a monopoly mentality in the corporation, and in a number of instances the public came second to the corporation, which is not the case: the corporation is there to serve the public and is answerable to government and to the minister. That is the fact of the matter, and I have been constantly trying to get through to Western Power that we need to get that cultural change. Western Power needs to understand that the public is first and foremost—that is, public safety and public service are first and foremost. We have made a number of significant inroads in that area. However, I know there has been a bit of selective reporting on my comments in the past few days.

Hon Kate Doust interjected.

Hon PETER COLLIER: I will, in a moment. The member will get her chance in a moment.

There have been some significant inroads, and that is what I was referring to when I said that I was "delighted". There has been a bit of selective reporting because I was delighted with aspects of the improvement; I have been, and I will go through those. Having said that, yes, we still have a long way to go, but, as of the past two years, the board of Western Power is significantly different from the one that previously existed. There have been changes in the upper echelons of the management of Western Power, so we are getting there.

I would also like to highlight a couple of other things, and I will talk more comprehensively about them at a later stage. An example is the issue of complaints et cetera and customer service, which is paramount as far as I am concerned as minister. As I have said, previously I had someone in my office dealing specifically with complaints. This is no longer necessary. Customer service improvements have reduced complaints by 70 per cent over a three-year period because of the focus on customer service. I felt that Western Power did not give sufficient notice to customers about planned outages, and that has now changed significantly. Planned outages now involve close consultation with affected customers by dedicated planned outage coordinators to determine the most appropriate time and date. Western Power implemented more robust pole inspection program processes with effect from 1 July 2010 and is engaging with EnergySafety to continuously improve this methodology.

In 2006, Western Power inherited a wood pole inspection backlog of approximately 100 000 wood poles, which has now been pretty much cleared. In 2006–07, 5 440 distribution poles were replaced or reinforced. In 2011–12, this will grow to a forecast 39 000 distribution poles—an increase of more than 700 per cent compared with the number five years ago. The rate of failure of wood power poles outside of severe and widespread weather events has steadily declined. Western Power is also working to ensure that its fallen pole statistics are in line with EnergySafety's preferred definition. Western Power has taken action to complete 25 of the EnergySafety recommendations made in 2008, and is progressing targeted measures for the remaining eight recommendations.

Hon Ken Travers; Hon Max Trenorden; Hon Ed Dermer; Hon James Chown; Hon Ken Baston; Hon Peter Collier; Hon Kate Doust; Deputy Chair

As I have said, they are just a few of the things that have been done. I am not for a moment suggesting that we are there. I am saying that there have been some improvements, and those improvements need to be recognised. Having said that, to change the culture of a corporation that has been in place for year upon year is very, very difficult and will not happen overnight. To suggest that the problems that exist in Western Power today have emerged in the past three years is manifestly ignorant and naive; it is not the case. However, we need to continue to improve investment in the network, which we are doing. We need to improve the culture of Western Power, which we are doing. But it will take time.

In conclusion, I thank the committee very much for its contribution. It has reinforced an attitude that I, as minister, have had and I continue to work on.

Hon KATE DOUST: I thank the Standing Committee on Public Administration for the superb work that it has done over the past couple of years on this report. It is a highly detailed report. It has been a very contentious issue. I know that when I attended two public hearings the committee held, I was very impressed with the standard of the preparatory work that had been organised to pose the questions. This is a significant, highly critical and indeed damning report into Western Power operations. It is fundamentally appalling that this minister still has not provided a response and hides behind cabinet processes. I would have thought that three months was sufficiently long to respond to quite succinct recommendations that require significant change. The fact that the minister has risen to his feet tonight and has not been able to tell us exactly what he is going to do about those three recommendations is just incredible. It comes back to what I said in another debate last week: perhaps the committee should have changed the report title and called it “Assisted Failure”.

The DEPUTY CHAIR: Order! The question now is that the motion be agreed to.

Hon KATE DOUST: I still have the call next week, don't I?

Hon Peter Collier: Time's up.

Point of Order

Hon ED DERMER: I may have raised this before. In terms of the committee that looks at standing orders, I think this situation in which such a debate is cut off—if that is the case—is entirely inappropriate. I seek advice about what can be done to further extend the effective time for this debate.

Hon Norman Moore interjected.

Hon ED DERMER: I was addressing the Chair.

Hon Norman Moore: I was just trying to help you out.

Hon Simon O'Brien: We're from the government; we're here to help.

The DEPUTY CHAIR (Hon Brian Ellis): Members, under standing orders, we cannot extend the time beyond the hour that we have here. Considering the point of order, we will allow the six minutes for the point of order. I am also noting the time and —

Hon Ed Dermer: Does that mean that after the dinner break, six minutes will be allowed for this debate or will it be allowed on the next sitting Wednesday?

The DEPUTY CHAIR: The hour has finished, but it will be six minutes at the next sitting.

Hon Ed Dermer: Thank you.

Committee Resumed

Progress reported and leave granted to sit again, pursuant to standing orders.

Sitting suspended from 6.02 pm to 7.30 pm