

BARROW ISLAND AMENDMENT BILL 2013

Second Reading

Resumed from an earlier stage of the sitting.

MR P.C. TINLEY (Willagee) [2.45 pm]: I wish to wrap up my comments on the Barrow Island Amendment Bill 2013. For the benefit of those members who were not here earlier, obviously this side of the house is wholeheartedly supporting the thrust of this bill. Most of the time I have spent on my feet I have been talking about the history of this project over the past 35 years and the challenges faced in bringing the Gorgon gas field to market. As we all know, it is not quite there yet. The purpose of this bill is to add an extra 32 hectares of land as a lay-down area.

I was happy to go to the briefing on this bill that was organised for the member for Cannington by the Department of State Development to discover a little more about what is involved in these additional 32 hectares. Although it has been said that it is an additional lay-down area, one of the key things I wanted the Premier to address, if he can, is any discussions with or commitments from the company about the back loading of the extensive amount of equipment and gear that has gone up there to support the near 6 000 workforce as it constructs the three trains. I understand that several areas inside those 32 hectares will be subject to further a lease application to determine how that bit of dirt will be broken up and used. It was not very clear from the briefing exactly what is in the entire 32 hectares. Also, what makes those 32 hectares so essential and why is it not 35, 37 or 40 hectares? Will there be another circumstance in the future, particularly if the project expands, in which more space will be needed?

As the project goes from construction through to production, I imagine there will be a significant downsizing of a range of things, not least of which are its 6 000 rooms, although I note there will be a significant requirement to support a surge of workforce on the island through shutdowns et cetera. By and large, the footprint will probably not change but the usage might. I am really keen to hear from the Premier what he does or does not know about bringing the project to production. Will there be a reason to contract the envelope of dirt that the company occupies; and, if so, what is the process by which land is returned to the A-class reserve? What are the remediation requirements and/or other environmental aspects that need to be attended to to ensure that the dirt on this A-class reserve is managed in the best possible way?

I cannot leave this debate about Gorgon without coming back to local content and to the direct benefit that has, or has not, accrued to the people of Western Australia via the businesses that could support it. We know from information—I think it is about 12 months out of date now—that the Australian Steel Institute produced for its members, and through publicly available documents, that 190 000 tonnes of steel were used in the Gorgon project. How much of that 190 000 tonnes of steel construction was manufactured offshore? Unfortunately, I have to report to the house that 100 per cent of that 190 000 tonnes has gone offshore. Anybody in this place who thinks that is a good outcome for the people of Western Australia and a good outcome for the development of skills in this state is deluding themselves. Whilst I support Chevron and I do not question any of the dollar figures that it says it has contributed to the local economy through local content, it is really important for members of the house who do not quite understand local content to know exactly what we are talking about. Broadly, there are two divisions of local content. There is what I term skilled local content or skilled work and the second component is what I would term a grudge buy. A grudge buy is one we have to make; we have no choice but to make it—for example, civil works. We cannot import a hole in the ground. We need to actually dig it here; we need to use local contractors. Therefore, we are confined in where we can take the work; we cannot offshore it. We cannot outsource meals, accommodation and flights; the sorts of things that come indigenously to the project from the geographic space they occupy cannot be outsourced. It is really important that we as a Parliament acknowledge as this bill goes through this place, that this project, although it has been a boon for Western Australia and will be for many years yet—it has been a boon by any measurement in comparison to what I think FLNG will deliver in opportunities for our future generations—it has fallen well short of the mark in what it could produce and deliver for the skill component of the work.

We know that if the skill component is not designed here, there is very little chance of making it here. The design process in pre-FEED and FEED—that is, the front-end engineering design part of a project—is exactly where the standards by which construction and fabrication will be undertaken are determined. It is absolutely essential that in our public policy settings, we on both sides of the house look carefully at these projects and at where in pre-FEED and FEED we can insert a negotiated outcome that services the skilled requirements of this state. That will provide skilled pathways, not just the muscle jobs, or in what we might call smokestack industries, that many would say we have passed our capacity to support. I do not agree with that notion. I have been in businesses in Naval Base, Henderson and Kwinana and I have seen how much innovation and modernisation there has been. I have seen the collaboration they have attempted to do across businesses to win

Mr Peter Tinley; Ms Rita Saffioti; Acting Speaker; Mr Ben Wyatt; Mr Dean Nalder; Mr Bill Johnston; Mr Colin Barnett; Ms Margaret Quirk; Mr Chris Tallentire

work, but they are up against a tide that has, at its beck and call, a global supply chain through these modularisations. The work is outsourced to single-source engineering, procurement and construction management companies that have a relationship with global suppliers that is not necessarily about price, but the convenience of working together.

Although we are happy with the thrust of the bill and we are happy with Chevron, I think there is a lot more that both sides of this house can do to address the future challenges in developing the skill services sector that we will obviously need to take advantage of our future resources.

MS R. SAFFIOTI (West Swan) [2.53 pm]: I rise to speak on the Barrow Island Amendment Bill 2013. My colleagues, the Labor opposition, support this bill. I know that the member for Cannington will raise some particular questions in consideration in detail. As I said, we support the bill. Indeed, we were responsible for the Gorgon project on Barrow Island.

The member for Willagee went through some of the history of the Gorgon project and I too will go through a little bit of the history, to also put on record the Labor government's instigation of and support for this process. On 15 October 2001 cabinet considered a request by the Gorgon joint venturers to process gas on Barrow Island. Cabinet agreed as a matter of priority that the Gorgon gas project and the foundation evaluating the gas processing project were not to be excluded from locating on the Barrow Island A-class nature reserve. The government set in train the most thorough environmental process undertaken in this state. In July 2003 cabinet decided to give in-principle approval for access to Barrow Island and for the drafting and introduction to Parliament of the Barrow Island Bill 2003, which was to ratify the Gorgon gas processing and infrastructure agreement. As I said, Labor was very supportive of this project.

Although there were significant environmental hurdles, Labor believed that this project would bring significant economic development, jobs and opportunities to Western Australia. That is why Labor set in train a process to allow this project. I remember the debate; it was not an easy time. Many members opposite would not remember that there was a lot of opposition to the project. This Premier was not keen for the project to go on Barrow Island.

Mr C.J. Barnett: That's true; read the speech.

Ms R. SAFFIOTI: I have read it; I remember that he opposed the project because he thought he could do it a better way. As we have seen over the past five years, that approach does not work. Governments must work with the private sector to facilitate its commercial considerations. That is why the Gorgon project got up. If we did what the Premier does, who tells people what he thinks should happen, things would not happen, as we have seen with both the Oakajee and Browse projects. I think the Leader of the Opposition said correctly that we can aim for the top shelf product, but we have to be practical and reasonable in how we deal with companies. That is why the Gorgon project got up. If we had said that we wanted it to be located somewhere else, it would not have got up. It is as simple as that.

There were significant environmental considerations so Labor set up processes never seen before in this state. Those processes were implemented properly not in a way that was similar to a corrupt manner, as the Premier said in his speech in 2003 when he compared the Gorgon deal with what he called a corrupt act. The then Leader of the Opposition said the \$3 million up-front payment was the same as a corrupt act.

Mr C.J. Barnett: A corrupt act was when Brian Burke extorted \$50 million from Argyle Diamond, and he went to jail, you might recall.

Ms R. SAFFIOTI: The point we are making is that the Premier said that the Gorgon deal was the same as that. He can say whatever he likes about the Brian Burke years.

Mr C.J. Barnett: Go out in the street and say it publicly and see how you get on with Chevron. Have a go.

Several members interjected.

Ms R. SAFFIOTI: The Premier said that the \$3 million payment was the same as a corrupt act. He defined the Argyle Diamond act as a corrupt act and he said that the Gorgon deal was the same. At the time he raised the issue with Chevron.

Mr C.J. Barnett: The US Ambassador came to my office and we discussed it.

Ms R. SAFFIOTI: The Premier was there trying to undermine the Gorgon project. That is what he was doing. He was trying to white-ant the project.

Several members interjected.

The ACTING SPEAKER (Mr P. Abetz): Members!

Extract from Hansard

[ASSEMBLY — Thursday, 14 November 2013]

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Ms R. SAFFIOTI: The Premier was doing that by calling some deals corrupt. Then he went in and told people that what they were doing was not aboveboard. That is what he did. I remember the time because it was very controversial. Anyone who knows Geoff Gallop would know that he worries about everything.

Mr C.J. Barnett: He had to; he had Brian Burke behind his government.

Mr W.J. Johnston: Ha, ha! What a comedian! You should go to Melbourne occasionally.

Mr C.J. Barnett: Burke's interference did not start with the election of Alan Carpenter as Premier.

Ms R. SAFFIOTI: Honestly, the Premier says whatever he wants; does he not? He says whatever he wants when anyone on this side dares to actually criticise or have a go. Look at him! This morning's performance was terrible. Anyone who saw it would say it was disgraceful and an embarrassment. Surely someone on the other side could have sat down with the Premier and said, "This shouldn't happen. You shouldn't perform like that." The Premier comes into the chamber and says things like that all the time. He says things about Geoff Gallop that are just honestly awful. He said things when Geoff Gallop was Premier and he says things now. One of the most respected leaders across Australia and across the world —

Several members interjected.

The ACTING SPEAKER: Members! Member for West Swan, I just remind you to focus on what the speech needs to be.

Ms R. SAFFIOTI: I took the interjection. Mr Acting Speaker, you could have called him to order when he made an interjection. I took the interjection. The Premier sits here and criticises Geoff Gallop, who has the utmost integrity of anyone I have ever met. The Premier knows that and he knows that he cannot compare with him. That is why every day the Premier comes in here and tries to denigrate him and his then government.

Let us go back to the Gorgon deal. Geoff Gallop and Clive Brown made it happen. They did so because they came to government and said, "This is what we want to do." They could see the enormous economic and job opportunities for Western Australia. They also knew that there were significant environmental issues. They set up a process. They did not sit around a table and say, "Let's do this without any minutes being taken." They did not do that. They did not say, "By the way, we've got this block of land that would be really good for you to buy." They did not do that. They actually set up a very tough environmental process. Let us go through it. What did the then Leader of the Opposition say about the Barrow Island bill back in 2003? He said that the government had prematurely brought the project agreement into Parliament without paying enough attention to detail.

Mr C.J. Barnett: That's correct.

Ms R. SAFFIOTI: Someone said that Clive Brown did not pay attention to detail!

Mr W.J. Johnston: I wonder if Clive Brown kept minutes of meetings.

Ms R. SAFFIOTI: I think he did. Someone said that Clive Brown and Geoff Gallop did not pay attention to detail! The Labor government brought in the bill and the Premier opposed it.

Mr C.J. Barnett: I did not oppose it. I supported it.

Ms R. SAFFIOTI: You opposed the process.

Mr C.J. Barnett: Read the beginning of my speech.

Ms R. SAFFIOTI: The Premier opposed the process. He opposed the location of the Gorgon project on Barrow Island. He said it just now.

Mr F.M. Logan: No. He said he was going to support it but then he went on to oppose it.

Mr C.J. Barnett: No, no. The second paragraph of my speech reads, "The Liberal Party will support this legislation." It is in black and white three minutes into my speech 10 years ago.

Several members interjected.

Ms R. SAFFIOTI: The Premier just said that he did not support the project on Barrow Island.

Mr C.J. Barnett: No, I didn't.

Ms R. SAFFIOTI: He just did. We all heard the first part in the first three minutes.

Mr C.J. Barnett: No; you didn't listen.

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The ACTING SPEAKER: Members! Let us just direct everything to the Chair and not have the cross-chamber banter; thank you.

Ms R. SAFFIOTI: If the Premier does not keep interrupting, I will.

The Premier opposed the project. He wanted it to go to Maitland. As we have seen with the Browse project, when the Premier tries to interfere, it turns bad. It just turns bad and it happens time and again. He opposed Oakajee and Browse. I will give just a quick snapshot of what happened. On 12 December 2006, then environment minister, Mark McGowan, announced that he had determined 11 appeals on a project after a three-point environmental protection plan was finalised that week in relation to Gorgon. In December 2006, the Western Australian government had effectively given the green light to the massive Gorgon gas project after setting a raft of tough new environmental conditions. The protection plan involved an additional \$60 million commitment by the Gorgon joint venturers to a series of new initiatives to conserve the flatback sea turtle population and protect other endangered species. There was a government commitment to expand land and marine parks and reserves in the Pilbara and lower west Kimberley, and a series of stringent conditions on the project concerning dredging, quarantine, greenhouse gas reinjection, flatback sea turtle monitoring, short-range endemics and subterranean fauna. We basically gave the environmental approval and the member for Mandurah, the then Minister for Environment; Climate Change, David Templeman, released a statement in 2007 that the Barrow Island Gorgon gas project had cleared the final stage of the state approvals process after he had signed off on a set of stringent environmental conditions. The process was started by a cabinet decision in 2001 that we would not oppose the location of the Gorgon project on Barrow Island and was facilitated through the 2003 agreement. It was then further facilitated through the environmental process. It was a good project and, as I said, it is bringing benefits to thousands of Western Australians through the employment currently of, I understand, 6 000 construction workers operating up and around Barrow Island and, as the speech said, up to 10 000 workers nationally. It is a good project that the former Labor government can be very proud of. Today we are looking at an extension of the land required to undertake the facility. As the member for Cannington outlined, it would have been good to try to get some more environmental offsets. Of course, we know offsets were pursued, not environmental ones, but a deal was struck that hopefully the Premier can outline some details about today.

I also raise the issues about the commonwealth–state negotiations. It is not too late. The royalties are not flowing yet; the project has not finished.

Mr W.J. Johnston: Phone a friend!

Ms R. SAFFIOTI: Phone a friend!

The royalty flow from this project will probably be beyond the current government's forward estimates, therefore it is not too late.

Mr C.J. Barnett: What royalty flow?

Mr W.J. Johnston: The PRRT.

Ms R. SAFFIOTI: Yes, to the commonwealth government.

Mr C.J. Barnett: The PRRT probably will not be paid for up to 20 years.

Ms R. SAFFIOTI: Yes, that is beyond the forward estimates!

Mr C.J. Barnett: How good a deal was that for the owners of the resource?

Ms R. SAFFIOTI: We are getting more benefits out of Gorgon than we are out of Browse, I tell the Premier that.

Mr C.J. Barnett: Tell the Aboriginal people that.

Ms R. SAFFIOTI: The government was going to give them jobs.

Mr C.J. Barnett: We gave them \$30 million this week; that's a good start.

Ms R. SAFFIOTI: It is their land.

Mr C.J. Barnett: No, it is vacant crown land.

Several members interjected.

The ACTING SPEAKER (Mr P. Abetz): Members, the member for West Swan has the call.

Ms R. SAFFIOTI: It is not too late. The royalty flow has not started and the project has not finished. If the Premier is so confident in his ability to negotiate a better deal with the federal government —

Mr C.J. Barnett: I haven't said that.

Extract from Hansard

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Ms R. SAFFIOTI: If the Premier is, he should go ahead.

Mr C.J. Barnett: You didn't do the deal you should have done back in the 1990s.

Mr W.J. Johnston: Why didn't you?

Mr C.J. Barnett: Because the agreement act has been finished.

Ms R. SAFFIOTI: Does the Premier know why? Because he was trying to undermine the entire project. The Premier was not out there trying to facilitate a better outcome for WA, he was trying to undermine the whole project. That is what he was doing.

Ms R. SAFFIOTI: I quote an article that appeared in *The West Australian* on 29 October 2003. It states —

THE Federal Government has left State Opposition Leader Colin Barnett out in the cold over the controversial Barrow Island Gorgon gas project, saying the development should stay on the island.

While we were trying to negotiate a better royalty deal, the Premier was trying to undermine the entire project.

Mr C.J. Barnett: You got no royalty deal.

Ms R. SAFFIOTI: The Premier was trying to undermine the entire project.

Mr C.J. Barnett: Where's your royalty deal? Have you got one?

Ms R. SAFFIOTI: Where is the Premier's? He has been there for five years.

Mr C.J. Barnett: You didn't get a royalty deal out of it. There is no royalty deal.

Ms R. SAFFIOTI: The Premier has been there for five years and he says he is such good friends with the federal government; he should negotiate the deal.

Mr C.J. Barnett: It should have been done years ago and you failed to do it. There was one bargaining chip, and that was Barrow Island.

Ms R. SAFFIOTI: Do members know what the problem is? As I said, the Premier was out there undermining the project; he was white-anting it. He was talking to the company, saying it was a dodgy deal. He was doing everything possible to undermine the deal.

Mr C.J. Barnett: You're not telling the truth—again.

Ms R. SAFFIOTI: That is what he was doing. Now he is saying that we should have done this or we should have done that. The Premier should have been out there at the time, working with the federal Liberal Party and developing a better deal for Western Australia. That is what he should have been doing, instead of trying to undermine the entire project.

Let us quickly go through some of the stats. It is a \$52 billion investment. That has blown out or increased significantly from the original cost. There are 6 000 construction workers on Barrow Island. I think many members of this place would know of or have people from their electorates working on this project at the moment, and, of course, there is the domgas pipeline. As I understand, the 91-kilometre pipeline linking Barrow Island to the Dampier to Bunbury natural gas pipeline was finished last April. That is a great benefit for Western Australia, again negotiated by the then Premier, Geoff Gallop, and the then Minister for State Development, Clive Brown. It was a deal that will deliver, and has delivered, a lot to WA. Mr Acting Speaker, I seek an extension.

Mr I.C. Blayney: Really.

[Member's time extended.]

Ms R. SAFFIOTI: The member for Geraldton can leave, or he could get up and speak. Otherwise, he can sit there and suck it up!

The pipeline is 91 kilometres. It will be a huge benefit for Western Australia in the future. Of course, the reinjection of the CO₂ is another significant part of this project.

Mr W.J. Johnston: That was Colin Barnett's idea too.

Ms R. SAFFIOTI: Was it?

Mr W.J. Johnston: Yes. He invented that idea.

Mr B.S. Wyatt: Yes, that's right.

Ms R. SAFFIOTI: I did not realise.

Extract from Hansard

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Mr B.S. Wyatt: He invented the idea of the CO₂ on Barrow Island.

Ms R. SAFFIOTI: When did he say that?

Several members interjected.

The ACTING SPEAKER: Members! The member for West Swan has the call.

Ms R. SAFFIOTI: Okay. Let us try to wrap this up. As I said, it was a good project. There could have been more benefits. The member for Cockburn and the member for Willagee raised some issues about trying to get more construction in our workshops in Western Australia. That is something that we would always prefer to see. It continues to be a huge issue for Western Australia in dealing with these projects. I believe the bill we put forward last year was a sensible, pragmatic bill to deal with this problem in trying to make the whole process a bit more transparent and to put public pressure on companies to try to maximise local construction. We could probably have done a bit better on the local construction; nevertheless, it is a project delivering significant benefits.

Lastly, I want to touch upon the statement made by the Minister for Planning in his second reading contribution today about the very serious issues raised by the member for Cannington. In relation to the planning issues, nothing that the Minister for Planning said today dealt with the core of the issue, which is that in one conversation it was said that a benefit was being delivered to Chevron in relation to expanding its land area on Barrow Island. In that same conversation, the process of Chevron purchasing land at Elizabeth Quay was discussed. The Minister for Planning went through a process in which he said that two and a half years ago Chevron approached the government wanting to purchase some land or to move into the Elizabeth Quay site. A couple of key things were missed in the minister's description. First of all, in May this year, I think it was, the newspapers all reported that Chevron had signed a 10-year extension on the QV.1 premises. The reports in the financial press and in *The West Australian* said that this would call into question or put in jeopardy any proposed Elizabeth Quay deal because Chevron had entered into an agreement. The Minister for Planning did not actually deal with that issue.

The other key issue was that this land was sold without a tender process. Maybe I missed it, but I did not realise until today that, yet again, another significant government asset—\$64 million worth of land—was sold without going through a tender process. This seems to be happening again and again; we saw the Crown deal, where land was sold at a discounted price of \$15 million, down from \$60 million, as I recall.

Mr B.S. Wyatt: It was from \$90 million to \$60 million.

Ms R. SAFFIOTI: Sorry, from \$90 million to \$60 million, to get access to build a new stadium. We have seen deals upon deals —

Mr C.J. Barnett: No; to build a hotel.

Ms R. SAFFIOTI: That was for the hotel, but the government needed to get access to start work on the stadium.

Mr C.J. Barnett: No, we didn't. We own the stadium land; we don't need access from anyone for that.

Ms R. SAFFIOTI: I think you said you did.

Mr C.J. Barnett: No, we don't. I can tell you right now, we don't.

Ms R. SAFFIOTI: I know the government owns the land, but under the Casino (Burswood Island) Agreement Act —

Mr B.S. Wyatt: Remember? That was an entitlement.

Ms R. SAFFIOTI: You said it was an entitlement.

Several members interjected.

Mr C.J. Barnett: There is no connection between the Burswood development and the stadium.

Ms R. SAFFIOTI: I am not going to believe you, because I am sure we are correct again on that one.

Buckeridge is another example of the Premier getting involved in negotiations, one-on-one, without going through a proper, transparent tender process.

Mr C.J. Barnett: What negotiations one-on-one?

Ms R. SAFFIOTI: I am not going to keep taking interjections.

Mr C.J. Barnett: Give me an example of a one-on-one negotiation.

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The ACTING SPEAKER (Mr P. Abetz): Premier, this is really not dealing with what is before us. We are sidetracking. I have allowed a lot of —

Ms M.M. Quirk interjected.

The ACTING SPEAKER: I am on my feet, member for Girrawheen! I will not call you; you are on three calls. I am on my feet and I do not expect anyone to answer back, otherwise you will be going home a little early. I have allowed a fair amount of interjection—that is part of the robustness of debate—but I urge the member for West Swan to focus on the bill, and I urge the Premier to desist from interjecting too much.

Ms R. SAFFIOTI: The Premier said he went over to his house and had discussions with him. That is what he said.

Mr C.J. Barnett: Not on the bulk terminal.

The ACTING SPEAKER: Member for West Swan, I urge you to stick to the bill.

Ms R. SAFFIOTI: Yes, and can you call him to order?

The ACTING SPEAKER: I have asked him to cease interjecting, but as soon as you got to your feet you again addressed the Premier instead of addressing the Acting Speaker, so please address the bill and address the Acting Speaker.

Ms R. SAFFIOTI: Okay, if you call them to order when they interject, I will address you. How about that for a deal?

As I said, we support this bill, but serious questions arose today about the process. The Minister for Planning did not answer any of the key questions; he just created more questions. Chevron approached the government two and a half years ago, so there have been negotiations happening for two and a half years. At the same time, the government has been negotiating this agreement with the same company. We heard today that the Premier came to one meeting and talked about what is, in a sense, a significant concession to Chevron, and at the same meeting also talked about the purchase of a political icon for this government. This is not just any land; it is a project that the government has put a lot of political capital into.

Just look at the comments the Premier made about former Premier Geoff Gallop, when he negotiated the \$3 million environmental fund. The current Premier said that the then Premier, Dr Geoff Gallop, negotiated this \$3 million to be able to go out and hold a big press conference and look really, really good. That is what the current Premier said. He said the whole basis for that \$3 million fund was so that the Premier of the day, Dr Geoff Gallop, could go out and hold a big press conference about it to derive political benefit. At the time the current Premier, the then Leader of the Opposition, said it should be the Parliament that determined how that \$3 million should be spent, not the government of the day because it was just being political. I saw the card table being rolled out at Elizabeth Quay last week and the big signature for the land being sold to Chevron for a project in which this government has invested significant political capital.

Mr C.J. Barnett: A project the Labor Party opposes.

Ms R. SAFFIOTI: A project —

Several members interjected.

The ACTING SPEAKER: Members!

Ms R. SAFFIOTI: It is a project in which this government has invested significant political capital.

Mr B.S. Wyatt: And financial.

Ms R. SAFFIOTI: And financial.

Several members interjected.

The ACTING SPEAKER: Members!

Ms R. SAFFIOTI: If the government can make \$650 million out of it, good luck to it! It is not going to make \$650 million out of it.

Remember that the current Premier criticised Dr Geoff Gallop for signing up to a \$3 million fund for the environment, and at the time he said it was all about political opportunism for Dr Geoff Gallop. He said that getting \$3 million for the environment was all about doing a big press conference. Then last week and this week a big thing has been made about land being sold to Chevron at a price above what the government thought it would get—go figure!

Mr J.H.D. Day: You heard me explain that earlier.

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Ms R. SAFFIOTI: Yes, I know.

Several members interjected.

Ms R. SAFFIOTI: I am just saying it.

Mr J.H.D. Day: Do you think we should have given it away for less?

Ms R. SAFFIOTI: I am not saying that. I am saying that the Minister for Planning went on radio—I have seen the transcripts—saying, “Wow, look at this; we got more than we thought!” How is that?

Mr J.H.D. Day: More than was budgeted for in the initial business case for the project.

Several members interjected.

Ms R. SAFFIOTI: I read the transcript, and it did not say what the minister is saying now.

The ACTING SPEAKER: Members! Member for Cockburn!

Mr F.M. Logan interjected.

The ACTING SPEAKER: Members, I will allow a certain amount of interjection, but the member for West Swan has the call.

Ms R. SAFFIOTI: The Minister for Planning has been going out saying, “Wow, what a great deal; we got more than we thought!” Today he is saying, “No; our thinking was wrong.” Maybe he should not have gone out and boasted.

Several members interjected.

Ms R. SAFFIOTI: As I understand it, the government updates its budget every year, so its current budget is its current budget and it got more than it thought. That is what the minister said. Obviously, the minister might not have said that if he was a part of the negotiations the Premier had with Chevron.

Mr B.S. Wyatt: What negotiations? There is no record of any negotiations.

The ACTING SPEAKER: Member for Victoria Park!

Ms R. SAFFIOTI: The Minister for Planning was not involved in that meeting.

Several members interjected.

The ACTING SPEAKER: Members! Member for Victoria Park, I call you for the first time.

Mr B.S. Wyatt: I hope you apply the same standard to him.

The ACTING SPEAKER: From here on, I will.

Several members interjected.

Ms R. SAFFIOTI: As I said, maybe if the Minister for Planning had been at that meeting he would not have been out over the past week boasting that he got a great deal.

Mr J.H.D. Day: It is a good outcome for Chevron and a good outcome for the state.

The ACTING SPEAKER: Minister!

Dr A.D. Buti: Call him! It is amazing that you are not calling him, Mr Acting Speaker. It is absolutely amazing, when you called the member for Victoria Park.

The ACTING SPEAKER: I called the member for Victoria Park three times, and he persisted. That is when I called him.

Dr A.D. Buti: Incredible.

The ACTING SPEAKER: Member for West Swan, you have one minute left.

Ms R. SAFFIOTI: As I said, we support the Barrow Island Amendment Bill 2013. Gorgon was our project, and it commenced by way of a 2001 cabinet decision that gave the green light to proceed with the development. It went through a very tough and thorough environmental process. It was an appropriate process that was led by the then Premier, who had a lot of integrity and commitment to process and deliver outcomes for Western Australia.

MR B.S. WYATT (Victoria Park) [3.25 pm]: I, too, rise to speak to the Barrow Island Amendment Bill 2013. The members for Cannington and West Swan have outlined that the opposition will support this bill. Gorgon is a great Labor government project. We will always support the bill, but we will raise some questions along the way. I was paired this morning, but it sounds as though some of those questions generated some heat in this place. Looking through the draft *Hansard* there was definitely some heat in response to the quite astute questions raised

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by the member for Cannington. The Minister for Planning made the point that we deliberately undershoot the value of land. Presumably, that means the government is willing to sell land at under value, which is an obscure thing for the government of the day to do. It says that it deliberately makes sure that the value of land is considered much lower than market value. Presumably, the government is, therefore, willing to sell that land at less than market value until, as in this arrangement, Chevron came along and agreed to pay above market price, as the Minister for Planning pointed out.

Mr J.H.D. Day interjected.

Mr B.S. WYATT: I know I got called to order for less, so I look forward to the Minister for Planning in his aggressive style trying to shut me down! I am curious that the government's policy is to undervalue land. That is quite interesting. If I were the minister selling government assets, I would like to think I would get market value. Call me crazy! However, the minister has a different standard.

The member for Cannington raised a point and at the time I think he expected the Premier to say it was ludicrous and move on. However, the explosive response from the Premier suggests that perhaps the member for Cannington has rubbed a sore. I have previously critiqued the Premier over his, let us say, ignorance or lack of interest in process, particularly in the sale of crown land for the Crown hotel. The member for West Swan visited some of that as a result of interjections from the Premier. I now understand it better, because the Premier was adopting the Minister for Planning's strategy on public land; the government values it at \$90 million and sells it at \$60 million. I understand that is a policy of government and not only a one-off that the Premier negotiated, again, curiously, without minutes or notes or records of the meeting during which the decision was made. I said this to the Premier by way of interjection. The member for Cannington said that on one hand Chevron was negotiating with the government for increased access to an A-class reserve under the state agreement act and in the same meeting the Premier asked Chevron what it was doing for office space. The Premier then quite proudly said there were no minutes or record of that meeting.

Mr J.H.D. Day: Do you really think that is what he said? He did not say that.

Mr B.S. WYATT: I just read *Hansard*. The Minister for Planning should look for himself. I said to the Premier by way of interjection that if he had records, everybody would be protected and we would have a clear understanding of that meeting. The Premier could come into this place and say, "Here are the minutes. Chevron behaved appropriately. I behaved appropriately"—end of story. The Premier now has form in ignoring process because he says, "Here's the bigger picture; I'm here to get the job done." When we are dealing with taxpayers' money, that is not the way to go about doing these things. We need just a bit of process. As I said by way of interjection to the Premier, if he had some minutes or record of that meeting, perhaps the whole debate earlier today may have been a lot more amicable.

Mr C.J. Barnett: Tell me what the accusation is.

Mr B.S. WYATT: I was just looking through *Hansard*. The Premier was not here when I started my speech. I was paired this morning, so I read *Hansard*. I made the point that there was quite an explosive performance, mainly from the Premier, during debate on this bill.

Mr C.J. Barnett: Don't turn nasty like your colleagues.

Mr B.S. WYATT: I am not haranguing the Premier—yet. I am simply making the point that, as the Premier said by way of interjection to the Leader of the Opposition, there were no minutes of that meeting. The Premier raised the issue around the potential sale of land to Chevron at the same meeting that Chevron was seeking an amendment to the state agreement act.

Mr C.J. Barnett: No, no.

Mr B.S. WYATT: The Premier will be able to respond and if he has a different position now, he will be able to put that to Parliament.

Mr J.H.D. Day interjected.

The ACTING SPEAKER: Minister!

Mr B.S. WYATT: The Premier will be able to put that to Parliament.

Mr J.H.D. Day interjected.

The ACTING SPEAKER: Minister, I do not want to have to call you.

Dr A.D. Buti: We know that!

The ACTING SPEAKER: I do not like calling anyone.

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Mr B.S. WYATT: The Premier will be able to put that to Parliament. There is a genuine issue here. The Premier's reaction suggests that there is. When the member for Cannington asked that question—I have his draft *Hansard*, so for the purposes of *Hansard*, I am referring to some of my notes about what the member for Cannington said —

Mr A.P. Jacob: You're not reading uncorrected *Hansard*, are you?

Mr B.S. WYATT: Did the minister listen to what I just said? Listen, minister. This is my recollection of what was said in *Hansard*. The member for Cannington asked on what occasions did the Premier, who is also the Minister for State Development, have meetings with Chevron and what discussions occurred and did any discussions about the additional land at Barrow Island occur at the same time as discussions on Elizabeth Quay. The member for Cannington raised a legitimate issue and the Premier confirmed that that indeed happened. It is a legitimate issue. We are talking about two significant actions that may have resulted in Chevron paying above the market rate for a block of land, as the Minister for Planning has said.

Mr C.J. Barnett: What are you suggesting by that?

Mr B.S. WYATT: Premier, just sit there and I will make those suggestions.

Mr C.J. Barnett interjected.

The ACTING SPEAKER: Premier!

Mr C.J. Barnett interjected.

Mr B.S. WYATT: Say that again.

Several members interjected.

Mr B.S. WYATT: I want to take that interjection.

Several members interjected.

Mr B.S. WYATT: I think I missed a good one. It is an interesting point in light of the Premier's opposition to the project.

Mr C.J. Barnett: No, I didn't oppose it; I supported it.

Mr B.S. WYATT: The Premier did. Not only did he oppose it, but also he deliberately berated the private sector for entering into the agreement.

Mr C.J. Barnett: When?

Mr B.S. WYATT: It was on 14 October 2003. I have the Premier's speech in Parliament, thanks to *Hansard*.

Mr C.J. Barnett: That was in Parliament, not in the private sector.

Mr B.S. WYATT: He said —

I said to ChevronTexaco Australia Pty Ltd that I am disappointed that it, as a major international company, would be party to such an arrangement. I say that now, and I will say it publicly ... It is not the way in which international business is conducted.

Let us not forget that the Premier had not conducted any international business in his time, but he berated one of the world's largest oil and gas companies about how it conducted business. When Parliament was considering what I think all members will agree is an outstanding project that will generate jobs and revenue to Australians for many, many years, the Premier, as the then Leader of the Opposition, berated that private sector investor.

Mr C.J. Barnett: I did not berate them.

Mr B.S. WYATT: He said that. He berated it for doing business with the government of the day. He said that in Parliament. He went on to say —

I am ashamed of what has happened with this project ...

Not only did the Premier berate Chevron—how dare Chevron enter into this arrangement with a legitimately elected state government!—but also he said that he was ashamed of the Gorgon project because it did not do what he wanted it to do: it should not have built on Barrow Island; it should have gone to the mainland.

Mr C.J. Barnett: I didn't say that.

Mr B.S. WYATT: As I have said, it is like arguing with my four-year-old sometimes, who changes her mind at every opportunity. Of course, the Premier's problem is that it is all in *Hansard*, which gives us an opportunity to revisit some history, which the member for Cannington has already done. Just before the Premier came into the

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chamber, I was returning to the issue surrounding the interjection he made to the member for West Swan about Crown Perth, which is another great project. The problem is his resistance to putting things in writing and to the basic protocols of process—that is, minutes of meetings. The Minister for Planning said, “We deliberately make sure that we have land value less than market value and sell it accordingly”, and that is what the government did with the Burswood land for Crown Perth’s proposed hotel. I pursued that through questions in the upper house, freedom of information applications and questions to the Premier; he knows that I have pursued it at length. As shadow Treasurer I am interested in why —

Point of Order

Mr D.C. NALDER: I refer to standing order 94. We have had to listen for ages to some superfluous arguments about something to do with something else. It has nothing to do with the Barrow Island Amendment Bill.

Several members interjected.

The ACTING SPEAKER (Mr P. Abetz): Members, points of order will be heard in silence!

Mr D.C. NALDER: Thank you, Mr Acting Speaker. We have been told that the opposition will support the bill, but then they argue about nothing to do with the bill.

The ACTING SPEAKER: What is the point of order?

Mr D.C. NALDER: I refer to relevance to the bill, under standing order 94.

Mr W.J. JOHNSTON: My good friend the member for Alfred Cove has not been in the chamber very long. This is, of course, a second reading debate, in which we are entitled to canvass issues related to the bill because we are going to the question of the policy of the bill. When we move into consideration in detail and the third reading we are very restricted to the content of the bill, but at this time we are able to canvass far more widely than that.

The ACTING SPEAKER: There is no point of order. The second reading stage allows for a very wide-ranging debate. However, I urge the member for Victoria Park to try to focus on the bill and to not range too far afield into ancient history.

Debate Resumed

Mr B.S. WYATT: Duly noted. I think you will recall, Mr Acting Speaker, that you were sitting in the chair when there was some discussion between the Premier and the member for West Swan around this arrangement, and you obviously had no problem with it then. I am simply making some commentary about that. I have nearly concluded with that issue, so the member for Alfred Cove can stop fretting. My concern with that arrangement with Crown Perth was the fact that the Premier said in Parliament that the reason the government did that deal was that it was in a weak bargaining position because Crown had an entitlement to buy that land. The Premier assumed that our bargaining position was weak because, ultimately, Crown had that right to exercise that put option, effectively, to buy that land because it was part of the state agreement act.

Mr C.J. Barnett: If the government agreed. They had an entitlement to come forward to seek further land.

Mr B.S. WYATT: Now things have shifted again! That will probably prompt a question without notice next week, so the Premier should be prepared. In answers that were given in the other place, we were told that it was an entitlement; it had the right to buy. In those answers the relevant parts of one of the annexures to the state agreement act—there are seven or eight of them—were quoted. Of course, when the matter came to court at a pre-discovery hearing, the State Solicitor said, “Actually, we note that the Premier said that there was an entitlement to buy that land, but we withdraw from that argument”. The State Solicitor knew there was no such thing. Interestingly, the Premier now knows that because he said “provided the government agrees”, which is something he never said previously.

Mr C.J. Barnett: I cop that, but they had the right to approach the government for more land under the agreement.

Mr B.S. WYATT: Anybody has the right to do that. I could say to the government, “You know what? I want to buy a block of land on Elizabeth Quay.”

Mr C.J. Barnett: You can do that.

Mr B.S. WYATT: Of course we can; anyone can. I am going to take a second mortgage on my little property in Victoria Park to purchase it. I know the Minister for Planning is going to sell it below market value, so I might pick it up at a decent rate! That is not the response that the Premier should be giving, because ultimately his answers in the other place contradict what he just said about the Crown Perth land. I will conclude on that issue. There was also some exchange about how good the deal was. The Premier said back when he was Leader of the

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Opposition that the Gallop government did it too early and got a terrible deal for the people of Western Australia. He asked why it did not stand up to the commonwealth. Interestingly, the question I have for the Premier—I thought the Premier was leaving, so I am glad he is not. I might grab a glass of water, too; the Premier should have got me one! Oh. What has the Premier done with it?

Mr W.J. Johnston: Give it to the member for Willagee first.

Mr B.S. WYATT: Member for Willagee, would you like a glass of water?

Mr W.J. Johnston: He's still standing!

Mr B.S. WYATT: Yes, I am still here! I am a bit gobsmacked about this—where was I?

There was some toing and froing.

Despite the Premier having said in the 2004 debate that we got a bad deal for Western Australia and that we should have got a better deal, the Barnett government has not changed the Labor government deal by one iota. The question I have is: has the Premier approached new Prime Minister Abbott and asked him for some advances on a \$100 million a year infrastructure fund?

Mr C.J. Barnett: That's gone.

Mr B.S. WYATT: Well, that is new.

Mr C.J. Barnett: It's gone.

Mr B.S. WYATT: It is gone! I remind members that when Kevin Rudd—who yesterday retired from Parliament—was Leader of the Opposition, he made a commitment that when the Gorgon revenues are flowing, \$100 million a year of that revenue will go into a Western Australian infrastructure fund. The member for West Swan made that point and the Premier said it is 20 years away, but either way it is obviously out beyond the forward estimates, so there is time to get this arrangement sorted out.

Mr C.J. Barnett: We sought to have it confirmed, but it hasn't been confirmed.

Mr B.S. WYATT: The Premier probably knows where I am going with this!

I refer to comments made by the Treasurer in *The Australian* on 1 September last year, which is not that long ago. The article reads —

West Australian Treasurer Troy Buswell confirmed that no funds had flowed to his state as a result of the pledge.

That is right because revenues are yet to flow. We are waiting for the revenues to flow, which, in due course, will happen. It continues —

He said Premier Colin Barnett, who came to power about a year after the agreement was made, had unsuccessfully asked the federal government in 2009 for advance payments to be made into the fund in recognition of the state's infrastructure spending during the construction of Gorgon and Pluto

“It was the big carrot for Western Australia at the election—support us and we'll give you a cheque each year for \$100m,” Mr Buswell said.

The state Treasurer said yesterday he was not confident the government would ever deliver on the promise.

The Treasurer went on to make the point —

“We are having to make significant investments of West Australian taxpayers' money to support projects that will ultimately deliver large wads of PRRT to commonwealth coffers,” ...

In 2009, Premier Barnett wrote a letter—I assume he wrote it; I know he does not like to commit things to writing—to the federal government asking for advance payments to be made into that fund. When I asked the Premier whether he had asked Prime Minister Abbott for those advance payments, he said that that deal is dead. That is news to me. I am a bit stunned that the Premier would allow Prime Minister Abbott to walk away from the Western Australian infrastructure fund of \$100 million a year. The Premier said we got a bad deal. At least our mob was committed to a WA infrastructure fund of \$100 million a year once the revenue flowed. The Premier believed in it so much, he asked, “Can we have a down payment, please? Can we get some of that early money?” The former federal Labor government obviously said no, but the Premier has not even asked Tony Abbott. He has not asked “Typhoon Tony”. He has simply said, “It's dead. There's no more infrastructure fund—nothing to see here.”

In 2003, the Premier complained that the deal was appallingly bad, but when he had the opportunity to put a bit of a squeeze on the federal government and ask for \$100 million a year when that revenue is flowing, he went to

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water! He not only went to water, he withdrew his threat. I remember that threat, “We either get a better deal on GST or we ain’t funding the federal Liberal Party.” That lasted about 48 hours. The Premier has now walked away from perhaps one of the key issues from which we could have got something—\$100 million a year. In the big scheme of things, is that a lot of money? I dare say that by the time this comes on, our budget will probably be spending well over \$30 billion a year, if not more. But it is \$100 million a year that would not form part of the consideration of the Commonwealth Grants Commission—members, this is important—so it could not be redistributed. We would keep that \$100 million a year. That was a valuable commitment. The Premier knew it was valuable, which is why he pursued it with the previous federal Labor government. But he has not done the same thing with the federal Liberal government. That is something he should be ashamed of.

When members walk out of here, they should go up to the Premier and say, “Do you know what, Premier? I think we should take this up with “Typhoon Tony”. I think this is something we should raise, because we may have missed an opportunity when you said in the Parliament that this is dead.”

[Member’s time extended.]

Mr B.S. WYATT: We do not just walk away from \$100 million a year, Commonwealth Grants Commission consideration exempt, without getting something in return. We negotiate a better outcome. We get something back for the people of Western Australia. Instead of that, the Premier has simply walked away from it. What a disgrace! So do not come in here, Premier, and say that the former Labor government got nothing for us. That is despite the fact that Gorgon is actually happening, unlike a range of projects I could go through that the Premier has successfully pushed completely out of consideration. It is worth reflecting on what has happened. The Premier has said that the former Labor government got a bad deal for us. However, the Premier has just given a considerable bargaining chip to the federal government. That is what has happened.

Mr C.J. Barnett: That is because Labor would not deliver. Neither Rudd nor Gillard would deliver on it.

Mr B.S. WYATT: That is because the revenue is not flowing. The arrangement was very clear.

Mr C.J. Barnett: They should make a commitment to us to honour what they promised.

Mr B.S. WYATT: It has gone. The Premier has just said that.

The ACTING SPEAKER: Member, please direct your comments to the bill.

Mr B.S. WYATT: The Premier has walked away from 100 million bucks a year, CGC consideration free. That is something that I would have liked as Treasurer. That is something that the Premier, and the fellow sitting to his left, the Treasurer, would have liked, particularly in light of the way those guys are spending money. That would have been valuable to the people of Western Australia. Instead of the government doing the same thing that it did with the previous federal government and pursuing it and demanding up-front payments, the Premier has simply said, “That no longer applies. These aren’t the droids you’re looking for.” We do not just walk away from a valuable asset that the federal government has offered to the people of Western Australia without getting something back in return.

Mr C.J. Barnett: It offered it in the election campaign, and it never committed to it. The reason for the letter that you are referring to was to try to get Labor in government in Canberra to honour what it had promised at the election but did not do.

Mr B.S. WYATT: On that, the Premier is right. As the Premier said, the revenue may still be 20 years away. That means that the Premier has time to get that commitment. That means that instead of saying, “That’s dead; there’s nothing to see here”, the Premier has time to get the deal done. The Premier has walked away from that. That is what the Premier has done today. I did not know that the Premier had walked away from that. I would have thought that, at the very least, the Premier would have held “Typhoon Tony” and the federal Liberal government to exactly the same standard to which he held the previous federal Labor government and demanded some upfront payments so that Western Australia would not have to wait for 20 years and might get some payments now, Commonwealth Grants Commission consideration free. That is the Premier’s loss. But, more importantly, the Premier will be gone; he will have toddled off by then. It is the people of Western Australia who will wear that loss. The Premier has not extracted one thing from this—nothing. That is the big loss. Unless the Premier continues to interject, I will move on from this particular point.

As I said, Gorgon is a fantastic project. I am sure most members have visited Barrow Island. Injecting carbon dioxide below the island is, in terms of technology, an extraordinary project. It is one of the great legacies of the former Labor government. The Gallop government delivered a wonderful legacy for the people of Western Australia. It is unfortunate that this current government could not deliver the same at James Price Point. That is what was delivered by the former Labor government, and that is why we support this bill.

Mr W.J. Johnston: That is because Labor is about jobs.

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Mr B.S. WYATT: Thank you, member for Cannington. That is right. We are not called the Labor Party for nothing. Jobs are at the forefront of our minds when we make decisions. That is why we support this particular bill. However, as I said, the Premier has missed an opportunity. In walking away from this \$100 million, the Premier has walked away from an asset from this project that could have been delivered to future generations of Western Australians.

MR C.J. BARNETT (Cottesloe — Minister for State Development) [3.49 pm] — in reply: Debate on the Barrow Island Amendment Bill 2013 has been wideranging and I intend to make some wideranging responses. This is the second pathetic attempt by members of the Labor Party—who I suspect will be in opposition for a long, long time—to try to discredit me. I have no doubt that they will continue to do it, as they fabricate material, slur, imply corrupt and improper behaviour, and so on. Please keep doing it, because they will stay over there for many, many years if that is the way they think people in public positions should behave.

I will respond to a few things. Firstly, I thank the Minister for Planning for his comments about the first sale of land at Elizabeth Quay to Chevron for \$64 million. As I understand, that is the highest per square metre price of land ever transacted in Perth. It is a pretty good result and a great start to Elizabeth Quay. I remind members opposite that they opposed Elizabeth Quay during the election campaign. They went out and publicly opposed it; this government supports it. Again, it is an example of a project that has been talked about for 40 years. The Labor Party talked about doing it, but did not do it. This government is doing it and we are away to a great start on construction, which is well advanced, and we have had the first sale of land. Indeed, to my understanding, other negotiations about land lots are taking place. That is the difference between a government that gets on with what it says it wants to do and that group opposite who do not. When they criticise the stadium, we shall remind them of that repeatedly. As Elizabeth Quay comes to fruition and as the stadium starts construction about this time next year, they will be reminded of their position ad nauseam.

With respect to the Elizabeth Quay project, not one of the members opposite had the courage to make a direct accusation; not one of them was prepared to do that. There have been innuendoes, slurs and little side comments, but not one of them stood up in this Parliament—protected as they are by privilege—and accused me and maybe Chevron of improper dealing. Not one of them. The member for Cannington did not; he just implied something was wrong. The Leader of the Opposition did the exact same thing in his usual way—slur and innuendo—and no doubt he is out there chatting to the media off the record. He does that sort of stuff but he did not have the courage to stand in here and make an accusation. I will pause for a moment. Does the member for Cannington want to make an accusation?

Mr F.A. Alban: The silence is deafening.

Mr C.J. BARNETT: Yes, it is deafening; he is not prepared to do it. He does not have the backbone or the integrity to actually make an accusation. All he will do, followed by the Leader of the Opposition, is make slurs and innuendoes against me and, by implication, Chevron. Obviously, in my role not as Premier, but as Minister for State Development, I deal with major projects, and the biggest project in Australia right now is the Gorgon project on Barrow Island. That is what I do in state development. Since September 2010—I will not go back any further—I have had 25 meetings with Chevron. I actually do my job. I meet with major proponents. That is 25 meetings in just over two and a half years. I have never been involved in anything other than the development of Gorgon. I have never sat down and negotiated, in any sense whatsoever, the sale of land at Elizabeth Quay to Chevron. I have certainly discussed it with them.

Mr W.J. Johnston: Get a hair out and split it, Premier!

Mr C.J. BARNETT: I will get to it. Do not giggle like a little schoolboy over there. Get up and make your accusation, my friend, if you are prepared to.

Several members interjected.

Withdrawal of Remark

Ms M.M. QUIRK: The Premier called the member for Cannington a “little schoolboy”. That is not parliamentary language. Members are called by their seat or their position.

The ACTING SPEAKER (Mr P. Abetz): I ask the Premier to withdraw the remark.

Mr C.J. BARNETT: I withdraw “little schoolboy”.

Debate Resumed

Ms M.M. Quirk: He has no respect for this institution.

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Mr C.J. BARNETT: From you—come on! The member for Girrawheen is the most consistent interjector and the most named member in this chamber, who has contributed nothing to public policy for a long, long time!

The point is that the member for Cannington and the Leader of the Opposition—slur and innuendo—are not prepared to get up and make a substantive accusation in any sense. As the Minister for Planning said, long-term negotiations between Chevron and the Metropolitan Redevelopment Authority, which is handling Elizabeth Quay, began in March 2011. That was a long time ago. Of course I am aware that there were negotiations taking place with Chevron. I am aware there were negotiations taking place with other potential buyers of land. I have never been involved in those negotiations or discussions.

Mr W.J. Johnston: Yes, you have.

Mr C.J. BARNETT: No; never ever.

Mr W.J. Johnston interjected.

Mr C.J. BARNETT: Listen—never ever!

Mr W.J. Johnston: You have. You said it here.

Mr C.J. BARNETT: I have not, my friend! Listen to what I am saying. I have never sat down at the table and negotiated the sale of that land.

Withdrawal of Remark

Ms M.M. QUIRK: The Premier referred to the member for Cannington as “my friend”.

The ACTING SPEAKER: There is no point of order.

Ms M.M. QUIRK: I hate to repeat myself. He is either lying or not complying with standing orders—one or the other!

The ACTING SPEAKER: There is no point of order. The Premier has the floor.

Mr C.J. BARNETT: In the spirit of goodwill, I withdraw. The member for Cannington is not my good friend!

Debate Resumed

Mr C.J. BARNETT: Obviously, long-term negotiations took place with Chevron about the sale of that land. I am aware of it. I am aware that Chevron is looking at some extraordinary architectural designs for that building. I look forward to seeing that being released at some stage. Of course it will come up in conversation. I have had 25 meetings with Chevron. In fact, my staff have told me that probably the discussion that was relevant to this debate was actually a telephone conversation rather than a direct meeting. It does not matter; it was over the telephone. This was not long ago; it was in August of this year. Chevron wanted to speak to me about its request to access a further 32 hectares, about 80 acres, on Barrow Island. It is not a particularly big piece of land but it obviously knew that would require an amendment to the agreement act. Barrow Island is about 60 kilometres long, so 80 acres is a pretty small bit of land on Barrow Island. It had been arranged that Chevron would speak to me by telephone. I suspect Chevron thought the government might not agree or might find it too hard to change the agreement act. We discussed that. Chevron explained to me the reasons it wanted the land. It was for lay-down areas. It is also looking to the future. A train 4 hopefully might be built on Barrow Island, and there would be issues about domestic gas from train 4 and so on. That is what state development ministers do.

At the end of that meeting, I raised—not Chevron—negotiations over the sale of land and simply urged both Chevron —

Mr D.J. Kelly interjected.

Mr C.J. BARNETT: I do not find it funny—that is what Premiers do. I simply urged Chevron to try to reach agreement with the MRA. Nothing was mentioned about price, because I had no idea what the price was at that time. There were conditions. I simply wanted the Minister for Planning, the Metropolitan Redevelopment Authority and Chevron to conclude those negotiations and finalise a few points that had not been agreed. Why would I not as Premier want to see land sold and a new construction—a major new office tower—go up on Elizabeth Quay? Did I sit down and negotiate? No, because that is handled by the MRA. Members opposite are totally wrong—other than a Premier doing his job by encouraging investment in a capital city area. What is wrong with that? Please tell me what is wrong. Tell me what is corrupt, improper or wrong in that.

Mr P.C. Tinley: How did you know that something was wrong with the deal? How did you know that if you had to urge Chevron to —

Mr C.J. BARNETT: It was because the negotiations had been going on for over two years.

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Mr Peter Tinley; Ms Rita Saffioti; Acting Speaker; Mr Ben Wyatt; Mr Dean Nalder; Mr Bill Johnston; Mr Colin Barnett; Ms Margaret Quirk; Mr Chris Tallentire

Mr J.H.D. Day: And I had spoken to you.

Mr C.J. BARNETT: And the minister told me there were a few points —

Mr P.C. Tinley interjected.

Mr C.J. BARNETT: Mr Acting Speaker, they are useless on that side! You can see why they did nothing in government because they cannot actually bring something to a conclusion. Why would a Premier not encourage development? I have never seen such a foolish group of parliamentarians.

Several members interjected.

The ACTING SPEAKER: Members, let us have some order in this place. The Premier has the call. I urge everyone to exercise some restraint.

Mr C.J. BARNETT: The totality of my discussion with Chevron about its building and the land purchase at Elizabeth Quay was to encourage it and the government negotiators to sort out the final few points of dispute and get on with it.

Mr B.S. Wyatt interjected.

Mr C.J. BARNETT: Well, not dispute. The member for Victoria Park is a lawyer; there are lots of aspects relating to this. I probably should not say this—Chevron may not thank me for it—but from Chevron’s point of view, there was a certain nervousness about having Gorgon under construction, Wheatstone under construction and a major office tower under construction at the same time. I wanted to see the conclusions, which were as close as they could be to being completed, actually completed. I am now equally keen to see Chevron get on with the building of the new office tower. That is what Premiers do.

Several members interjected.

Mr C.J. BARNETT: Maybe Geoff Gallop did not do that—he was all about process. It is what I do. I get on with my colleagues, members of Parliament and ministers, and we encourage development in this state. If members opposite are opposed to the first major tower, a beautiful piece of architecture as I understand it, going up, then tell us. They oppose Elizabeth Quay, the new building and the hundreds of jobs that will go with it, the stadium and just about everything.

If members opposite want to suspend standing orders now and send me off to the gallows or whatever it was they tried to do the other day, please go ahead. If the opposition thinks there is anything wrong with a Premier encouraging a company to conclude negotiations and get on with the project, make an accusation!

Ms R. Saffioti: He has, and you haven’t responded.

Mr C.J. BARNETT: What is the accusation? Come on, the member knows everything; what is the accusation?

Mr B.S. Wyatt interjected.

Mr C.J. BARNETT: No, repeat it for me, I have lost the point. What is the accusation? Tell me what the accusation is. There are about a dozen members of the opposition here, can one of them tell me what the accusation is?

Several members interjected.

Mr C.J. BARNETT: What is the accusation? Come on, you are a bright boy, what is the accusation?

Mr D.J. Kelly: You’re a dud!

Mr C.J. BARNETT: Oh, I am a dud—very clever. Huge research has gone into that. He is a high-flyer who is going to undermine the Leader of the Opposition pretty quickly, but he will have to do better than come out with lines like, “He’s a dud.” He can call the member for Rockingham a dud and most people will probably agree with him, but that alone will not get him the leadership of the Labor Party.

Mr N.W. Morton: He wants it.

Mr C.J. BARNETT: Yes, he wants it all right.

Mr Acting Speaker, that is it.

Mr B.S. Wyatt: Keep going, this is good.

Mr C.J. BARNETT: That is the negotiation. If members opposite do not believe me or if the media, which I doubt is taking much interest in this, do not believe me, I invite them to ring up Chevron and ask whether I was involved in negotiations over the land sale at Elizabeth Quay.

Several members interjected.

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Mr C.J. BARNETT: Go and ask them. The only conversation was to encourage Chevron to finish the deal, which was nearly complete, and get on.

The member for Cannington implied—I think it was him. In any case, members opposite implied that there was a connection and made comments to the effect that we had extracted a higher price for Elizabeth Quay in exchange for access to 32 hectares on Barrow Island. That is what I heard. We all heard it. That is what the opposition implied. Produce for me one skerrick of evidence to substantiate that.

Ms R. Saffioti: You just said it.

Mr C.J. BARNETT: No, produce for me one skerrick of evidence. Members opposite implied—go on make the accusation.

Mr B.S. Wyatt: When I get your *Hansard*, I will produce it. That is the evidence now.

Mr C.J. BARNETT: No, you said that Chevron was required to pay a higher price for the land at Elizabeth Quay in exchange for the state giving access to 32 hectares on Barrow Island. One of the members opposite might own up one day to who said it. But we all heard it. That would be improper, if not corrupt, conduct, but they did not have the courage to say that.

Ms M.M. Quirk interjected.

Mr C.J. BARNETT: It is a fact, is it? Give me the evidence then! The member is legally trained; give me the evidence of myself or anyone in government demanding a higher price for land at Elizabeth Quay in exchange for land at Barrow Island. Come on, stand up, interject and give me the evidence.

Mr P. Papalia: Premier, it is embarrassing.

Mr C.J. BARNETT: It is embarrassing for members opposite because they have made allegations that are completely untrue—completely fabricated and completely false. The other question is: Will one of the members opposite get up and apologise? Will they?

Several members interjected.

Mr C.J. BARNETT: Come on, you always have a lot to say—apologise!

Several members interjected.

Mr C.J. BARNETT: Will the Leader of the Opposition apologise for accusing the state of improper conduct?

Mr B.S. Wyatt: You've confirmed all the allegations.

Mr C.J. BARNETT: No, no, no. We heard it and we will go back and check *Hansard*. The Leader of the Opposition should not look around for the media; they are not interested in him too much. I invite the Leader of the Opposition to ring Chevron and ask whether I was involved in negotiations other than encouraging it, during a 10-second telephone conversation, to complete the arrangement. He should also ask whether it was enticed in some way or compelled to pay more for the price of the land at Elizabeth Quay in exchange for land access on Barrow Island. He should ring Chevron tonight and ask. We will give him the number if he likes.

Mr M. McGowan: Are you releasing the minutes of any meetings?

Mr C.J. BARNETT: I have just told the Leader of the Opposition what happened. I had a telephone conversation.

Mr B.S. Wyatt: Memo, briefing note, text message?

Mr C.J. BARNETT: I had a telephone conversation; that is it.

Mr M. McGowan: You said you had a meeting with them and you raised it.

Mr C.J. BARNETT: No. It was a telephone conversation, as the Leader of the Opposition would know if he had been in here. I had 25 meetings with them in the past two and a half years about all sorts of issues. During the telephone conversation, after we had finished talking about Barrow Island, for which I indicated my support, saying that we would introduce legislation, I said, "By the way, I would really like to see you conclude negotiations which are all but at an end." I said the same thing to the minister. They were concluded. I now say to Chevron: get on with the building project; I want to see it. Members opposite may think that is improper. The Leader of the Opposition has come back in here with a smarmy look on his face. He should get up now and make the accusation. Is he going to make it?

Ms R. Saffioti interjected.

Mr Peter Tinley; Ms Rita Saffioti; Acting Speaker; Mr Ben Wyatt; Mr Dean Nalder; Mr Bill Johnston; Mr Colin Barnett; Ms Margaret Quirk; Mr Chris Tallentire

The ACTING SPEAKER: Member for West Swan, I do not mind a spirited debate but you are starting to raise your voice beyond what is necessary. It is going both ways. I am letting it go but I do not want it to go overboard. I am listening carefully, and I am listening to you, member for West Swan.

Mr C.J. BARNETT: Mr Acting Speaker, let us get back —

Dr A.D. Buti interjected.

The ACTING SPEAKER: Member for Armadale!

Dr A.D. Buti interjected.

The ACTING SPEAKER: Member for Armadale, I call you for the second time.

Mr C.J. BARNETT: Obviously, the Labor Party just throws a bit more dirt and hopes some of it sticks. We have innuendo and members making comments about issues they know nothing about. They are wrong because maybe that is the way the Labor Party behaved in office. Maybe that is the way it tried to string one arrangement or negotiation to another. We saw WA Inc. We saw five ministers sacked during the time it was in government. Several members opposite were ministers in that government and members at the time. That is the difference between this side of the house and the other side of the house.

This has been the second attempt in three days to run the same sort of slimy rubbish that the Labor Party is renowned for.

Mr M. McGowan: You did it to yourself.

Mr C.J. BARNETT: Now the Leader of the Opposition is pretending that it did not happen. Well, it did happen. It happened right in this chamber over the past couple of hours.

Mr M. McGowan: You're out of control.

Mr C.J. BARNETT: Oh, I am out of control! I will continue.

Mr D.J. Kelly interjected.

The ACTING SPEAKER: Member for Bassendean!

Mr C.J. BARNETT: One of the issues Chevron has had to deal with is unionists, with the Maritime Union of Australia going into the existing offices basically intimidating staff and necessitating —

Mr D.J. Kelly: Smear someone's reputation; come on.

Mr C.J. BARNETT: It happened on two or three occasions in the past two years.

We can understand why Chevron —

Mr D.J. Kelly: You smeared their reputation.

The ACTING SPEAKER: Member for Bassendean!

Mr C.J. BARNETT: It is a fact that union members, I think predominantly from the MUA —

Mr D.J. Kelly: "I think."

Mr C.J. BARNETT: I said I think they are predominantly from the MUA. They went to the offices of Chevron. I think the police were also required to attend.

Mr D.J. Kelly: "I think." What date? Who knows? You're just smearing.

Mr C.J. BARNETT: I think Chevron knows, I think the government knows and I think the police know.

Mr D.J. Kelly: You complain about your reputation being smeared but you come in here and just throw it around.

The ACTING SPEAKER: Member for Bassendean!

Mr C.J. BARNETT: I might check the records for question time next week.

Mr D.J. Kelly: Go on; check the records. Get someone to ask you a dorothy dixer.

The ACTING SPEAKER: Member for Bassendean, thank you.

Mr C.J. BARNETT: We can understand why Chevron is nervous about construction projects.

Mr D.J. Kelly interjected.

The ACTING SPEAKER: Member for Bassendean, I call you for the first time.

Mr Peter Tinley; Ms Rita Saffioti; Acting Speaker; Mr Ben Wyatt; Mr Dean Nalder; Mr Bill Johnston; Mr Colin Barnett; Ms Margaret Quirk; Mr Chris Tallentire

Mr C.J. BARNETT: I would like to return to the debate of this bill before the house. A lot has been said about the Gorgon project, and it is an exciting big project and an extraordinary investment. I am pleased some people have read my speech of 10 years ago. We do not expect our speeches to survive a decade. I re-read it. It is 10 years ago and the world has moved on. Nevertheless, in the context of 2003 I stand by what I said.. I will not be so boring as to go right through it, but I want to make a couple of little points.

Several members interjected.

Mr C.J. BARNETT: Read it! The Gorgon agreement bill came into Parliament in 2003, but that was not the start of the Gorgon project. The gas had been discovered long, long before that. As a minister during the 1990s, I was involved in endless discussions and negotiations with the Gorgon joint venture. I spoke in Korea about the project and about North West Shelf expansions. I spoke at a high level to the Chinese about both North West Shelf and Gorgon projects. These projects take a long time. There had been all sorts of discussions. It is a trivial piece of history, but, from my perspective and to the best of my knowledge, in one of the discussions with Gorgon I did suggest to them, “Why don’t you look at the use of Barrow Island”. Gorgon gas has 12 per cent carbon dioxide.

Mr C.J. Tallentire interjected.

Mr C.J. BARNETT: Okay; it was 12 or 15 per cent, which are high carbon dioxide levels, and that was a very live issue at that time. The North West Shelf, with levels of three or four per cent, was basically acceptable, as the member for Gosnells said. The showstopper for Gorgon was clearly that just simply venting that gas was going to be unacceptable. Australia was heading toward the point of controls and limitations on carbon emissions. All sorts of things were looked at; namely, attracting gas processing projects that would consume and use the carbon dioxide. At a meeting—I am no geophysicist or petroleum engineer—almost flippantly I made the comment, “You’ve been on Barrow Island since 1964. You’ve got an extraordinarily high record in environmental management and I don’t know whether evacuated, empty oil reservoirs can be used to contain CO₂.” I asked, “Is it worth looking at Barrow Island to see whether you can extract CO₂ and reinject it?” People from the Gorgon joint venture who knew a lot more about it than me said, “I don’t think that’s realistic”, and I thought that was the end of that.

Mr W.J. Johnston: It’s been in Norway since the 1970s.

Mr C.J. BARNETT: Yes, on a small scale. The point was made that we do not even know whether the geological structures at Barrow Island would be reasonable. Sometime after that they came back to me saying there were actually some geological structures onshore that might have the potential to store carbon dioxide, but they were not thinking of Barrow Island. Unbeknown to me as a minister, they went away quietly and looked at it—they clearly did! Someone else might have suggested internally—I do not know—but in government relations that was probably the first conversation, almost an aside, about using Barrow Island.

When the bill came in 2003 under the Labor government, about three minutes into my speech—it was a long speech—I made it very clear that the Liberal Party would support that legislation, and we did. I was very clear. I quote from *Hansard* of 14 October 2003 —

The Liberal Party will support this legislation.

We did support it; there is no doubt about it. However, I certainly did go on and talk about some of the issues and the history of the Gorgon project. I have a fair bit of knowledge about Gorgon and where it was in the marketplace; it did not have a customer for the gas at that stage. I made the point that although we supported the agreement act, I did think it was premature. There were a number of reasons for that, but one of the major reasons I considered it premature is that the state government of the day had not reached an agreement about the sharing of revenue and how that would be done. I think that should have been negotiated at that point with the commonwealth. Once the bill went through, with bipartisan support, and the Gorgon joint venture was given access to Barrow Island as a way of getting rid of the CO₂, our major negotiation point with the commonwealth over commonwealth approval had been played. The commonwealth knew that the gas was in commonwealth waters and that it would be the big beneficiary of revenue from both company and petroleum resource rent taxes. The one bargaining chip Western Australia had was to say that the only way the Gorgon project could be developed was to reinject the gas on either Barrow Island or the mainland, which is Western Australia, and, therefore, they would need the state’s agreement so that the state would be entitled to a share of the royalty revenue or the PRRT from the project. I think that was the critical point, and that is why I argued that, although I supported the agreement—I certainly was not going to oppose it—the Liberal Party thought the agreement act was premature. That was the critical negotiation.

Extract from Hansard

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Mr Peter Tinley; Ms Rita Saffioti; Acting Speaker; Mr Ben Wyatt; Mr Dean Nalder; Mr Bill Johnston; Mr Colin Barnett; Ms Margaret Quirk; Mr Chris Tallentire

Historically, the critical negotiation between Charles Court and Malcolm Fraser over the North West Shelf gas project in the 1980s was revenue sharing. The result was that the state government had some skin in the game. The North West Shelf gas was in commonwealth waters, but the state government of the day, with David Brand as Premier and Charles Court as Minister for Industrial Development, took a very gutsy decision. I do not know that I would have had the guts to do it. They entered into a 20-year take-or-pay contract to buy the gas without necessarily having a contract for the sale of the gas. A lot was taken by Alcoa, which was establishing, but for 15 years or so the state government was left carrying and paying for gas it could not use or sell. Also, through the State Energy Commission of WA, that government took on a \$1 billion project to build the natural gas pipeline from the North West Shelf to Perth and on to Bunbury. Again, at that time, those two massive commitments gave little Western Australia huge skin in the game and, as a result, it was agreed to implement a royalties regime on the North West Shelf and, of that money, the state of Western Australia would get 60 per cent and the commonwealth would take 40 per cent. That saw the development of the gas industry in Western Australia. If I had been the Premier of the day, I doubt that I would have done what Charles Court and David Brand did. But, wow—did that set up the state of Western Australia.

With the Gorgon development, we did not have that sort of skin in the game. We were not going to buy take-or-pay gas; we were not going to build pipelines or anything else, but we had Barrow Island as part of Western Australia. Even if the re-injection of the gas was onshore, it was still Western Australia. That was the bargaining chip that Labor failed to use, and that is the point I made in the debate 10 years ago—and I stand by that. If the Liberal Party had been in government, it would have played that for everything it was worth to get a guaranteed share of the income. We probably would have tried to get a two-level royalty or income stream, a minimum royalty rate for gas used and a petroleum resource rent tax on longer-term economic rental profit. As it stands today, Gorgon will produce gas for at least 10 years, and probably up to 20 years, before it pays a single dollar to the Australian people for that gas. It will pay company tax, but it will not pay for the natural resource that belongs to the people of Western Australia. That is why I said the Labor government rushed the agreement too quickly. I am not going to go through it all, but that was one of the major points I was trying to make. The rest is history and probably deserves to stay there.

Barrow Island has been an A-class reserve since 1910. There are 24 species on Barrow Island that exist nowhere else in the world, let alone Australia. That is significant. Those species have survived because Chevron has done an outstanding job managing the island since oil production began there in 1964. That is why I have confidence.

Members opposite said that I opposed the project. No; I supported the legislation, even though I thought it was premature. They said that I opposed the project going to Barrow Island. There were a couple of issues in that debate. At one stage there was resistance from the joint venture parties about providing any domestic gas. I am saying that if it is on Barrow Island and they do not want to supply domestic gas, obviously, that is not a good outcome. In that sense, I would argue that if they were not going to supply domestic gas, it should be brought onshore where we can at least get access to it. Subsequently, the joint venture partners decided they wanted to use Barrow Island and they would build a pipeline to bring gas on shore. That has played out and I am satisfied with that. What is forgotten in the debate on the agreement act is that a lot was being said at that time about processing gas to produce methanol, urea and a range of other things. Gas processing by cooling it down to minus 170 degrees or something and turning it into a liquid as liquefied natural gas is very simple. Producing methanol, hydrocarbon liquids or broad petrochemicals is a chemical change. That is not just cooling it down; that is a chemical change. I was trying to achieve more of that high value-adding to natural gas. I would still like to achieve it if we or a future government can do it. I am not talking about increasing the value two or three times by turning it into a liquid but about increasing its value up to 15 times by turning it into a high-value chemical product. If we were to do that, it would not be a gas industry anymore; it would be a chemical plant or multiple chemical plants. It was my view at the time that the big picture was to get gas onshore—I would have been happy with either the plant or the pipeline coming onshore—and to have the long-term development of chemicals around that high value-adding.

Does anyone think that we should develop a chemicals industry on Barrow Island? I do not, and I did not at the time. Yet in this agreement act that was put through Parliament in 2003, the original project was for two production trains on 300 hectares of land—150 for LNG and 150 for a chemicals plant. The Labor Party proposed chemical production and a chemical industry on Barrow Island. That is not going to happen; time has moved on. However, that explains some of the reasons for the position I took at the time.

As to the onshore issue, when Hamersley Iron—now Rio Tinto—was established and the North West Shelf was built, large areas of the Burrup Peninsula were simply bulldozed. Thousands of ancient rock carvings were destroyed. Most of that happened in the 1960s and 1970s. Would it happen today? No. I think I had come to the view that it should not have even happened in 2003. I believe therefore that there can be some industrial

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development on the Burrup Peninsula. The area started under the previous Liberal government was Hearson Cove as it was a flat, open area. Some people might say that visually it spoils the area, and I acknowledge that argument, but it did not require the major dislocation of rock art. A corridor was established, and sure there was some rock art on that but that was becoming an issue and it is an issue today. We needed to find an industrial site for any future large-scale industrial development around the North West Shelf site or around Rio Tinto's operations, and that was the Maitland site. Yet there is not much at Maitland. But who knows what might go into Maitland over the next 50 years? Yes, there is an issue with Maitland in that the initial proposal was port access through East Intercourse Island. East Intercourse Island is virtually littered with rock art so I do not think that is going to happen. Marine access is difficult without damaging rock art to an unacceptable level. Another site that could have been used and that I mentioned in my speech was Cape Preston. That was a live debate at the time.

Members opposite have said that at the time I said, "Don't put it on Barrow Island". For all those reasons that I clearly outlined in my speech 10 years ago, I said, "Bring it onto Barrow Island, because it is clear that the right geological structures are there to store CO₂, and build what would be a relatively small plant to extract the carbon dioxide and inject it down into the vacated reservoirs below Barrow Island. Bring the remainder"—clean gas, if you like—"onshore for the LNG plant and in time chemical plants will hopefully be developing around it". Is that radical or stupid? I do not think so. That was the argument in 2003. Sure I was disappointed that that approach was not taken. The project at that time in 2003, which was admittedly only two trains and not three, was estimated to cost \$12 billion. Let us face it: in 2003 I was only the opposition leader and who listens to them? However, I put that argument to the companies, the media and others. I suggested that they take out the CO₂, inject it below ground on Barrow, bring the gas onshore and get some potential long-term major development out of it. Who listened to my point of view on the Gorgon joint venture? There is no doubt about it. I am sure I had meetings and discussions with them but their response was that it would cost another \$1 billion. Here we are 10 years later.

In 2003 when the agreement act went through Parliament, the project was going to cost \$12 billion. If the scenario I had promoted became reality, it would have cost \$13 billion. So far the cost is up to \$52 billion. I wonder, with the benefit of hindsight and if we could rewrite history, whether Chevron and its partners would have brought the gas on the island, reinjected the CO₂ and done the major investment and plant onshore without all the quarantine issues and costs that have contributed to the cost blowout. Probably the scenario I argued for in 2003 would have been far cheaper than the \$52 billion and we would have had other benefits. We would have had higher local content because it would basically have been built using Australian and Western Australian companies instead of being brought in in modular form. I am not saying I am right in hindsight, but I think it is fair to say that that was the argument I presented in 2003. At the time I think it was the correct argument. Maybe someone in the Gorgon joint venture today might be thinking that had they looked at that option it would have proved to be a better option for them and they would not have had that sort of cost blow-out they are dealing with today.

Going to the bill itself, I think it is very acceptable. Gorgon needs more space for laydown. I know that a number of members have visited the site—I was probably there four or five months ago. It was remarkable to see 6 000 people, like ants, all over this site. It brought to me an image of what building the pyramids must have looked like. There was activity everywhere. It is an extraordinary engineering project. It has had extraordinary environmental and biodiversity standards put in place. It is extraordinarily expensive, but it will be producing gas for probably 50 to 100 years. The Gorgon joint venturers will, despite the pain of the extra cost, make a lot of money out of this. I hope they do soon, because whether it is 10 or 20 years out, I, and I think every Australian, would like to see those companies actually pay something for the gas. They pay their taxes, but they should be paying a purchase price for the gas. The problem with the petroleum resource rent tax is that although it captures big profits at the end of a project, it does not charge a price for the gas sold. That is the advantage of our minerals royalty system in Western Australia: at least people pay for the mining product or the gas product that they extract and the commonwealth can get it later.

The Labor Party has claimed that this project is all its doing. I do not deny that it did well. The agreement act, although it was premature, was pretty good. The Labor government laid the foundations for the environmental agreements. At the time I did not like simply signing off on a \$40 million undefined package. It reminded me, very directly at the time, of what happened with the Argyle Diamond mine at the time of Brian Burke. I would have certainly made the point to the company that I did not think that was a good way of going about things. In my references in Parliament I said that I would like to have seen in the agreement act some conditions laid down as to how that \$40 million would be used or under what criteria. At the time it was basically just \$40 million on the table. I did not think that was good government; however, it has played out in a proper way. The Labor Party says it approved the project. Yes, it put the agreement act through and it did the environmental approvals, with the conditions laid down, I think in 2007. I know opposition members will all scream and carry on, but when this

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government came to power in 2008 one of the first meetings I had was with Chevron. Chevron asked me, “What about Gorgon?” I had a long history with Gorgon. I was asked who in government would be responsible for Gorgon. I answered that I would be as Minister for State Development. Chevron’s response was along the lines of, “Good, we will get on with resurrecting the project”, because it had stalled. There were several reasons for that. One of them was that although the broad environmental parameters were set by the \$40 million, the detail of what would be agreed to or not through agencies and the minister at the time was far from resolved. In fact, things had stalled over a whole lot of issues. I know that in my office and that of the Minister for Environment, two or three people—not myself directly—just worked intensely for three or four weeks, along with the late Keiran McNamara. He was seen as the problem, but I do not think he was. He worked hard to resolve it too. There was a huge effort from government to finalise the conditions that the Labor Party claims were all sorted out years earlier. They were not. The Labor government set the model and we worked to that to get it achieved.

The other issue, and the elephant in the room, which had not been addressed, was the idea of CO₂ being reinjected below ground on Barrow Island. Okay; it has been done in Norway, but not on this scale. What happens in different geological structures if the CO₂ molecules start to work their way back to the surface? What will happen on Barrow Island in the future—it might be 10, 50, 100 or 1 000 years away—to those endangered species if there are large risings of carbon dioxide into the atmosphere? No-one can answer that question to this day. Hopefully, it will never happen. But that was the elephant in the room—a science and technical issue. The second elephant in the room is: How do we deal with that as a government? Who takes the responsibility if people die, if there are legal actions or whatever else as a result of CO₂ emissions coming to the surface? Gorgon said—I am paraphrasing here because I do not want to be referred to the Corruption and Crime Commission, or whatever it is—“We are a company. We don’t know whether we’ll be around in a thousand years. We don’t know whether gas will be used. So we can’t take liability up to maybe a thousand years.” Therefore, it had to fall to government.

The big beneficiaries of this project are the commonwealth government. It wanted the state to wear the liability. I and my colleagues said, “No. Talk about sharing revenue and we might be interested, but we’re not going to take liability for this when you are the beneficiary.” Negotiations went on for quite some time—there was lots of legal advice and all the rest of it—between Kevin Rudd, me and others. At the end of the day, we reached an agreement—I think I am right on this—under which the commonwealth accepted 90 per cent of the liability and the state 10 per cent, and that was the final aspect of Gorgon going ahead. Without that, I do not know that Gorgon would have gone ahead. I do not think that Chevron would have been able to take the risk of that investment if it bore that liability. Yes, those opposite did good things through government, but they should not suggest that it was all done and that we just came in and said, “Oh, great; get on with it. It’s all ready.” It was not. A huge amount of effort had to take place, just as a huge amount of effort took place prior to the Labor government’s agreement act in 2003. I acknowledge the agreement act; I acknowledge what those opposite did on the environment. But there was a lot before and a lot after. Big projects such as Gorgon and North West Shelf invariably go on for longer periods in planning, construction and operation over successive governments. That is the reality. Look at the Ord River.

Mr B.S. Wyatt: Everyone agrees with that.

Mr C.J. BARNETT: Yes, but the member’s colleagues—not the member—came in here today and said, “It was all done by us. We did the lot.”

Several members interjected.

Mr C.J. BARNETT: They did. They said it was all done by them. It was not; it just was not.

Mr B.S. Wyatt interjected.

Mr C.J. BARNETT: I am not taking interjections.

Several members interjected.

The ACTING SPEAKER: Members!

Mr C.J. BARNETT: It is not. If members go back and read my speech in 2003, they will see that I talked about the agreement act, and I pointed out what I thought was wrong in it. The idea of using Gorgon, to the best of my knowledge, started with a conversation with me some time back in the 1990s.

Ms R. Saffioti interjected.

Mr C.J. BARNETT: It did. Probably no-one who was at that table currently works for Gorgon or Chevron in Western Australia, but that is a fact. People who went out there and thought they might find gas back in the 1960s or 1970s can equally claim that they were the fathers of the project. The reality is that thousands of people played a role in this project. I do not claim sole credit. Mr Acting Speaker, I seek a very short extension.

The ACTING SPEAKER (Mr I.M. Britza): There is no extension on this one, Premier.

Mr C.J. BARNETT: Okay; I have three minutes. It does not matter.

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In the context of the time, of the day, I stand by the speech I made in 2003. Time has moved on, the agreement act has gone through and environmental conditions have been laid out. There were some approvals under the former Labor government and some approvals under this government. The project is into construction. It has now, for example, gone from 10 million to 15 million tonnes. A further approval was required for that; that was pretty straightforward. If Gorgon goes for a fourth train, which I hope will happen, there will be further environmental approvals and maybe environmental benefits coming out of that. But that is ahead of us. This is simply 32 hectares—about 80 acres—of land. That is about the size of my little farm up at Toodyay. People can walk around it in about half an hour. It is not much land, and it is basically typical Barrow Island land. Of those 32 hectares, 20 hectares will ultimately be rehabilitated. I think this is a sensible thing. I know that opposition members have said that they will support this legislation. I hope they do so. They have had their say. Good luck; that is the second crack they have had in a week. Keep doing it, please, out there, because for us, electorally, I just love it when they behave that way.

Question put and passed.

Bill read a second time.

Leave denied to proceed forthwith to third reading.

Consideration in Detail

Clauses 1 and 2 put and passed.

Clause 3: Act amended —

Mr W.J. JOHNSTON: This is one of the questions I asked during my contribution to the second reading debate. We are amending the Barrow Island Act 2003, and as I indicated in my contribution to the second reading debate, I think the answer to this question was provided in the briefing, but just to make sure it is on the record I ask whether, through the passage of this legislation, we are not setting aside any aspect of the Environmental Protection Act 1986 in respect of the additional 32 hectares.

Mr C.J. BARNETT: Nothing has been set aside, although I hope that the environmental process for this will be quick. I do not think it is controversial, although I understand that there are some people who may oppose any development on Barrow Island. That is obviously up to the Minister for Environment. Of course if we are, as a Parliament, going to make available an extra 32 hectares, the value in doing that is to do it as quickly as possible. If it is delayed, it somewhat defeats the whole purpose.

Clause put and passed.

Clauses 4 to 6 put and passed.

Clause 7: Section 9 amended —

Mr W.J. JOHNSTON: Again, I flagged this in my contribution to the second reading debate. We are now increasing the area that the joint venture partners can use from 300 to 332 hectares. Has any part of the additional 32 hectares that is being included in the joint venture lands been cleared?

Mr C.J. BARNETT: No, I am advised that it has not been cleared. It will obviously be cleared, but 20 hectares will ultimately be rehabilitated. I think there will perhaps be further issues about land if train 4 comes on. It is my judgement—only that—that any decision on train 4 is at least two years away. At some time in the future there may be further land requested, but that is not before us now. Indeed, there was some discussion about including allowance for train 4, but until the joint venturers are in a position to make a decision or are about to make such a decision, I do not think we should be allocating land beyond what is needed now.

Mr W.J. Johnston: Sorry, just quickly: you're assuring us that none of the 32 hectares is being cleared.

Mr C.J. BARNETT: I am advised that none of the 32 hectares is being cleared, yes.

Mr W.J. Johnston: There are some people in the community who are saying that some of the land has already been cleared, so I just want to get that on the record.

Mr C.J. BARNETT: My advice is that that is not the case.

Clause put and passed.

Clause 8: Schedule 2 inserted —

Mr W.J. JOHNSTON: Clause 8 inserts schedule 2, and schedule 2 is obviously the guts of the agreement, so there are a couple of things I need to ask here. I note that clause 11 of schedule 1 of the Barrow Island Act 2003 is "Net Conservation Benefits". I note that schedule 2 does not seek to amend the net conservation benefits. I am

Extract from Hansard

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wondering why the government chose not to seek any change to the net conservation benefits in respect of this more than 10 per cent increase in the area to be impacted by the joint venture?

Mr C.J. BARNETT: I understand the question is: why did we not seek some further environmental benefit out of providing more land? The reasons are that in the first place, there was an urgency about this. If this land was to be made available—most of it on a temporary basis—obviously the quicker that could be done, then the better it would be for the project. Secondly, and perhaps more importantly, we expect at some time—certainly more than two years away—the Gorgon joint venture to come back to the government perhaps to seek some additional land. I do not know how much, but I would not think a huge amount, and that would be for LNG train 4. It is at that time that we would, in my view, reopen domestic gas issues and environmental issues. We did not consider this was of such significance that it should be done at this stage, knowing that the train 4 issue would come down the track. I guess at that time we would look at this land, and maybe even if there is additional land for train 4, and revisit some of those environmental issues. The government will probably seek more domestic gas, and it will probably seek maybe an update of environmental requirements.

Mr W.J. JOHNSTON: I thank the Premier for that answer. I make the observation that both the department's advisers and Chevron said it can actually fit train 4 on the 332 hectares.

Mr C.J. Barnett: Yes, hopefully. They may need, again, a laydown area during that, because these are big units, as you know.

Mr W.J. JOHNSTON: Absolutely; there is no question that they are very complex and big kit. I just make the observation that when the former Labor government allocated the 300 hectares, it was a two-train project. Then, subsequent to the approval, the joint venture partners worked out how to fit the third train in. As I say, I was told by both Chevron and the Department of State Development that Chevron can actually fit the fourth train on the 332 hectares, and that one of the reasons of the shape for the extra 32 hectares is to keep the control room far enough away from the possible blast zone, as I am sure the Premier understands. The Labor Party is not opposing the Barrow Island Amendment Bill 2013, but we place on the record our view. We appreciate that the government has acted very quickly, because I think the department said the official request came in on 3 September, and here we are in mid-November passing it through the chamber, and it will be through the other chamber very quickly as well.

Just for ease, I will go on to page 6 of the bill. This is the clause that—I am sorry—I do not understand. I had the briefing from the department, and I appreciated its officers' very strenuous attempts to try to get me to understand it. I am not going to read it out because it will make me too confused. I think, Premier, any reasonable reading of that clause is confusing. At the bottom of page 6 is the proposed insertion of new subclause (12) to go in clause 6 of the agreement. The new provision reads —

“(12) If the Minister considers it reasonable and appropriate to do so the Minister may approve pursuant to clause 8(7) (including as applying pursuant to clause 10(3)) variations to any approved proposals to which a subclause (10) permission relates to provide for the grant (including by variation of any existing titles) to the Joint Venturers under the LA Act and in accordance with this Agreement of leases, licences and easements in respect of land within the Gas Processing Area beyond that otherwise allowed by the subclause (10) permission.”; and

I am terribly sorry that I am confused by that, but could I get an explanation? I know the Premier will need some advice on that.

Mr C.J. BARNETT: If these very learned public servants could not explain it to the member, that may reflect on them or the member. I am sure I cannot do better than them, but I will try. I am advised that the clause amends clause 6 of the state agreement, which relates to a reservation of 300 hectares and the manner in which this uncleared land may be accessed. The new clause is inserted to enable the Gorgon joint venture to secure leases, licences and easements over the additional 32 hectares, subject to ministerial approval. I take that as it is allowed to use this land as it can currently use the existing 300 hectares. That is the way I interpret it.

Mr C.J. TALLENTIRE: Something that has come to mind is the issue of native title and future acts arrangements. I do not see any mention of that in this clause or any other clause in the bill. Could the minister please explain the situation?

Mr C.J. BARNETT: My understanding is that the creation of the A-class reserve in 1910 had the effect of extinguishing native title on Barrow Island.

Mr C.J. TALLENTIRE: Is it not the case that by them handing back the land to Chevron and excising it from the nature conservation state, we are opening it up to future acts possibilities?

Mr C.J. BARNETT: All the land is leased by Chevron from the state. That is the usual arrangement. Chevron does not have freehold ownership. It is within the boundaries of an A-class reserve and those parts are leased to

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Chevron. When the project ultimately finishes, that will be returned to the state and the A-class reserve. The advice is correct; once that was created as a reserve, it had the effect of extinguishing what was subsequently native title.

Clause put and passed.

Title put and passed.

As to Third Reading

MR C.J. BARNETT (Cottesloe — Premier) [4.47 pm]: I move that the bill be now read a third time.

The ACTING SPEAKER (Mr I.M. Britza): You need to seek leave.

Mr C.J. BARNETT: I seek leave to proceed to the third reading—sorry.

The ACTING SPEAKER: Is leave granted?

Mr W.J. Johnston: No.

Mr C.J. BARNETT: We have not amended it. Why?

Mr W.J. Johnston: We had an agreement we would just finish consideration in detail and we would do the third reading on Tuesday.

The ACTING SPEAKER: Leave is not granted.

Mr C.J. BARNETT: I worry about this a bit. There has been a lot of debate, but we have agreed on the bill. Getting it to the upper house is a matter of urgency. If that deal was done, I will honour it, but I just hope that members opposite—I do not know whether they want to make further comments—will agree to this. We went through the consideration in detail stage fairly quickly, and that was appropriate because it is a pretty simple bill, and I would think we should be able to get this through the third reading stage.

Mr W.J. Johnston: All we committed to do was to get it through the consideration in detail stage.

Mr C.J. BARNETT: I appreciate that, but it is late on a Thursday afternoon and if people want to make a few more comments, fine. However, we can complete this bill and get it to the upper house, which would assist Chevron. My understanding is that the environmental process is dependent on the legislation getting through Parliament.

Mr W.J. Johnston: That is not what we agreed.

Mr C.J. BARNETT: I move that the bill be now read a third time.

Mr W.J. Johnston: You can't.

The ACTING SPEAKER: Premier, my understanding is that you cannot move that; leave has not been granted.

Mr C.J. BARNETT: I am disappointed by that, but I move —

That the third reading of the bill be made an order of the day for the next day's sitting.

Question put and passed.

House adjourned at 4.49 pm
