

Mr Bill Johnston; Mr Colin Barnett; Ms Rita Saffioti; Mr Paul Miles; Acting Speaker; Dr Tony Buti; Mr Mark McGowan; Mr Dean Nalder; Mr Joe Francis; Mr David Templeman; Mr John Day; Mr Fran Logan; Mr Chris Tallentire; Mr Peter Tinley

BARROW ISLAND AMENDMENT BILL 2013

Second Reading

Resumed from 13 November.

MR W.J. JOHNSTON (Cannington) [10.03 am]: I was 30 seconds into my speech yesterday afternoon when private members' business was called on, so I will now continue my remarks on the Barrow Island Amendment Bill 2013. I note that the Premier is not in the chamber at this time, but I am sure he will be here shortly. The position of the Labor Party is that we will be asking some questions on this bill and we will be seeking clarification on a number of issues, but we intend to support the passage of the legislation. I will detail the four issues on which we seek clarification. We also intend to go into consideration in detail for some brief clarification about a clause in the amended agreement that is particularly confusing. I am sure that clause was written by some lawyer, and it is probably the exact wording that needs to be put in the bill, but it is very difficult to follow.

The first question is: has any part of the 34 hectares of the additional land that will be made available to the Gorgon joint venturers been cleared at this stage? As members would know, the original Barrow Island agreement provided for 300 hectares of land for the Chevron-led partners to use on Barrow Island, in addition to the land that had already been cleared by what was originally West Australian Petroleum Pty Ltd and is now Chevron. I think Santos is a joint venture partner in that project. The joint venturers can use the land that was cleared under the procedures for the old WAPET leases, which comprises the Chevron oil and gas leases on the island. However, they are restricted to the 300 hectares of land. The joint venturers are now asking for an additional 34 hectares of land. I appreciate that Chevron briefed the Leader of the Opposition and me the other day, and it has provided maps of the additional 34 hectares that it is seeking to use and has explained that some of that area will be for lay-down and some will be for operations. I also appreciate the briefing that the Department of State Development provided to me on 28 October. We would like to know whether any of the 34 hectares of land has already been cleared, because that is an important issue to us.

The second question is: why are no environmental offsets proposed for the additional 34 hectares of cleared land on Barrow Island? We need confirmation that the Environmental Protection Act 1986 will apply to the additional 34 hectares of land that is to be cleared by the Gorgon joint venturers; we are sure that it will apply, but we need to get that on the record. I understand from talking to others that under the Environmental Protection Act 1986 different levels of environmental approval can be undertaken by the Environmental Protection Authority. However, that is a separate issue. Therefore, it will be interesting to see how the government responds to that question.

I note that there is not a single member of the government in the chamber. The Leader of the House has now come back into the chamber.

Quorum

Mr P.C. TINLEY: Mr Acting Speaker, I first want to draw your attention to the state of the house. I am not sure that we have a quorum. My second point is that there is a convention in this place, if I understand it correctly, that when a bill is before the house, the responsible minister is typically in the chamber. Unless some arrangement has been made that I am not aware of, the responsible minister for this bill is the Premier.

The ACTING SPEAKER (Mr I.C. Blayney): I understand that the Premier has been delayed in a meeting.

Mr P.C. TINLEY: Does the Leader of the House want to modify something to make the convention stand?

The ACTING SPEAKER: I am sure the Premier will be here as soon as he can be. I will ask the Clerk to ring the bells to call a quorum.

[Quorum formed.]

Debate Resumed

Mr W.J. JOHNSTON: I will make an observation for my colleagues on the government backbench: they are not members of the government; they are members of the governing party. That is why when I said that there was not a single member of the government present, I was telling the truth to the chamber. They may get excited about the idea that they are not actually members of the government, but that is the truth. We seek clarification about what is going to happen to the Environmental Protection Authority.

The final question we have will probably be a little more controversial. We want to know about the government's decision to sell land at Elizabeth Quay to Chevron. According to the advice that we have from the Department of State Development, Chevron made a formal application for the additional 34 hectares of land on

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Barrow Island on 3 September this year. Previously, there were draft applications and discussions between the department and Chevron on this issue. Last week the government announced that Chevron had purchased land, according to the Minister for Planning, and that it had paid more than the Department of Planning's land valuation. We want to know how that happened.

Mr J.H.D. Day: No, I never said that.

Mr W.J. JOHNSTON: The minister did say that. He said the payment made by Chevron exceeded the expected outcome for the land by the department.

Mr J.H.D. Day: It exceeded the initial estimates of value in the initial costings of the project, which were deliberately somewhat conservative. It is a good thing for the state that a higher amount has been achieved, but it is a realistic amount.

Mr W.J. JOHNSTON: It is interesting that at the time the government was negotiating with Chevron and its joint venture partners for an additional 34 hectares on Barrow Island, the government was also negotiating the sale of land at Elizabeth Quay. On which occasions did the Premier, who is also the Minister for State Development, have meetings with Chevron, and what discussions occurred? Did any discussion about the additional land at Barrow Island occur at the same time as discussions about Elizabeth Quay? I want to make a point about this, because the Premier likes these things. In 2003, the Premier, who was the Leader of the Opposition at the time, spoke about Chevron's decision to pay an environmental offset in the original agreement. The Leader of the Opposition said —

When I put it to ChevronTexaco only a couple of weeks ago that this payment would draw it into a political process—it has happened today—it was quite shocked. It had not thought through the public implications of this component of the agreement.

I will also point out what he said about a decision of the former 1980s Labor government dealing with the Argyle Diamond project. He said —

That was the corrupt act. It was extortion. That is why I am sensitive when I read that \$3 million is to be paid on the successful passage of this agreement Bill. They are not the words of the agreement, but that is effectively what will happen. If this Bill is passed, on 1 January \$3 million will be handed over for the icon project. What is the icon project? I do not know, but it will be announced by Dr Geoff Gallop, Premier of Western Australia, in a major publicity event in a pre-election year. That is what this is about. It is not to the same scale, but it is exactly the same as Northern Mining and Argyle Diamond.

The member for Hillarys spoke briefly. He said —

I, like him, —

Meaning the now Premier —

have concerns about what the Government will do with the \$3 million. Earlier the minister said that the decision would be made in consultation with the joint venture partners.

The Premier, when he was Leader of the Opposition, then said —

I thank the member for Hillarys. I make the point that there is something inherently unsavoury about this arrangement. It has been dressed up as an environmental project. I hope it is a good environmental project. We in this House who have a little understanding of politics and the timing of elections know that this will be used blatantly by the Labor Government and the Labor Party for self-promotion in a pre-election year. I put the point, but maybe not so bluntly, to the ChevronTexaco proponents that they have now been drawn into a political process because they have allowed themselves to be party to an arrangement like this. People in this State, and certainly those in the business community and more widely, remember these types of arrangements ... Essentially, \$3 million will be handed over. The Government will have a trust account structure. We all know that a political decision will determine how this money will be spent. It will be a major public relations promotion for the now Premier to enhance his green credentials. That is all this is about. Three million dollars is not a huge amount in one hit; nevertheless, it will be used to give maximum splash to the Premier. ChevronTexaco is compromised by this, not that it realises it.

That is what the current Premier said in 2003 on the passage of the original legislation for the bill that we are dealing with today.

Mr C.J. Barnett: I will not interrupt you other than to say —

Mr Bill Johnston; Mr Colin Barnett; Ms Rita Saffioti; Mr Paul Miles; Acting Speaker; Dr Tony Buti; Mr Mark McGowan; Mr Dean Nalder; Mr Joe Francis; Mr David Templeman; Mr John Day; Mr Fran Logan; Mr Chris Tallentire; Mr Peter Tinley

Mr W.J. JOHNSTON: The Premier has a lot of time to respond during his second reading reply.

The West Australian recently reported on the fact that Chevron has a lease arrangement for office space in the QV.1 building which will provide enough office space for Chevron until 2023. An article in *The West Australian* on 8 May 2013 states —

The new lease secures Chevron's tenancy in QV1 until 2023.

The government needs to answer this question: what was the government's involvement in discussions with Chevron in respect of Elizabeth Quay? Was any part of that discussion done at the same time as discussions about the expansion of the project to the additional 34 hectares on Barrow Island? As we have already asked, why have no environmental offsets been proposed by the proponent to take an extra 34 hectares from a class A nature reserve on Barrow Island? The government needs to explain itself here. The government has form on this. I have pointed out what the Premier said at the time of the passage of the original legislation. He needs to be held to account to the standard that he himself has set.

On 14 October 2003, when discussing the environmental offset arrangements during the passage of the original legislation, the now Premier 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.

He went on to say —

I am ashamed of what has happened with this project, because the Government had such a great opportunity to do so much for the State ...

That is what the Premier's standards were when the Barrow Island Bill was passed in 2003. Where are his standards today? I can answer that, if the Premier wants. On 14 September 2004, the Premier said —

... if someone says something on behalf of a political party and then does the opposite in the most blatant and crass way, that is a political lie. That is my standard.

The Premier has an opportunity to explain himself. Was he involved with the political lie or is there a clear separation between the negotiations for 34 hectares on Barrow Island and the sale of land at Elizabeth Quay? It is disappointing that the government would act in the way that it has on this matter and bring the legislation to this chamber while dealing with Chevron on the issue of Elizabeth Quay; a project in which the government has not been able to sell a single piece of land to a property developer. As I keep saying, not a single property developer in Australia has bought any of the land at Elizabeth Quay, but Chevron, an oil and gas company, has bought land at Elizabeth Quay. It needs to be properly explained to the people of Western Australia and this Parliament because, as the Premier quite rightly says, this is the place in which scrutiny occurs—not anywhere else, only in this chamber. An article in *The West Australian* on 8 May 2013 stated —

“Traditionally large corporates don't tie their money up in property assets.”

“I think renewing at QV1 was always an option for Chevron and you would expect this means it is not about to build another 50,000sqm because QV1 will be its headquarters.”

Mr Cresp said it was a short-term setback for Elizabeth Quay.

Mr Cresp is a person that *The West Australian* considered to be an expert. I am not quite sure which property company he comes from. I will quote this expert again from the article in *The West Australian* —

“Traditionally large corporates don't tie their money up in property assets.”

Dr M.D. Nahan: What did BHP do?

Mr W.J. JOHNSTON: BHP does not own Brookfield tower; the member should know that. It is connected to a Canadian property trust. Surely he knows that.

Several members interjected.

The ACTING SPEAKER: Members, this is a very interesting subject. I am having a bit of trouble following the member for Cannington so I would appreciate it if members kept the interjections down.

Mr W.J. JOHNSTON: If Chevron took a lease on property in Elizabeth Quay, we could understand that but the fact is that it has purchased the land and that needs to be explained by the government.

Mr C.J. Barnett: Ask Chevron.

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Mr W.J. JOHNSTON: I am not asking Chevron; I am asking the Premier. What was the link that the government created between the 34 hectares of land and Elizabeth Quay? The Premier, in breach of the conventions of this Parliament, walks off again.

Mr A.P. Jacob: He's getting a glass of water!

Mr W.J. JOHNSTON: I want to return to the Premier's position —

Mr C.J. Barnett: Send me off to the Corruption and Crime Commission for getting a glass of water! Perhaps I should lease the water. Am I allowed to drink it?

The ACTING SPEAKER: I would like to hear the member for Cannington in silence please.

Mr W.J. JOHNSTON: It is like yesterday when the Minister for Energy again made an improper implication about the commercial arrangements, yet he is not prepared to back that up with action. We have the same situation here, in which the Premier is asked completely legitimate questions about a very important decision and he makes fun of these issues. I know that the Premier must be embarrassed by the position in which he has placed the joint venture partners. His behaviour in this matter has led to the questions that I am raising. There has been plenty of scuttlebutt about the fact that the Premier has been putting pressure on Chevron to buy land at Elizabeth Quay. Did that pressure include discussions about the 34 hectares on Barrow Island? Was that part of the deal? Did he have a meeting or meetings where the two issues were discussed at the same time? The Premier will have plenty of opportunities to stand up. The Premier discussed the two matters together.

Mr C.J. Barnett: But not interrelated, no. You can walk and chew gum at the same time.

Mr W.J. JOHNSTON: Here we go. This is the Richard Nixon defence. When the Labor Party did the deal with Chevron over the original project, the payment of the environmental offset fund was a "corrupt act", according to the Premier. That is a direct quote from the Premier's mouth; it is recorded in *Hansard*. What does he say now? He says, "You can walk and chew gum at the same time." He sat down with Chevron and negotiated the two issues at the same time during the same meetings. That was improper.

Withdrawal of Remark

Mr C.J. BARNETT: The member opposite implied a corrupt act and therefore impugned my reputation. To just comment on that —

Mr W.J. Johnston: You can't make a personal explanation while I'm speaking.

Mr C.J. BARNETT: The member opposite has used the term "corrupt act" in relation to negotiations that I may have had, reflecting on the increased land area on Barrow Island. He sought to link that to the sale of land on Elizabeth Quay. That is an allegation of corruption in this house and I ask him to withdraw.

Ms R. SAFFIOTI: Further to that point of order, the member for Cannington was quoting the Premier when he used to use the words "corrupt act" on a daily basis. He used the words "corrupt act" when he came in here to talk about the previous Gorgon deal. The member was quoting what the Premier said at the time, when the Premier used the words "corrupt act" without a substantive motion.

Mr P.T. MILES: Standing order 92 refers to imputations of improper motives and personal reflections. That is what we are talking about here. The member for Cannington has made an improper imputation on the Premier and he needs to withdraw.

The ACTING SPEAKER (Mr I.C. Blayney): Members, I would like to refer you to standing order 92, which states —

Imputations of improper motives and personal reflections on the Sovereign, the Governor, a judicial officer or members of the Assembly or the Council are disorderly other than by substantive motion.

In that case, I would have to accept the Premier's point of order and ask the member for Cannington to withdraw what he said.

Mr W.J. JOHNSTON: I am happy to do so if you could just direct me to the words that I used.

Several members interjected.

Mr W.J. JOHNSTON: Unconditionally, I withdraw.

The ACTING SPEAKER: Thank you. You may continue.

Debate Resumed

Extract from Hansard

[ASSEMBLY — Thursday, 14 November 2013]

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Mr Bill Johnston; Mr Colin Barnett; Ms Rita Saffioti; Mr Paul Miles; Acting Speaker; Dr Tony Buti; Mr Mark McGowan; Mr Dean Nalder; Mr Joe Francis; Mr David Templeman; Mr John Day; Mr Fran Logan; Mr Chris Tallentire; Mr Peter Tinley

Mr W.J. JOHNSTON: I say again that when the Barrow Island Bill was brought to this chamber in 2003, the environmental offset fund was called a corrupt act by the Premier. Today we find out that the Premier sat in a room and negotiated 34 hectares of land in a class A nature reserve to be given to the Gorgon joint venture partners without any environmental offsets at the same time as he negotiated a deal with Chevron to sell the land. On 8 November 2013, ABC Online stated —

The Planning Minister John Day said Chevron paid more for the land than what the Government had budgeted for.

We need to understand how that happened. We need to judge the Premier's behaviour, not on the standards of the Labor Party, not on the standards of any other person, but on the Premier's standards. The Premier said that it was a corrupt act for the former Labor government to get an environmental offset fund in respect of the original Gorgon deal. According to the Premier, the passage of the Barrow Island Bill was a corrupt act and not the way international business is done. The people of Western Australia are entitled to know, and this Parliament needs to demand a proper explanation, why discussions were allowed to take place on the sale of Elizabeth Quay and 34 hectares on Barrow Island not by the Labor Party, but by the Premier of Western Australia. He has to explain himself because this has led to a problem for everybody in Western Australia. A project which the Premier opposed at every step but which was supported by the Labor government has delivered thousands of jobs. The Labor Party has working people at its core. The Labor Party is about jobs. That is why it supported the Chevron joint venture getting the land on Barrow Island despite the then Leader of the Opposition saying that it was a bad decision and was missing the best opportunities. In spite of all that, he has brought to us this expansion arrangement and is asking us to support it. But he will not explain properly why in negotiations he is connected to these two issues. That issue needs to be confronted by the Parliament of Western Australia, the Premier, his cabinet colleagues and everyone in this state, particularly this Parliament. As the Premier said, this is where accountability occurs—nowhere else; not at meetings and not in press conferences, but in this chamber.

The Premier likes to claim the Gorgon project as his own because the final investment decision by Chevron Australia was made after the change of government. It is interesting that when the Premier spoke in 2003 he made the point that locating the project offshore would not be in the state's interests. In fact, interestingly, about moving the project onshore, he said —

All the Government had to do was negotiate the scenario that I have outlined; namely, strip out the CO₂, reinject it into Barrow Island, bring the gas onshore, and have as much development as it can get in a purpose-built industrial estate. That is the big picture. That is what should happen.

He said further on —

Gorgon will say that it will cost \$1 billion more to bring the gas onto the mainland. That may be right. However, big deal! This is a 40, 50 or 60-year project. The revenue in taxation payments alone will be some \$18 billion. The Government should have negotiated these things.

But what did he do when he came to office and had the capacity to renegotiate the arrangements with the joint venture partners? He implemented the Labor Party's plan for the project. He did not go ahead with his own plan for the project; he went ahead with the Labor Party's plan and he has never explained himself on that issue. When talking about stripping the CO₂ offshore and bringing the gas onshore, he said —

That would be the best of both worlds. It would give the Gorgon proponents the certainty to go into the market and say that they can access the gas reserve and bring it onto Barrow Island. ... They can then build the LNG plant and sell gas for export as LNG, and they can sell gas to Australian and international companies that build gas processing plants adjacent to the LNG plant. Forty or 50 of those plants could be built on the mainland.

The Premier said that when he was in opposition, yet it was not what he did when he came into government and had the levers to do it. It reminds me of the Premier's claim that it was he who delivered the Karara iron ore project to Western Australia. Interestingly, on 22 July 2008, which was, of course, before the Premier became the Leader of the Opposition again and before the 2008 election, Gindalbie Metals Ltd put out a media release that states in part —

Gindalbie Metals Limited and its joint venture partner ... have further reinforced their strong commitment to the timely development of the **A\$1.8 billion Karara Iron Ore Project** in Western Australia after placing firm orders totalling approximately **A\$70 million** for key long-lead equipment items for the project's construction phase.

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The orders represent the first major equipment purchase for the Karara Project and are expected to be followed by a series of project and contract milestones as the Karara Project moves into the implementation phase.

It states further on —

Commenting on the announcement, Gindalbie's Managing Director, Mr Garret Dixon, said: "This represents another important milestone for the Project and demonstrates the confidence that we have in the timely completion of the approvals process. A commitment to secure these important long-lead items is essential now to ensure that the project meets all of its critical development milestones, particularly given the extensive lead time required to manufacture these large items of equipment.

Again, that shows that the Premier likes to talk about stuff, but he does not do the things; it is a range of other people.

Mr C.J. Barnett interjected.

Mr W.J. JOHNSTON: Yes, that is true, with other people, as the Premier knows. I was not in government but the former government did.

Mr C.J. Barnett: I assure you that you didn't. Members opposite argued against us for sorting it out and allowing development to take place.

Mr W.J. JOHNSTON: What rubbish. The Premier makes up things. We know what the Premier does and he is doing it again.

On 19 December 2011, when Woodside announced it would delay a decision on the James Price Point precinct, the Premier said to the media that it was a good decision because it meant that Inpex could come onshore. I asked the Premier about that.

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

Mr W.J. JOHNSTON: You did.

Mr C.J. Barnett: I'm still trying to find the quote where you claim I said the deal was corrupt. I certainly said it was grubby. I found that.

Ms R. Saffioti: No; it's in consideration in detail. Go and find it.

Mr W.J. JOHNSTON: The Premier should find it. I quoted the page number; he should look for it. My question started —

I refer to the Premier's statement in the media in December 2011 that the delay to an investment decision by the Woodside-led Browse project would allow the Inpex-led Ichthys LNG project to use the proposed James Price Point gas processing hub, and I ask:

Several members interjected.

Mr W.J. JOHNSTON: We all know that the Premier has no ticker. My question continues —

- (a) did the Premier have any discussions with Inpex between 19 December 2012 and 13 January 2012, and if yes, on what date(s), and with whom;

The answer was no. It continues —

- (b) on what date did the Premier become aware that Inpex were proceeding with the Ichthys project using on-shore LNG facilities in the Northern Territory;

He said that it was 13 January 2012, when Inpex announced its decision to proceed. The Premier likes to talk as though he knows things. When he is in a press conference and has a problem, he throws out something that has nothing to do with the problem in front of him, hoping the media and others will follow that road. When Woodside made its announcement in 2011, he created the furphy that Inpex would come onshore. I make two points about that: firstly, the Premier never did anything. He was the Premier of the state, yet from the day he made that comment to the day Inpex decided to go to Darwin, the Premier had no contact with the company. If at the time of the Gorgon legislation, the Premier had done what he had said and called on a minister to "Roll up your sleeves and get involved in things", why did the Premier not go and see Inpex? We know why: Inpex had already made its decision perfectly clear. I quote from the transcript of the Economics and Industry Standing Committee hearing of 22 November 2010 as follows —

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Mr W.J. JOHNSTON: Where onshore would have been appropriate? Did you make a request for any particular location onshore in the Kimberley?

Mr Townsend on behalf of Inpex replied —

The process was such that we had selected the Maret Islands and were developing that, and then the Northern Development Taskforce commenced its process; so in effect with that process ongoing we chose to cooperate with the Northern Development Taskforce and work with the Northern Development Taskforce to assist in their thinking around onshore locations.

I then asked —

You did not have a view that this spot would have been good or this other spot would have been better or anything like that?

Mr Townsend: Well, we did have views which we communicated to the department at the time, in terms of each location was assessed, and we offered key insights into what we saw as being the pros and cons of each site.

I asked a follow-up question —

But you did not have a preferred location on the Kimberley coast?

Mr Townsend: Our preferred location was always the Maret Islands. I hate to dwell on that.

The point I am making is that at no time did the Premier try to get Inpex to come onshore to James Price Point; yet he was happy to suggest in the media that that was somehow a solution to the problem he had created by forcing the Browse joint venture partners to consider that site. Interestingly, it was well known, because in 2010–11 Shell publicly said that it preferred to pipe the gas to the Burrup. It was well known around the industry because Shell had talked about it publicly and there were rumours, which, of course, we cannot confirm, that both BHP Billiton Ltd and Chevron would have preferred the Burrup site. That site would have secured onshore gas for Western Australia and ensured an onshore LNG processing facility. Instead, the Premier had to do it his way, twice messing up—now we will find out whether he has done it properly the third time—the purchase of the James Price Point precinct.

Mr C.J. Barnett: We purchased it.

Mr W.J. JOHNSTON: We do not know. We will see what happens next time it goes to court. Twice the Premier has been to court and both times he has lost—so two out of three—and we will see what happens the third time.

It was to buy a site that nobody wanted to use. Now the Premier goes to the media and says, “If the floating LNG project proceeds, we could use the James Price Point precinct as a supply base for the offshore floating LNG facilities.” Yet that is not permitted by the state agreement act covering James Price Point that the Premier brought into this chamber and had us pass.

Mr C.J. Barnett: We can soon change that.

Mr W.J. JOHNSTON: I am sorry—the Premier can change that?

Mr C.J. Barnett: That is what we are doing now; we are changing it in the agreement act.

Mr W.J. JOHNSTON: It can only be changed with the agreement of the other party to the state agreement. You know that yourself, don't you?

Mr C.J. Barnett: The state owns the land.

Mr W.J. JOHNSTON: What discussions has the Premier had with the other parties to the James Price Point agreement?

Mr C.J. Barnett: Quite a lot.

Mr W.J. JOHNSTON: What is their position?

Mr C.J. Barnett: Including the federal minister.

Mr W.J. JOHNSTON: Do they support your change or not?

Mr C.J. Barnett: Including the federal minister on two occasions.

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Mr W.J. JOHNSTON: I am not talking about that. I am talking about the state agreement act that the Premier asked us to pass through this Parliament that prevents the use of James Price Point as an offshore base for floating LNG projects.

Mr C.J. Barnett: So, if we have a proponent for an offshore base, we can bring in an amendment to the agreement, can't we?

Mr W.J. JOHNSTON: No. The agreement is not with the proponent for the offshore proposal. The agreement is with the Indigenous landholders, so what is the Indigenous landholders' position on this issue?

Mr C.J. Barnett: For goodness sake! They want to see some development.

Mr W.J. JOHNSTON: I have asked the Premier a question. Either he can answer it or he cannot.

Mr C.J. Barnett: I can. Unlike you, we want to see development of the Browse gas fields to the benefit of Western Australia.

Mr W.J. JOHNSTON: Yes, I would like to see it being done onshore but the Premier is the one who messed it up and that is why it is not being done onshore.

Several members interjected.

Mr W.J. JOHNSTON: It is also interesting to note that on 14 October 2003 the Premier said in respect of the federal resource rent tax —

Resource rent tax was designed for the oil industry, not gas production.

Mr C.J. Barnett: True.

Mr W.J. JOHNSTON: What is Tony Abbott's view about that? Has the Premier talked to him? Is he going to give the Premier some change to the system for the petroleum resource rent tax for the Gorgon project, because the Premier criticised the former Labor government for not having done those deals with the federal government?

The Premier said —

Under the North West Shelf, the State underpinned the project. It took huge risks and incurred costs with take-or-pay ... contracts and financing the Dampier-Bunbury pipeline.

The Premier goes on —

That is not the case with this project.

He goes on —

The ratio could be 70:30, or whatever. The State should get a significant share. Approximately one-third would be about right.

How is the Premier going on that issue with his friend Mr Abbott, the Prime Minister of Australia? Has he agreed to that revenue-sharing arrangement?

Mr C.J. Barnett: This is the most deranged speech I have ever heard.

Mr W.J. JOHNSTON: I am just asking a question. The Premier criticised the former Labor government —

Mr C.J. Barnett: You are just hypothesising about a lot of nonsense.

Mr W.J. JOHNSTON: I am just asking the Premier to answer a question. He said that there should be a one-third share of the PRRT arising from the Gorgon project.

Mr C.J. Barnett: Yes, you're dead right. That's what I said 10 years ago and I think I was pretty on the money.

Mr W.J. JOHNSTON: What negotiations did the Premier have with the commonwealth for a share of the PRRT from the Gorgon project?

Mr C.J. Barnett: There is none. There is no share. We get nothing.

Mr W.J. JOHNSTON: Okay. What were the negotiations?

Mr C.J. Barnett: We get nothing out of Gorgon.

Mr W.J. JOHNSTON: You were Premier before the project —

Mr C.J. Barnett: You thought you got \$100 million and it's never turned up. You got nothing.

Extract from *Hansard*

[ASSEMBLY — Thursday, 14 November 2013]

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Mr Bill Johnston; Mr Colin Barnett; Ms Rita Saffioti; Mr Paul Miles; Acting Speaker; Dr Tony Buti; Mr Mark McGowan; Mr Dean Nalder; Mr Joe Francis; Mr David Templeman; Mr John Day; Mr Fran Logan; Mr Chris Tallentire; Mr Peter Tinley

Mr W.J. JOHNSTON: You were the Premier at the time the project proceeded. What was the deal the Premier did?

Mr C.J. Barnett: The agreement had been done.

Mr W.J. JOHNSTON: What were the negotiations the Premier had? This is great, is it not? The man likes to talk but does not like to do any work. He said —

To get an LNG plant on Barrow Island is a big project, but it is not the main game and not the big picture for this country or State in terms of finance or the development of the gas industry.

Mr C.J. Barnett: That is right. I was right on the money.

Mr W.J. JOHNSTON: I have plenty more to say because the Premier spoke lots.

Mr C.J. Barnett: I made a long speech.

Mr W.J. JOHNSTON: I know, yet the Premier has not acted on a single word of it in government. He was so impressed with his words that he ignored them when he got into power.

The Premier said —

This State will advance with Gorgon on Barrow Island. It will be good. It will have huge construction and huge benefits. However, the Government missed the glittering prize. Why did it miss it? It was because it could not see the big picture. It rushed in to try to say that it was getting development under way, which will not happen before 2008 at the earliest.

He continued —

For a whole host of reasons it is years away. The Government has simply given it away.

Yet when he came to power, what the Premier did was implement the Labor Party's plan for the Gorgon project. Everything that the Premier has touched in state development over his entire life as state development minister—nearly 13 years—has not achieved anything. Not any of the vision of the 40 or 50 gas processing plants has been achieved.

Mr C.J. Barnett: Been to Hearson Cove?

Mr W.J. JOHNSTON: Yes, I have and I know what is there.

Mr C.J. Barnett: Seen the gas plant?

Mr W.J. JOHNSTON: There is a project that the Labor Party supported and that the Premier said should not have been built there. He said that Hearson Cove was —

Mr C.J. Barnett: I established Hearson Cove.

Mr W.J. JOHNSTON: The Premier went to Sydney to a conference on rock art to say that Hearson Cove should not be used by industry.

Several members interjected.

Mr W.J. JOHNSTON: The Premier also said in this Parliament that there should be a debate about rock art. That is what the Premier said. He said that there should be a debate in this chamber on the question of the rock art on the Burrup Peninsula. And he said that one of the challenges to the Burrup rock art was the placement by the Labor Party of a gas processing plant in Hearson Cove.

Mr C.J. Barnett: There's no rock art in Hearson Cove. There is no rock art.

Mr W.J. JOHNSTON: That is exactly what the Premier said in this chamber.

Mr C.J. Barnett: There is no rock art in Hearson Cove. It's a flat tidal area.

Mr W.J. JOHNSTON: Why then did the Premier say that before that project proceeds, there should be a debate in this chamber about rock art in respect of the Burrup Fertilisers plant? Why did he say that?

Mr C.J. Barnett: There is no rock art where the plant is.

Mr W.J. JOHNSTON: I did not ask that. I asked the Premier why he said that there should be a debate in this chamber on the question of rock art before the approvals of the Burrup Fertilisers plant were granted. Why did the Premier say that?

Mr C.J. Barnett: Hearson Cove does not have rock art.

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Mr W.J. JOHNSTON: I did not ask that. I asked the Premier why —

Mr C.J. Barnett: It's in the crystal ranges nearby but not in the cove.

Mr W.J. JOHNSTON: This is the typical Colin Barnett—I am sorry, my apologies. This is the typical Premier of Western Australia. He cannot come to terms with the fact that when he says something, he should do something. He thinks that it is just good enough to say something. Back in the 1990s we had the scandal of Kingstream. I have to make it clear here that I am not saying that the Premier duped anybody in respect of Kingstream. I am saying that the Premier, as Minister for State Development, was duped. He was duped into thinking that there would be a project at Oakajee to build a steel mill. In fact it was nothing like that at all. All it was was about milking the stock exchange and the Premier was duped into participating in that process.

Withdrawal of Remark

Mr C.J. BARNETT: Point of order, Mr Acting Speaker.

Mr P.C. Tinley: Not a personal explanation!

Mr C.J. BARNETT: No, but I would not have thought the member for Willagee would comment. Mr Acting Speaker, the member opposite has just implied —

Mr P.C. Tinley: Why not? Why would I not comment? I own a seat in this house; why would I not comment?

Mr C.J. BARNETT: I am taking a point of order, Mr Acting Speaker.

The ACTING SPEAKER (Mr I.C. Blayney): Member for Willagee, I would appreciate it if you did not interrupt.

Mr C.J. BARNETT: Mr Acting Speaker, the member opposite has just implied that I was duped or somehow involved in a scam to milk the stock exchange. That is impugning my reputation. I would ask that he apologise and withdraw.

Dr A.D. Buti: Talk about robust debate! You got up the other day and talked about robust debate. You will not allow anything, will you?

Mr C.J. BARNETT: Duping, rorting the stock exchange, whatever.

Dr A.D. Buti: What about what you said the other day about the member for Willagee? What were you trying to imply there? What were you trying to imply, Premier?

The ACTING SPEAKER: Member for Armadale, I will ask you to withdraw that comment immediately, please.

Dr A.D. BUTI: What comment?

The ACTING SPEAKER: You just —

Dr A.D. BUTI: I withdraw.

Mr W.J. JOHNSTON: On the point of order, I made it clear and said that I am not implying that the Premier was responsible. I said that at the start of my commentary to make it clear that I was not implying any improper motive on behalf of the Premier. So I do not understand how there could even be a point of order when I made it clear that I was not implying any improper behaviour on behalf of the Premier. I said and quoted the fact that he was not personally responsible for it but that he had been duped into being involved in it. That is not to accuse him of any improper behaviour at all.

The ACTING SPEAKER: I actually was listening quite carefully to your comments, member for Cannington, because obviously I know quite a lot about the Kingstream project as well. I took from what you said that the stock exchange had been duped, but that was it. So, I did not take it that there had been any suggestion that in any way the Premier was involved with that, and I will accept your explanation.

Debate Resumed

Mr W.J. JOHNSTON: Thank you very much, Mr Acting Speaker, because that is exactly what I said.

Mr C.J. Barnett: You just said I was involved. You said it then.

Mr W.J. JOHNSTON: This is typical of the Premier. It is his way or no way. He cannot handle it when people point out the facts. In 13 years as the state development minister, he has never achieved anything. His vision for state development has been thrown in the dustbin of history. He has failed. I have been to the Maitland industrial estate, which the Premier said should be the glittering prize of a gas processing precinct. There is a liquefied

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natural gas facility there; it is the trucked LNG facility that supplies country power stations. It is interesting that the Minister for Energy said it needed to supply probably another eight power stations to make it fully viable. That is what is at the Maitland estate. The Premier talks about his glittering prize of 40 or 50 gas processing projects at the Maitland estate, but where are they? When the Premier retires from this place, he will go on to what I am sure will be a spectacular career. He has demonstrated ability in this chamber—there is no question—and everybody on our side recognises that. A person cannot get elected as Premier without having any talent. I am sure that when he leaves this place he will have another interesting career probably in business or whatever he chooses; it is up to him. However, he will look back on his career and see that he has not achieved the things he set out to achieve and that the things he wanted to do have not happened. That will probably be very disappointing for him in his future.

I want to point out a few other things the Premier said during the debate. He said —

Any company can comply with the letter of the obligations of an agreement Act. The real issue is whether the minister—it is not a matter of answering questions—is willing to roll up his sleeves and become directly involved in the project and its procurement. The minister might not like doing that, but that is the only way to effect change.

He went on to say —

... the fact that the project is on Barrow Island, and the fact that there is no Australian partner, will make local content that much harder to achieve. The way to get true local content is to have an ethos in this project that it is Australian. We have to think Australian first.

Of course, while the Premier had the power to do something about the question of Australian participants in this Gorgon project, he did not do anything about it. He simply followed along the proposal that had been left to him by the Labor Party. I am not saying it was the wrong thing to do to follow our proposal; I am just making the point that he did not do what he said he would do. The Premier, who has failed at Oakajee and James Price Point, said —

When things go wrong, the minister has to become directly involved.

He said that, yet he continues to fail all the time on his pet projects. What he said about the environmental offset fund is also interesting. He asked —

Would it not be more appropriate for this Parliament to decide what the icon project shall be?

That is an interesting question, because given that the Premier negotiated for the purchase of Elizabeth Quay with Chevron while he negotiated the 34 hectares of additional cleared land on Barrow Island, and then went on to trumpet the success of the sale of the land in the media, why would the Premier not have brought that matter to the Parliament and let us decide whether that was the best way to proceed?

Mr C.J. Barnett: There are no linkages.

Mr W.J. JOHNSTON: There is a linkage; the Premier has linked them. The Premier did that.

Mr C.J. Barnett: You make the accusation of a linkage and we'll see how you fare. Go outside and make the accusation of corrupt linkages.

Mr W.J. JOHNSTON: Of course, I am going to, Premier; do not worry about it.

Mr C.J. Barnett: You won't. Go on; you make the linkage.

Mr W.J. JOHNSTON: Of course I will. The Premier said that he discussed them at the same meetings.

Mr C.J. Barnett: You make the linkage. If you imply anything wrong with the purchase of that land, walk out that side there, walk to the top of St Georges Terrace, make the accusation and see how you get on.

Mr W.J. JOHNSTON: I am going to, Premier. I am about to. I have 18 minutes. Go and sue me. You have got no chance, mate—no chance at all—because you have admitted it was linked.

The Premier came to this place and told us that at the same set of negotiations at which Chevron, on behalf of its partners, negotiated 34 hectares of cleared land on Barrow Island, the Premier talked to Chevron about buying Elizabeth Quay. I wonder what Chevron's partners think of the Premier's behaviour.

Mr C.J. Barnett: Ask them. Go and ask them.

Mr W.J. JOHNSTON: Does the Premier know what their position is?

Mr C.J. Barnett: Go and ask them.

Mr Bill Johnston; Mr Colin Barnett; Ms Rita Saffioti; Mr Paul Miles; Acting Speaker; Dr Tony Buti; Mr Mark McGowan; Mr Dean Nalder; Mr Joe Francis; Mr David Templeman; Mr John Day; Mr Fran Logan; Mr Chris Tallentire; Mr Peter Tinley

Mr W.J. JOHNSTON: I am asking the Premier. Is the Premier aware of the position of Chevron's partners?

Mr C.J. Barnett: Chevron is the proponent. They are not buying the land; Chevron is buying the land.

Mr W.J. JOHNSTON: Why were the discussions taking place at the same meeting?

Mr C.J. Barnett: Why not? For goodness sake, you talk to people. That is what being a Premier or a minister is. Several members interjected.

Mr C.J. Barnett: Of course, you talk to people. You didn't; that is why you lost Inpex. You wouldn't answer the phone when they rang you. Ripper wouldn't answer the bloody phone!

Mr W.J. JOHNSTON: You lost Inpex, not us! We did not lose Inpex—you did. You lost Inpex.

Mr C.J. Barnett: They wouldn't answer the phone in the election campaign! It's hilarious.

The ACTING SPEAKER: Members! We could sit here all day arguing about who lost Inpex, but it is not going to get anywhere.

Mr W.J. JOHNSTON: I think it is unbelievable that the Premier who would not talk to Inpex—the Premier who told me in answer to a question on notice that he did not talk to Inpex—said between the time he said that Inpex should go to James Price Point and the time that Inpex decided to go to Darwin that it was great that Woodside had delayed the decision on James Price Point because it meant Inpex could go to James Price Point. That was on 19 December 2011. On 13 January 2012, Inpex said that it would go to Darwin. What contact was there between the Premier and Inpex between the time he said that Inpex should go to James Price Point and the time that Inpex went to Darwin? There was none—not a single word. The Premier worked so hard and did not do anything! He did not do a single thing for a month; there was not one contact. Yet, he said that it was good because Inpex could come here. What did he do? Did he get off his backside and go to talk to Inpex? He said that we did not answer the phone. The Premier did not make a phone call; he did not do a single thing.

I also make the point that the Barrow Island agreement is in respect of all the joint venture partners. This is another important issue that the Premier needs to let us know about. Were the other joint venture partners aware of the decision by the government to negotiate two separate issues at the one set of meetings? The Premier needs to tell us that. This is not a question for the joint venture partners; this is a question for the Premier, because, as the Premier says, scrutiny is done in this chamber. Therefore, we want the Premier to tell us whether that is the case. The Premier does not like the fact that he gets held to account on these issues. He talks a lot, he has not achieved very much, and he has not been capable of getting his vision for state development implemented in this state. As he says, he has failed on Oakajee and he has failed on James Price Point. I should say, as he says, that he failed twice on Oakajee. However, he is happy to claim credit for projects that the Labor Party set out such as Karara or the expansion of the Geraldton port, which has facilitated midwest projects. The Premier is happy to claim credit for the Gorgon joint venture project that he followed through, not on the course he set the project, but on the course the Labor Party set. As I said, he has failed on James Price Point. Having implemented an agreement, he now has to go back to the native title parties and ask them for their permission to change that agreement. Then he will have to come back to the Parliament and ask us for our approval to change that agreement. Where exactly is the plan? Let us take James Price Point as the example. If the Premier wanted to use that James Price Point precinct for a floating LNG supply base, why did he not include that in his agreement? Why is it that he comes back to us all the time to fix up his mistakes? That is what the problem here is.

Mr C.J. Barnett: Can you help me out here?

Mr W.J. JOHNSTON: Probably not; I do not think the Premier is capable of being helped!

Mr C.J. Barnett: You might be able to help. I might be wrong here, but at the beginning of your speech you quoted that I described a project as a corrupt deal. I have just had a look through my speech.

Mr W.J. JOHNSTON: As a grubby act.

Mr C.J. Barnett: Grubby act? No, you said "corrupt deal".

Mr W.J. JOHNSTON: Corrupt.

Mr C.J. Barnett: You said "corrupt deal".

Mr W.J. JOHNSTON: That is what I said—"corrupt"; that is right.

Mr C.J. Barnett: With respect to Gorgon.

Mr W.J. JOHNSTON: Yes.

Mr C.J. Barnett: I certainly made a comment about a corrupt act relating to Argyle Diamond.

Mr Bill Johnston; Mr Colin Barnett; Ms Rita Saffioti; Mr Paul Miles; Acting Speaker; Dr Tony Buti; Mr Mark McGowan; Mr Dean Nalder; Mr Joe Francis; Mr David Templeman; Mr John Day; Mr Fran Logan; Mr Chris Tallentire; Mr Peter Tinley

Mr W.J. JOHNSTON: The Premier said that this project was the same as Argyle Diamond. That is exactly what the Premier said.

Withdrawal of Remark

Mr C.J. BARNETT: I think from the interchange that the member has—goodness me!—made an error in the Parliament. He has made a comment that I described this agreement with Gorgon as corrupt. I did not. I certainly called it, 10 years ago, a grubby deal. I used the word “corrupt” in relation to Argyle Diamond, which was the start of WA Inc, when the Burke government basically extorted \$50 million. If the member has accused me today of referring to this as corrupt, I demand he withdraw that, and, on the standard of the Labor Party, refer it to the Procedure and Privileges Committee and have him hanged at dawn!

The ACTING SPEAKER (Mr I.C. Blayney): I am not going to accept the point of order, but I will ask the member to be careful in what he says, and, of course, there is a record that will be checked.

Debate Resumed

Mr W.J. JOHNSTON: Thank you very much, Mr Acting Speaker. The *Hansard* of 14 October 2003 states —

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.

Let me get that into context. The current Premier said previously —

It is almost like extorting \$40 million from the proponents in exchange for access to Barrow Island.

Mr M. McGowan: Extorting?

Mr W.J. JOHNSTON: Yes, because I read it out —

Several members interjected.

The ACTING SPEAKER (Ms L.L. Baker): That is enough! Excuse me, Premier! I have been on my feet for about half a minute. If the house chooses to ignore the Acting Speaker’s role in this, people will be chucked out for the rest of the day, and longer probably. We need to have some order in this house. We have a second reading contribution being undertaken. I am assuming it is the member for Cannington who is meant to be on his feet. It is a little hard to tell. Member for Cannington, please speak to me. Do not direct your comments to the Premier. And, Premier, please do not scream across the chamber at the member for Cannington. Member, you have the floor. Please bring some order to your presentation.

Mr W.J. JOHNSTON: The *Hansard* states —

That was the corrupt act. It was extortion. That is why I am sensitive when I read that \$3 million is to be paid on the successful passage of this agreement Bill. They are not the words of the agreement, but that is effectively what will happen. If this Bill is passed, on 1 January \$3 million will be handed over for the icon project. What is the icon project? I do not know, but it will be announced by Dr Geoff Gallop, Premier of Western Australia, in a major publicity event in a pre-election year. That is what this is about. It is not to the same scale, but it is exactly the same as Northern Mining and Argyle Diamond.

It is exactly the same, and the Premier said that Argyle Diamond was a corrupt act.

Mr C.J. Barnett: Yes, it was.

Mr W.J. JOHNSTON: Yes. Premier, I will read it again.

The ACTING SPEAKER: Member for Cannington, excuse me! I have instructed that you direct your comments through the Chair, and that needs to happen now. I will start calling people, including the Premier, if this continues. Please debate the second reading of this bill.

Mr W.J. JOHNSTON: Thank you very much. I am very obliged to you, Madam Acting Speaker.

The Premier said that that was a corrupt act in respect of what he described as the scandal of Argyle Diamond. Then he said that it is exactly the same in respect of Gorgon. The words are “exactly the same”. If it was a corrupt act in regard to Argyle Diamond, he was saying that it was exactly the same in respect of Gorgon. That is why —

Several members interjected.

Mr Bill Johnston; Mr Colin Barnett; Ms Rita Saffioti; Mr Paul Miles; Acting Speaker; Dr Tony Buti; Mr Mark McGowan; Mr Dean Nalder; Mr Joe Francis; Mr David Templeman; Mr John Day; Mr Fran Logan; Mr Chris Tallentire; Mr Peter Tinley

The ACTING SPEAKER: Members! Member for West Swan, member for Albany and the Premier, please do not engage in a debate across the chamber while a member is on his feet. I do not understand what you do not get about this. Thank you.

Mr W.J. JOHNSTON: As I was saying, there is only one way to read those words. The Premier said that the Gorgon deal between the Labor government and the Chevron joint venture was exactly the same as the deal done between the former Labor government and Argyle Diamond. The Premier said that the deal between Argyle Diamond and the former Labor government was a corrupt act, and he said that it was exactly the same thing when he referred to the Gorgon joint venture deal.

Point of Order

Mr C.J. BARNETT: The member is clearly trying to rewrite history and, in doing so, impugn my reputation.

The ACTING SPEAKER (Ms L.L. Baker): Premier, I am sorry; under what standing order is the point of order?

Mr C.J. BARNETT: Standing order 92, impugning the reputation of a member of Parliament.

The ACTING SPEAKER: Impugning the reputation of a member of Parliament.

Mr C.J. BARNETT: Yes. I stand by everything I said on this 10 years ago. I regarded the dealings between the Burke government and Argyle, and in particular Northern Mining, as corrupt, and indeed it started the —

Several members interjected.

The ACTING SPEAKER: Thank you, Premier. I think I understand.

Mr M. McGOWAN: Further to that point of order, the Premier keeps on standing up and making debating points and using a point of order to make a debating point. If he is going to continue to disrupt this debate in the way he is, he should not be allowed to make a point of order.

The ACTING SPEAKER: Thank you, members. I will clarify that I agree that it is not a time for debating. A point of order is a point of order. Premier, I do not think that is a point of order. We will continue with the debate.

Debate Resumed

Mr W.J. JOHNSTON: Thank you very much, Madam Acting Speaker.

Tabling of Paper

Mr C.J. BARNETT: I appreciate that you were not here 10 years ago, Madam Acting Speaker. May I seek permission to table, and therefore allow you to read, the quotes from 10 years ago so they can be considered carefully? I seek to table the speeches and the quotes from 10 years ago.

The ACTING SPEAKER: Yes, absolutely; please do, Premier. Thank you.

[See papers 1148 and 1149.]

The ACTING SPEAKER: Member for Cannington, please continue.

Debate Resumed

Mr W.J. JOHNSTON: I am obliged that the Premier has tabled a public document that I am reading from. It does assist the debate very greatly by him tabling a document that is publicly available and that I am reading from, and reading from in full, because I have nothing to hide here. It is interesting that the Premier says —

Mr C.J. Barnett: Did I say the Gorgon deal was corrupt?

The ACTING SPEAKER: Premier!

Mr C.J. Barnett: Did I?

Mr W.J. JOHNSTON: Yes.

Mr C.J. Barnett: I did not; I did not!

The ACTING SPEAKER: Members! Premier, I call you for the first time.

Mr W.J. JOHNSTON: In respect of ethics, the Premier said recently, as quoted in *The West Australian* of 6 November 2013 —

Mr Bill Johnston; Mr Colin Barnett; Ms Rita Saffioti; Mr Paul Miles; Acting Speaker; Dr Tony Buti; Mr Mark McGowan; Mr Dean Nalder; Mr Joe Francis; Mr David Templeman; Mr John Day; Mr Fran Logan; Mr Chris Tallentire; Mr Peter Tinley

“The bar is too high now,” ...

The Premier walks out again.

Withdrawal of Remark

Mr M. McGOWAN: As the Premier walked across the chamber, he used unparliamentary terms. He described members of our side, including the member for Cannington and me, as “absolute grubs”. I call on the Premier, when he returns to the chamber, to withdraw such language as he used.

The ACTING SPEAKER (Ms L.L. Baker): I did not hear any of that language being used. If the Premier used it—the Leader of the Opposition is quite correct—it is not appropriate language. I did not hear it so I cannot attest that it was used.

Debate Resumed

Mr W.J. JOHNSTON: I am nearing the end of my speech. In respect of the proposed sale of port assets to Len Buckeridge—it is relevant to what we are dealing with here—the Premier is quoted in *The Weekend West* of 9 November 2013 as saying —

“They have to trust the Government. The deal, once it’s completed, will be made public. There may be some confidential aspects to any agreement ... this is a big commercial negotiation and the public will have to trust this Government and have to trust me.

That is the problem we have been left with in respect of the bill that we are debating today. The Labor Party supports the deal. We think that an extra 34 hectares of land on Barrow Island is a good idea, because it will take account of the particular needs of the project and ensure that the thousands of Australian jobs that the Labor Party delivered to this state will be able to continue. The problem is that the Premier, by his own actions, has now raised this Elizabeth Quay question. We cannot just trust him. We have to get to the bottom of it. The Premier has to explain why he allowed the Elizabeth Quay matter to be connected directly to the matter of the amendment to the Barrow Island agreement.

Mr J.H.D. Day interjected.

The ACTING SPEAKER: Excuse me! Leader of the House!

Mr W.J. JOHNSTON: The Premier has told us what happened. We now need to get to the bottom of what happened. As the Premier said back in 2003, this is the place where accountability takes place, and that is why we need to get to the bottom of those matters.

A government member interjected.

The ACTING SPEAKER: Member for Forrestfield—or the member sitting next to him, member for Joondalup!

MR M. McGOWAN (Rockingham — Leader of the Opposition) [11.09 am]: I thought it was a schoolchild in the gallery from the intonation!

I rise to indicate my support and that of the Labor Party for the Barrow Island Amendment Bill 2013. I want to go over the history of this project in a moment, but I also want to acknowledge that the member for Cannington made a very interesting and well-researched speech. As the Premier has said before, the member for Cannington understands his shadow portfolio very, very well.

Mr C.J. Barnett interjected.

Mr M. McGOWAN: There he goes again. The Premier just said that the member for Cannington works hard; on other occasions he has said that the member for Cannington understands his shadow portfolio well. The member for Cannington has shown in his speech that he understands the history of state development matters. As we all know, on energy matters there are very few members in this house who have the knowledge that the member for Cannington has.

Dr M.D. Nahan interjected.

Mr M. McGOWAN: My source for that is the Premier; he has said that in this place. When the member for Cannington stands and speaks on these matters in this place, he speaks with some authority and some historic knowledge.

I speak with some historic knowledge of the Gorgon project, considering that I was the minister who provided it with environmental approval in December —

Mr Bill Johnston; Mr Colin Barnett; Ms Rita Saffioti; Mr Paul Miles; Acting Speaker; Dr Tony Buti; Mr Mark McGowan; Mr Dean Nalder; Mr Joe Francis; Mr David Templeman; Mr John Day; Mr Fran Logan; Mr Chris Tallentire; Mr Peter Tinley

Mr C.J. Barnett: Oh, well done!

The ACTING SPEAKER: Premier!

Dr A.D. Buti: You are so juvenile!

Mr C.J. Barnett: He's claimed credit for it about seven times already.

Dr A.D. Buti: It's not *Play School*, Premier.

The ACTING SPEAKER: Member for Armadale!

Mr M. McGOWAN: As I was saying, I provided it with environmental approval in December 2006, and I will refer to those matters in a moment. But it has also become apparent—even if we did not need the evidence that has just been provided—that the Premier is out of control. He is actually out of control.

Mr W.J. Johnston: He's lost it!

Mr M. McGOWAN: His behaviour in this place is childish—childish, erratic and abusive. To walk across the chamber —

Point of Order

Mr D.C. NALDER: Standing order 97 states —

A member who persists in irrelevance or tedious repetition, either of the member's own arguments or of the arguments used by other members, may be directed by the Speaker to discontinue the speech.

I would think this is tedious and —

The ACTING SPEAKER (Ms L.L. Baker): Member, a personal opinion is not really a point of order. I do not find that that standing order applies. Leader of the Opposition, continue with your presentation.

Debate Resumed

Mr N.W. Morton interjected.

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

Mr M. McGOWAN: I find it unusual and strange that the Premier acts in the way he does. He walks across the chamber —

Point of Order

Mr J.M. FRANCIS: I refer to standing order 94, "Relevance", which states at (1) —

A member's speech must be relevant to the question under discussion.

The Premier's behaviour has absolutely no relevance whatsoever in this circumstance to the bill being considered.

The ACTING SPEAKER: Thank you for reminding us about the standing order. I remind the Leader of the Opposition that this debate needs to be kept relevant to the bill in hand.

Debate Resumed

Mr M. McGOWAN: I find it amazing that the Premier walks around the chamber referring to people in this place as "grubs". That is —

Point of Order

Mr J.M. FRANCIS: I do not know what the Premier's behaviour and his walking around the chamber has to do with this bill. I do not know what point the Leader of the Opposition is trying to make here. I do not know what he does not understand about standing order 94, but I ask you to enforce it.

Mr D.A. Templeman interjected.

Mr P.T. MILES: Point of order!

The ACTING SPEAKER: There are no points of order on this, as far as I can tell, unless you are raising a different matter.

Withdrawal of Remark

Mr P.T. MILES: The member for Mandurah made an unparliamentary remark to the member for Jandakot.

Mr Bill Johnston; Mr Colin Barnett; Ms Rita Saffioti; Mr Paul Miles; Acting Speaker; Dr Tony Buti; Mr Mark McGowan; Mr Dean Nalder; Mr Joe Francis; Mr David Templeman; Mr John Day; Mr Fran Logan; Mr Chris Tallentire; Mr Peter Tinley

Mr D.A. TEMPLEMAN: I withdraw “Smokin’ Joe”!

Debate Resumed

Mr M. McGOWAN: I actually thought that was a compliment—but anyway!

I raise this matter because the member for Cannington made a speech on issues of state development relating to this bill, and I was merely referring to the Premier’s interjections during that debate. I thought that was quite relevant. I just find the Premier’s behaviour incredible in relation to all these things.

I also found it interesting that during his speech the member for Cannington spoke about a matter that I was not really aware of. He talked about the Elizabeth Quay development and the fact that the Gorgon joint venture partners, Chevron in particular, were seeking approval for an expansion of the footprint on Barrow Island. The member for Cannington asked a question—I thought it was a good question—about whether both matters were linked in the same meeting and the same conversation between Chevron and the Premier. He asked what I thought was an interesting question. The Premier’s response was to indicate that, yes, the matters were discussed in the same meeting and the same conversation.

Mr C.J. Barnett: Raised by me.

Mr M. McGOWAN: The matters were raised by the Premier.

Mr C.J. Barnett: You might remember you weren’t at that meeting.

Mr M. McGOWAN: I was not at that meeting, but the Premier has now indicated two things: first, that the matters were discussed at the same meeting; and, second, that the matters were raised by him—the issue of the land at Elizabeth Quay.

Mr C.J. Barnett: Yes, it was.

Mr M. McGOWAN: It was?

Mr C.J. Barnett: Yes.

Mr M. McGOWAN: The point that the member for Cannington was making is that the government has a lot of political capital tied up in the Elizabeth Quay development. Obviously, selling land in that development is of political advantage to the government, and given that the Chevron proponents need to expand their footprint on Barrow Island as a matter of commercial imperative, it may well be inappropriate to link two essentially unrelated issues in the same meeting, whereby one issue provides political advantage to the government and the other provides commercial advantage to a proponent. In light of that, I think the Premier should provide a full explanation as to the content of the meeting and the discussions, and any minutes that may have been taken of that meeting.

Mr C.J. Barnett: I don’t take minutes.

Mr M. McGOWAN: The Premier does not take minutes. He often has a staff member present who does take minutes of these meetings. I am suggesting to the government that a serious matter of propriety has been raised by the member for Cannington. It has been confirmed by the Premier that the two issues, which I think should be kept separate, were raised in the same meeting —

Mr J.H.D. Day: I will respond.

Mr M. McGOWAN: It is up to the Premier to respond. Was the minister at the meeting?

Mr J.H.D. Day: No, I wasn’t there.

Mr M. McGOWAN: How is the minister going to respond?

Several members interjected.

Mr M. McGOWAN: The Minister for Planning and I have something in common: we both were not at that meeting. We probably have something else in common: the Premier tries to bully us both, but he actually does bully the Minister for Planning!

The fact is that both matters were raised in the same meeting. They are quite serious matters, and a full explanation to the Parliament is needed from the Premier. What did the Premier say to Chevron in these meetings? Did he link the fact that it would get approval for expanding its footprint on Barrow Island with the purchase of land at Elizabeth Quay; and, if it purchased that land at Elizabeth Quay, it would be at a price elevated above market price? I think those are important questions; they are important questions of propriety. The Premier can set the record straight here. Instead of reacting in the way that he usually does—wildly angry,

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abusive and hostile—he should just answer the questions. He should release any minutes and any correspondence, and answer the questions about what happened in this meeting or meetings. How long was the meeting? Whom was it with? What was the context of all these discussions? There are serious matters of propriety involved here, and it is up to the Premier to answer these questions. We are not alleging —

Mr C.J. Barnett: Yes, you are.

Mr M. McGOWAN: Let me say it again: we are not alleging that the Premier acted improperly. We are saying that he needs to answer serious questions about those two matters being linked.

Mr C.J. Barnett: What are you alleging?

Mr M. McGOWAN: The Premier did not listen to me. We are suggesting that he needs to answer the questions about how the matters were discussed during the course of this meeting and what propositions the Premier put to Chevron as to whether or not it would receive approval for an expansion of its footprint on Barrow Island if it were to purchase land at Elizabeth Quay; or was it implied that approval would be provided to Chevron along those lines?

They are fair questions, and the only reason we are raising these matters now is that the Premier confirmed in his interjections across the chamber that both issues were discussed in the same meeting. That is the only reason we are raising them; the Premier confirmed it.

Mr C.J. Barnett: The allegation was made by the member for Cannington quite clearly, and well beforehand. You weren't even in the chamber!

Mr M. McGOWAN: But the Premier confirmed the essential facts of what he was saying, which is that both matters were discussed in the same meeting. The Premier confirmed it!

Mr C.J. Barnett: You tried a grubby exercise on Tuesday and you're having another grubby exercise today, and you will fail like you did on Tuesday because you don't have any substance for what you say. That is why the public gave you the lowest vote of any Leader of the Labor Party in 90 years—"Sneakers"!

Mr M. McGOWAN: What is apparent to me is that the Premier does not have the temperament for the job. That is what is apparent to me. The Premier cannot actually restrain this latent hostility and anger that burns away inside of him —

Mr C.J. Barnett: No anger there, mate.

Mr M. McGOWAN: This incredible latent hostility and anger —

Point of Order

Mr P.T. MILES: My point of order is on relevance. Under standing order 94, the Leader of the Opposition is going way off track from what we are actually talking about here today, and I ask you to bring him back to order.

The ACTING SPEAKER (Ms L.L. Baker): I remind the Leader of the Opposition to stay on the debate about the Barrow Island Amendment Bill 2013.

Debate Resumed

Mr M. McGOWAN: I call on the Premier, during his response to these issues later today, to provide a full explanation of this meeting or meetings, and everything that happened in relation to this deal. If the two were linked in any way, shape or form, that would be improper.

Mr C.J. Barnett: What evidence do you have? Any evidence?

Mr M. McGOWAN: I will repeat again that the Premier has admitted both issues were discussed in the same meeting.

Mr C.J. Barnett: What evidence?

Mr M. McGOWAN: And the Premier has admitted that when they came to see him to talk about the expansion of the footprint at Barrow Island, he brought in the Elizabeth Quay discussions.

Mr C.J. Barnett: What's your evidence? What's your case?

Mr M. McGOWAN: Exhibit A in the evidence is the Premier and what he has said!

Mr C.J. Barnett: No case, no evidence, no accusation—just grubby politics!

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Mr M. McGOWAN: It is absolutely no wonder that the Premier did not study law at university if he cannot see that the evidence provided is his own! The Premier would not be a good witness in court because he would be confessing all the time and then wondering why people said he was guilty!

The bill allows for an expansion of 32 hectares of the footprint of the Gorgon project at Barrow Island. The original legislation that went through the house back in 2003 allowed for 300 hectares; it will be expanded by roughly 10 per cent. The environmental approval was provided in 2006 after a comprehensive process. The Environmental Protection Authority advised me that it was the most comprehensive environmental assessment it had ever undertaken, and actually it recommended against approval. Contrary to the advice I received from the EPA, I provided approval subject to the most stringent environmental conditions ever imposed on any project in the history of Western Australia. There were a whole range of measures, including the injection of CO₂ gas produced by the gas field into the deep aquifers under Barrow Island; it was the biggest CO₂ injection project in the world until that point in time—I suspect it still is. There were a whole range of environmental offset initiatives.

Mr C.J. Barnett: Did you sort out the liability for the CO₂?

Mr M. McGOWAN: I am sorry, Premier; I am making my speech.

Mr C.J. Barnett: The liability for CO₂ if it escapes; did you sort that out?

Mr M. McGOWAN: I am sorry, Premier; I am making my speech.

Mr C.J. Barnett: You did not do that, did you? You didn't get to that.

Mr M. McGOWAN: I am making my speech.

Mr C.J. Barnett: Oh precious—get on with it!

Mr M. McGOWAN: I can understand why Richard Court had the views he did.

Mr J.H.D. Day: The people of Western Australia have spoken twice.

Mr M. McGOWAN: The thing is, there is always another election. That is what the government always has to remember. There is always another election. They come and they go. One day we are up, the next day we are down.

Mr M.H. Taylor: Not against you, you little ripper!

Withdrawal of Remark

Ms R. SAFFIOTI: The member for Bateman just made an unparliamentary remark. I know he normally uses Twitter for his abuse, but could he please withdraw the remark?

Mr D.A. Templeman: I withdrew “Smokin’ Joe”; you could withdraw your little one!

Mr M.H. Taylor: I fail to understand why I have to withdraw “you little ripper”.

The ACTING SPEAKER: Member for Bateman, I do think it is inappropriate for you to be calling across the chamber. I think I have made that point several times, and not too quietly, over the last half an hour.

Ms R. Saffioti: Stick to Twitter, mate! Stick to trolling the member for Warnbro!

The ACTING SPEAKER: I repeat: there is to be no yelling across the chamber, and certainly not inappropriate language. I actually did not think that was inappropriate, but I do think that yelling across the chamber is.

Mr D.A. Templeman interjected.

The ACTING SPEAKER: Member for Mandurah, I can hear that!

Debate Resumed

Mr M. McGOWAN: In any event, the project was approved in December 2006, contrary to the advice of the EPA with strict environmental conditions, a range of which involved offsets negotiated between the EPA and the proponents. It was a very significant package of offsets to do with flatback sea turtles in particular, which, I must say, having visited the island and seen them, are amazing and beautiful creatures. Barrow Island was and remains a beautiful environmental jewel for Western Australia. I recall there being a lot of objection to the project, but I stand by it. It is the biggest industrial project in the history of Australia, and more than 5 000 people are directly employed on it. It is the biggest CO₂ injection into aquifers project in the world, which is the way the world needs to head in the future if we are going to in any way deal with climate change. It will provide a 300-terajoule input a day into domestic gas supplies. Also, the project came onshore, and Western

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Australia will be the beneficiary of tax benefits such as payroll tax and other onshore benefits and the employment opportunities generated from this project. It was a good deal for the state.

The member for Cannington outlined all the objections the Premier made as Leader of the Opposition back in 2003. It was a comprehensive speech, and I have read it. It was well researched. Its premises I disagree with, but it was well researched and quite a knowledgeable speech back at that point in time. The objections all surrounded the fact that, in the current Premier's view, Western Australia could have got a better deal than that.

Mr C.J. Barnett: Yes.

Mr M. McGOWAN: He agrees, and he says it again—we could have got a better deal.

The thing about it is that these projects, as we now know following in particular Browse, will not necessarily come onshore. We got a great project for this state: the legislation; the environmental approvals; the domestic gas; the gas injection; the jobs; the investment; and the environmental offset program. We got a great project for Western Australia.

The Premier says we could have got a better deal; we also could have not had a project. With Browse we have seen Western Australia not getting a project. The head of Chevron, Roy Krzywosinski—one of the most senior businesspeople in Australia—said the conditions applied to the Browse project means that it is going offshore. That is what can happen when the people undertaking these projects or governments involve themselves in ways that make it too difficult for people to invest. That is what happened with Browse. Read this article in *The Australian* of 25 October 2013—I am amazed it has not had more attention—that quoted the head of Chevron, basically the biggest investor in Australia in these days.

[Member's time extended.]

Mr M. McGOWAN: I will quote. This is what he said directly to a parliamentary committee —

Our preference ... was to bring the Browse gas down to the Burrup and backfill the North West Shelf. But, because of the retention lease conditions, to only look at James Price Point was not considered.

... our message to government is to let the industry take a look at the wide range of alternatives to figure out what the best option is.

Basically, he said that the project was lost because of the intervention of this government and the former federal government.

Mr J.H.D. Day interjected.

Mr M. McGOWAN: I am not verballing. That is what he said. If we talk to anyone at Chevron, they will tell us exactly the same thing. A \$40 billion project has been lost due to this government's intervention. That is what the government has achieved. When the Premier stands and says that he has failed, that is the most honest thing he has ever said in this place. When he said that he failed with Browse, he did. I accept this: he was trying to get the champagne of deals. He was trying for the Moet or the top-shelf cognac. The Premier was trying to get it onshore and establish a new industry in the Kimberley with a benefits package for Aboriginal people and the like. The Premier was trying for the top shelf, but in so trying he ignored the commercial realities and the looming threat of floating liquefied natural gas. The consequence of that was that in reaching too far, he lost it. Instead of getting a project onshore and backfilling Burrup, as the head of Chevron, one of the most senior business people in Australia, said, we got nothing.

Mr D.C. Nalder: Like Inpex.

Mr M. McGOWAN: Honestly, the member for Alfred Cove would not know.

That is the consequence. Our gas reserves are finite and I would like to see them exist for a long time for this state, because I do not know what we will do post these. I do not know the answer to that. The Premier and I will not be here. In fact, probably none of us will be, but our children and certainly our grandchildren will be. Having a stream of projects into the long distant future is a good thing, particularly if they come onshore. I strenuously object to floating liquefied natural gas, but the Premier has to understand that by his actions he lost this one.

Mr C.J. Barnett: You have given up. Any idea what your federal government's position may have been?

Mr M. McGOWAN: Please! I know what the new federal government's position is—FLNG. That is what Ian Macfarlane said. All I am saying to the Premier is that when he intervenes in the ways in which he does and when he thinks he knows more than the people involved in business, sometimes he works out that he knows less. Maybe he should have worked with the proponents, as we did with Chevron to get Gorgon. The Premier was very critical of that legislation. Maybe he should have worked with Chevron and got the outcome that we

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achieved with Gorgon; legislation was passed to get it onshore and environmental approvals were given contrary to the advice of the EPA, and a great project is now underway. We worked very closely with Chevron to achieve that outcome. I respect Chevron for doing so; it was its biggest investment around the world. Chevron is a multinational company based in San Ramon in California. It can pick and choose where it goes. This was its biggest project around the world and it chose to come here. Chevron worked well with Geoff Gallop and Clive Brown. Criticisms were made how we should have achieved a Charlie Court–Malcolm Fraser deal as was achieved back in 1977, which is what the Premier is suggesting. All that criticism went on but instead we got a project, payroll tax, domestic gas, the gas injection, 5 000-plus jobs and a huge environmental offset program.

With this project, it is an expansion of 10 per cent on the footprint. I think the Environmental Protection Authority should look at a further offset program for the environment. That was always done before. A-class reserves are very special. I have been there a number of times. I have looked at it and it is very special. It is not a jungle or an amazing rainforest. It is one of those arid Western Australian environments, but it is free of feral animals, when very few places in Western Australia are. This island is 28 000 hectares, from memory, and has flatback turtles. Around the coast are flatback turtles and sharks and there is also amazing terrestrial wildlife on the island, which is free of feral animals. To take another 32 hectares of that deserves an offset. The state government and the EPA have an offset policy because we acknowledge that if we are to do something in a particularly pristine area, we need to try to make it up somewhere else. There is scope here for the EPA to recommend to the minister—I do not think it will be young Santa; I think it might be someone else—that there be a further offsets package here. I have expressed that to the company and that is my view. It does not need to be of the scale of what happened before; I do not think that is the case. What happened before was a very substantial offsets policy, but I think that there is some scope. The environment in that part of the world is under pressure and threat from seaborne marine pests. There is the threat to the turtles. Of course, on the mainland there are other far more significant environmental threats, such as feral animals and the impact on endangered species. The EPA has the opportunity to look at that via a proper process, which is why we have an offsets policy. We should comply with the offsets policy and go through the proper and aboveboard process whereby a recommendation is made to the minister; that is the way to do it. It should not be done through secret meetings.

Mr C.J. Barnett: Who had a secret meeting?

Several members interjected.

Mr M. McGOWAN: I will come back to the original point; that is, the Premier has admitted to this meeting and I think he ought to release any details of it and give a full explanation of the meeting. That is the appropriate thing for the Premier to do. If the Premier does not release that, people will rightfully say, “What are you hiding?” If the Premier does not release it, that is what I will say. Chevron is an ethical company and a good company for Western Australia. The people at Chevron are good people and they have shown great faith in our state. Every time I meet them, I find them to have our state’s interests at heart. I respect them for that. I have always found them to be engaging and always thinking about what they can do for Western Australia to make it a better place, because they understand they are from somewhere else and they are investing in this state and they need to get on here. I have always found them that way and I respect that. I say to the Premier that to avoid any perception or any feeling that those two issues—the expansion of the footprint and the purchase of the land at Elizabeth Quay—may have been inappropriately linked, he should provide an explanation and release the information. It is a simple enough thing for the Premier to do and that is why I suggest that the Premier should do it.

MR J.H.D. DAY (Kalamunda — Minister for Planning) [11.37 am]: I am interested in making a few comments in response to the issues raised by the member for Cannington and then reiterated by the Leader of the Opposition about Chevron’s decision to purchase land in the Elizabeth Quay project area.

The government made the decision approximately three years ago to go ahead with the project, as has been covered on many occasions. It has been discussed and proposed in a range of forms over decades, but we made the decision to allocate the up-front funding that was necessary to enable the project to go ahead. Therefore, it was inevitable that at some stage land would be made available to the private sector to purchase for the development of buildings in the precinct. I want to debunk the conspiracy theory that the opposition has proposed. Members opposite have asked for questions to be answered and I will do so in relation to the sale of land to Chevron.

Several members interjected.

The ACTING SPEAKER (Ms L.L. Baker): Members!

Ms R. Saffioti interjected.

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The ACTING SPEAKER: Member for West Swan!

Mr J.H.D. DAY: It is important to understand with this issue that Chevron approached the government; it was actually the East Perth Redevelopment Authority, the redevelopment authority just prior to the Metropolitan Redevelopment Authority being established. In other words, Chevron approached one of the state government's agencies approximately two and a half years ago and expressed an interest in purchasing land and asked whether we would be prepared to have direct discussions with it on a confidential basis. It did have a site in mind.

Ms M.M. Quirk interjected.

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

Mr J.H.D. DAY: I think that interjection was fairly facile, so I will ignore it.

Ms M.M. Quirk interjected.

The ACTING SPEAKER: Member for Girrawheen!

Mr J.H.D. DAY: Chevron approached the government approximately two and a half years ago. We needed to make a decision on whether we were prepared to enter into confidential discussions and negotiations with it, rather than wait to put the land on the wider market. That was an issue that I discussed with the Premier at the time and it was subsequently endorsed in a cabinet decision. Obviously, we needed to weigh up the benefits of a company of the standing and financial capacity of Chevron undertaking direct negotiations with the government against the potential benefits of putting the land on the wider market and seeking expressions of interest. We made the judgement that, given that it had come to us and it had a serious interest, it would be desirable, if Chevron was going to complete the transaction, to have it in the precinct as a catalyst for the development of the whole project. That was essentially the basis of the decision we made. I am not aware of anybody being critical of that decision. Other parties have expressed a similar interest in more recent times in having direct negotiations on an individual basis with us, but we have rejected that proposal because we think it is appropriate for the rest of the land to be put on the wider market, as has been done with lots 9 and 10; we are close to the completion of negotiations on the development of a hotel and residential apartments on those sites. Lots 5 and 6 are also on the wider market, and expressions of interest are being sought.

In relation to this particular transaction, we made the decision that it was in the state's interests to proceed with those negotiations, if we could come to a conclusion.

Ms R. Saffioti: When was that, minister?

Mr J.H.D. DAY: That was approximately two years ago.

Ms R. Saffioti: When was this meeting with the Premier?

Mr J.H.D. DAY: Chevron came to us approximately two and a half years ago. Subsequently, negotiations have been undertaken by the Metropolitan Redevelopment Authority and its property advisers. Those negotiations have been undertaken in a completely proper manner on a commercial basis. It has taken more than two years to reach a conclusion. There has not been any suggestion of this transaction being linked to other approvals that may be given to Chevron, and certainly that will not be the agenda of the MRA, which has been acting as a state agency in a completely ethical and proper manner. If there is any suggestion that negotiators from the MRA and their property advisers have been influenced in some other improper way, I would like it to be made and the evidence provided, because it really is quite fanciful and that simply has not been the case.

Obviously, the price was one of the main points of discussion in those negotiations. It has taken over two years to reach a conclusion. I think a fair price is being paid. It is of benefit to the state and it is a good outcome. Other terms of the contract also needed to be negotiated and they have taken some time to reach a conclusion. Obviously, it is in everybody's interests that there is certainty. It was in Chevron's interests that it have a conclusion to the negotiations and it was in the state's interests that there be a conclusion to the negotiations if agreement could be reached about the price and other conditions. On my comments about the price achieved being higher than the valuation, as I explained by way of interjection earlier, the initial business case that was done for the project assumed a lower value of the land than has ultimately been achieved. It was appropriate to take a more conservative approach, given that that was about three years ago. It is a good thing for the state that a higher amount than that has been achieved. I also think it is reasonable from the purchaser's point of view. It works out to about \$9 200 a square metre, which is higher than any amount that has been paid for land in the CBD previously. Given the quality of development happening around the precinct and the public investment that is being made, much of which will be recovered through land sales—a point that the opposition misses sometimes—it is a good outcome for Chevron. It is also a good outcome for the state and will help to make the project a reality.

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It was Chevron that came to the government, seeking to undertake this transaction. The negotiations have been undertaken by the MRA and its property advisers in a completely proper manner. There is simply no evidence that I am aware of—I am sure it does not exist—of any improper relationship in this transaction and other approvals that may be given to Chevron for its further expansion on Barrow Island.

As an aside before I conclude, it is interesting that an article in the property section of yesterday's *The West Australian* had very positive comments about this announcement. Amongst other things, Property Council of Australia executive director, Joe Lenzo, said that Chevron's purchase was a good game starter for Elizabeth Quay. He is also reported as saying —

“If Elizabeth Quay is going to achieve the potential that the Government and the private sector are talking about it needed something like this as a kick-starter,” ...

There was another comment by Ian Edwards, the state director for asset services at Knight Frank, who said that Elizabeth Quay was likely to be a work in progress for the next 15 to 20 years. Later in the article, he is quoted as saying, “Chevron definitely kicks it off in a very positive way.”

I hope that debunks the conspiracy theory that the opposition has come up with in relation to this issue. All the negotiations for this land sale have been entirely proper.

MR F.M. LOGAN (Cockburn) [11.46 am]: I rise to support the passage of the Barrow Island Amendment Bill 2013, but also to make a few comments about the request by Chevron for an extra 32 hectares of land to be excised from the A-class reserve. First of all, I want to talk about the original legislation and make some comments about the statements made by the Premier in 2003 during the passage of the first Gorgon Barrow Island bill. I point out to the house how ironic politics is sometimes. Today the Premier is speaking on the second reading of the Barrow Island Amendment Bill 2013 and he supports the expansion of the footprint for the Gorgon project on Barrow Island, yet in October 2003, the Premier, as the member for Cottesloe at the time, did anything but support a footprint for Gorgon on Barrow Island. I take members back to *Hansard* —

Mr C.J. Barnett: I just make the point that I was the first person to suggest the use of Barrow Island for the geosequestration of CO₂ and in my speech said that that should happen on Barrow Island and that major LNG should be onshore.

Mr F.M. LOGAN: The Premier certainly did. He gave a historic overview of the use of Barrow Island for oil and gas. He talked about how very early on in his career he had spoken to Chevron about the use of Barrow Island and he indicated that he made an early suggestion to it for a case for CO₂ stripping at Barrow Island and injection. How the Premier got to that point in the early days is beyond me, given that Chevron probably had not even thought about the storage of liquid CO₂ in deep aquifers at that time.

Mr C.J. Barnett: As I said, at that time it was patently obvious that Gorgon would not get up if they were going to vent 12 per cent by volume CO₂; that was already a show stopper in the 1990s.

Mr F.M. LOGAN: That is right in terms of the sale of LNG. As the Premier knows, purchasers will not take volumes of LNG with massive amounts of CO₂ in it because they are then responsible for that CO₂. I think the international benchmark for the amount of CO₂ within LNG that purchasers will accept is four per cent. However, given that the Rio conference was only in 1992, where the whole concept of greenhouse gases and environmental and climate change were debated, I would say that the Premier was way ahead of everybody else on the entire planet in terms of CO₂ stripping and reinjecting it into the island.

Mr C.J. Barnett: No; the companies were coming to me with the reality that 12 per cent CO₂ was too high. They would not be able to develop it. Rio, Kyoto—the debate was raging at that time.

Mr F.M. LOGAN: I will go to what the Premier said in *Hansard*. I certainly concur with the Premier's views on the stripping and reinjecting of CO₂, which he put on the record in *Hansard* at the time. However, that was all the Premier believed should have been on Barrow Island. In *Hansard* of Tuesday, 14 October 2003, the member for Cottesloe said —

However, there is no technical reason that the LNG plant—or, indeed, any future gas processing plants—needs to be on Barrow Island. That would minimise the environmental impact on Barrow Island. An LNG plant is a helluva large plant. Anyone who has been to Barrow Island will know that there are not many hills there. It will be a very large structure. Everyone will see it. A CO₂ stripping and reinjecting facility would be a far smaller structure and could stand by itself. The gas could then be brought onshore to the mainland.

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He then went on to argue the case for bringing it onto the mainland at the Burrup Peninsula and for there to be future gas processing and downstream industries using gas other than LNG. I also remember that whilst the Premier was arguing that the LNG CO₂ reinjection plant should go onto Barrow Island, the actual LNG trains should be on the Burrup.

Mr C.J. Barnett: Onshore.

Mr F.M. LOGAN: Onshore. The member for Cottesloe did refer to the Burrup. I remember that, at the same time, he had his green hat on. The green hat was another tool in his criticism of the then Labor government over the carvings on the Burrup Peninsula. If the Premier remembers, he was up there with all the greenies defending the carvings on the Burrup—putting himself over the stones, defending them to the last minute and suggesting that future expansion of the Burrup and the pollution that could come from future LNG plants could possibly destroy these remarkable carvings. I find it quite ironic that at the same time as he was arguing for an LNG plant the size of Gorgon to come onshore and possibly go to the large industrial hub of the Burrup, he was arguing that future industrial expansion of the Burrup could lead to destruction of the carvings.

Mr C.J. Barnett: If you read my speech carefully, you would have seen that I talked about Maitland and Cape Preston in it.

Mr F.M. LOGAN: Maitland is not very far away from the Burrup, as the Premier knows.

Mr C.J. Barnett interjected.

Mr F.M. LOGAN: I accept that the Premier argued for Maitland and has always done so, but he also suggested that the Burrup should be expanded to a larger industrial processing complex. The point I am making is that the Premier tends to have it both ways. In 2003 the Premier argued against the establishment of the Gorgon plant on Barrow Island, yet now the Premier is ironically asking for an expansion of the footprint of that plant for Barrow Island.

Mr C.J. Barnett: The project has gone ahead on Barrow Island. The world's moved on.

Mr F.M. LOGAN: I know. I just thought I would raise these issues with the house, Premier.

Mr C.J. Barnett: Irony —

Mr F.M. LOGAN: Irony in politics is a fascinating thing.

Those are not the only issues I want to raise. I will refer to the reasons that Chevron has requested an extra 32 hectares be added to its existing 300 hectares, which were excised from the A-class reserve. Those extra hectares are needed because the area at which the Gorgon LNG trains and associated equipment are assembled is constrained. Chevron argues that the extra 32 hectares will give it a greater lay-down area and the ability to speed up construction of the LNG trains, which is correct.

The opposition will support the request of both Chevron and the government for the passage of the Barrow Island Amendment Bill. However, I will put on the record some criticism of Chevron in its request for the 32 hectares. First, I believe that Chevron severely underestimated the logistical challenge of doing such a large project on Barrow Island. A comparison of the way work is proceeding onshore at Wheatstone with the way work is proceeding offshore at Barrow Island, an A-class reserve, shows it is significantly different. Things at Wheatstone are proceeding quickly, efficiently and in a productive manner, whereas offshore at Barrow Island work is difficult and constrained—hence the request for this legislation. Why is it constrained? Because it is an island. It is a massive logistical challenge to take sterilised equipment that meets environmental guidelines to Barrow Island.

When I was the Minister for Industry and Enterprise, Chevron requested a series of areas around the Australian Marine Complex in Henderson, which is in my electorate. One of the propositions it put to me as minister was for a roll-on, roll-off loading berth at the Australian Marine Complex common-user facility, which it would pay for and then hand back to the government. As minister, I believed that the expansion of the common-user facility at Henderson was a fantastic deal for the state of Western Australia and, consequently, I agreed. Chevron paid \$36 million to build a roll-on, roll-off facility, which ended up becoming a normal wharf. At the time I suggested that rather than doing only one part of the wharf, it should do two parts because we did not know exactly what logistical demands would be faced in getting equipment to the island. Chevron said no, that one wharf would do. Shortly after the project was given a financial investment decision and was underway, Chevron came back to me and said it needed another wharf. It was pointed out to Chevron that it could have had a second wharf up and running over a year ago. Chevron constructed a second wharf only to find that it still did not have enough room. It had to bring in a temporary wharf from China at a cost of tens of thousands of dollars a week. It was anchored as a third wharf at the common-user facility. This gives members an inkling of the logistical challenge of getting

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the equipment from Perth to the island. It also gives members an inkling of how Chevron, I believe, underestimated the logistical challenge it faced.

[Quorum formed.]

Mr F.M. LOGAN: The point I am making is the underestimation of the logistical challenge experienced by Chevron in the construction of the LNG trains on Barrow Island. Another component of the underestimation of the logistical challenge is Chevron's choice to go to full modularisation in the construction of the LNG trains. As the house knows—I have put this on the record numerous times—the modularisation of the LNG trains has primarily been undertaken overseas. This is one of the largest industrial construction projects in the world and the largest ever undertaken in Australia, particularly in terms of value. At present, Chevron has over 8 000 people directly employed in the engineering, construction and delivery of the Gorgon LNG trains on Barrow Island. For the largest engineering and construction project ever undertaken in Australia, how much of that work, particularly the engineering, design, fabrication and manufacturing of the equipment on Barrow Island has actually been done in Western Australia or Australia? In comparison with the scale of the project, very little work has been done here. One of the reasons that very little work has been done in Western Australia is because the company chose modularisation of the LNG trains, which made it far easier for the company to have the fabrication work done overseas, mainly in Asian construction yards.

It then becomes a logistical challenge to get those large pieces of infrastructure for the project onto the island in a way that complies with the environmental conditions that were set down in the original act. Hence, there have been numerous times when there were massive constraints on the unloading of pieces of equipment at the island. At numerous times barges have been backed up and waiting offshore for a time to unload on the island. The backlog of barges off the island has then had a waterfall effect on the Australian Marine Complex itself. There have been problems at the common user facility, all the storage areas around the facility at the AMC, and around Perth, which have been a cascading logistical challenge caused by the constraints at the island and the way this project was designed, constructed and brought to fruition.

That is all understandable; it is a massive project. There are always engineering challenges on a project of this scale, particularly if the project is on an offshore island. All of those things are understandable. What is unacceptable is when a finger is pointed at Australian workers and at Australia, generally, about productivity. When there are logistical challenges that constrain the time line and the cost of construction in Western Australia and Australia, it is not good business practice, it is not helpful and it is certainly not good for the reputation of Western Australia or Australia that a finger of blame is pointed directly at the project's workforce and the cost of doing business in Australia. The company has to take some level of responsibility for the choices that it made on the way that the project was built, where it was built and how it was built. Those logistical challenges are all self-inflicted. There is no point blaming Australian workers and raising the issue of productivity because of the choices made by Chevron.

[Member's time extended.]

Mr F.M. LOGAN: I put to the house and the company that it would have been better if the LNG trains on the island were stick built, as opposed to modular. This process would have been better for the company, Western Australia and Australia, particularly the engineering, fabrication and construction businesses. Smaller sized parts could have been taken to the island, minimising the impact, the logistical challenges and the lay-down area that have all constrained the company on the island. Stick built, rather than modular built, LNG trains would have made the logistical challenges easier for the company. There would still have been logistical challenges, because it is a difficult environment to work in, but the process and the supply chains would have been easier to handle. The capacity for Western Australian companies, particularly fabrication companies, to grab more of the 400 000 tonnes of steel that will go into the Gorgon LNG trains would have been available had this project been built in an entirely different way.

I raise these issues as part of the debate on this bill. The opposition has always supported the project; we do not oppose the bill. The opposition has supported that the project is offshore and on Barrow Island. We support the passage of this bill and the expansion of the project's footprint on the A-class reserve, but the debate should not go on without criticism of the company for the way this construction has taken place and the way it has created logistical challenges, hence the necessity for this bill. It does not help the reputations of Western Australia and Australia when a company the size of Chevron, which has chosen to do a modular construction on an island, criticises the workforce, the economy and the cost of doing business in Western Australia and Australia because of the choices it has made on where and how the project was to be built—a modular build on an offshore island.

This bill has to give the opportunity for us to make those criticisms. We support Chevron in what it does; we welcome its investment, but it does not go without criticism when Chevron points the finger of blame about its

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time frame and its cost of doing business in building the LNG plant offshore because it points the finger of blame not only at Western Australia itself, but also at the workers of Western Australia. The state, the country and the workforce have to be defended, and I am glad I have had the opportunity to do that.

MR C.J. TALLENTIRE (Gosnells) [12.10 pm]: I rise to speak to the Barrow Island Amendment Bill 2013. I begin by saying it is a matter of public record that I had opposed the Gorgon project going on Barrow Island; that was when I was director of the Conservation Council of Western Australia. Even prior to my becoming director, I was involved in a campaign against the project. However, I note that I am in good company. I have actually looked back through my records and found an interesting letter that I wrote to the Premier in 2004, who was then the Leader of the Opposition. The letter begins —

Dear Mr Barnett

Barrow Island

Thank you very much for meeting earlier this week with the Conservation Council of Western Australia, The Wilderness Society and the Worldwide Fund for Nature.

It was pleasing that through our discussion we were able to find many areas where we hold similar views.

We were especially encouraged by your position regarding the Gorgon proposal, and thought that the enclosed brochure would be of interest.

As discussed in the meeting we will soon be sending you and Brendon Grylls a copy of our election policy document *The Environmental Challenge*.

Yours sincerely

Chris Tallentire

As I said, I was opposed to the project then on several grounds. One of those was around the dredging. We have seen the massive dredging exercise that was undertaken to enable LNG tankers to gain access to the island. A second ground of opposition and, perhaps, the most significant of all concerned the potential for breaches of quarantine procedure. There was much discussion through the course of the campaign about the nature of the quarantine practices that would be put in place by Chevron. I am pleased to see that through the rigours of the campaign, a set of standards, including a protocol, was put in place that we could describe as being amongst the most rigorous in the world in terms of quarantine procedures. The company really took it to heart that it must do everything in its power to make sure that no quarantine breaches occur. In the past, throughout the island's history, I note there have been occasions when, for example, black rats had managed to get on the island when quarantine breaches had occurred that way. But overall, through the construction phase of this Gorgon project, we have seen very little in the way of quarantine breaches.

The third major area of concern around which the campaign against the Gorgon Barrow Island project was based concerned the CO₂ omissions associated with Gorgon gas that are 14 per cent at source in the reservoir. Fourteen per cent is very high when compared with the North West Shelf, where the CO₂ emissions are more in the region of two to three per cent. This necessitated the company to develop the geosequestration proposal, which was examined and, indeed, the company is sticking by its commitments to a geosequestration project.

Having found myself in a situation of formerly opposing the project and having seen the government of the day then give the green light to the project, I have decided to take the position that it is better to not turn one's back on something that is precious because of the environmental values there, but rather to adopt a position of vigilance: to keep on at the company and those involved with the project to make sure that it is undertaken in an environmentally sensitive way and that the commitments made are honoured. That is the position I have taken with this project. Ideally, I think it could have gone elsewhere, but the fact is the position we face is that the project is on Barrow Island and that we must make the best of it.

In dealing with the project as it stands, 300 hectares were previously given over to the company. That is in addition to access to other areas—namely, some 175 hectares of already cleared land. There is some ambiguity about the company's commitments to that 175 hectares. I think there was some discussion that rehabilitation would be undertaken; however, we now find that the company needs an extra 32 hectares of land. Indeed, I accept the argument that giving the company this extra 32 hectares will enable it to operate in a way that respects the very important quarantine procedures. It is important that the company is able to organise its laydown areas in such a way that they are close to the construction area and can continue to develop the project that way.

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Before proceeding, I will talk a little about the environmental values of Barrow Island. In 2004 or 2005, as a guest of Chevron, I was given the opportunity to visit the island. I was accompanied by Russell Lagdon, Chevron's general manager for environment, and Cameron Poustie from the Conservation Council of Western Australia. We were given an excellent guided tour of Barrow Island. We had done lots of research, so it was fascinating to get to the island and actually see a selection of the animals that the island is home to. There are species on the island that we do not see on the mainland for a number of reasons, primarily because the introduction of cats and foxes on the mainland wiped out some of these species. Another reason for this unique assemblage on Barrow Island is that it has been separated from the mainland by the ocean for about 8 000 to 10 000 years, so it has incredible values because of that factor as well.

I think my first awakening to the environmental values of Barrow Island would have been through the television series *In the Wild* presented by Dr Harry Butler, which used much of Barrow Island for its footage. I recall as a youngster seeing on ABC TV footage of Harry chasing after perenties, one of the most impressive reptile species. Of the reptile monitor-type species, I think the perentie is second in size only to the komodo dragon. The perentie is an amazing animal. Harry would actually chase after these animals, capture them and then hold them, which I think shows a high degree of bravery. There are many other animals on the island, though. Something that characterises them is their amazing tameness; they are not afraid of humans. I recall that at the Barrow Island camp, we would sit with Russell Lagdon and enjoy the quota of beer that people are allowed on the island, which I think is two mid-strength cans of beer, no more than that. It is a very commendable practice that Chevron has in place. We would sit down at the camp and a golden bandicoot would be at our feet before we knew it. It is amazing to see these animals, many of which are listed under the Environment Protection and Biodiversity Conservation Act as vulnerable species or threatened species, such as the black-flanked rock wallaby, which is probably the most vulnerable species in terms of conservation status, and the spectacled hare-wallaby. There has been some concern about the number of deaths of animals, particularly spectacled hare-wallabies, during the construction phase. I know that has not received any rebuke from official bodies; it seems to have been accepted that somehow that was part of the construction. Nevertheless, it is of concern.

The project has had some quarantine problems, particularly in the marine waters with the presence of sea squirts. Sea squirts sound like an innocuous thing, but, such is the way of marine pests, once they colonise an area, they can be incredibly damaging. However, there is a question about whether these sea squirts were in place prior to the construction. I think it is fair to say—certainly, Chevron has given me assurances—that Chevron's endeavours to clean the hulls of vessels coming to the island have been extremely thorough. Chevron has done that to a very large degree, probably more than we would find anywhere else in the world, recognising the potential dangers that incursions of species such as sea squirts would pose to the island.

I also want to put on the record a bit about the history of Barrow Island. For those members who are interested in this—it is fairly easy to research—the significance of Barrow Island was first realised as far back as 1908 when the then President of the West Australian Natural History Society, Dr Cleland, urged the then Premier, N.J. Moore, to proclaim Barrow Island, in his words, “as an absolute fauna and flora reserve for all time.” That proclamation was made, and the government of the day had the vision to listen to that plea and in February 1910 declared Barrow Island an A-class nature reserve. Our forefathers deserve to be commended for that.

We then had the advent of the West Australian Petroleum Pty Ltd enterprise in the 1950s and the realisation that there were significant oil reserves beneath Barrow Island, and over time we have seen the construction of some 450 Lufkin pumps and a pipeline that connects those pumps and enables the oil to be taken to the various cisterns and tanks that are used to store the oil before it is shipped to global markets. That is often held up as a sign that there can be co-existence between a nature reserve and industry. There is some merit to that argument, because the presence of an active oil industry on Barrow Island, originally by WAPET and now by Chevron, stops the arrival of casual visitors to Barrow Island that would bring with them the various pest species that would be so damaging to the fauna of the island. However, we do need to recognise that when commitments are made towards nature reserves, there is good reason for those commitments to be honoured.

The need to protect the fauna of Barrow Island has added to the cost of this project. I note that when I had my meeting with the Premier in 2004, the cost of this project was talked about as being \$11 billion, and everyone was saying, “Wow! How massive is that!” It is now a \$52 billion project. There has been a 470 per cent escalation in the cost of this project. I find that remarkable. I do not think many sectors would be able to withstand that sort of price increase. But such is the way of these projects, and such is the analysis and preparation that goes into these things, that that is what has occurred. It is a massive cost increase. I do not think we would see that sort of cost increase in the public sector very often. But in the private sector it seems that to go from a cost of \$11 billion in 2005 to a cost of \$52 billion in 2013 is the way things are done.

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The purpose of this bill is to authorise the excision of an additional 32 hectares of land for this project. It is a pity the Minister for Environment is not in the chamber. I am concerned about what further stage of environmental assessment will be done for that additional 32 hectares of land. I accept that the company needs this extra land. But, unlike many members opposite, I believe in due process. We need to follow due process in working out where that 32 hectares of land should be located.

I acknowledge that it is very hard for the general public, including those with skills in the area, to get to the island. I note that many people all over the world have knowledge of the environmental values. My question is: will there be due process to work out where the best location is for that 32 hectares? Obviously the company wants it to be contiguous with the existing area; that is understandable. There probably is a way that this can be contiguous, but what about the location from an environmental perspective? I know the company is mindful that there may be warrens for Barrow Island boodies, otherwise known as burrowing bettongs. That design and layout needs good process. We must get away from this idea that all wisdom and expertise resides either in a government agency or in a company; other wisdom resides in the broader community sector. I recall from campaigning on this project back in the early 2000s that we would often be contacted by people who had moved on to work on projects in the North Sea or in the United States who had technical knowledge of factors around Barrow Island and would provide us with information. We need a good process that enables that kind of expertise to come forward. That is why I put it to the Minister for Environment that he needs to look at section 45C of the Environmental Protection Act. Section 45C(2) states —

The Minister must not give approval under subsection (1) if the Minister considers the change or changes to the proposal might have a significant detrimental effect on the environment in addition to, or different from, the effect of the original proposal.

I fear that there is a view here that we can just add on this 32 hectares without any further assessment. I do not think that would enrich or improve the quality of the project. It would be beneficial to the quality of the project and the overall outcome if we ensured that a decent process was run. I ask that the environment minister accept his responsibilities under section 45C(2).

I acknowledge that it does get us into a chicken-and-egg situation. It would be better practice if the environmental assessment was done for these sorts of projects prior to the excision. I acknowledge there is also an argument for an excision taking place and then a determination being made about what the environmental parameters might be. Perhaps it is a chicken-and-egg situation, but there must be rigour in that environmental assessment process. I look forward to hearing from the environment minister about how he will deal with this excision and how he will treat it in terms of the existing approvals, and what sort of process will be examined for further approval for the additional 32 hectares.

It is a matter of public record where I stood on this project, but I now take the view that the project is there; therefore it is incumbent on me and all of us here to ensure that this project continues in a way that is as least damaging as possible to the very special environmental values on Barrow Island. It is a sanctuary. It is a unique place that is home to animals that do not exist anywhere else. It is important that it is kept in its current condition. Chevron really is doing its best to embrace the significance of the area. Its documents point out how unique the area is in terms of the flora and fauna, the subterranean fauna, the invertebrate species and the many animals that are not always initially apparent on arrival at the island. It can seem like an arid landscape but in fact it is a very unique place. I support this bill, which enables Chevron access to an extra 32 hectares on Barrow Island.

MR P.C. TINLEY (Willagee) [12.30 pm]: I rise to add my comments in support of the Barrow Island Amendment Bill 2013. Given the colour and light with which the debate was opened, for the benefit of members who are not so engaged in this part of our economy, it is important to understand some of the background. We could easily be forgiven for thinking that Gorgon is a fairly new part of our economic landscape but it has been around for some time—about 35 years. It may be worth tracking back a bit further than just recent history to understand how much has gone on around this and how long it has taken to get to a \$50 billion-plus investment. It has been very instructive for me to look at this in conjunction with other projects such as Browse and others that will come along, like the Canning Basin and the extraction of tight gas. Those things are obviously really important to the future of the state and, as the Leader of the Opposition has identified, what is in it for our kids and grandkids. It is probably a classic motivator for why members are here in the house and also why we might take an interest in these projects.

Gorgon refers to a grouping of about 10 gas fields. It is a mega field by any definition. It is situated in the Barrow sub-basin or the wider area of the Carnarvon basin. The Gorgon gas fields are about 130 kilometres off the north coast of Western Australia. Barrow Island is a bit closer. The water depth is approximately 200 metres.

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The Jansz-lo gas fields cover an area of 2 000 square kilometres—that is one of those 10—in water depths up to 1 300 metres. Barrow Island is about 70 to 85 kilometres off the Pilbara coast, depending on where the measurement is taken. Onslow, which is of some interest to it, is about 140 kilometres west of Karratha. The distances, depths, size and span of Gorgon is huge. It is a massive piece of dirt and water. I suppose it is an imposition environmentally, as we heard from the member for Gosnells, not only on our physical landscape, but also our economic landscape. It is really important. As I said, it has been going for about 35 years. Two hundred-plus wells have been drilled in the Barrow sub-basin itself, within the Carnarvon basin. That is a huge amount of investment or risk capital over 35 years.

In 1973, the West Tryal Rocks gas field was discovered and sale and purchase agreements were set up in 1976 or 1977 through West Australian Petroleum Pty Ltd, the original investors. That activity has continued in various incarnations and permutations as people and different companies got involved and as technology met the capacity to exploit. WAPET was the operator on behalf of various joint ventures comprising Chevron, Texaco, Shell and Ampolex, the exploration division of Ampol itself. Chevron and Texaco merged in 2001 and Mobil took over Ampolex, which later merged with Exxon to form ExxonMobil. We are talking about the largest global players in energy—oil, gas, you name it. In 2000, Chevron became the operator of all of WAPET's petroleum assets and basically took it over.

Gas was discovered in Gorgon in 1981 by the famous—famous within the company—Gorgon 1 well. It received preliminary environmental approvals from the Western Australian government in 2007 and from the federal minister the following month. There was a lot of agreement, even after the 2006 Environmental Protection Authority non-approval, so the joint venture had to go away and do a lot of other work to make sure it met the stringent requirements. Final state approval was, I think, late 2009.

Mr C.J. Barnett: About then

Mr P.C. TINLEY: I think federal approval came almost simultaneously. Federal conditional approval was given for expansion, but I suspect the expansion component brought another set of economic and internal problems for the joint venture partners. For the benefit of members who may not be aware, the largest players in it now, which is an interesting mix, is Chevron with a 47 per cent share, and obviously the project operator—these are all Australian subsidiaries—Shell Development (Australia) Pty Ltd, a 25 per cent owned subsidiary of Royal Dutch Shell; and Mobil Australia Resources, as I said, a 25 per cent subsidiary of ExxonMobil Australia. We can see the aggregation of some of the biggest players, principally, I am sure to bring on not only expertise but also to share the risk. The plant will consist of three to five LNG trains and a nominal product capacity—this information is old; there is much more up-to-date information—of five million tonnes per annum. As has been mentioned, its attempt to be the largest CO₂ stripping and sequestration operation in the world is breathtaking. Fifteen per cent of the natural gas stream is made up of CO₂ and needs to be stripped out and sequestered into the aquifers well beneath the island. It is a massive undertaking. I suspect that if there has been a cost overrun or unexpected additional costs, a significant amount may well be attributed to the absolute necessity, as the Premier pointed out, to sequester the CO₂ to meet not only Australian but also world standards.

The investment figure of \$50 billion that is floating around—I would be happy to hear by interjection a different figure—is the largest single private investment in Australia, notwithstanding public investment such as the Snowy Mountain scheme and the National Broadband Network. I am sure that a private venture risking capital of this magnitude will be a case study for business schools well into the future. As the member for Cockburn said, we cannot help but look at the challenges the joint venture partners have had at Gorgon and with Wheatstone. That could be an unfair comparison, not simply because one is land based and one is offshore but because, as companies have gained experience undertaking these massive projects, we cannot help but think that at some point intellectual capacity is transferred from Gorgon to Wheatstone and they have learnt their lessons. As they say, a lesson is not learnt until it is enacted at the next opportunity for the action. I hope Wheatstone does not run into the challenges Chevron finds itself in.

It has been a privilege to be a member of the Economics and Industry Standing Committee of this Parliament that is inquiring into floating liquefied natural gas and to have the benefit of insight from most of these companies, which is all on the public record, so there are no problems there. It was very interesting, and it is important that we as a Parliament understand, that the Gorgon project has overrun its costs by a significant amount. The numbers vary enough to worry the joint venture partners and the other investors. The evidence given to our committee in a public hearing by Mr Roy Krzywosinski, the managing director of Chevron, was that 90 per cent of those overruns were what he called “in-country factors”. That got me very interested and I think I followed up with a few more questions to try to unpack and tease out what those in-country factors would be contributing. This bill is a good example of some in-country factors. It requires Chevron to find an additional

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envelope of 32 hectares of land to get it right. It points to the fact that its ambitious plans at the start could have benefited from more detailed planning. We heard about a range of issues. However, Mr Krzywosinski continued helping us. He did not have anything in front of him at the time to unpack for us some of that 90 per cent, but he was particularly interested in the cost of labour. Quite often productivity is about the cost of labour. He went on to talk about the effects of weather when trying to transport stuff from down here at the CUF—common user facility—in Henderson all the way up north to Barrow Island. Chevron originally anticipated having fewer than 20 transport barges—I say that without having the actual number with me—but it now has in excess of 100 barges simply because of the way it needs to move stuff. These are problems that we as people who are interested in the economic future of the state are trying to unpack. I certainly hope through the committee I am on that we can get inside some of these things to try to understand the role of public policy and the role of executive government in this project so that we can work out what can be done to assist and not have these sorts of things happen again.

As I said at the start of my speech, what will come after this? Browse has its own problems. I look forward to hearing the response of the Premier as Minister for State Development. Perhaps in his comments he will dip across to Browse to give us his thoughts on how we may extract our toll from it in whatever way we can. More important to me is what we learn from these mega projects and what we now need to do when we consider the Canning Basin and the extraction of tight gas, as that will be a vexatious problem for our community. The whole idea of fracking and the science behind it cannot be ignored. It will be absolutely essential to bring the community along with us if we are to find the next set of jobs and economic opportunities for Western Australia. It is therefore absolutely essential that we understand it.

This project obviously has not been without concern. As the member for Gosnells said, the impact on the ecology of Barrow Island has attracted a certain amount of criticism from conservation groups. I saw some of the flatback turtles on that A-class reserve when I was there on a visit. It was a great thing to see. They can also be seen further north along the Pilbara coast. One of the many problems that people had to contemplate was the way the project would affect the hatchling area of the flatback turtle and the shadow that would project onto the beaches. They came up every time with solutions for attending to these different problems. Plenty of other species are found there that are either not found on the Australian mainland or that have some derivative or variation in their make-up through evolution.

There has also been criticism of the adequacy of the quarantine process. Members might not know that every single piece of machinery that goes up there has to go through a fairly stringent quarantine process up to and including shrink-wrapping equipment. Massive amounts of plastic are used to shrink-wrap plant and equipment. I am not talking about small items; I am talking about major pieces of equipment.

Picking up on the member for Gosnells' point, concerns have been raised about the effectiveness and capacity of CO₂ sequestration; only time will tell the effectiveness of that. I am more concerned about reports of deaths of native animals on Barrow Island. There are unconfirmed reports that there have been up to 1 550 accidental deaths of animals on the island since construction began. I have not been privy to the latest report that captures and identifies quarantine problems and native flora and fauna issues.

However, we cannot deny the economic benefit of this project. I do not think there is a person in this house who would deny the direct and indirect economic benefit of this project on the state of Western Australia. There will be 6 000-plus jobs during construction and 3 500 direct and indirect jobs through the life of the project—that is on a 30-year projection—and a range of other local expenditures, which I will come to in a little while in relation to the localised benefit. I cannot help but see in detail, particularly from my position on the Economics and Industry Standing Committee, the absolute debacle that floating liquefied natural gas will create for our economy. A technology developed for stranded oil and gas fields will now likely be deployed to a mega field, and a pipeline will run directly to Darwin. I have forgotten the cost of it.

Mr C.J. Barnett: It will cost \$5 billion.

Mr P.C. TINLEY: I thank the Premier; it will cost \$5 billion. If it was good enough for Inpex to put a line to Darwin, notwithstanding all the whys and wherefores and ins and outs of Inpex that we debated before, how is it that FLNG can somehow all of a sudden be more cost-effective or more economical than onshore development? There is a lot in that statement.

[Member's time extended.]

Mr P.C. TINLEY: I do not think members of any political persuasion—any member in this house—can think that FLNG will somehow be of any benefit whatsoever to the state. Why? The principal reason is that the state revenues that will accrue to it will go to the federal government. If anyone thinks we will get a fairer share out of

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Mr Bill Johnston; Mr Colin Barnett; Ms Rita Saffioti; Mr Paul Miles; Acting Speaker; Dr Tony Buti; Mr Mark McGowan; Mr Dean Nalder; Mr Joe Francis; Mr David Templeman; Mr John Day; Mr Fran Logan; Mr Chris Tallentire; Mr Peter Tinley

any federal government, they are dreaming. The best people who know how to deploy the dividend from the endowment of this state are those in this chamber. Only people in this state know how best to deploy the benefits of the state endowment.

Mr C.J. Barnett: However, member, the state at the time had one bargaining chip and that was the use of Barrow Island. It was the only thing the state had to bargain with. In terms of the revenue-sharing arrangement, our bargaining chip was the use of Barrow Island, which is a state-owned territory and an A-class reserve. I am not suggesting you read my speech from 2003, but if you did, that was the point I was making. It was our chance to share the royalties, as we do on the North West Shelf.

Mr P.C. TINLEY: Now the Premier has raised it—I do not want to make this debate about FLNG because it is about Barrow Island—the challenge for the Premier and his government is how we extract a fair value from Browse. I am sure the Premier is ensconced in it deeply. When I say “fair”, that is comparative to what we could have received had the project come onshore. Notwithstanding that, I have highlighted the history of this project, to show members who are not aware of it, the long 35-year gestation, if you like, that has brought us to this point. This bill specifically asks for an additional envelope. I am not inclined to reach back to my service history, but there is a very old saying in the Army when it came to the pack we would put on our back to carry over many kilometres: the bigger your pack, the more you will find to put in it. My concern with this is that the additional 32 hectares that have been asked for will simply represent a bigger pack to put more stuff in. That is fine, and I am sure it is all beneficial. Maybe the Premier can enlighten us about any conversations he has had, and whether there have been any representations from the company, about what it has done about the utilisation of the land it currently has, the tonnage of stuff that has gone up the coast on that island and the amount of stuff—I do mean just stuff—that is there that has not been utilised. What is the back-loading plan for the amount of equipment?

Debate interrupted, pursuant to standing orders.

[Continued on page 6025.]