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Dr Kim Hames; Ms Dianne Guise; Mr Terry Waldron; Mr Martin Whitely; Dr Graham Jacobs; Mr Paul Papalia; Mr Tom Stephens; Mr Rob Johnson; Acting Speaker; Ms Alannah MacTiernan

EDUCATION AND HEALTH STANDING COMMITTEE

Eighth Report - "Inquiry into the Cause and Extent of Lead Pollution in the Esperance Area"

DR K.D. HAMES (Dawesville) [9.55 am]: I present for tabling the eighth report of the Education and Health Standing Committee, entitled "Inquiry into the Cause and Extent of Lead Pollution in the Esperance Area", and the relevant submissions.

[See papers 3084 and 3085.]

Dr K.D. HAMES: Firstly, it amazes me that, in this day and age of modern methods of mining, transport, monitoring and assessment, it takes the death of native birds, like the canaries of old, to alert the people of the town of Esperance to the poisoning of their community. Secondly, it amazes me that a government department, the local prize winning port and a mining company could so badly let down the families and especially the children of Esperance, who had placed their trust in those who should have ensured their protection. The committee notes that if there is a positive side to any of this, it is to be found in the "vigilance of persistent people" of the Esperance community and elsewhere, who have contributed so much to the protection of their communities and environments and to this inquiry. The committee hopes that this report stands in affirmation of what such people can achieve.

Thirdly, it has amazed the committee that our principal research officer, who I presume is here somewhere, Jeannine Purdy, ably assisted by Nici Burgess and Jo Molin, have been able, in such a relatively short space of time, to turn a mountain of written and oral information into a comprehensive document that has the support of all members of the committee. I am certain that I speak on behalf of all the committee members in thanking them for their wonderful effort. I would especially like to wish Nici and her husband, Darren, all the best for the safe arrival of their first baby.

I want to go through the chronology of events that led to the pollution of Esperance with lead carbonate from the Magellan mine. The story starts with a company called Magellan Metals Pty Ltd, which is wholly owned by Ivernia Inc, a Canadian company. Magellan is the only mine managed by Ivernia. Magellan's original proposal was to develop a lead carbonate mine near Wiluna that would export through Geraldton. In 1999, the Environmental Protection Authority required Magellan to undertake a public consultation process over the proposal. The Minister for the Environment, on the recommendation of the authority, approved the proposed mine in 2000, subject to a number of conditions. The conditions of approval show that the EPA was very conscious of the risk of lead escaping into the harbour and the general environment. The EPA required that Magellan identify all possible pathways for lead carbonate to enter the environment of the port, and to set out procedures to minimise the losses. It required that the company develop a health, hygiene and environmental management plan, known as the HHEMP, on the advice of the then Department of Environmental Protection, the Department of Minerals and Energy and the Department of Health before any groundbreaking activities were to occur.

On 8 October 2004, Magellan sought a variation of approval. It stated that it was giving serious consideration to exporting the concentrate through Esperance because Geraldton had withdrawn its offer of storage at the wharf. The variation to its licence to allow for the export of lead through the port of Esperance was given ministerial approval on 29 December 2004. Magellan was given clearance for productive mining, and it completed its processing plant in December 2004. It commissioned the mine in January 2005. The first shipment of Magellan's lead carbonate took place on 4 July 2005.

It was in these early stages that things began to go wrong. A number of specific findings by the committee relate to these events. The committee found that the Esperance Port Authority's assessment of the original Magellan proposal for Geraldton was thorough, and included a substantial public consultation process, with detailed input from the relevant agencies. It resulted in a ministerial statement that established a framework of conditions and proponent commitments that, if implemented, would have contributed to best practice in the environmental management of Magellan's lead concentrate. If those requirements had been followed, it is unlikely that the lead pollution of Esperance would have occurred. Magellan has failed in many ways. It failed to recognise the hazardous nature of the product, by both the exposure of its workers during the early stage of development, and the incorrect dangerous goods classification of its product. It failed in its duty of care for its employees in that it received many notices from mining inspectors for breaching guidelines relating to the monitoring and management of the product, which resulted in elevated blood levels for many of its employees. It gave incorrect information to the Environmental Protection Authority in its application to vary the ministerial approval for its proposal to export the product through Esperance. It failed to properly inspect the loading facilities at the Esperance port. It failed in its responsibility to ensure that the port had adequate monitoring to detect the potential escape of the product into the environment. It failed in its duty to ensure that the moisture content of its product was sufficiently high to minimise the risk of dust emission. Lastly, and in particular, following the

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major dust event on 10 October 2006, Magellan failed to ensure that the moisture content of its product was adequate to ensure that the problem was not repeated.

Magellan was not, however, alone in creating the series of events that resulted in the pollution of Esperance. Indeed, its failings were likely to be caused by a lack of experience in the early stages of development, a lack of appreciation of the unique nature of the lead carbonate, and perhaps a bland acceptance, based on the experience of its employees at other lead mines, that some pollution was inevitable and not all that serious. Of greater consequence, and certainly the largest contributor to the pollution of Esperance, were the failures of DEC and the Esperance Port Authority. DEC has a legislative responsibility to ensure the protection of the public and the environment from harm. It is the view of the committee that the DEC seriously let down the people of Esperance as a result of its inability to fulfil its regulatory role. Despite the initial work by the EPA to set out conditions for the mining and export of lead that recognised the potential danger of the product, it subsequently supported an application to the minister to change the port of export to Esperance, with minimal and inadequate public consultation.

On this issue, I note from the submissions made available to the committee that the Esperance community appears to have a significant number of dynamic and community-minded individuals who have established a range of community groups. It appears without doubt to the committee that these groups have played, and continue to play, a very significant role in the dissemination of useful information and the attainment of positive outcomes for their community. Such groups include the Local Environment Action Forum Inc, known as LEAF; Locals for Economic Development, known as LED; and the Recherche Advisory Group, known as RAG. These groups have not only assisted their community but through their submissions and evidence have also provided to the committee invaluable information and insights into the events at Esperance.

To proceed further on the DEC, it allowed the variation to the proposal but did not make sure that Magellan complied with the conditions requiring it to ensure that the provisions for in-loading, out-loading and monitoring at the port were adequate. It failed to ensure that the initial Department of Health concerns were incorporated into the approval conditions for the Magellan proposal. Subsequently, when a DEC officer eventually obtained Department of Health information that the port's existing system was seriously inadequate, the letter was lost in the system. The Department of Health has indicated that it currently has only an advisory role in the environmental approval process. It is disheartening to this committee that this remains the case, as the same issue was addressed by the Economics and Industry Standing Committee five years ago when it tabled its report on the Bellevue hazardous waste fire. That committee recommended that the Department of Health be given a legislative role to be involved in the health impact assessment within the environmental assessment process. The committee has repeated this recommendation in this report. The DEC insists that its requirement that the lead concentrate be "pelletised" imposed responsibilities on the port that would have reduced the risk of potential pollution. The committee does not accept that assumption. The use of the word "pelletised" was a concoction agreed between the DEC, the Esperance Port Authority and Magellan, possibly initiated by the former, to describe a product that was initially an agglomerate. In the committee's view, to be effective in imposing responsibilities on the port, the DEC should have ensured that the detail of the exact specifications for the lead carbonate was included in the text of the port's licence and not just in the preamble. It is my personal view that even the use of the word "agglomerate" by Magellan in its correspondence did not impose any obligations on it, given the original support by the EPA for Magellan to export the product through Geraldton without specific

The greatest failure of the DEC was the inadequate inspection of the facilities at the Esperance port, and its failure to properly review the information available that strongly suggested both the potential for and the subsequent contamination of Esperance with escaping lead dust. The DEC had available to it, prior to allowing the export of lead through Esperance, information showing that the existing system for the export of nickel had resulted in contamination of the town. The DEC varied the licence to allow for the export of lead without properly examining the systems in place to export the product. It was, or should have been, aware that nickel was contaminating the harbour at the ship loading berths. It was aware of the contamination of rain tanks near the port and the presence of nickel in dust monitoring outside the port's boundaries. It accepted information from the port that the loading facilities were enclosed, when they were not. Finally, DEC gave a false sense of security to the Esperance community when in fact the reporting and dust monitoring obligations it imposed on the port were totally inadequate.

In defence of the DEC, the committee recognises that those failures were not a result of any deliberate attempt by DEC officers to deceive. Indeed, the inadequate resources and the constant restructuring resulted in ongoing staffing changes, and a loss of corporate knowledge. There was no evidence of any deliberate failure by individual staff. One officer, Catherine McCallum, recognised the danger of the potential contamination of the town. Sadly, the information she obtained from the Department of Health, which was severely critical of the existing monitoring arrangements, was lost in the system after her transfer.

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I want to divert from the report to say that I was amazed and angered by the recent initiation of a prosecution by the DEC against the Esperance Port Authority. In all the failings of the Esperance Port Authority, the DEC's own action, or inaction, played a significant role. The committee has still recommended that action be taken against the port. However, for the DEC to initiate that action during the inquiry was in my view sensationalist and designed to draw attention to the port for no apparent reason other than to diminish the significance of findings against itself. The DEC should have waited for the release of this report undertaken on behalf of the Parliament before deciding that its investigations were completed. I believe that it was somewhat akin to the police laying charges in the middle of a Corruption and Crime Commission investigation.

The final body that came under consideration as a major cause of the pollution was the Esperance Port Authority. During the course of its hearings the committee was given the strong impression that the port's board had little knowledge of the events that led to the pollution of Esperance. The committee does not accept that point of view. The evidence presented to the committee shows that ample information was available to the board about the contamination of Esperance with nickel prior to the board's approval to export lead through Esperance. The board was also provided with evidence of the inadequacy of the port's existing heavy-metals handling system to prevent rogue dust emissions, but failed to ensure that required infrastructure improvements were implemented in a timely way. In fact it only followed up on these infrastructure improvements in November 2006, some 18 months after the port started to ship lead.

The board was provided with information about a dust event during the loading of the *Lemmergracht* on 10 October 2006, yet examination of the board's minutes suggested that the matter was given little attention. In early February 2007 it received detailed information about a major incident in December 2006 involving the same ship, but there is no record of any action being taken as a result. The export of lead carbonate from the port represented only a small proportion of the total value of exports, and it would appear that the board gave that same proportion of attention to the issues relating to potential lead contamination. The then chief executive officer of the port has not had any specific findings made against him. He has since resigned. It has been difficult to determine the extent to which he, or the board, was responsible for the failings of the port. The committee is of the view that such matters should be left to the due process of any action against the port.

The committee finalises its report by assessing the actions by the Department of Environment and Conservation and the Department of Health in responding to the effects of the pollution of Esperance. In doing so, the report responds to the concerns of the committee, and in particular addresses community health concerns, especially those relating to children. The report goes on to make a series of recommendations designed to prevent contamination of this nature from occurring again. Some people may have expected findings to be made against ministers. There is none. Whilst ministers have ultimate responsibility for their departments, the committee found that no specific failings existed to warrant an adverse finding. Some people were also concerned about the possible involvement of specific ministerial lobbyists. Based on the evidence available to it, the committee has found that no such lobbying occurred.

In conclusion, I thank the two members seconded to the committee - the member for Roe and the member for Peel - who fitted well into the fabric of the committee. Both made a strong and valued contribution to the formation of the report. I also acknowledge the contribution of the long-standing committee members - the member for Wanneroo and the member for Bassendean. My last thanks go to the member for Wagin, whose humour and good nature sustained and bound the fabric of our committee - apart, that is, from his fines! I also acknowledge the Chairman of the Education and Health Standing Committee, the Hon Tom Stephens, who in my view made the correct decision in stepping down for the duration of this inquiry due to his association with the chief executive officer of the Esperance Port Authority. The government should be commended for not replacing the chairman, because this allowed the committee to remain balanced with three Labor, two Liberal and a National member. No possible accusation of bias can be made against the committee. Early media impressions were that the committee would be a whitewash, and yet I believe that the media, the community and those being investigated developed an understanding that the committee would leave no stone unturned in its investigations. I assure all those who read this report that at no stage was any attempt made by any member to do anything other than expose the full story of the failures revealed in this report. Rather, the committee has done its absolute best to elucidate these failures - with a feeling of disbelief and outrage - on behalf of the Esperance community. The committee has made no specific findings against individuals. Indeed it became apparent that, although certain individuals certainly played a large part in the failings described, those failings seem to me to be the result of an inability to adequately understand the grave consequence of their inaction, rather than a deliberate attempt to deceive. It is now up to the government to take up the baton and seek to punish where required, but, more importantly, to undertake the funding and structural changes that the committee believes will greatly improve all future management of dangerous goods in Western Australia.

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MRS D.J. GUISE (Wanneroo - Deputy Speaker) [10.17 am]: Members, I doubt whether the 10 minutes allocated to me will allow me to do justice to the report; therefore, I intend for the report to speak for itself. However, I will say this: when it comes to lead contamination in Esperance, everyone is a winner - and I assure members that I do not say that in any positive context. Magellan Metals Pty Ltd, BIS Industrial Logistics, the Esperance Port Authority, and the Department of Environment and Conservation have all failed. It is our view that due to their failures they have exposed both the workers and the community to unacceptable and avoidable health and environmental risks. To quote Eric and Anne Lewis of Esperance -

In these days of space travel and exploration we rely on the birds to monitor for poisonous emissions just as the coal miners of yesteryear relied on the canaries. If it was not so serious one could laugh.

This is not a laughing matter - anything but.

Sadly, it became evident to the committee that what happened was actually foreseen. Clear advice was given about the danger of the lead product, and concerns were raised about the transport route, the inadequate handling systems and the environmental monitoring at the port. So how the hell did this happen regardless of this advice? The committee has tried to focus on understanding how these events occurred so that it can assist in ensuring that it does not happen again.

The lead pollution in Esperance was substantially lead from the Magellan Metals mine site; and the pollution was due to the transportation of the lead product from the mine to the port, and from the in-loading and outloading of the product at the port. The information provided by Magellan to the Environmental Protection Authority about the Esperance port's facilities for handling heavy metals was incorrect. It is the committee's view that had Magellan undertaken anything other than a cursory examination of the Esperance port's infrastructure, it would have readily identified that the infrastructure was not up to the job of handling lead. Apart from the other findings in relation to Magellan, the one that I find telling is the finding based on the evidence that Magellan failed to recognise the danger of its own product - either generally or within the confines of the dangerous goods legislation.

BIS Industrial Logistics also failed to recognise and treat the lead concentrate as a hazardous and dangerous good. It should have been aware of the proper classification and treated the lead accordingly.

The Esperance Port Authority failed. The port either was aware or should have been aware of the correct classification of the product as a hazardous and dangerous good. The port's dust monitoring was intermittent and measured only against standards associated with "nuisance dust". The port's infrastructure and handling practices were deficient. There are a number of findings outlined in the report, and the committee concluded that the port did not properly exercise its responsibilities in relation to potential lead pollution.

The committee is concerned that the existing legislative provisions available to the Department of Health may not be adequate for the department to respond appropriately to public health emergencies. A purely advisory role for the Department of Health is just not good enough. If the department's advice had been listened to and acted upon in the first place, we might not be in this position today.

Whilst the Esperance community is no doubt grateful for the assistance given to it by the Department of Health since the lead exposure, I am disappointed about the lack of early and specific advice to expectant and nursing mothers. I am sure that we can all appreciate the anxiety they would have felt, and the need all mothers would have for immediate advice and assurance so that they could protect their unborn children or new babies. Dust is considered a major source of lead intake in children under two years of age, and although the offer of free access to specialised vacuum cleaners to help residents remove lead dust from their homes is helpful, it is also inadequate. We are concerned that the ceiling space is a potential source of recontamination if a home is not cleaned properly, and the committee has recommended that for all children with blood lead levels above 5 micrograms per decilitre, the Department of Health should test household dust for lead contamination and, if present, fund the professional cleaning of the dwelling.

There is no doubt in our minds that industry regulation by the Department of Environment and Conservation is grossly inadequate. We believe that numerous restructures and reviews, disruption to initiatives to improve dust monitoring at the port and the critical loss of corporate knowledge about the operations and infrastructure at the port all helped to undermine the efforts of individual DEC officers to respond to the community's concerns. There were ridiculous processes, such as the pro forma inspection sheets for site visits - basically a "tick-a-box" affair that did not encompass an inspection of matters related to the numbered conditions of the licence, such as auditing whether the pelleted lead carbonate referred to was actually pelleted. Heaven forbid that we actually go into the shed to inspect the product! The handwritten notes of the inspection, referring to the moistening of stockpiles, stated "port to deal with lead (Contractors don't want to handle)".

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The reference to covered conveyor systems as "closed" in the DEC's port licensing documents is totally misleading. I quote -

The port authority has established best practice materials handling processes. These incorporate enclosed storage and transfer systems. Performance of dust collection equipment is monitored to ensure its capacity to efficiently contain dust within the enclosed system.

I found this statement to be laughable. The conveyors from the shed to the ship are anything but closed.

Mr Doug Winch also wrote to the committee and stated -

If you want to know what the cause of the pollution was, I can tell you that without an inquiry. If you transport toxic material in unsealed containers, such as kibbles, and then load it onto a ship's hold via an open conveyor belt, the toxic material will escape and cause pollution. The foregoing holds true for pelletised as well as granulated concentrate. If the containers are not sealed and the conveyors are open, the product will escape. If the product is toxic, we then have pollution. It's really not rocket science.

No, it is not.

Another aspect of this inquiry had a profound effect on me, and that is the impact on the community, especially as seen through the eyes of a child. I would like to share a quote from a mother, Mrs Lisa Helenius -

I do not want to become too emotive but I mentioned it is the impact on families and sometimes you cannot always predict what that will be I have a young boy, Lachie, who is five years of age. He asked me if Mia (18 month old sister with elevated blood lead levels) was going to die. I was really floored. His logic came from what he was witnessing. I had not really looked at the true impact of what it is like in the life of a five year-old. He is watching the news and the media and hearing conversations between me and my husband.

Lachie just related - birds, lead, dead.

He thought of Mia and lead.

Members, there is so much more that could be said; instead, I urge members to read the report for themselves because I truly cannot do it justice in the time allocated.

I thank my fellow committee members who have worked so well together on this; the acting chairman, the member for Dawesville, and my parliamentary colleagues, the members for Bassendean, Wagin, Peel and Roe. I especially thank the committee staff: our research officer, Ms Nicole Burgess, who always works hard and makes everything a pleasant experience, and our research consultant, Ms Jo Molin, for her research assistance. An extra special mention must go from all of us to our principal research officer, Dr Jeannine Purdy. We think she is a star. She compiled a mountain of research, evidence and transcripts, and brought it all together to assist the committee in a manner that, frankly, I did not think was possible in such a short time frame. We are truly indebted for the assistance she gave the committee.

In closing, I say to the house that the committee shares the view that one group did not fail. That group is the residents of Esperance, who were vigilant and persistent in having their concerns about lead pollution addressed, and who have contributed so much to the protection of their community and the environment, and to this inquiry. As we have stated in our report - and I say again - we hope our report stands as a testimony to their efforts and an affirmation of what people, such as those in the Esperance community, can achieve. I commend the report to the house.

MR T.K. WALDRON (Wagin - Deputy Leader of the National Party) [10.26 am]: This inquiry certainly has been a great learning experience for me and, I am sure, all other members of the committee. The inquiry was interesting, at times very frustrating, certainly greatly concerning, and it was time consuming, but I am really confident that it has been well worthwhile and will greatly assist in preventing incidents similar to that which occurred in Esperance from taking place in the future.

I say up-front that I am very proud of the report. It was a great experience to work with other members of the committee and the staff, all of who have shown a great work ethic, diligence and, above all, great integrity in carrying out their task. I particularly thank our inquiry chairman, the member for Dawesville, Dr Kim Hames, for his direction and strong, intelligent and fair leadership of the committee, and also for his excellent words today. I also thank personally all the other members of the committee.

I make special mention of Dr Jeannine Purdy, who led her team, Nici Burgess and Jo Molin, so well. Jeannine's high level of intelligence and her ability to grasp, understand and complete the whole picture is unbelievable and quite outstanding. Dr Purdy and her staff worked long hours, well above and beyond the call of duty, and their work is greatly appreciated by all of us.

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The report is extensive, with its 192 findings and 46 recommendations, and provides a lot of detailed comment. As the member for Wanneroo said, the report speaks for itself; however I will make a few general comments on the overall report.

It appears that when iron ore was going through the port - this was prior to the lead exports - the port of Esperance and all concerned did a terrific, thorough job when issues arose, particularly with community consultation, research and dealing with the problems and issues that arose from the transport and loading of iron ore. The port did it well. The fact that the port did it well with iron ore was generally accepted by all, including the local community. The port had received awards for its operations and was regarded as one of the leading ports in Australia and everyone was quite happy. But therein lay a bit of a problem, because when the export of lead carbonate through the port came on the scene, there seemed to be a general air of "No worries, we know what we are doing, we can handle this", as there had been with the iron ore. The community at that time had confidence and faith in those concerned and really did not worry too much. Perhaps everyone then, due to what had happened with iron ore, was labouring under a false sense of security. That was where some of the problems started in the early days. I do not feel there was intentional neglect, because the feeling was "We are okay, we know what we are doing; it will be okay". There was a misunderstanding about lead carbonate and its make-up, and its dangers were not understood and definitely underestimated by many. I am positive that with hindsight things would have been done very differently. The findings and the recommendations of this report will greatly assist in preventing a similar occurrence in our state and country in the future.

We were definitely lucky that so many birds died when they did. Although I stress that that event, in itself, was a great shame, that, along with the perceptive nature and subsequent actions of the Esperance community, exposed the event when it happened. I am sure that had that not happened, there would have been a far greater problem with far-reaching and ongoing effects. I am confident that although the community, especially the children of Esperance, has been exposed to lead dust and there have been high blood lead level readings, because of the relatively short period of time, there should be no ongoing, long-term bad effects, although I qualify that by saying that ongoing cleaning and monitoring, as mentioned by the member for Wanneroo, must be maintained and a stringent process must be followed.

It has been of concern to me to see exposed some of the shortcomings in processes, actions and decisions of the Department of Environment and Conservation, Magellan Metals, the Esperance Port Authority and BIS Industrial Logistics. Obviously, these are detailed in the report. I trust that these bodies will take on board the findings and the recommendations of the report and greatly improve their overall operations. Similar to the chairman, I was disappointed and concerned that DEC took the action that it did against the port authority before this report was handed down. I do not think that really helped anyone.

I will highlight a few more matters. It is really apparent that the export of a product cannot be transferred from one port to another without going through all the proper processes. In the transfer of the product from Geraldton to Esperance and what followed, the proper processes did not take place, and the trouble started in the transfer, in this case, from Geraldton to Esperance. In particular, there was a lack of consultation, and of course many assumptions were made. I was amazed during the inquiry at the number of Esperance people who were not really aware that the lead was going out of their port. I found that quite incredible.

Describing terms in licences is very important. The terms in licences need to be accurate. The terms "pelleted" and "agglomerated" were confusing. They caused great misunderstanding, and there were many different interpretations. Therein lay perhaps a base problem from the start. There is no doubt that in all cases in which dusty substances are being loaded through a port, particularly substances of a dangerous nature, proper dust monitoring and the most up-to-date dust monitoring must be in place.

I wish to emphasise the importance of, and I think the need for - it is in the report - a study to be done on the health effects of nickel exposure. It was not in our terms of reference. However, we must ensure that we have in place appropriate transport, handling and monitoring requirements for nickel.

There is no doubt that the Department of Environment and Conservation and the Department of Health must work more closely together and consult more on all these issues.

I will be very interested to see the response to the report. I hope that it will generally be positive. I know that the committee has tried to be positive in dealing with what was a very negative situation. I again say that I have been very proud to be part of the committee in producing this comprehensive report. I have certainly learnt a heap myself.

In closing, I thank the people of Esperance for their diligence, their concern and their input, and I trust that this report will help ensure that their community and other communities never have to experience an event such as

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this again. The community has every right to feel that it was let down. No wonder parents of children in Esperance had great concerns.

I thank again my committee colleagues, and I say well done to our chairman, and to Jeannine, Nici, Jo and any other staff who were involved in doing such a great job. I also thank all those people who made submissions and who appeared before the committee. Let us all make sure this does not happen again.

MR M.P. WHITELY (Bassendean - Parliamentary Secretary) [10.32 am]: Before I forget, I will begin by thanking the staff involved in this inquiry for their efforts. I thank Jeannine Purdy, Nici and Jo, and Peter Frantom who helped out also. Jo and Peter did a great job. Jo was seconded across to the committee. However, I want to comment on the extraordinary work done by both Nici and, in particular, Jeannine, who in many ways led this inquiry. The member for Dawesville did a great job as chairperson, but given the complexity of the issues we dealt with, Jeannine had an extraordinarily large role in this inquiry and did an amazing job to pull together so quickly a report with so much detail in it. That is testament to her brilliant performance.

I will begin by reading one of the concluding paragraphs on page 339, which I think sums up, as much as it can, a 600-page report. It states -

There were major failings in DEC's industry regulation function and shortcomings in other regulatory agencies. These regulatory failures, combined with the irresponsible and possibly unlawful conduct of the Esperance Port Authority, Magellan Metals Pty Ltd, and BIS Industrial Logistics, exposed workers and the community to unacceptable and avoidable health and environmental risks.

Sadly, without the death of the birds, this exposure could have continued unabated.

The Esperance Port Authority, Magellan Metals and possibly, to a lesser extent, BIS Industrial Logistics all share a great deal of responsibility. They all made money whilst, in my opinion, recklessly exposing people, and particularly children, to an entirely predictable and entirely avoidable health risk.

Although the committee found that the actions of the Esperance Port Authority, Magellan and BIS Industrial Logistics were irresponsible and, indeed, possibly unlawful, in my view, the most disturbing element of this whole saga was the abject failure of DEC to do its job properly. Quite clearly, its job is to protect the health of the people of Western Australia, and in this case the people of Esperance. That is not in any way to excuse the port authority, Magellan or BIS Industrial Logistics. However, without scrutiny and oversight, some organisations that are driven by profit and share price - I accept that the Esperance Port Authority is slightly different, but, nonetheless, it had a very strong financial imperative - always have and always will cut corners and do things on the cheap, if they can get away with it, and this is precisely what happened in this case. They were able to get away with it. That is precisely why we need an independent, rigorous and motivated environmental watchdog. That is DEC's role, and in this case it simply did not do it. It did not do it in Esperance, and it is of great concern that the committee found that the failure in Esperance is not likely to be an isolated occurrence.

I will now read findings 17 and 18. Finding 17 states -

The Department of Environment and Conservation policy requires that:

- high and medium high risk premises are inspected annually and the target is that these inspections are met 100 per cent;
- medium risk premises are to be inspected once every three years but the target set annually is for only 50 per cent of these to be completed;
- low risk premises are to be inspected every five years but the target set is for only 20 per cent of these to be done; and . . .

The average performance by the Department over the nine months to April 2007 was that 28 per cent of these annual targets had been met.

Therefore, over nine months, only 28 per cent of the scheduled inspections had been met. If we expand that, probably 37 per cent, or just over a third, were met in a year. As a result of that, finding 18 states -

Industry regulation by the Department of Environment and Conservation is grossly inadequate.

That is fairly strong language.

I will go through the types of premises that need to be inspected. High-risk premises are meant to be inspected annually. However, if the sums are done - these were done by Jeannine Purdy - it seems that currently they are inspected every two and a half years. Medium-risk premises - this facility was regarded as a medium-risk premise - are meant to be inspected every three years, but currently they are being inspected, on average, every

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15 years. Low-risk premises are meant to be inspected every five years, but they are being inspected every 62 years.

It is clear that DEC was not doing its job. However, it cannot do its job without adequate resources. Currently, the system of financing the monitoring function, the inspection function and the regulation function of DEC is paid for through licence fees on a full cost-recovery basis. If we put that in context, just over a third of the scheduled inspections were able to be performed, and that tells us that we need a huge increase in the fee schedule if the job is to be done properly. The Minister for the Environment recently announced a 50 per cent increase, approximately, in these fees over the next two years. Although a 50 per cent increase sounds massive, and the knee-jerk reaction may be that it is a huge impost on business and puts red tape in the face of business, it is completely inadequate to enable DEC to do its job. If we are to proceed on a full cost-recovery basis - I think that is a legitimate basis, because this is a cost of running industry - we need enough to finance 100 per cent of scheduled inspections, not 28 per cent over nine months, or not just over a third over a whole year. If we persist with it on a cost-recovery basis, fees will probably need to increase by 300 to 400 per cent. I know that sounds alarming and enormous, but it needs to be put in perspective; that is, the Esperance Port Authority's annual licence fee was only \$1 125. Therefore, a 300 to 400 per cent increase would mean that the licence fee would increase to only \$5 000 to \$6 000. Although the increase sounds extraordinary in percentage terms, it is put into context by the consideration that a major facility such as the port of Esperance currently has an annual fee of only \$1 125. If licence fees are to be imposed on a full cost-recovery basis, there will, in my view, need to be a massive increase in fees. If we do not want to impose that increase, we must agree to properly fund the regulatory functions from recurrent expenditure. Finding 20 and recommendation 7 in the committee's report were along those lines.

However, it might not be enough to just put in extra resources without a change in culture in the Department of Environment and Conservation. The member for Wanneroo talked about the view that we do not need to restructure the department, but we need a change of culture within the department. We need to ensure that a compliance culture is introduced at DEC. There does not need to be a massive overhaul, but we need to make sure that DEC understands that its primary job in environmental health is to keep people safe. We need to make sure not only that the resources are available, but also that the people driving the process inside DEC have the commitment. Finding 152 makes specific comments in that regard, but I will not read it out because time is limited.

I think that the inquiry has shown that, in this case at least, DEC and, consequently, the Environmental Protection Authority, which relies on DEC for its advice, have been far too reliant on untested evidence provided by proponents. It has effectively allowed a system of self-regulation without scrutiny to flourish. I think in this case it allowed some fairly dodgy operators to do very little and simply tick the boxes, so to speak, in an unregulated way. The basic message that we need to take out of this inquiry is that DEC needs not only to be well resourced, but also to get real about its role as an environmental watchdog. I also think that nobody should whinge about a massive increase in fees - if they occur as I have called for - or about red tape being put in the way of business; we need to know that these facilities are being run in a responsible manner that does not threaten the health of people in Esperance and beyond.

Finally, I agree with the member for Wagin: in a sense it was very fortunate that the bird deaths occurred. I think that the people of Esperance can take some comfort from the fact that because the period of exposure to the lead was relatively short, and the level of exposure was relatively low, residents, particularly the children, are unlikely to experience serious health implications. However, that does not diminish the fact that this situation is completely unacceptable, and in a sense it was completely down to blind luck that it was discovered.

DR G.G. JACOBS (Roe) [10.43 am]: It has been an interesting journey. It started at the end of 2006, when constituents in the Esperance community reported to me that birds were dying on Wireless Hill, which is to the back of the port. Finally, in March 2007, a toxicology report was made available that showed extremely high levels of lead in the dead birds' livers. As a result of community concern over this issue, I chaired a public forum which more than 500 people attended and at which concern was expressed that a clear, objective and transparent process was needed for Esperance. At that time, the Esperance Port Authority was already talking through its lawyers. There was particular concern for our children, and that caused me to suggest a parliamentary inquiry, which commenced on 4 April. I commend the members of the Education and Health Standing Committee for their excellent work. I had the privilege of being appointed to that committee, and I experienced the hard work and cooperation of the committee. Politics and hats were left outside the door of the committee room to make this inquiry work for the community of Esperance. I also thank Jeannine Purdy, Nici Burgess and Jo Molin for their enormous amount of work in compiling this 520-page report.

How was the community let down? I believe it was let down by the supposed environmental watchdog, which not only took its eye off the ball; its eye was not even anywhere near the ball. Our committee found that the

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Department of Environment and Conservation's regulation of this industry was grossly inadequate. Finding 138 of the committee is that DEC's responsibilities were not adequately carried out. The recommendation of this committee, essentially, is that DEC, the environmental watchdog, needs to be more robust in its regulation. This must be addressed as a critical priority. In other words, DEC needs a shake-up and it seriously needs to lift its game.

The community of Esperance was let down by the port. Finding 13 is that the management arrangements for the Esperance Port Authority were inadequate to cope with the economic values and complexity of the port's operations. The committee recommends that DEC investigate a potential breach concerning benthic levels in the port and harbour of Esperance. In fact, recommendation 33 encourages DEC to investigate whether the Esperance Port Authority breached its obligations under the Environmental Protection Act. Recommendation 38 is that the Department of Consumer and Employment Protection investigate whether the Esperance Port Authority breached workplace and storage practices for lead carbonate in the port of Esperance.

This report says that we were also let down by Magellan Metals Pty Ltd. Findings 171 and 172 are that Magellan failed to appropriately test its products and to understand the danger of its products. Recommendation 39 encourages DOCEP to investigate whether Magellan breached its obligations in its storage and related practices.

How did the port get lead that was in powdered lead carbonate form rather than in all the other forms that we heard about during the inquiry? We grappled with the terms "pelletised", "agglomerates" and "granulation", but in the end the port did not get pellets; it was never intended that the port get pellets. Pellets were mentioned in the preamble of the amended environmental licence and nowhere else. Then there was agglomeration, which is simply balls that are created by adding moisture, but even that was abandoned by Magellan. What did the port receive? It received a product that had an element of moisture; however, there was a tendency to run the product dry for fear of the product exceeding the transport moisture limits as it was put on the ships. Recommendation 19 asks DEC to review its procedures for thoroughly and unambiguously processing environmental licence applications. The committee also recommends that there be a commitment to inspect all facets of the licence and to ensure that the licence requirements are adhered and committed to.

As a member, I hear strongly that there was a lack of consultation with the community. This report finds that there was a lack of consultation, particularly when the product moved from a pelletised form, supposedly to agglomerate. The process of agglomeration was then abandoned. No public consultation occurred on the changing conditions. Recommendation 6 is that there should be a legislative requirement for a transparent advisory committee, and that the situation and the results of the consultation process should be published on port websites. This was deficient. The subject of nickel was not included in the terms of reference of this inquiry, but the inquiry did touch on the issue. There was evidence that Esperance was polluted with nickel. More rainwater tanks had nickel in them than contained lead. The loading system for lead was exactly the same as that used for nickel. Recommendation 41 mentions a health study, and the requirement to assess the transport and handling processes for nickel. It is a debate that other ports and the whole of Western Australia need to have about the mining and transport of heavy metals. The days of in-loading and out-loading open bulk heavy metals are numbered in the state of Western Australia as a result of this inquiry. Recommendation 10 calls for a health impact assessment as part of the environmental assessment process. We were gobsmacked that that was a deficiency in this system.

What can the government do? The Department of Environment and Conservation needs to perform. Recommendation 5 calls for amendments to the Port Authorities Act 1999 to ensure that it incorporates conditions requiring that public health not be adversely affected. Recommendation 4 calls for the development and implementation of a management structure within the port to provide adequate equipment and expertise, for not only Esperance but all ports throughout Western Australia, to manage the complexities of the export of bulk products. Finally, the government needs to help Esperance to recover. The houses must be cleaned, especially those in which children have recorded lead levels greater than five micrograms per decilitre. There are more than 80 of those. We need professional assistance to clean the houses, not just to be told about a special vacuum cleaner and given instructions how to use it. There needs to be more than that. Recommendations 42 and 44 discuss remediation very strongly.

This experience for Esperance has produced some pain, as other members have said, but it could have been worse. In order for that pain not to have been felt in vain, we need to carry out the recommendations of the inquiry. The government and the opposition both need to work to make sure that the recommendations are implemented, and not only for Esperance. This case has taught us lessons, but let us move on from here so that Esperance can recover. We must take on the lessons that we have learnt and apply them to other sites, so that this never happens again.

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Mr P. PAPALIA (Peel) [10.54 am]: Rising as I do in the wake of my colleagues to address the report of the Education and Health Standing Committee into the extent of lead pollution in the Esperance area, I am cognisant of two things. Firstly, the chairman and other members of the committee have already presented many observations and insights, and I do not wish to merely echo their comments. Secondly, despite the many contributions that have already been made, I am particularly aware of the gravity of the inquiry's task and its importance to not just the community of Esperance, but also the entire state. Therefore, the occasion demands an appropriate level of response from me. With these facts in mind I will attempt to draw some salient points from the report, and also to make my own observations about what this report means for the community.

Any discussion of the subject cannot ignore the make-up and conduct of this committee. It seems a long time ago now, but when this committee was assigned the task of undertaking this inquiry, that very act was the focus of a degree of controversy. Predictable mileage was made by some of the claim that nothing short of a select committee could possibly deal with the issue. In this house, and outside in the media, a barrage of criticism was unleashed, claiming the whole thing would be nothing but a cover-up. What actually eventuated is the source of some satisfaction to me. I went from being a member of a cover-up on day one of the committee's public hearings to being described in *The West Australian* the next day as part of a fully fledged witch-hunt. I thank Mr Robert Taylor for doing me the privilege of the latter assessment. If I am to be described as anything when acting on behalf of the public interest in an inquiry, I would gratefully accept the witch-hunter appellation any day. In reality, the inquiry was neither a cover-up nor a witch-hunt. Rather, the composition and conduct of this committee have been beyond reproach.

I, like my colleagues, thank the member for Central Kimberley-Pilbara for making the unilateral decision to stand aside in the early days of this inquiry. The way in which he dealt with this issue is testament to his undeniable honesty and integrity. In assuming the role of acting chair, the member for Dawesville demonstrated that he is no less worthy of our admiration and respect. As a newly appointed committee member, I am thankful for his guidance and, as a citizen of this state, I am grateful for his sense of duty. The fact that the committee eventually comprised equal numbers from the government and opposition serves only to confirm that it has been diligent and impartial in its deliberations. All members of this committee began, and remained throughout, dedicated to a bipartisan, objective assessment of the events that resulted in lead pollution in Esperance. Of course, the committee has been very well served by a tireless secretariat, in the persons of Dr Jeannine Purdy, Ms Nici Burgess and Ms Jo Molin. True servants of the state, they have sacrificed much of their personal lives in recent months to the cause of the people of this state, in particular the citizens of Esperance.

What can be gleaned from our findings? Of primary importance is the need to acknowledge the complexity of this case. The sheer volume of evidence that has been compiled and assessed by supporting staff in a relatively short time is staggering. The numbers involved have been included in the report's executive summary, but they bear repeating for emphasis: in excess of 100 submissions and 1 000 documents, including transcripts from 50 witnesses and the numerous volumes of health and other reports. It has been an enormous task to collate and assess this information in the available five months.

Beyond the complexity and scope of the task, one clear point grabbed and held my attention throughout the inquiry. That was the inconsistency in logic employed by almost everyone during the assessment of risks associated with exporting lead through Esperance. Time and again, statements, interviews and documentation revealed that individuals, agencies and organisations correctly identified that nickel being exported through the port was finding its way into the community outside the port boundaries. Water tank testing, dust analysis and even the testimony of individuals suffering allergic reactions to nickel dust were available to all the key players. However, almost every one of those that deliberated over the issue then went on to support, or concede to, the export of the more hazardous lead product using exactly the same infrastructure and techniques that had previously been used for nickel exports. With the notable exception of one relatively junior member of the Department of Environment and Conservation - I acknowledge Catherine MacCallum - no-one in Magellan Metals, the Esperance Port Authority or the wider Department of Environment and Conservation seemed capable of linking nickel pollution of the community with the potential for lead to escape from an identical export process. When we asked Magellan's representatives why they used the same process, they said that it expected the lead to behave differently from nickel. To be fair, that information was given under the spotlight in Esperance without notice. It is therefore not surprising that they said in other evidence that they expected the lead to behave in a similar fashion to nickel and that they also trusted the port to sort things out. Evidence suggests that the Department of Environment and Conservation trusted the port as well. It was in possession of reports, tests results and public complaints that suggested that the port's infrastructure was allowing nickel dust to contaminate the town. Nevertheless, it appeared to acquiesce to the use of the same system for the export of lead. The physical inspections carried out by its representatives failed to identify infrastructure deficiencies that should have been obvious to the most cursory of checks. Both Magellan Metals and the Department of

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Environment and Conservation should have been alert to the dangers of using the same system for lead exports as had already been proved inadequate for nickel exports, but, ultimately, they trusted the port to sort it out.

As an ex-seaman, I find it particularly disappointing that other maritime industry professionals at the Esperance Port Authority appear to have abused this trust. The port authority management and the port's board were clearly aware that their infrastructure was allowing nickel dust to contaminate the town of Esperance. They had dust monitoring results; they had reports from their own staff on their occupational health and safety committee; and they even had a report that they commissioned from a specialist consultant; but, most of all, they had the ability to walk to the wharf and stand under the CV3 conveyor and look up at the belts of the conveyor system that still, to this day, is not enclosed. They had every opportunity to identify flaws in the system they were using to export nickel. Despite all of these warnings and despite all of these opportunities, the Esperance Port Authority chose to go ahead and use the same system to export the significantly more dangerous lead carbonate. I do not believe that the port's failures absolve Magellan Metals or the Department of Environment and Conservation from their own responsibilities, but I find it particularly disappointing that a former national award-winning port ultimately failed in its duty in this manner.

This is a massive report. I have chosen to concentrate on only one inconsistency identified therein. Had any one of Magellan, DEC or the port authority acted on the warning signs it had about infrastructure deficiencies at the port, the pollution may have been avoided. As can be seen from the speeches of my colleagues, this report identifies many other deficiencies and alternative points of action whereby the pollution might also have been avoided. This is a good, substantial report on a matter of great importance to the state, and particularly the people of Esperance. It is my fervent hope that it will serve to prevent any similar occurrence elsewhere in the state and that it will in some small way acknowledge the efforts of the many fine community advocates in Esperance.

That leads me to my final observation. It would be a tragedy for this event to come to define Esperance. The overarching, indeed overwhelming, impression I gained from this inquiry is that Esperance is a strong, cohesive and supportive community. Esperance has been and always will be a great place to visit and a wonderful place to live. This is what should always define Esperance.

MR T.G. STEPHENS (Central Kimberley-Pilbara) [11.03 am]: I speak today as a member of the committee, although noting that I stood down from this inquiry in the circumstances described by other members of the committee in the delivery of this report to the house. I appreciate the comments made by the acting chairman and other members of the committee about the way I handled that decision. I principally congratulate members of the committee for the way in which they have carried out the work, not only when I was exercising the role of chair, but also subsequently.

This is an extraordinarily impressive report by any standards. I have been flicking through it for the first time during the debate. In my view, it has set a new standard for parliamentary reports. I have not seen the like of this in terms of the quality of the work that is on display. I know there has been an extraordinary amount of effort by committee members putting in an enormous number of hours. I know from the nature of the personalities involved that the officers working with the committee have put in an extraordinary, superhuman effort. I join with other committee members in congratulating them on the quality of their work, most especially Nici Burgess, and - how do I add an extra superlative on to that - the work of Dr Jeannine Purdy. This is an extraordinary situation that the house finds itself in, because it has an officer of such character and quality and superhuman effort available to work with it on an issue like this. I do not think that she can be praised too highly. She is delivering quality work on behalf of the Parliament for the community of Western Australia. She has presented work to the committee members that they have been able to deliver - after their deliberations - that will be of great value to all of us in Western Australia as we handle issues affecting the future of ports and their operations and the future of environmental and port legislation that governs the decision-making process.

I took a unilateral decision to step down from the role of chairing these particular terms of reference, although I did it after ringing the Premier to tell him of my decision. I thank the government for accepting my judgement call. I specifically congratulate the Premier. He said, "Tom, I trust your judgement on this that it will be in the best interests of making for a good outcome." I sensed from the people attending the public inquiry and hearings in Esperance that the committee was faced with apprehension from the local community that it was not going to get a fair hearing or consideration of its issues and that there was some sense on its part that the media suggestions might be accurate and that there might be a whitewash and the government majority on the committee would somehow or other be utilised to weigh in against the community's interests. I could sense the value of leaving in place a committee that was structured in that way: evenly balanced and delivering back to the community and the Parliament a bipartisan report. I have worked in such situations in the upper house and seen their value. This was one of those situations that was enhanced by the balanced nature of the committee.

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I became conscious of one thing when I started to set the framework for the inquiry. I set the original proposals for the way the committee should proceed and made it absolutely clear to colleagues from the other side of the house that there would be no whitewash. I know that the acting chairman, Dr Kim Hames, the member for Dawesville, understood that there would be no whitewash right from the start. He was probably embarrassed by colleagues who suggested that he or the committee would participate in a whitewash in that way.

The additional point for me was knowledge of the Esperance Port Authority and port operations having set an extraordinary standard across regional Western Australia for the handling of commodities. I know historically how it has handled iron ore. The port has won environmental awards and the approval of the community for the way it has handled that commodity to the satisfaction of the community. I came to the inquiry expecting that the high regard in which it had been held would not be tarnished by this inquiry.

It became very clear from the start that the hard work that was done with that commodity, and the support of the community that was earned, lulled all the port authority people into a false sense of security about their own expertise, prowess, skills and talents. It also lulled the community into trusting the whole structure there, the port authority and the laurels that it was resting on. It is a good reminder to all of us that people can get to a certain professional standard with their work, but that does not obviate the need to keep rising to the challenge of best practice, particularly when people move to handling a new commodity, as the port was doing in this case with lead that was of a different risk order altogether from the commodities it had been handling before.

The second point for me is to look in this report at the figures for the benefits that flow back to the state through the royalty regime that applies to this commodity and the taxes that flow from payroll tax and the return to the state from resource companies and port authorities as a result of their engagement in resource activity. They are fairly slim pickings in this case with this commodity, but they still represent some big numbers in the scheme of a small economy in the town of Esperance. My overwhelming concern with regional communities is this: regional communities can too easily bear all the costs of resource development and not pick up a substantial proportion of the benefits that can flow from the export of resource commodities. I am too familiar with towns where the cost and the environmental impact of exports are self-evident, such as Port Hedland and other towns in the north west where commodities are exported at huge value to the state and nation but leave behind an environmental impact - in the case of other towns, often merely aesthetic, but in the case of Esperance a major risk to the health of that community.

I hope that this parliamentary inquiry has delivered to all those in the chamber, most especially government members, the value of a parliamentary inquiry dealing with a contentious issue in which the trust of the community has to be won back by the system of government, and that a bipartisan approach to an issue can in fact deliver benefit for not only government, but also the entire community. This parliamentary inquiry process and the report that has been delivered to the community through it really highlight the essential value that can come from government supporting an inquiry into contentious issues heading in the direction of a calamity of this sort. I look forward to studying the report in more detail and following its consideration by the government.

The ACTING SPEAKER (Mrs J. Hughes): Minister?

Point of Order

Mr R.F. JOHNSON: The minister must seek leave.

The ACTING SPEAKER: I understand that. The member has not allowed her to speak. Minister for Planning and Infrastructure?

Minister for Planning and Infrastructure - Leave to Respond

MS A.J.G. MacTIERNAN (Armadale - Minister for Planning and Infrastructure) [11.13 am]: In the spirit of bipartisanship that has characterised this morning, I seek leave to give a brief response on the report.

Leave denied.

Mr T.G. Stephens: That is a disgrace.

Mr R.F. Johnson: We wanted to have this debate this afternoon on a matter of public importance.

The ACTING SPEAKER: Order! We will deal with orders of the day.