

## HOUSEHOLD CHARGES — BARNETT–GRYLLS GOVERNMENT

*Motion, as Amended*

Resumed from 28 September on the following motion, as amended, moved by Hon Ken Travers —

That this house condemns the Barnett–Grylls government for the savage increases in household fees and charges and the abolition of assistance payments to families such as the \$400 It Pays to Learn allowance, which has resulted in families being up to \$1 700 worse off. We note that the savage 57 per cent increase in electricity and 46 per cent increase in water charges over two years has resulted in an increase in the dividends the state government is receiving from the power and water utilities. We say enough is enough and call on the Barnett–Grylls government to keep future increases to below the rate of inflation.

**The PRESIDENT:** I inform members that the total time remaining on this motion is one hour and six minutes.

**HON HELEN BULLOCK (Mining and Pastoral) [2.10 pm]:** On 28 September, I was saying that there was a general consensus that the dramatic increase in household utility bills in the last three years had put a great deal of pressure on ordinary Western Australian households. I referred to the Minister for Child Protection, who, in a speech to this house on 21 September 2011, provided us with some very useful figures. I was going through those figures just before time ran out and the debate was adjourned. According to the minister, in 2008–09, 2 687 people sought hardship utility grant scheme assistance, and the total grants provided by the scheme was just below \$1 million. In 2009–10, 6 700 people, a 250 per cent increase, sought hardship utility grants, with a total of \$2.2 million provided, which was a 262 per cent increase. A year later, in 2010–11, 12 400 people, a 462 per cent increase, sought hardship utility grants, with a total of \$4.6 million provided, which was a 535 per cent increase on the previous two years. I thank the minister very much for this very, very useful information. By the way, the information that I just went through was only a very small portion of the information that the minister has provided. The rest of the information that was provided to us by the Minister for Child Protection is equally useful, and alarming and disturbing as well. It painted a dark picture of the financial struggles of ordinary Western Australians during this current economic boom.

As I said yesterday, the sky is falling on the ancient cities of Greece and Italy; but the sky is also falling on ordinary Western Australians and on the Liberal Party. According to *The West Australian* of 19 September 2011, in the next election Western Australians may vote against the Liberal Party in protest over utility bill increases. It is a real worry for the Liberal Party. However, let us look at the bright side of things. As they say, every cloud has a silver lining. A really positive story has emerged from this desperate situation; a story about devotion and dedication to help age pensioners to get through the current difficult time. It all started with a small and very unimpressive advertisement in the *Kalgoorlie Miner* 57 years ago, on 20 April 1954, which reads —

Over the years various suggestions have been made for helping aged people on the goldfields, but nothing much has been done. It now been decided to call a meeting of those interested in forming a help group.

This little advertisement marked the birth of the Goldfields Aged Pensioners Welfare Association in its current form. It was such a great cause and was supported by so many. The association was formed immediately and within a couple of months of its formation a cottage was donated to the association, which became its home for a while. Over the years, the association raised about \$2 million and has given out grants to seniors to help them with their utility bills. It also funded a hostel for single pensioners in need of affordable accommodation. At one stage, the association even funded holidays to the beautiful seaside town of Esperance. That was in the good old days when the quality of a pensioner's life still counted. The committee members of the association came and went, except for its secretary–treasurer, Jack Tinetti. He was one of the founders of the association and has also been the secretary–treasurer for the past 57 years—right from the start. He has 57 years of volunteering with the association, and not many can claim such a feat. It is a really extraordinary achievement.

I have met the man on a number of occasions. I remember every one of those occasions, not because of his extraordinariness but rather his ordinariness. He is a very proud and dignified man—devoted, committed and modest as well. He is the sort of person that every community needs. At the age of 91, he is, as ever, firmly determined to do whatever he can to help the Goldfields age pensioners. His contribution to the Goldfields community was formally recognised a long time ago by naming a complex of nine units for seniors in Kalgoorlie–Boulder the Jack Tinetti Cottages. He gave me this little souvenir booklet, which covers the association's first seven years' achievements. This booklet is quite inspiring to read. It gives a bit of insight into the association's achievements in its early years. It seemed easier then. The association received overwhelming support, with donations from individuals and grants from both federal and state governments flowing in, which

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helped the association achieve its aim and purpose, and also helped to build the first lot of the lodges for age pensioners.

For the past 57 years, Mr Jack Tinetti has been administering grants to help pensioners with utility bills. He knows better than anyone else about pensioners' current struggles. I will quote some of the comments that he made to the ABC on 21 March 2011 regarding the rising cost of utilities. They read —

“Over the last few years they've really jumped.

He is talking about utility bills —

We've been helping people to pay their accounts for the last 57 years but over the last few years it has just got out of hand, things have gone up so much.”

“People who have never come to us before have started to come. Over the last three years it has risen from 577 people (which cost us \$24,550 to assist); this last year it was 652 recipients, costing \$45,600.

...

“As long as we can get donations, we'll keep handing out.”

He went on to say —

“We know some of the old people that come are really battling, they look at every dollar before they spend it.”

I think those short comments give members a picture of the struggling lives of age pensioners in the Goldfields.

Mr Jack Tinetti is also concerned about the source of the donations. In the same interview he is reported as saying —

“There's so many charities looking for money, I don't know how we're going to raise \$46,000 this year.”

On another occasion, Mr Tinetti is reported as saying —

“In spite of all the recent publicity, only three donations of \$100 each have been received and one of those was from a previous donor,” ...

Those words are enough to summarise the misery and the pain that this government has caused to ordinary Western Australian pensioners. It is quite interesting that Mr Tinetti also made some other remarks to the ABC on the same day. He said —

“You just can't ask the government. I always say the government is the same as us. Where does the government get money? — off us, the taxpayers. We're their financiers”

“You donate, and we can help and it takes the load off the government and also helps the pensioners.”

Those comments are truly remarkable from a man who wants so little but who gives so much to the community. I think the world would be a better place in which to live if we all had a bit of his philosophical approach to things. But I wonder what he would think of the current projects of the government, such as the “Premier's Palace”, the waterfront development, the mega \$1 billion stadium and also the singing toilets in regional areas. It is quite clear to me that this government is taking ordinary Western Australian people for granted and neglecting them very much. The Premier should take a moment to reflect on his lavish spending and also reflect on the agony and pain that his government has caused those age pensioners, seniors and ordinary Western Australian families who have borne so much of the burden of these savage increases.

I want to finish my remarks on a positive note. I will use this opportunity to congratulate Mr Jack Tinetti and the Goldfields Aged Pensioners Welfare Association for being nominated in the category of Prime Super Community Group of the Year Award in the Regional Achievement and Community Awards this year. I am confident that the association will win the award for what it has been doing over the past 57 years and that it will continue with its good work in the future.

**HON WENDY DUNCAN (Mining and Pastoral — Parliamentary Secretary)** [2.24 pm]: I take the opportunity to talk on this motion. A lot of the things that have been proposed by members opposite have indicated that they are all with halos around their heads as far as utility prices and costs are concerned and that this government is heartless and uncaring. In the course of what I will say today, I would like to demonstrate that that is not the case.

**Hon Ken Travers:** You summed up our speeches pretty well.

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**Hon WENDY DUNCAN:** By way of an opening remark, when we consider utility prices in particular, I want to refer back to the disaggregation of Western Power and remind members of the house that the Nationals vehemently opposed that at the time it occurred. On 28 September, Hon Peter Collier quoted from the disaggregation debate in *Hansard* in which Hon Eric Ripper, the Leader of the Opposition in the other house, said that prices for electricity would fall by 8.5 per cent by 2010. Of course, that did not happen. And not only that; I think that members opposite were so embarrassed about the fact that it did not happen that they decided that they could not possibly increase power prices when they really should have. I note from Hon Ken Travers' remarks on this motion that he proudly spoke about the fact that his party had made a commitment to maintain the price rises for power at less than the rate of inflation.

**Hon Ken Travers:** The whole basket of household fees and charges.

**Hon WENDY DUNCAN:** Inevitably, if a party has a policy to increase prices by less than the rate of inflation, something has to give. Sure, it can make up the difference with efficiencies and productivity gains, but if, underlying this whole industry, there is an incredible backlog of infrastructure which needs to be upgraded and renewed and which has reached the point of being basically unsafe, having a pricing policy under which the increases are maintained at below the rate of inflation inevitably leads to tears. As Minister Collier said in his remarks, when this government came to power, it was faced with the situation of power prices not having been increased sufficiently over the past period and an increasing need for funds for our utilities. Therefore, this government had to bite the bullet and deal with that situation before the utilities went into increasing debt, taking the government with them.

Even with the price rises which have occurred in Western Australia and which have been talked about today and over the course of this debate, it is often overlooked that we are still below the average cost for the nation. Hon Peter Collier outlined in his speech the various costs a kilowatt hour in other states, and noted that the national average is 25.75c a kilowatt hour, when in Western Australia we pay an average of 24.21c a kilowatt hour. So we are not doing too badly when we consider what this government had to pick up.

I was interested to hear on ABC radio—I think it was last week, but it may have been the week before—Hon Eric Ripper, the Leader of the Opposition in the other place, speaking to Geoff Hutchison about utility price rises and utility costs. Unfortunately, when I turned on the radio, I had missed what he said, but I did hear people who phoned afterwards. Most of the people who phoned said, “Where does the responsibility lie?” The responsibility lies with the government that failed to increase prices at the rate at which they needed to be increased, and that was the former government that Mr Ripper was a member of and the opposition that he now leads. I think there is a fair bit of hypocrisy in this particular motion. This government is being responsible in endeavouring to bring power and utility prices to the level that they should be to enable us to not only meet the needs of our community but also properly maintain our infrastructure.

The other message that I have spoken about before in this house is that it is all very well to have soft and fluffy advertising campaigns about beating the peak, and those showing the little frogs on a post measuring the amount of water we use, but if we are to use our resources sustainably into the future, there needs to be a price signal. All of us in this house would acknowledge that we have been through an era of great benefit in which we have not had to worry about switching on the power and having the air conditioner, the heater or the electric blanket on—all essential things. I must say that I remember as a child on a sheep station that we had a 32-volt lighting plant, which we had to crank up to get started. Everyone was delighted when the lights were on, but when the engine was stopped at 10 o'clock at night or whatever, and we had to survive on the batteries that had been charged while the engine was running, the lights slowly got dimmer and dimmer as the night progressed, and mum ran around making us all turn most of them off until we had only the ones we really needed. We need to start thinking about that. Although we do not need to have our lights dimmed or to be living in darkness or failing to deal with heatwaves and so on, I do think we all need to be more frugal and more conservative in our use of these resources, which not only are scarce but also produce greenhouse gases.

I would now like to say what we in the Nationals as part of the Liberal–National government have done to assist those who are feeling the pressure of increased utility prices and to make life in the regions more affordable as a result of royalties for regions. Hon Robyn McSweeney mentioned the Country Age Pension Fuel Card and Hon Helen Bullock talked about pensioners going down to Esperance for their annual holiday. One of the things about the Country Age Pension Fuel Card is that it enables pensioners to now go for their annual holiday, have their medical check-up or visit their family and friends. The amount of \$500 per pensioner is provided to spend on fuel or taxi fares to enable them to move around. This was extended under the last budget to new postcodes: Jarrahdale, Hopeland, Mardella, Serpentine, Keysbrook, Dawesville, Bouvard, Clifton and Herron. The eligibility has also been extended to disability support pensioners, carer-payment pensioners, widow B pensioners and people on the Centrelink wife pension. Over this government's budget \$135.6 million has been

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spent on the Country Age Pension Fuel Card, and I believe there are now 43 000 cards out there. It is certainly a policy that is greatly appreciated. We in the Minister for Regional Development's office are always delighted to receive letters from pensioners saying how grateful they are to have received the assistance to keep them mobile in the regions and to balance the fact that pensioners in metropolitan areas have access to free public transport and so on.

The other huge royalties for regions initiative is, of course, the regional workers' incentive program. That is where we, the Liberal-National government, under royalties for regions, have allocated \$106.9 million from 2010 through to 2014 and an additional \$30.9 million in 2014-15 to increase district allowances for public sector workers in regional Western Australia. This is not only part of our initiative to attract and retain government workers into regional areas, but also an acknowledgement of the cost of living in some of those areas. The outcome of course is that a public sector worker in Karratha or Dampier is seeing an increase from the former rate of \$3 953 to \$9 839 per annum. The regional incentive paid to public sector workers was last assessed in 1968. That is the last time any consideration was given to the relevance of the regional allowance that is paid to public servants. The regional allowance will now be based on a regional price index. One of our community resource centres has priced baskets of goods in various places in Western Australia. That regional price index will be updated every two years. So our regional workers can rest assured that the cost of living where they live will be taken into account in their salaries. I think that is a major step forward for regional workers in Western Australia.

The other thing we have done for our regional workers in Western Australia, of course, is the additional royalties for regions funding going into the Government Regional Officers' Housing scheme. Almost half a billion dollars has gone into 400 new houses for government employees.

**Hon Robyn McSweeney:** First time ever.

**Hon WENDY DUNCAN:** That is right. I remember prior to the last election spending some time wandering around asking government officers what they needed. They showed us some of the houses they were living in and, I will tell you, Mr President—there are still a few more out there that need attention—this delivery of 400 houses for our government officers is making a great deal of difference to their amenity and the life they lead. Of course, government officers are not the only ones who are suffering from housing shortages and the cost of housing in the regions. This is something we recognised when we took office. The royalties for regions scheme has paid attention to other housing sectors. I remember when I first started talking to Tony Crook about royalties for regions and politics. At the time he was president of the Royal Flying Doctor Service and told me how he might be able to attract doctors and nurses to some of the locations where the flying doctor bases were, but the issue of trying to get houses built for them was just about the straw that broke the camel's back. Therefore, under royalties for regions we have allocated an amount of \$25 million to complete up to 90 houses for non-government workers. I think everyone has probably heard about the service workers' accommodation that has been built in Karratha, which was left in a dreadful state by the previous government, where people were living in containers, housing was in incredibly short supply and rents were increasing up to \$2 000 a week. A multinational mining company renting a property for an employee, and maybe even a mining employee, might be able to contemplate paying that, but it is certainly beyond the reach of the hairdresser in the main street or someone in hospitality or tourism and so on. Under the Karratha service workers' accommodation scheme, \$30 million has been allocated to build accommodation that can be leased to service workers at an affordable rent.

That has resulted in the delivery of 100 units ranging from one and two-bedroom units up to 250 beds, and has gone a long way to meeting a need there. That complex is being run by National Lifestyle Villages. I think it is a model that we will need to establish in other regional towns where the cost of rent is high.

Another aspect of our attention to the cost of living and the cost of essential services is, of course, the focus we have placed on essential services for remote Aboriginal communities. An amount of \$12.5 million over two years has been allocated to upgrade and extend existing water infrastructure to deliver quality water to 16 remote Aboriginal communities in the Kimberley, Pilbara and Goldfields-Esperance regions. That is in addition to the \$10 million that has been allocated to deliver power and water services to remote Aboriginal communities, with the first essential services pilot taking place at Jigalong.

There are plenty of examples of this government having an understanding of some of the pressures that people are facing. We knew that we had to get the prices of water and power back to somewhere near cost reflectivity. We knew that if we undertook price rises below the cost of inflation, or even 10 per cent per annum, as was suggested by the Leader of the Opposition, it would mean that we would never catch up and that state government debt and the amount of money that the government would have to put into those utilities would continue to increase. This is a matter that the Minister for Energy had to bite the bullet on. I commend him on the way he has implemented these price rises. I noted in his comments in this house that he feels for the

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pressures that this is creating, but we have to bite the bullet and keep this moving until such time as we can be satisfied that our power prices are near where they need to be and that we have the funding to upgrade some of that infrastructure. I talked to the representatives of Horizon Power in Esperance recently—I might add that we have allocated \$18 million of royalties for regions for upgrading the powerlines in Esperance—and they said that under their statutory obligations, they have no more time to wait to replace some powerlines; they must be replaced. This all costs money, and the government and the utilities have to pay for it.

There was some talk about the removal of the It Pays to Learn subsidy and how that is another hit in the hip pockets of people. The thing about the It Pays to Learn subsidy is that people get it whether or not they can afford to send their kids to school. One of the initiatives that the Nationals, through the Liberal–National government, have instituted is funding for Foodbank. An amount of \$800 000 has been allocated through royalties for regions—this is up to 50 per cent of the program—to assist Foodbank to deliver meals to schools throughout Western Australia. It has been a highly successful program. Foodbank now delivers to 12 schools in Albany, 20 schools in Bunbury, four schools in Esperance, 25 schools in the Goldfields, 33 schools in the Kimberley, 35 schools in the Mid West, five schools in Narrogin, 20 schools in the Pilbara, and nine schools in Warren–Blackwood. All those schools are now able to put on breakfast programs for children so that they can go to class and concentrate on what they need to learn rather than the worms wandering around in their tummies. I congratulate Hon Col Holt, who has been a great supporter of Foodbank in the south west. Every year he gets into a truck and drives around to collect food and take it to the central location. This program has been of great benefit to the people of regional Western Australia.

I could talk at length about what we have done to improve the amenity of, and remove the pressure on, the costs of living for people in regional Western Australia. Even funding for the patient assisted travel scheme and the Royal Flying Doctor Service of Australia reduces cost pressures on people, because the government is topping that up. There is also the Boarding Away from Home allowance. All those things assist people who need to send their children away or to have medical needs attended to.

The Nationals, and I in particular, will not support this motion. I find it pretty hypocritical, because I think the situation that we find ourselves in with utility prices is a legacy of the previous government. I am pleased to have the opportunity to explain why I do not support this motion.

**HON LYNN MacLAREN (South Metropolitan)** [2.45 pm]: I welcome the opportunity to reflect upon household fees and charges and how they have changed in the short period that the Barnett-Grylls government has been in power, and also to look in particular at the details of how it is impacting on low-income families. Increasing costs of utilities are really affecting these households. As members know, the Western Australian Council of Social Service is very good at charting the impacts on low-income families. In particular, WACOSS's recent analysis of average WA households shows that these increases are impacting on families, perhaps in contrast to what Hon Wendy Duncan has just outlined. What do these price increases mean for the household budget? The five per cent increase in the electricity tariff means that WA households with average electricity consumption will have to spend an additional \$72 annually on electricity bills this year. Over the past few years, annual average household expenditure on electricity has risen from \$1 208 in 2009–10 to an estimated \$1 515 in 2011–12. That is a significant increase that low-income families can nary afford. The 8.5 per cent increase in water charges means that WA households have to spend an additional \$98 on annual water bills just this year. In 2009–10 households were paying, on average, \$1 039, but in 2011–12 they can expect to pay \$1 254. Gas prices increased by 10 per cent on 1 August this year, and that means that WA households have to spend an additional \$62 on their annual gas bill. In total, the increases in electricity, gas and water tariffs mean that the average annual expenditure on utilities by WA households will need to increase by \$232. That amounts to finding an extra \$4.50 a week. These increases follow on from the 50 per cent increase in electricity prices in 2009–10 and simply increase the pressure that we know these households already face.

These increases also come after a period of several years of rising costs of living in WA. In particular, I would like to reflect on housing and groceries. We have heard much about housing, but I just remind members that the rent for an average metropolitan three-bedroom house went from \$290 a week in 2007 up to \$370 a week in 2009. That plateaued a bit after that point. Recently, at the launch of Australians for Affordable Housing, it was estimated that the average cost to rent a house such as that is now \$395. Food and basic grocery prices have continued to increase over the past four years. The Western Australian Council of Social Service has measured the cost of a basket of groceries containing the same products over consecutive years. Its analysis shows a 15 per cent increase in the cost of basic household items between 2007 and 2010. In each of those years the cost has gone up. Petrol prices, as everyone knows, also continue to rise. That impacts most significantly on some of the lowest-income households who are most dependent because they often live furthest away from services, businesses and their employment. Access to public transport in the outer metropolitan area and in country Western Australia is very limited, which makes the cost of travel more unaffordable for many. When petrol

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prices go up, those people are particularly vulnerable, especially when their income is dependent on them getting to their job in an area that is far from where they live.

People on low wages or who are dependent on income support, and even those who are on a fixed wage such as a pension or retirement income, have not had an increase in their income to be able to make ends meet the increased costs on all fronts. The community sector has reported a sharp rise in middle-income families who are seeking assistance for the first time. When I researched this motion, I asked how many households were struggling in Western Australia. In 2009–10, 86 812 households sought extra time to pay their electricity bills and 3 348 households were disconnected because of a failure to pay their electricity bills. That is obviously a most severe consequence that dramatically impacts on people's ability to live a decent life.

The WACOSS analysis shows us that there is a growing group of people who may also be skating very close to disconnection and who are choosing to consume less but who by doing so are impacting on their health and wellbeing. I will quote from the WACOSS report from August 2010 titled, "The Rising Cost of Living". This quote encompasses the kinds of challenges that these low-income people are facing. The report states —

More and more people are finding it difficult to pay their utility bills and many often end up in arrears to service providers. This may result in restriction of water supply or disconnection from energy services. Some are facing such significant hardship that they are under-consuming, which can have negative health and wellbeing impacts, as we have seen this winter.

The demonstrated consequences of limited or no access to essential services such as water and energy include deterioration in physical health, significant psychological impacts and exclusion from education, employment and the life of the community. The declining affordability of essential services is causing some people to consume less than they need to for fear of the cost. The issue of under-consumption of essential services such as electricity is a major one. It forces us to address the hidden numbers of people who are compromising their health and wellbeing because they can't afford to use as much energy as they need.

**Hon Peter Collier:** Did the Greens agree with the electricity price increases?

**Hon LYNN MacLAREN:** I will come to that.

Faced with finite resources, this government is simply upping the prices rather than tackling the real issues. The cost of providing reliable electricity to the community is mounting, particularly with sharply rising demand, spikes in peak demand and significant maintenance expenditure required on the grid. At the same time, the electricity sector faces the very real challenge of moving from highly carbon-intensive energy to zero-carbon energy. Faced with these challenges—they are real challenges—it appears that this government has simply sought to increase the prices in an effort to meet the skyrocketing costs. However, this fundamentally fails to address the challenges and simply sets us on a path of ever-increasing electricity prices because of the increasing cost of producing electricity from finite, polluting resources. Addressing the challenge of increasing electricity prices requires a proactive approach from government. In the short term, it means tackling energy efficiency, which is widely recognised as the lowest-hanging fruit by which we can achieve a reduction in energy consumption of between 20 per cent and 30 per cent with no loss of lifestyle and enjoyment. A reduction in energy consumption will obviously cut power bills for households. This government has cut energy efficiency targets for the Western Australian Office of Energy and no longer reports energy efficiency as a goal.

**Hon Peter Collier:** What do you mean?

**Hon LYNN MacLAREN:** If the minister has something more to say, I look forward to hearing his contribution.

**Hon Peter Collier:** I have already contributed; I am just fascinated with this.

**Hon LYNN MacLAREN:** This government should be doing much more to manage the increasing cost of energy generation without 88 000 households having to be in financial stress and unable to pay their electricity bills. I will tell members the Greens' suggestions, which I am sure they have all heard before —

**Hon Norman Moore:** Wind power and solar power.

**Hon LYNN MacLAREN:** Very good! Hon Norman Moore was the first member to suggest solar power. Obviously government members have heard this before; now they just need to act on it.

The four suggestions that I would like to make in my contribution to this debate are: firstly, the implementation of mandatory five-star ratings for households rather than continuing to delay it. Secondly, undertake the retrofitting of the public housing stock to meet these standards.

**Hon Peter Collier:** You can put a tick next to that.

**Hon LYNN MacLAREN:** Has the government done it?

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**Hon Peter Collier:** Yes; it's already done. Try to keep up.

**Hon LYNN MacLAREN:** Is the government retrofitting the public housing stock? I believe that what is happening at a policy level is new housing stock is to meet that criteria.

**Hon Peter Collier:** Yes, it is; that's correct.

**Hon LYNN MacLAREN:** But the government is not retrofitting the existing stock. That is what retrofitting means.

**Hon Peter Collier:** I am well aware of what retrofitting is.

**Hon LYNN MacLAREN:** Okay. Thirdly, the government should implement a whitegoods certificate system for upgrading the energy efficiency of appliances. Either take a lead in Western Australia or participate fruitfully in the national negotiations to have a new national scheme. A family that struggles to pay its electricity bills is also unlikely to be able to afford to replace old appliances with new and more affordable ones. They may be trapped into a cycle of increased bills with less capacity to pay. My fourth suggestion is to fund community-based audits and assessments of households with grants. There have been several small programs and pilots along those lines. That work needs to be widespread to achieve the necessary changes. The Brotherhood of St Laurence partnered with KPMG to produce a report showing that government spending in these programs stimulates long-term employment, sector development in energy efficiency and renewables, and assists low-income households to break out of debt cycles rather than repeatedly seek grants from the hardship utility grant scheme.

There is also much scope in the commercial sector for energy efficiency to be promoted through the management of demand. Current energy market structures and policies promote profits for the retailers by selling more electricity. Given the pressures on our grid and the extremely high cost of peak power in our system, that is simply perverse. Regulatory policies that decouple profits from increased energy consumption can lead to electricity sectors that facilitate energy efficiency. That would result in obvious benefits for households by reducing electricity bills; for utilities by reducing the cost of energy; for the economy by increasing productivity; and for the environment by reducing carbon emissions. In the long term, the key to affordable electricity and secure energy sources is to transition to renewable energy, as the Minister for Mines and Petroleum has just indicated.

Our energy sector is highly dependent on gas and the state government's own strategic initiative, the Directions 2031 paper, acknowledges this. Quite apart from the fact that relying on gas for future energy supply will mean continuing to pollute the atmosphere, extracting gas will become increasingly expensive and harmful to the environment as the most accessible resources are used up and deeper offshore fields become necessary, as well as hydrological fracturing—fracking—for unconventional gas such as shale, tight and coal seam gas.

**Hon Norman Moore:** You can't compare the two, you know.

**Hon LYNN MacLAREN:** It is merely an energy supply, minister; it is not comparing the two.

**Hon Norman Moore:** There's a serious difference between coal seam gas and tight gas and shale gas and you should know that.

**Hon LYNN MacLAREN:** They are options. They are different gases; that is all I said.

Even then, domestic gas reserves will still come to an end.

**Hon Norman Moore:** Do you know what our potential tight gas supply is?

**Hon LYNN MacLAREN:** Would the minister like to tell me?

**Hon Norman Moore:** About 280 TCF, if that's any help. Do you know how much that is?

**Hon LYNN MacLAREN:** No, sir.

**Hon Norman Moore:** About twice what there is off the North West Shelf already found.

**Hon LYNN MacLAREN:** I thank the minister very much. Even then —

**Hon Norman Moore:** That's a lot of gas; that's a very long time.

**Hon LYNN MacLAREN:** It is a very long time that we need to consider for the future of Western Australia, and I appreciate the minister bringing that to our attention.

But even then, domestic gas reserves are going to come to an end. The Western Australian government's own projections that assume new gas reserves are discovered and come online show domestic conventional and unconventional gas supplies peaking around 2020 to 2023.

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**Hon Norman Moore:** Whose advice is that? What are you reading from? Can I ask what the document is that you're quoting from?

**Hon LYNN MacLAREN:** I am quoting from my notes.

**Hon Norman Moore:** You're reading it.

**Hon LYNN MacLAREN:** Would the minister like me to speak off it?

**Hon Norman Moore:** No, there's a rule in this place. If you're quoting from a document, I want to know what it is—that's all.

**Hon LYNN MacLAREN:** What? Am I getting a bit too close to the truth, minister?

Several members interjected.

**The PRESIDENT:** Order! If members wish to take it, there are provisions in the standing orders to ask a member to identify the document that they are quoting from. Otherwise, I am sure members are aware of the conventions and the standing orders that govern debate.

**Hon LYNN MacLAREN:** As I was saying, the Western Australian government's own projections are that the supplies of domestic conventional and unconventional gas will peak at 2020 to 2023.

**Hon Norman Moore:** Can I now ask where you got that advice?

**Hon LYNN MacLAREN:** I will undertake to get that reference to the minister.

**Hon Norman Moore:** It's not right.

**Hon LYNN MacLAREN:** Has the minister spoken on the motion yet? Perhaps he would like to reply.

**Hon Norman Moore:** I unfortunately haven't and I don't think I'm going to get a chance either.

**Hon LYNN MacLAREN:** The minister's interjections are not making it simple to finish either.

**Hon Norman Moore:** Well, I do regret that.

**The PRESIDENT:** Order!

**Hon LYNN MacLAREN:** From that point, there is a risk that Western Australia will have a large amount of expensive stranded gas infrastructure assets, particularly as by then most other countries, including today's gas importers, are likely to have shifted to relying on their own renewable energy supplies. Taking this path for energy policy seems a sure-fire way for the government to guarantee ever-increasing household costs. Planning for the transition to renewable energy will pave the way to affordable, reliable and more dependable energy for households.

On that front, we have seen the state government implement a narrow feed-in tariff for household solar photovoltaics and then, overwhelmed by the interest from the WA community, cut it off completely. What we need to see and what the Greens have called for is a gross feed-in tariff to support the commercial implementation and facilitate the maturing of the diverse renewable sector so that WA can have renewable energy. Solar PV has already reached parity with coal-fired power. With the right policies in place, we can support the development of the renewable sector in WA and provide affordable, secure and safe energy for households. This is how to address the fundamental issue of the rising costs of energy. Yes, the cost of a feed-in tariff would need to be borne either by the state government or by energy consumers, but coupled with energy efficiency programs, a mature carbon price that recognises the full cost of carbon and the provision of funds to assist the transition, it is possible to manage the transition in a socially just and equitable manner.

We talked about price signals. Although electricity prices have increased by almost 50 per cent, demand continues to rise. Therefore, we have to question whether price signals alone will do the job. They will not, for a range of reasons. Electricity has been relatively inexpensive in WA, the bills come in frequently and it is invisible; we are not that conscious of how much electricity we use on a daily basis and how much energy it takes to cool a room or to run appliances. Increasing these prices without putting in place energy efficiency programs, education and behaviour change will be ineffective in the long term. For those households that cannot afford the bills, it is simply punitive, which I believe is the core of the motion before us.

In conclusion, the state government's increases in utility costs have impacted most significantly on the lowest income households and mean that many families are struggling to make ends meet. The increase in costs has not achieved the policy objectives that we might hope for. Rather than tackling the challenge and shifting the state to efficient and secure energy and water supplies, the state government is locking us into evermore expensive

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utilities, as I have outlined. These price hikes represent a lack of innovation and a failure of government to address the real issues.

**Hon Peter Collier:** Speak to Hon Robin Chapple, he disagrees with you.

**Hon LYNN MacLAREN:** We support the motion.

**The PRESIDENT:** I give the call to Hon Max Trenorden, but I just explain that we have nine minutes left on this debate. I know other members indicated they wished to speak, but there have already been five speakers from the opposition side of the house and four speakers from the government side of the house and, as far as possible, I alternate the speakers.

**HON MAX TRENORDEN (Agricultural) [3.06 pm]:** I will try to keep my comments brief because I do not wish to cut people out of the process, but it is pretty hard.

Hon Lynn MacLaren is absolutely wrong in what she said, and that is what I will demonstrate in a few minutes. There is a raft of issues about the cost of energy. One of the problems with the carbon tax is that there is almost no money in it for renewables; less than 20 per cent of the entire funds raised in the carbon tax is available for renewables. Fifty-five per cent is going back to households—that is, 55 per cent of the revenue back into households. What nonsense is that? The member knows that I agree with her on most of the arguments about renewables, but that makes me angry.

**Hon Lynn MacLaren:** What did I say about carbon tax?

**Hon MAX TRENORDEN:** I am saying that one of the great opportunities for renewables and doing what the member suggested was being able to raise the money out of a carbon tax, but the federal government is not going to do it.

**Hon Lynn MacLaren:** You have to have the policies in place to encourage the renewables. You can't just increase the prices without putting policies in place that force renewables.

**Hon MAX TRENORDEN:** Mr President, I am going to try to run with your ruling as quickly as I can.

In 2006, a very brilliant member of the lower house called Max Trenorden brought in —

Several members interjected.

**Hon MAX TRENORDEN:** — the Electricity Corporations Amendment Bill. It is nice to see Hon Nigel Hallett around as well! I thought he was off until a bit later.

The purpose of the bill was to remove the requirement for Western Power to pay a dividend to the state government. Guess who voted that down? The Labor Party! If we look at the Australian Energy Regulator and at the Economic Regulation Authority in this state, the primary reason for the increased cost of power is the infrastructure cost. As much as the minister and other people argue about the deficits and so forth of government agencies, if we look at the Australian Energy Regulator, which has nothing to do with Western Australia, the primary driver for the increased cost of power is the cost of infrastructure. In 2006, we tried to get the state government to agree to leave in Western Power the revenue that Western Power generated and put that revenue back into the infrastructure. We were cried down. That was right at the time of the disaggregation of Western Power, which was a disaster—an absolute unmitigated disaster! One of the things that I said on 10 May 2006 is that there will be increased electricity prices post-2010. I said also that that is inevitable. It was inevitable. It had to happen. There was an agreement—I agree that the Liberal Party was part of it—to fix charges to 2010. What lunacy was that! I can tell members that we in the National Party did not support that. We also did not support the break up, certainly into four parts, of the former Western Power. The cost increment in that was crazy.

The other thing that happened—as you will remember, Mr President, because you have the same colour hair as I have—is that we were told that the gorilla in the room was Verve. We were told that Verve would have all this muscle in the market and it would control the market. What nonsense! Verve is a pussycat, if we want to talk in terms of the Cat Bill. Verve now has all of the generation that is no good and is expensive and has been rejuvenated. So, what happened? Alinta made a fortune out of this. But, unfortunately for everyone, it built a massive empire, and it crashed—vanished. Alinta went from quite a small operation to a massive operation. It got too carried away in the pre-2008 issues and borrowed a lot, and it has now gone. It was the Labor Party that set that up. That should not be ignored. It is, therefore, somewhat hypocritical for the Labor Party to put forward a motion that says “We note that the savage 57 per cent increase”. It was the Labor Party that set up that 57 per cent increase. It was totally impossible to avoid that increase.

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I do have some passion about this issue. I do not want to argue with Hon Lynn MacLaren, because she and I mostly agree on the renewable argument. But we set up the disaster in 2006, with poor planning and poor management, just as Hon Lynn MacLaren was talking about, and the net result was that when the time expired, it was inevitable that power prices had to rise. There is nothing we can do about that. I am running out of time. But I just want to say that in the way in which Western Power has operated and Verve has operated since 2006, they certainly have not covered themselves in glory. This motion is a nonsense. It is hypocritical of the Labor Party to move this motion in this place given its history from 2006 until now.

**HON LINDA SAVAGE (East Metropolitan)** [3.13 pm]: I want to take this opportunity, in supporting this motion, to talk about the South East Metropolitan Emergency Relief Group. This is a group that meets in various locations around the Gosnells area. The most recent meeting was held in Kelmscott. I have been attending the group's meetings for the last couple of years. This group brings together a wide range of individuals and services that provide emergency relief. Shirley Glover from the Gosnells Community Legal Centre is the chair of the group. I have spoken before in this place about the meetings that I have attended. I would like to use the short time that I have today to record some of the comments that were made by those who attended the most recent meeting of the group, which was on Wednesday, 24 August 2011. Of course, this will echo some of what has been said by other speakers on this motion.

I want to talk first about what was said by two people who come from a local church that provides services to people in need. Among other things, they talked about their concern that an increasing number of people are turning to them for assistance for a range of things, including buying cheap items from their op shop, and morning teas and lunches. That reflects a comment that I am hearing increasingly. It is not only the traditional low-income people, such as, for example, the education assistants whom I spoke about last year, who earn between \$32 000 and \$40 000 to \$42 000 a year, who are now increasingly seeking the help of organisations such as the Salvation Army and church organisations. People on average incomes—that is, people who earn between \$55 000 and \$60 000 a year—are also turning to these organisations for assistance. Many of these people are struggling to keep up with their commitments due to the sheer cost of rental or mortgage payments, along with the increases in utility costs, all of which is non-discretionary spending in a household.

**The PRESIDENT:** Members, the time having elapsed for this debate, I am required to put the question.

Question put and a division taken with the following result —

Ayes (13)

Hon Helen Bullock  
Hon Robin Chapple  
Hon Sue Ellery  
Hon Adele Farina

Hon Jon Ford  
Hon Lynn MacLaren  
Hon Ljiljana Ravlich  
Hon Linda Savage

Hon Sally Talbot  
Hon Ken Travers  
Hon Giz Watson  
Hon Alison Xamon

Hon Ed Dermer (*Teller*)

Noes (19)

Hon Jim Chown  
Hon Peter Collier  
Hon Mia Davies  
Hon Wendy Duncan  
Hon Phil Edman

Hon Brian Ellis  
Hon Donna Faragher  
Hon Philip Gardiner  
Hon Nick Goiran  
Hon Nigel Hallett

Hon Alyssa Hayden  
Hon Col Holt  
Hon Robyn McSweeney  
Hon Michael Mischin  
Hon Norman Moore

Hon Helen Morton  
Hon Simon O'Brien  
Hon Max Trenorden  
Hon Ken Baston (*Teller*)

Question thus negatived.