

**WASTE AVOIDANCE AND RESOURCE RECOVERY AMENDMENT BILL 2009**

*Standing Orders Suspension — Motion*

**MR R.F. JOHNSON (Hillarys — Leader of the House)** [12.26 pm]: I move —

That so much of standing orders be suspended as is necessary to enable the Waste Avoidance and Resource Recovery Amendment Bill 2009 to proceed through all remaining stages without delay between the stages.

The reason I move this motion is that it is the government's wish to try to complete this bill during this week's sitting. So far we have spent more than 12 hours on this bill, which I think is probably quite a long time. I have moved this motion because I want to see the bill pass through all stages. Of course, with the amendments that will be contained in the bill itself, it may not be completed today; it would have to be completed tomorrow. Under normal standing orders we would not be able to move to the third reading stage on the same day without the suspension of standing orders, and I must say that I do not really hold out a lot of hope that the opposition would actually agree to that. Therefore, I am trying to ensure that this bill goes through this house this week, which means that it can then go to the upper house and be dealt with there, and the only way we can do that is to suspend standing orders.

For the benefit of the house, as I have said, we have already spent more than 12 hours debating this bill, whereas the graffiti bill took five and a half hours yesterday. That was a bill that the opposition supported. Therefore, I am left with no doubt that there are areas in which the opposition just wants to frustrate the business of the government and our legislative program. Obviously, as a government we cannot accept that and I think it is necessary to start getting serious about the legislation. As the Leader of the House I am not prepared to see the opposition frustrate the government's legislative program in this house simply by filibustering, which is what it does. I accept that that is what oppositions do very often, but the time comes, as it did with the previous government when members opposite were on this side of the house, when the government has to simply say that enough is enough and that it wishes to get on with its legislative program. I certainly hope that the opposition will not frustrate almost every bill that we put through this house simply to waste the time of the government and to reduce our legislative ability, but will actually work cooperatively to try to ensure that the business of this house is dealt with in a businesslike manner. I do not intend to say anymore to this motion, but I do ask members to support it so that we can pass this piece of legislation today or tomorrow.

**MR M. MCGOWAN (Rockingham)** [12.29 pm]: The opposition will not support this motion. I want members to understand what the manager of government business is proposing. He is proposing that standing order 196 not be adhered to; that is, when a piece of legislation is amended in this house, in the ordinary course of events the third reading does not proceed immediately after the legislation is amended. As members will have noticed—they have been in this place for a year—ordinarily we allow legislation to go to the third reading stage after the consideration in detail stage, when the minister sits at the table in the middle of the chamber. Ordinarily, we allow legislation to go directly to the third reading stage.

**Mr R.F. Johnson:** Not when there are amendments; you know that.

**Mr M. McGOWAN:** Please; I did not interject on the Leader of the House. Ordinarily we allow legislation to go directly to the third reading stage, which means that it is dealt with immediately and proceeds through the house on the same day. That is a very cooperative mechanism that the opposition uses. We could, of course, object. We could say no, we do not agree with that; we think that the legislation needs proper consideration before it goes to the third reading after the consideration in detail stage. In the ordinary course of events, when legislation has been sitting on the notice paper for in excess of three weeks and is then amended in this house, we might allow at least another day for proper consideration before the third reading debate is brought on. That is what happens in the ordinary course of events. It is doubly the case when the amendment is one moved by the government, which is what the government has done.

**Dr G.G. Jacobs:** It's been on the notice paper for weeks.

**Mr M. McGOWAN:** The member needs to read the standing orders. The amendment is one that the government moved. So it was the government's amendment; it was not an opposition amendment. The government drafted this legislation in the knowledge, as we discovered from the letter that the government tabled—reluctantly, I might add—that the legislation would not be in place in time for the 30 June start-up date, which means that there is a hole in the budget. However, it also means that the government knew, before it even began the debate on this legislation, that the legislation was out of date. It knew that back in May—on 11 May, to be exact. Then the government introduced legislation that it had to amend because it knew that there was a mistake in it. If the government is going to amend legislation that is its own legislation on its terms, the very least it can do is adhere

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to the standing orders, which say that the third reading stage should be on a separate day. That is the very least that the government could have done in adhering to proper parliamentary procedure.

The Leader of the House, as part of his exposition a moment ago, said a number of things that were untrue. He said that the opposition always frustrates government legislation and that we filibuster on legislation. Last night we passed through every stage of the gas specifications legislation. The Premier was in the chamber. It took roughly an hour, maybe an hour and a half, and we passed the gas specifications legislation through every stage. Admittedly, it had been in development for a considerable time, but it was drafted entirely, starting in January, on the Liberals' watch in government. We got that legislation through every stage in this house in about an hour and a half, including the consideration in detail and the third reading debate. The Leader of the House said that the opposition holds up every single piece of legislation. We got through the graffiti legislation, as members would know. He said that with five and a half hours of debate, we filibustered on the graffiti legislation. Half the speakers on that legislation were government members. They all stood and talked about graffiti in their electorates. How in God's name can the Leader of the House say that the opposition is filibustering on government legislation when his own members are the ones making the speeches? How can he come into this place with a straight face and say that? That is a ridiculous proposition. Even for the Leader of the House, it is a ridiculous proposition.

The Leader of the House then said that every piece of legislation is being held up. I admit that we are debating hard the waste legislation. That is because we oppose it. Last week we came into this place and we dealt with the professional standards legislation—I made a speech on that—which is designed to amend the 1997 act. We dealt with that legislation in maybe an hour. We dealt with the cross-border justice legislation. Again, it would have been dealt with by the house in roughly an hour.

**Mr R.F. Johnson:** That was your legislation.

**Mr M. McGOWAN:** As I said, I did not interject on the Leader of the House. Irrespective of how ridiculous the things are that he says, I did not interject on him.

We dealt with the cross-border justice legislation in roughly an hour, and we dealt with the Acts Amendment (Bankruptcy) Bill in roughly an hour, an hour and a half or maybe two hours. I remember them well. I spoke on every one, as I recall. There were three pieces of legislation last week and there have been two this week. Five pieces of legislation have been dealt with in two weeks in a short time. The Leader of the House's first premise that he needs to do this, otherwise the opposition filibusters on every piece of legislation, is patently and demonstrably untrue. I have just detailed to the house five pieces of legislation that were dealt with, including two pieces of legislation that were entirely the government's legislation from drafting to finish. There have been five pieces of legislation in the last little while.

We oppose the waste legislation. I do not want my constituents to be slugged by this government again. We oppose the legislation, and we have fought it hard. I think the debate has shown that we have some pretty good arguments. In the consideration in detail stage, the arguments have been an embarrassment of riches. I will not say it again—everyone likes the Minister for Water; he has a fantastic turn of phrase and everyone enjoys the debate—but I think we have made some telling points as part of the debate. We have the right to do that in this Parliament. We have the right to raise these issues in this Parliament, and we have the right for a piece of legislation that, as I said, will tax Western Australian families to be dealt with in accordance with the standing orders, particularly in light of the fact that the government got five pieces of legislation through this house, including two that were entirely the government's, with the cooperation of the opposition. We did not insist upon the third reading being held on another day on any of those pieces of legislation. However, we oppose the waste legislation, so we are insisting that the standing orders be dealt with appropriately.

There is the argument of urgency for why the government is denying standing order 196. The Leader of the House says that the government needs to get the legislation through, otherwise there will not be time for it to have passage. That is again patently —

**Mr R.F. Johnson:** I didn't say that. Tell the truth in this place for a change.

**Mr M. McGOWAN:** If there is no urgency, why is the Leader of the House doing this?

**Mr R.F. Johnson:** Because the government wants to get this legislation through this house this week. That is the reason I gave.

**Mr M. McGOWAN:** Okay. The reason is very difficult to understand. However let me explain something to the Leader of the House. The upper house is running out of legislation. It is considering not sitting next week. Now we understand why the Leader of the House is doing what he is doing. Because the upper house does not have anything to do, it is down to moving motions against Jim McGinty, of all people. That is what the upper house

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members are up to at this time. It is moving motions against Jim McGinty, of all people. He has gone; he has finished. I might move a motion against David Brand! I might bring in one against David Brand and raise some of the issues that he was involved with. It is very important that we get on the record what David Brand was up to back in 1965.

*Point of Order*

**Mr R.F. JOHNSON:** The motion before the house is to suspend standing orders. The manager of opposition business is straying widely, going into historic details about something that has nothing to do with the motion before the house. He has now had something like eight minutes, which I think has been very generous on your part, Mr Speaker. I suggest that it is time he came back to the motion. Otherwise, he should sit down and let us have a vote.

**The SPEAKER:** I think the member for Rockingham was, in the main, sticking to the subject. That is why I gave him that time. Certainly, historic treatises on former members for Greenough are not appropriate, though, member.

**Mr M. MCGOWAN:** I take the Speaker's advice. Perhaps I picked the wrong former Premier. Of course, Mr Speaker, as you know, one former member for Greenough never even arrived in this place, which I think is an amazing story that needs to be properly told.

*Debate Resumed*

**Mr M. MCGOWAN:** I was making the point that the government is rushing this legislation through this house for no good reason, apart from the fact that it needs matters for debate in the upper house because it is running out of legislation. We know that is what is going on in the upper house at the moment. The government is going to trample on the standing orders and procedures of this place in order to satisfy a political need in the upper house. The government put in place, without notice, an extra sitting week of this Parliament. That was last week. The government can deal with this legislation next week or, if we finish the consideration in detail stage today, we could deal with the third reading stage tomorrow, which would adhere to the rules in this place. The government is making sure that the consideration in detail and third reading stages are dealt with today or, if the consideration in detail stage goes into tomorrow, that the third reading stage is dealt with tomorrow rather than being delayed until next Tuesday, which is the ordinary course of events under the standing orders.

I do not think there is any need to do that with a piece of legislation which members on this side of the house oppose, and, I suspect, which the vast majority of families in the community oppose. In fact, I suspect that we are very close to a majority in this house opposing this bill. We are dealing with this on a day when the member for Kalgoorlie is not present, and we know that that member is not particularly happy with the government taxing my constituents in the way it is. In fact, one of the member's sons might be a constituent of mine. The member for Kalgoorlie is probably very unhappy with the additional tax burden the government is applying to some of his family members, but he is not present, of course. The nervousness that the government exhibits around the numbers, noting the absence of the member for Fremantle and the member for Alfred Cove, means that the government is bringing this matter on in this way because next week the member for Kalgoorlie might be back. In addition, someone like the member for North West, true to form, may not even come for the vote on something like this, as he did recently on a motion on fishing licences. The government has to understand the character of some people, and I think it does.

**Mr R.F. Johnson:** I understand your character, my friend, to be sure!

**Mr M. MCGOWAN:** I am always loyal to my party. I always have been and always will be!

**Mr R.F. Johnson:** To the cost of the public!

**Mr M. MCGOWAN:** I am trying to save the public from paying millions of dollars in tax revenue that the government is trying to impose on them.

**Dr G.G. Jacobs:** Twenty-four dollars a household! Let us get on to recycling.

**Mr M. MCGOWAN:** I know that sum of money does not mean much to the Minister for Water. If the member would like, I will look at his pecuniary interests disclosure return because I am sure that amount does not mean much to him! However, it is a lot to the ordinary folk whom I represent.

We do not support this motion for those reasons. It speaks volumes that the Leader of the House did not try to discuss this matter with me. He put the matter on the notice paper yesterday without discussing it with me. The only explanation I have heard is the explanation that the Leader of the House gave a moment ago. The Leader of the House did not try to discuss with me the fact that he wanted to treat the Bush Fires Amendment Bill 2009 as

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urgent. The only explanation I heard was given in the second reading speech. The only advice I received about the bushfires legislation came in a phone call at 2.05 pm on Friday from Peter Kennon in the department to say that the government would make this bill an urgent bill. That is no way to run this house. That is no way to advise the opposition, which has more members in this house than the Liberal Party I might add.

**Mr R.F. Johnson:** When should I have given you that advice then?

**Mr M. McGOWAN:** In relation to which bill?

**Mr R.F. Johnson:** The bushfires legislation. I did not have the legislation until late last week. When was I supposed to tell the opposition—before we had the legislation ready?

**Mr M. McGOWAN:** When I was a cabinet minister, legislation would be passed through cabinet. The government's cabinet meeting was on last Monday and if the Leader of the House knew the legislation had cabinet approval, he would have known on Monday afternoon. If that legislation did not pass through the cabinet, what is going on?

**Mr R.F. Johnson:** Like you, we have to go to our party room.

**Mr M. McGOWAN:** And the party room meeting was held on Tuesday. I received a signed letter on Friday, 11 September, which does not mention this issue. I got a phone call that same afternoon advising that it is urgent and must be brought on immediately. What sort of a way is that —

**Mr R.F. Johnson:** You did not get the message in that way, or not quite like that.

**Mr M. McGOWAN:** That is exactly how I got the message: a phone call from Peter Kennon at 2.05 pm on Friday afternoon. I wrote it down because I was so shocked that the Leader of the House would run this place like that.

**Mr R.F. Johnson:** I thought we would let you know what we were doing! What a stupid comment. We told you last week that we would declare this an urgent bill once it was introduced.

**Mr M. McGOWAN:** The Leader of the House did not tell me.

**Mr R.F. Johnson:** Yes, we did. We told you last Friday!

**Mr M. McGOWAN:** I am sure that the member for Cottesloe was —

**The SPEAKER:** We are here to debate the motion in front of the house and, Leader of the House and leader of opposition business, that is what I want to hear.

**Mr M. McGOWAN:** The opposition does not support the suspension of standing orders. This is first I have heard about it. I did not hear about it until notice of this motion that all stages would be considered at the same point in time was given yesterday afternoon. I heard about that after question time yesterday at three o'clock or so. I would have thought it would be common courtesy that I was informed before it was brought into this Parliament. I am sure that when the member for Balcatta was the Leader of the House, being the decent man that he is, he would have done exactly that.

The opposition does not support this motion for all those reasons. It is necessary only because the government has no legislation in the upper house. It does not follow that we have been frustrating the government's legislative agenda. We have debated fully those bills that we opposed, and five pieces of legislation have been passed through this place with our agreement. All of those bills, with the exception of perhaps one, did not even go through the consideration in detail stage because we agreed with them. The Premier spoke to me last night on the Gas Supply (Gas Quality Specifications) Bill 2009. He sat here and asked whether we wanted to go into consideration in detail and I said that, as long as he provides sensible answers in reply to the second reading debate, we would not need to go through that stage. We have not frustrated the government's legislative agenda. All the opposition has done is to try to examine legislation that needs to be fully examined. We tried to ensure that the Minister for Water representing the Minister for Environment provided a full and frank explanation during the consideration in detail stage of the Waste Avoidance and Resource Recovery Amendment Bill. The fact that the government has amended the legislation means that the standing orders should be adhered to and that the third reading should be considered on another day. However, for political expediency—it has nothing to do with the smooth operation of this house—the Leader of the House has decided to move this motion. It is very instructive that the member for Kalgoorlie is not here again today. The opposition opposes what the government is trying to do here.

**MR D.A. TEMPLEMAN (Mandurah)** [12.47 pm]: I wish to speak on the government's motion to deal with the Waste Avoidance and Resource Recovery Amendment Bill, which has been of particular concern to the opposition, the member for Fremantle, the member for Alfred Cove and others. The leader of opposition

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business in this place has outlined very clearly the counterargument to why this motion has been moved by the Leader of the House, and he has very clearly articulated why the opposition opposes this motion.

We have already mentioned the legislation that has been passed in this place so far over the past two sitting weeks, including last night. As the leader of the opposition business has explained, three bills were passed last week and two this week so far. However, this bill is of major concern to the opposition and to other Independent members in this place. Therefore, appropriate and proper assessment should continue as per the standing orders and as per convention in this place. I appeal to the new members on the other side who in their maiden speeches highlighted the importance of transparency, honesty and bringing to this place a sense of justice and morality. This is an example of where those members are put to the test, because what members opposite, in particular the new members of the Liberal Party, are seeing is an attempt by the government to curtail a democratic process in this place. It is not the opposition's fault that the waste bill has become such a quagmire in this place. I am not criticising the minister who has been handling the bill in this place, but it has been a dog of a bill, as we know. However, through proper and appropriate interrogation from the opposition and Independent members, the government and this legislation have been found out. We have not finished yet. There are significant clauses in this bill that the opposition and, I am sure, Independent members will be raising, and have a right to raise, as part of this process. For the government now to move to curtail the process, and to argue that it is doing so because the opposition has been filibustering, is rubbish.

Last week, it took us nearly an hour to have the minister table a letter that you, Mr Speaker, in the end, had to demand he table. The minister wasted that time, not the opposition, because he in his obstinacy decided that he would not table a document that he was required to table under the standing orders. Thank you, Mr Speaker, for your very good guidance and your ultimate direction to make the minister do what he could and should have done within five minutes of the request. I told the minister that he had quoted from a document and asked that he table that document. He refused, and for the next 45 minutes we had this tiggly touchwood situation in which the minister was found out.

**Dr G.G. Jacobs:** Rubbish.

**Mr D.A. TEMPLEMAN:** He was found out. Even my good friend Robert Taylor —

**The SPEAKER:** Member for Mandurah, I will provide some guidance. While I do enjoy being informed by you about many things, I would like now to be informed by you about the motion for the suspension of standing orders that is now before the house, not a recollection of what happened in a previous sitting.

**Mr D.A. TEMPLEMAN:** Mr Speaker, I will certainly speak to the motion. I have been outlining why we have reached a situation in which the government is attempting to curtail debate after some hours have been spent on this bill as a result of the government's incompetence. Apart from that, it is the case of the opposition and some Independent members that significant and real objection has been raised about the specific nature of what this amending legislation intends. It is the right of the opposition to highlight, argue and debate those points and to put them strongly. The motion by the Leader of the House seeks to curtail that debate.

I recall that the Independent member for Churchlands, who is now Minister for Education, when she sat on this side of the house would argue very strongly along with her very good friend the then member for South Perth, Hon Phillip Pandal, about how it was totally inappropriate to do what the government is attempting to do today. I can remember very clearly sitting on the government side and being admonished. How will we see the new Liberal members, who in their inaugural speeches claimed that they would be ensuring that there would be transparency, honesty and integrity in the house, voting in about five minutes? I reckon they will just fall in behind the pompous Premier and the incompetent Leader of the House.

*Point of Order*

**Mr R.F. JOHNSON:** My point of order covers two areas. One is that the member for Mandurah is going off on a tangent again; he is not speaking to the motion before the house to suspend standing orders. The other point is that he is reflecting adversely on two other members of this house.

**The SPEAKER:** I take your point of order, Leader of the House. I instruct the member for Mandurah that this is not an opportunity to talk about members in this place in any manner. It is simply an opportunity for you to prosecute your case on the motion before the house. That is what you have been given an opportunity to do, so I would like to hear you do it.

*Debate Resumed*

**Mr D.A. TEMPLEMAN:** Thank you, Mr Speaker. I appeal to the new members for Carine, Geraldton, Southern River, Wanneroo, Morley, Ocean Reef, Scarborough, Jandakot, Riverton, Mount Lawley, Nedlands, Kingsley and Swan Hills. I listened very carefully to their speeches when they talked about transparency and

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honesty. I will be watching for the next five minutes to see whether the new members, including the member for Wanneroo, decide to act in the way that they spoke about in their inaugural speeches. I reckon they are all gutless, and they will not. They will stand here and do nothing, and follow their leaders.

**The SPEAKER:** Member for Mandurah, I do not want to sit you down, but I have just asked you to desist from making personal remarks about members in this place. If you are going to continue in that vein, I will sit you down. I will give you one last opportunity to make your point about the motion before the house.

**Mr D.A. TEMPLEMAN:** The point I am making is very clear. People say lots of things in this place, but there is a test of their resolve, in which they are challenged. This is such a time, simply because the opposition very seriously opposes this bill and seeks to debate its clauses until we have been assured that our point has been made. With the motion that has been moved by the Leader of the House, the government is attempting to curtail that process. During his comments on the motion, the manager of opposition business, the member for Rockingham, highlighted very clearly that what was said by the Leader of House about the reasons for this motion has been absolutely countered. I read out the names of those members because there are times, when we are talking about the processes that Parliament operates under, that test people's integrity. I am pleading with those people—the new members in particular—to seriously consider the meaning behind this motion. I gravely believe that they will simply fall in behind the government leadership team and simply vote this motion through, thus curtailing a practice and a process that we strongly believe should be supported. If this motion is carried, it will mean that in the short period of time we have today because of private members' business at 4.00 pm, this bill will simply be railroaded through. We have one more sitting week next week, and therefore I believe we have ample time for the proper process outlined by the leader of opposition business to be followed. The government will still get the bill passed—it knows that and I know that—but I want to make sure that the people of Mandurah, Peel and the south west very clearly understand what this bill means. It is another tax on families.

**The SPEAKER:** Member, I have heard the case you are prosecuting and that of the member for Rockingham several times. I do not think I need to hear it again, and I do not want to hear further references to other bills that might or might not be before the house. I am quite simply directing you to close your remarks on the motion before the house.

*Question to be Put*

**MR J.E. McGRATH (South Perth)** [1.00 pm]: I move —

That the question be now put.

Question put and a division taken with the following result —

Ayes (28)

Mr P. Abetz	Dr E. Constable	Mr A.P. Jacob	Dr M.D. Nahan
Mr C.J. Barnett	Mr M.J. Cowper	Dr G.G. Jacobs	Mr C.C. Porter
Mr I.C. Blayney	Mr J.H.D. Day	Mr R.F. Johnson	Mr D.T. Redman
Mr I.M. Britza	Mr J.M. Francis	Mr A. Krsticevic	Mr A.J. Simpson
Mr T.R. Buswell	Mr B.J. Grylls	Mr W.R. Marmion	Mr M.W. Sutherland
Mr G.M. Castrilli	Dr K.D. Hames	Mr P.T. Miles	Mr T.K. Waldron
Mr V.A. Catania	Mrs L.M. Harvey	Mrs A.R. Mitchell	Mr J.E. McGrath ( <i>Teller</i> )

Noes (26)

Ms L.L. Baker	Mr J.C. Kobelke	Mr P. Papalia	Mr P.B. Watson
Ms A.S. Carles	Mr F.M. Logan	Ms M.M. Quirk	Mr M.P. Whitely
Mr A.J. Carpenter	Ms A.J.G. MacTiernan	Mrs M.H. Roberts	Dr J.M. Woollard
Mr R.H. Cook	Mr M. McGowan	Ms R. Saffioti	Mr B.S. Wyatt
Ms J.M. Freeman	Mrs C.A. Martin	Mr T.G. Stephens	Mr D.A. Templeman ( <i>Teller</i> )
Mr J.N. Hyde	Mr M.P. Murray	Mr C.J. Tallentire	
Mr W.J. Johnston	Mr A.P. O'Gorman	Mr A.J. Waddell	

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Pair

Mr F.A. Alban

Mr J.R. Quigley

Question thus passed.

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Mr W.J. Johnston	Mr A.P. O’Gorman	Mr A.J. Waddell	

Pair

Mr F.A. Alban

Mr J.R. Quigley

Question thus passed.

*Consideration in Detail*

Resumed from 15 September.

**Clause 7: Section 79 amended —**

Debate was adjourned after the clause had been amended.

**Mr J.C. KOBELKE:** When this was removed as a matter before the chair yesterday, I had asked a question of the minister relating to the clause 7, which is now before the chair. I will repeat it just briefly for the minister in case he has forgotten the question that I asked. To make sure that what I say has some cogency for the record, I will very briefly go over the issue. Subclause (2) seeks to amend section 79 of the act by inserting new subsections (3A), (3B) and (3C). Proposed subsection (3A) requires that the funding that goes into an operating account in the department is to have a certain amount credited each financial year to the WARR account. That amount is, according to proposed subsection (3B), to be at least 25 per cent of the forecast levy amount. The forecast levy amount obviously therefore needs to be properly defined so that we know what we are finding 25 per cent of. At proposed subsection (3C) are two definitions of the forecast levy amount —

- (a) the estimate of the levy amount for the financial year set out in the budget papers for that financial year tabled in the Legislative Assembly; or
- (b) if another means of determining the forecast levy amount for the financial year is prescribed—the forecast levy amount determined by those means.

It seems to me that is creating a bit of a Trojan horse, where given ministers of the day could determine that they do not want 25 per cent of that amount collected by the levy to go into the WARR account. Their device then would be to redefine what is the forecast levy amount. The example I gave is that perhaps there is some large administrative expenditure to go with the collection and administration of the levy amount and, therefore, one could simply say that is not part of the forecast levy amount and that one is deducting that prior to a legal determination of what the forecast levy amount is, and by so doing, actually reducing the amount that would go into the WARR account below the supposed minimum of 25 per cent of the levy.

I am asking the minister to explain what, if any, limitations there will be on a future minister using proposed subsection (3C)(b) to actually reduce the amount specified to below 25 per cent of the total collected by the levy by redefining the forecast levy amount, given that that paragraph would clearly allow some variation.

**Dr G.G. JACOBS:** The member for Balcatta seems somewhat suspicious of this amendment. I would like to address two areas of the determination of the forecast levy. Firstly, the member referred to administration costs, and yesterday he talked about computers —

**Mr J.C. Kobelke:** As an example.

**Dr G.G. JACOBS:** As an example. He said that the costs would actually be hived off, thus reducing the forecast levy. That is in no way the intention of this amendment, and the member's comments do not show a lot of trust in the way the government constructs a forecast levy amount. That is what it says, and that is what it means; it does not mean that we will be hiving off any other components of the forecast levy amount in any financial year.

The second issue pertains to proposed subsection (3C)(b), which states in part —

if another means of determining the forecast levy amount for the financial year is prescribed ...

It is important to say when talking about making an estimate of the forecast levy, whether for this agency or other agencies in the process of the state budget, that estimates are made on advice from, for example, the Department of Environment and Conservation and the Department of Treasury and Finance. We had a discussion last week about how we forecast the levy, and whether there was any surety that the forecast levy would not be reduced from \$52 million. There are all sorts of variables, such as economic trends, the way in which the culture is taken up, and whether people will continue to dump waste in landfill or respond to this. The prevailing economic trends and other variables make it difficult to forecast revenue, as they do for the revenue streams of other agencies when they consider revenues in the state budget process. That is as open as I can be. It is an estimate, and we take advice from the Department of Environment and Conservation and the Department of Treasury and Finance. There are prevailing economic trends and variables that come into play when trying to forecast revenue, but it is wrong to suggest that the process of forecasting the levy will not be carried out in a genuine way, as it is for other state budget processes.

**Mr J.C. KOBELKE:** The minister's reply does not really answer the question I asked. I will cover some of the things he said in his response. Firstly, he gave an undertaking that it was not the government's intention to reduce the amount. I accept that as a genuine response from the minister, but he is not the minister responsible. He has to understand that people are very cynical. These numbers were put in the budget and there was no announcement made. It was not announced that this would be an increased tax on families in metropolitan Perth and that they would have to pay an increased levy. The government has tried to create the impression that it has something to do with the waste levy, and the purposes to which levy funds go. However, it is nothing of the sort. It will reduce the minimum amount guaranteed for the waste avoidance and resource recovery account to fund a range of recycling and waste avoidance programs. I repeat: it will clearly reduce the minimum amount available, and channel off into general funds three-quarters or more of the money collected from the levy. It is clearly and simply a device to increase taxation on ordinary households in metropolitan Perth. People are therefore very cynical about what the government is trying to do. The motion to suspend standing orders and the special measures employed to get this legislation passed indicate that the government realises that the people of Western Australia smell a rat, and that this will be a very unpopular measure for the government. As an aside, the opposition could easily decide that it would be better from a political point of view to allow the government to pass this legislation, because it will be a millstone around the necks of all metropolitan government members when it is made clear that the people of metropolitan Perth will be paying additional tax through the waste levy. However, I will not go down that path at this time.

The minister says that it is not the government's intention to reduce the amount. Why, then, has this amendment been moved? That question comes back to the nub of the question that I asked earlier, which the minister has not adequately answered. Perhaps I can put the question in a slightly different way: why do we need proposed subsection (3C)(b)? The issue is that the minister is to direct, each financial year, that an amount of money be credited to the WARR account from the department's operating account. That will be required. I am not sure whether any time constraints will be determined by the act we are amending for when this has to be done. Perhaps the minister can take this as another question: are there some statutory constraints or budgetary requirements as to when the minister can give that direction? Does it have to be prior to the beginning of the financial year or by a certain quarter, or can it basically be done at any time during the year? That is a further question that may help us get an answer to the primary question, which is: why do we need proposed subsection (3C)(b)? A very clear method of determination is set out in proposed subsection (3C)(a). The minister's contribution related to matters such as the uncertainty of how much money will be collected, and changed economic circumstances. They do not impact on proposed subsection (3C)(a); it is based on an estimate. In the budget round at the start of the year, an estimate is made of the levy amount for the financial year. It might be right or it might be wrong; that is not the point. It is the estimate. This process guarantees that the WARR account must have at least 25 per cent of that amount of money, so if the amount of collection goes up because people are dumping waste, the 25 per cent going to the WARR account will also increase. If the collection goes down over the year because the assessment is wrong, the amount of money guaranteed to the WARR account will similarly drop because it is 25 per cent of the total amount. I will correct myself: the government will still

have to put in 25 per cent of what has been designated as the estimate. However, the situation is that with proposed subsection (3C)(b), the government will still be in the same position because it will have set the forecast amount at the same time.

I ask the minister to again try to explain why proposed subsection (3C)(b) is required, because his earlier reply did not give me any understanding of why it is needed. Secondly, can the minister explain whether there are timing parameters that need to be taken into account for when the Minister for Environment is to set out the amount, and whether that can be changed through the year?

**Dr G.G. JACOBS:** I thank the member for Balcatta for the two questions. Why do we need proposed subsection (3C)(b)? I am advised that although proposed subsection (3C)(a) pertains to an estimated levy for the financial year as set out in the budget papers, proposed subsection (3C)(b) provides a better economic model for estimating the forecast revenue. If only paragraph (a) was used—the estimated levy amount set out in the budget papers for that financial year—it would not allow for a process to formulate, for want of a better term, a better economic model to try to assess and predict and estimate; all those factors we talked about earlier. That is the best answer I can give to that question; there is no Trojan horse.

In answer to the question about the time frame, obviously the estimated levy amount set out in the budget papers for that financial year has to be arrived at during the budget process. It would have to occur between the beginning of the year and before May to allow this to happen, as occurs with budget processes for all sorts of agencies, as the member knows.

**Mr J.C. KOBELKE:** The minister has perhaps elucidated matters a little more, but he has still not answered the question to a standard anywhere near my satisfaction. I will go back over some of what the minister said. The first is the issue of timing, which I do not think has been tied down.

As the minister stated, the expected approach would be that, at the start of the budget round in December, leading through into March or maybe April, the minister, through the department and the Waste Authority, if he consults it, which he does not have to any more, would provide an estimate to Treasury of what is expected to be the recouped levy in the forthcoming financial year, which would become the forecast levy amount. That would then be in the budget. For the minister to suggest that this is a different process from the budget does not make sense in that context, although it might in another, upon which I will elaborate. However, if the minister is going to formulate, through whatever estimating processes are available, what the expected forecast levy amount is, that goes into the budget and is a working figure. There are not two separate processes, except for in one exception that I will come to. That is the process of estimating a forecast levy amount.

The only reason that I can see, although the minister might know of another one, that paragraph (b) would be needed in the circumstances we are talking about is if the process is going to be gone through twice. The reason for that would be that the estimating cycle for the waste levy is different from the state's budgetary cycle, and therefore the estimate to Treasury for the budget, which is captured by (a), does not fit the time frame that the minister or the Waste Authority wants to work to. Therefore, there may be an updated or better figure later in the year that the minister wants to use. If the minister tells me that that is how (b) is to be used, that would perhaps provide an alternative to the fact that it is just a Trojan horse. Clearly, when something is classified as (b) and it cannot be justified, it looks like the forecast levy amount is going to be artificially—I repeat, artificially—defined, so even less is paid into the waste avoidance and resource recovery account. I think that is the up-front interpretation people will make of that. I am asking the minister to try to provide some better understanding of what other rationale there would be.

That brings me back to what I was saying a moment ago, which was that if, somehow, a best estimate cannot be provided in time for the budget process and updated or better figures can be provided later, (b) might be able to be used. But that would mean that the forecast levy amount would be set in a different time frame from the normal budgetary time frame. I am not aware of any circumstances that would drive the government or the minister of the day to want a different time frame for working out the forecast for the levy, as opposed to what they would provide to Treasury.

**Dr G.G. JACOBS:** I reassure the member for Balcatta that these two provisions are to be used in the same time frame. If either proposed subsection (3C)(a) or (b) was used, once the estimated forecast levy amount was locked in, it would not be possible to go back in three or four months' time to adjust it.

**Mr J.C. Kobelke:** Would it be possible to do that?

**Dr G.G. JACOBS:** No, it is not; it is locked in. I talked about (b) as being an alternative economic model. Between one year when it has been set and the next when it comes up for a forecast review for the next financial year, a parameter or a measure, for want of a better word, may have evolved that could be a good predictor of

Mr Rob Johnson; Mr Mark McGowan; Speaker; Mr David Templeman; Mr John McGrath; Mr John Kobelke;  
Dr Graham Jacobs; Mr Chris Tallentire; Mr Paul Papalia

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forecast revenue. We know that forecast revenue is not an exact science, but what if there were parameters that became evident that could be good predictors of this forecast levy amount? That is what (b) provides for. It is not in some way to try to fudge it or reduce it or whatever, but to allow that parameter to be used as a predictor of forecast revenue. That is my understanding and that seems very reasonable. It is important to say that (b) is not to be used at a later time to fudge this; (a) and (b) are meant to work together. It is not to provide the ability, as the member is trying to suggest, to fudge it later on, having firstly used (a).

**Mr J.C. KOBELKE:** I know the minister is trying his best to explain it.

**Dr G.G. Jacobs:** I thought I had.

**Mr J.C. KOBELKE:** But if he cannot do any better, that confirms that it is a fudge factor. The minister said that things might change year on year; let us look at exactly how things will work under (a). An estimate of the levy amount is set out in the budget papers for the financial year. The budgetary process may have changed under the minister's government, but I suspect it will mostly be the same. I was involved in the former government's Expenditure Review Committee for eight budgets and I spent hundreds of hours helping to frame a budget. I am aware of the time lines. The budget round for the following year starts in about December, but some actual income estimates may not be determined until March or April. They are then locked in and are incorporated into the budget. The estimate of the money to go into the WARR account from the levy collection would be made in March or April. Whatever estimation means are used and whatever research has been done, the minister said that it would be done in the same time frame in an earlier response. The cut-off date will be set by Treasury in March or April each year, and the agency has to use the best estimates available at that time. They then are clearly captured by (a).

The minister said in an earlier response that there would not be a second bite at the cherry.

**Dr G.G. Jacobs:** For (b)!

**Mr J.C. KOBELKE:** Why is (b) needed? I have explained how (a) works.

**Dr G.G. Jacobs:** I have tried to explain that. Does the member understand that I am trying to explain the issue of an economic model with parameters and predictors that we may be able to use because forecasting is not an exact science? It is not to fudge it.

**Mr J.C. KOBELKE:** That is what I am saying. The economic modelling is done in time for the cut-off date set by Treasury in March or early April. It depends on when the budget period is, but that is what it has been for the past few years. It has all been done, so why is (b) needed? I suggested one logical possibility to try to help the minister frame an answer. One out is that the amount is set in the budget, but a month or so later the figures could be redone and need to be changed.

**Dr G.G. Jacobs:** No.

**Mr J.C. KOBELKE:** Is the minister saying that is not the intention of (b)?

**Dr G.G. Jacobs:** There is no intention to redo the numbers.

**Mr J.C. KOBELKE:** I will take the minister's interjection. I am saying that if we are to redo the budgets in that way, we will be stuck with the amount for the forecast levy set by proposed new subsection (3C)(a) and we could use proposed new subsection (3C)(b) to redefine it based on further analysis or economic modelling, if we want to set two models through the year. That is just giving the minister an out and some logical support for the position the minister is taking. However, if the minister is saying that that is not right and that they are both on the same timeframe, he does not need (b) because he has done all the modelling and best estimates he can by whatever process, and that is done and goes into the budget process in March or April for a May budget. We therefore do not need (b). The only time we would need (b) would be if the minister was going to pull a rort, a fudge, and intended to use it to artificially define the forecast levy amount as a smaller amount so that he could put less into the WARR account. It is looking more and more like that is what it was drafted for. It is not the minister's legislation; he did not draft it. Whoever drafted it, whether it was Treasury or DEC, it is looking more and more as though that is what it is about, because the minister has yet to give me any reasonable answer that explains why (a) of itself would not work. The minister has said that there is not going to be some adjustment through the financial year to change it and he therefore wants a different definition.

**Dr G.G. Jacobs:** Not once have you set it.

**Mr J.C. KOBELKE:** In that case, the minister does not need (b) because, whatever modelling or techniques are used to best assess the collections that will take place in the coming year, they will have been done. The result will go into the budget and will therefore be caught by (a).

**Dr G.G. Jacobs:** But you might use (b) in a future year, which allows the minister —

**Mr J.C. KOBELKE:** No, the minister misunderstands the legislation. Go back and read (a), which states —

- (a) the estimate of the levy amount for the financial year set out in the budget papers for that financial year tabled in the Legislative Assembly ...

Therefore, it is done for only one year at a time. It is done each year, and the minister is telling me that it cannot be changed through the year. Therefore, why does the legislation need anything other than the provisions in (a)? The only reason currently available for people to grab at is that (b) is a rort, a fudge, because the work on a proper analysis would already have been done; it would have been put into the budget papers and, therefore, would not need (b).

**Dr G.G. JACOBS:** I suppose the member for Balcatta and I will never agree, which is unfortunate. There is an indication in (b) that this is not a Trojan Horse or a fudge factor, because (b) states —

- (b) if another means of determining the forecast levy amount for the financial year is prescribed ...

It is probably more accountable because we are actually prescribing how we are going to make the assessment. It might give the minister the ability to prescribe and say how he assesses the forecast revenue, rather than, as the member for Balcatta suggests, just picking a fudged number and putting it in there. The forecast levy for the amount is therefore for the financial year, and that goes into the annual budget cycle. However, the prescription is —

- if another means of determining the forecast levy amount for the financial year is prescribed — the forecast levy amount determined by those means.

I know that I am not going to satisfy the member for Balcatta, but it is not about fudging. The prescribing is about prescription. It is about how we come to that revenue. If there is any suggestion that this is a fudge, I suggest to the member for Balcatta that there may be ways described in (b) that can prescribe it. It is another economic model; it is not about fudging it downwards.

**Mr J.C. KOBELKE:** I think when the minister used the word “prescribed” he was not using it in a way that bore much resemblance to what it actually means. The issue in proposed new section 79(3C)(b)—“if another means of determining the forecast levy amount for the financial year is prescribed”—means that we must go to section 96 of the Waste Avoidance and Resource Recovery Act. Section 96 of the act states —

- (1) The Governor —

That means the government —

- may make regulations prescribing all matters required or permitted by this Act to be prescribed or necessary or convenient to be prescribed for carrying out this Act.

It is therefore technically possible, from what the minister is telling me, for the government to actually say that it will prescribe that the forecast levy amount will be half that which is in the budget; then 25 per cent of a half will go into the WARR account. There is no legal impediment, from what the minister has told me, to the minister pulling an absolute rort by using (b). The government would take the political odium that would go with that, but the minister will cop the political odium that goes with this amendment anyway because it will simply create a new tax on the people who live in residences in the metropolitan area of Perth. There will therefore be plenty of odium to it already. What guarantee is there that the government will not just cop the odium and define by (b) a levy amount that is totally artificial?

I think the minister has a real problem here, because he is not explaining that. He is not giving us any real rationale for why he needs (b). The processes he has explained can all fit in with what would happen through the normal budget processes that are captured by (a). The minister then sets the forecast levy amount to what is in the annual budget and revises it each year. It can change through a range of factors if the minister wants it to. He may not actually get the collection of levy that he anticipated in the budget. That would be exactly the same as if he used (b); that amount can change. Those factors that relate to what might be the quantum of the levy that is collected are not factors that are relevant to this proposed new subsection (3C)(a) and (b). The difference between (a) and (b) is that one is a transparent process, which will be seen in the budget, and in the other one the minister can determine by hook or by crook how much money will be ripped out before the 25 per cent is calculated on the forecast levy amount. On my reading—the minister can correct me if I am wrong—the only protection then would be that the regulations could be disallowed. However, as the government now has a majority in both houses, it could get away with it. It would be able to do that and we would not have the numbers to disallow that regulation. A government that has a majority in both houses can therefore increase the tax take for general revenue and reduce the amount of money going into the WARR account, which is an account that is

there to ensure that there is a much better level of waste avoidance, that there is waste recovery and recycling and that we deal with the environmental impacts of the disposal of waste. The WARR account, which is funded from this levy, is designed to meet those purposes. Our concern is that the minister will take out 75 per cent or more and put it into general funding and that (b) gives him the means by which he could take out 80 or 90 per cent of the money collected for general revenue and other purposes, thereby leaving less to go into the WARR account.

**Dr G.G. Jacobs:** No, that's not it.

**Mr J.C. KOBELKE:** I am not saying the minister's intention is to do that.

**Dr G.G. Jacobs:** We are not talking about hypothecation here; we are talking about the forecast revenue from the levy.

**Mr J.C. KOBELKE:** Does the minister not get it?

**Dr G.G. Jacobs:** The member for Balcatta is talking about 75-25 per cent and about 80 and 90 per cent.

**Mr J.C. KOBELKE:** The minister should try to get the point. If he redefines in an artificial way the forecast levy amount, he reduces the money that goes in and therefore reduces the percentage of the actual collections. That is what (b) allows. The minister does not seem to get it that (b) allows the minister to artificially define the forecast levy amount by whatever tricky means he wants. A blatant means would be to simply halve it, as I indicated, and a more tricky means would be for the minister to say he needed some money for administrative costs, such as for computers. He could therefore paint it up as still being related to the waste levy, but in fact he would take it out first so that the quantum would be reduced, which would be defined by the forecast levy amount, and therefore the 25 per cent would be a smaller quantum that would go into the WARR account. That is what is possible. I am not saying the minister intends to do it; he gave us that undertaking. However, that is possible. The minister is giving no explanation for why he needs (b) if someone in Treasury had not thought it up and for that reason put the provision in here.

**Dr G.G. JACOBS:** Just so that the member for Balcatta does not think I do not get it, he is basically saying that with (b) we will be able to say that instead of the forecast levy being \$52 million in any particular year, we can fudge it and say that it will be \$40 million; and that 25 per cent of 40 is only 10, instead of 25 per cent of 52 being 13.

**Mr J.C. Kobelke:** Exactly.

**Dr G.G. JACOBS:** There are all sorts of variables in forecasting revenue from the levy, as we have described. It is not a perfect science. In fact if more people take on the culture and reduce the landfill, it is possible that the forecast levy will go down as fewer people put their rubbish into landfill. However, there is also the issue of increased economic activity, building and whatever.

**Mr J.C. Kobelke:** The levy collection is not the issue.

**Dr G.G. JACOBS:** I have that bit, but all I can say to the member about the forecast levy and the issue of (b) is that if a better process comes to light—I know the member will see the political agenda behind this—as an alternative to (a), (b) allows for the use of that process in a later year and that is not to fudge it. I believe that this is not hidden; this is actually a more transparent process. The member will not accept that and I will not —

**Mr J.C. Kobelke:** Why can the government not build that better process into next year's budget?

**Dr G.G. JACOBS:** I suppose the point is that we do not know what we do not know. I talked about parameters and predictors and, as I said, trying to predict the forecast revenue is not an exact science. There may be parameters that come to light that may be very important predictors of revenue because we have not been this way before; some other jurisdictions have, yes, but we have not. I defy the member or anybody to actually be able to forecast a revenue levy with any absolute surety. I do believe that (b) is not about fudging; it actually makes it more transparent. As I said, if a better process to truly predict the forecast revenue and make that imperfect science into a perfect science comes to light, (b) allows that to happen.

**Mr C.J. TALLENTIRE:** I think the minister has been quite open about the issue of vagaries around this funding stream; he accepts there is no surety about how much revenue would come through. I think that has been confirmed in public statements by the present chair of the Waste Authority, and I will come to that in a moment. Given these vagaries, we must ask: what backup measures are in place? Do we actually risk having a waste authority with a waste avoidance and resource recovery account that is not properly funded at all? What measures would be in place to top it up to ensure that its projects do not simply fall away—that we are able to pursue its projects? We know that there is some \$39 million worth of projects that are already open and running. How can we be sure that in the future we will have the funds to guarantee those projects? That question also

applies to the 75 per cent of this funding that is to be directed to the Department of Environment and Conservation. If we do have some serious flaws in the modelling about the amount of revenue that could be derived from this waste stream —

**Dr G.G. Jacobs:** The present levy system is subject to all those variables and other vagaries.

**Mr C.J. TALLENTIRE:** It is, but at least we are confining ourselves to the Waste Authority's future, whereas the government wants to add in another agency that will be dependent on this money and therefore subject to all the sorts of vagaries that could come up. I know the minister made the point that it is difficult and other agencies have different revenue streams where changes can come about. But I think it is important in this instance, given that the government has so severely hacked into the funding for the Department of Environment and Conservation, that the government really needs to state the minimum levels that it will go to. I think that would be a very reasonable thing to do. The government has its models and some estimate of how much revenue the government will gain, but will the government say that, if it gets to a certain point it will look at some other means of funding the Waste Authority and the Department of Environment and Conservation. If we cannot have that sort of guarantee, I think we are really putting far too much risk around the future of the Waste Authority's very good projects and far too much risk around the reliable funding of the Department of Environment and Conservation. Therefore, I think the minister really does have to explain to us what the backup measures might be.

**Dr G.G. JACOBS:** I really do not have much more to add. The member for Gosnells is talking about some of the vagaries. There are some vagaries under the levy system now. The bill provides for about 25 per cent, at least, of the forecast levy going into the waste account. I have been advised that fluctuation in the levy revenue available to DEC will be addressed through future budget processes. Those were all issues that we debated some time ago when the member for Mandurah was banging on about it again; he does not seem to be able to build a bridge and get over it. The variations in the levy revenue represent business as usual for the Waste Authority as it is now. Having said that, there are vagaries in the system, but we have forecast revenue and we have committed to at least 25 per cent of that to go to the Waste Authority.

**Mr C.J. TALLENTIRE:** I think that obviously people within the agency, the advisers assisting the minister, would perhaps have access to that modelling. I ask for that to be tabled so that we can get some insight into how this modelling is done, if the minister is prepared by way of interjection to commit to providing that information.

**Dr G.G. Jacobs:** I have nothing to table; I am working off some scraps.

**Mr C.J. TALLENTIRE:** Much of this debate has been around the modelling that will give us some idea of the range of funding that can be expected. An article in a journal called *Inside Waste Weekly* stated that the present chair of the Waste Authority, Mr Barry Carbon —

... has also publicly questioned Treasury modelling of the extra revenue expected from the increased levy, suggesting the government has not accurately taken account of the reduced volumes likely when disposal costs jump up.

That was in a journal that no doubt is used by people who are experts in this field. It seems that the government has some sort of contrary information or, it might claim, more accurate information. I think it is very reasonable for this Parliament to expect that that modelling be tabled so that we can scrutinise it and have some certainty about whether the funding stream really will be solid.

**Dr G.G. JACOBS:** I am advised that I do not have any particular modelling assessment to table, member for Gosnells. I am not sure that this issue around this financial modelling is really relevant to this debate. Maybe it is an issue for budget estimates to go through the nuts and bolts and the dollars and cents. Quite honestly, this is a bill to introduce waste avoidance and resource recovery and a levy, and I have already explained, and the member already recognises, that this is not an exact science. The estimate of the forecast revenue from the landfill levy take is not an exact science. There are some predictors in that but of course there are also some significant variables. I have been through those variables again, and I keep going through the same stuff. I am loath to comment on Mr Barry Carbon's announcements of recent times. We recognise, and I have recognised, that there will be fluctuations in the levy revenue. As I said, there are vagaries even today with the levy that we have established. Again, member for Mandurah, these matters will be addressed through the midyear budget review process and in the ordinary budget process that we go through in future years.

**Mr P. PAPALIA:** I am incredulous that —

**Dr G.G. Jacobs:** You haven't been here till just now.

**Mr P. PAPALIA:** I have just listened to the question that was posed by the member for Gosnells. It was a fair and appropriate question to the minister in light of the fact that the government is proposing changes to

legislation that will enable it to steal 75 per cent of an increased levy that was created for the purpose of encouraging positive environmental outcomes. The minister and his government are choosing to change legislation to enable the government to take 75 per cent of that increased levy and use it for the purpose of plugging the hole in the government's budget that has been created by its own poor budgeting. Yet the minister comes into this place and has the gall to tell the member for Gosnells that it is inappropriate for him to ask, on behalf of the people of Western Australia, whether the government has bothered to model how much money that will actually represent.

The minister's response was that the member for Gosnells, the people of Western Australia, including the people of my electorate and the people of the member for Gosnells' electorate, should wait until Hon Troy Buswell yet again stands at the time of the midyear financial review and yet again fails to give any details of a budget that, if it is like his last effort, will bear no resemblance at all to what is going on with the state's finances. The minister expects us to accept that response from him and accept that it is all right for him to say, "Don't worry about it, member for Gosnells. I don't want you to be concerned about this on behalf of the people in your electorate. Don't worry about it, members of the opposition. We don't want you to be concerned about this on behalf of the people of Western Australia." The minister has no concept of how much money the government will be ripping out of the pockets of Western Australian taxpayers by way of a surreptitious, sly, sneaky and secretive tax on the people of Western Australia, but he expects us to accept his response. He expects us to sit here and just accept that we will have to wait until the member for Vasse, in a couple of months, deigns to tell us another pack of lies about the Western Australian state budget and another pack of untruths about the budgetary process in Western Australia. I am wondering how long agencies will accept the Treasurer saying, "Don't worry about it. Come back and see me in a few months. Just keep giving us a AAA credit rating and it will all be okay." That might have worked once, but I doubt whether it will work again after the midyear review.

We know that the budget is well and truly in deficit now. We know that the minister's government has failed to make that clear to the people of Western Australia. It has concealed the fact that it is so poor at managing the budget that the budget has gone from a surplus, which the government should have had, to at least a \$350 million deficit—but we know that it is bigger than that. Yet the minister comes into this place and expects us to accept his response. As a responsible minister, the Minister for Environment must have had her department do some modelling to determine how much money the government intends to accumulate as a result of this tax. We would like to have an answer.

**Dr G.G. JACOBS:** As we discussed in the debate on proposed subsection (3C)(a), the Department of Treasury and Finance has a straight-line prediction with the variations—it is not a perfect science. That will be managed in the midyear review, and that reference is in the Treasurer's letter that the opposition extracted from me some time ago. That is exactly as it was. I quoted from that letter, and it said no more and no less than that. I tabled that letter. In fact, it is a straight-line prediction, with variations managed in the midyear review, as referenced in the Treasurer's letter that I tabled last week.

**Mr P. PAPALIA:** What is it that the minister is trying to hide? Why is he so concerned about revealing what the government is going to collect? Why is he so concerned about revealing the methods by which the government came to the conclusion about how much it will collect? What is it that this government has to hide? The minister fought for an hour to prevent the release of that letter. Now he is continuing to refuse to concede any ground with regard to transparency over this issue. What is it that he is trying to hide?

**Mr J.C. KOBELKE:** I would like to move on to the next subclause, which is subclause (3) of clause 7. This is largely some administrative tidying up, because it is an amendment to section 79(3) of the act. The whole of section 79 is about setting up the resource recovery account. Of course, under the act as it is now, all the money collected by the levy goes into the waste avoidance and resource recovery account and is administered by the Waste Authority. We are now changing the arrangement so that all the money will go into a departmental account that is established by the minister. From that departmental operating account, money will then go into the WARR account. Therefore, some administrative changes are required. In the first part of the clause, we will delete "The WARR Account" and insert —

In addition to the amount referred to in subsection (3A), the WARR Account

The provision is referring to the money that is to go into the WARR account, but then it deletes paragraphs (a) and (b). Paragraph (a) refers to "any levy paid", and I think we have already covered that in the earlier part that we just dealt with. Therefore, the money from the levy will go into the operating account in the department, and we have argued about what percentage will come out. I will not go back to that at the moment. That, as I understand it, has been dealt with. Paragraph (b) then refers to "any amount paid by way of penalty under section 76". Again, I think we dealt with that in an earlier provision, because that has already been amended. I think the

**Extract from *Hansard***

[ASSEMBLY - Wednesday, 16 September 2009]

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Mr Rob Johnson; Mr Mark McGowan; Speaker; Mr David Templeman; Mr John McGrath; Mr John Kobelke;  
Dr Graham Jacobs; Mr Chris Tallentire; Mr Paul Papalia

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minister's answer to an earlier question was that no penalties would be collected as yet. However, if penalties are collected, is it anticipated that they will be part of the forecast levy amount?

**Dr G.G. Jacobs:** Yes. We have done that before. I answered that question earlier.

**Mr J.C. KOBELKE:** So they will be in the forecast levy amount?

**Dr G.G. Jacobs:** Yes.

**Mr J.C. KOBELKE:** Of course, that is a definitional issue when we come to each year's budget. I want to distinguish between whether it is a legislative requirement for it to be in the forecast levy amount and whether the minister is saying that it is simply a policy decision that the government will put it in. By way of interjection, if the minister likes, is he telling me that it is a policy decision or that it is determined on a statutory basis that any penalty will be part of that amount?

**Dr G.G. JACOBS:** I advise the member for Balcatta that any amount paid by way of penalty under subsection (1) is to be credited to an operating account of the department established under the Financial Management Act. That comes under proposed section 76(3).

**Mr J.C. KOBELKE:** I thank the minister, but that was not the question I asked.

**Dr G.G. Jacobs:** You directly asked me where that was going, and you directly asked me—excuse me—under what direction it would go, and I have just quoted the relevant section.

**Mr J.C. KOBELKE:** If I did not put the question clearly enough, I apologise. However, that was not what I was talking about. I was talking about the forecast levy amount. We had this debate earlier. The forecast levy amount is not a determined amount. It is not what is actually in there. I asked the minister whether any penalties that go into the operating account would be calculated or included in the forecast levy amount; and, if so, whether it would be by statute or simply by policy.

Debate adjourned, pursuant to standing orders.