

Hon Paul Llewellyn; Hon Norman Moore; President; Hon Murray Criddle; Hon Nigel Hallett; Hon Barry House;
Hon Kate Doust

**ALUMINA REFINERY (WAGERUP) AGREEMENT AND ACTS AMENDMENT ACT 1978 -
VARIATION AGREEMENT - DISALLOWANCE**

Standing Orders - Suspension

HON PAUL LLEWELLYN (South West) [3.40 pm] - without notice: I move -

That so much of standing orders be suspended to enable motion 59, Alumina Refinery (Wagerup) Agreement and Acts Amendment Act 1978 - Variation Agreement - Disallowance, to be debated until 4.40 pm at today's sitting and the question be put and determined, if not sooner, at that time.

Point of Order

Hon NORMAN MOORE: Is a copy of the motion available?

The PRESIDENT: I hope one will be available fairly shortly; I have not seen a copy of this motion. I understand that the motion is to the effect that motion 59 be debated until 20 minutes to five, when the question is to be then put. Hon Paul Llewellyn has moved -

That so much of standing orders be suspended to enable motion 59, Alumina Refinery (Wagerup) Agreement and Acts Amendment Act 1978 - Variation Agreement - Disallowance, to be debated until 4.40 pm at today's sitting and the question be put and determined, if not sooner, at that time.

Debate Resumed

THE PRESIDENT (Hon Nick Griffiths): The question is that the motion be agreed to. Those of that opinion say "aye" -

Hon Paul Llewellyn interjected.

THE PRESIDENT: Hon Paul Llewellyn has moved the motion, does he wish to speak to the motion?

Hon Paul Llewellyn: I understand that this is a debatable motion.

The PRESIDENT: This is a debatable motion. Whether people want to debate it is a matter for members of the house.

HON MURRAY CRIDDLE (Agricultural) [3.42 pm]: The information I was given by Hon Paul Llewellyn was that there would not be a vote at the end of this discussion. I simply say that from my point of view. Everyone else might be in the loop, but I am not.

Question put.

The PRESIDENT: This is a motion that requires an absolute majority, so I will call for the bells to be rung so that we can determine whether there is an absolute majority. This is one of those motions for which the procedure is a little different.

Division taken with the following result -

Ayes (2)

Hon Giz Watson

Hon Paul Llewellyn (*Teller*)

Noes (28)

Hon Shelley Archer
Hon Ken Baston
Hon Matt Benson-Lidholm
Hon George Cash
Hon Vincent Catania
Hon Peter Collier
Hon Murray Criddle

Hon Bruce Donaldson
Hon Kate Doust
Hon Sue Ellery
Hon Donna Faragher
Hon Adele Farina
Hon Anthony Fels
Hon Jon Ford

Hon Graham Giffard
Hon Nigel Hallett
Hon Ray Halligan
Hon Barry House
Hon Robyn McSweeney
Hon Sheila Mills
Hon Norman Moore

Hon Helen Morton
Hon Simon O'Brien
Hon Ljiljanna Ravlich
Hon Barbara Scott
Hon Sally Talbot
Hon Ken Travers
Hon Ed Dermer (*Teller*)

Question thus negatived.

Motion

HON PAUL LLEWELLYN (South West) [3.50 pm]: I move -

Extract from Hansard
[COUNCIL - Tuesday, 19 June 2007]
p3176g-3184a

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That the variation agreement dated 28 March 2007 to the Alumina Refinery (Wagerup) Agreement and Acts Amendment Act 1978 tabled in the Legislative Council on 1 May under the Alumina Refinery (Wagerup) Agreement and Acts Amendment Act 1978, be and is hereby disallowed.

I must first apologise to Hon Murray Criddle, because I think there was some miscommunication on the issue that we have just dealt with in this house.

The reason I have moved this disallowance motion is that a substantial issue needs to be addressed in the case of the Alumina Refinery (Wagerup) Agreement and Acts Amendment Act 1978. State agreement acts are unusual instruments, because they are special agreements that have been reached between the state and certain companies and have been ratified by an act of Parliament. The Alumina Refinery (Wagerup) Agreement and Acts Amendment Act 1978 builds on a series of agreements between the alumina refinery industry and the state dating back to the first agreement that was signed by the then Premier and Minister for Industrial Development, Hon Charles Court, in 1961.

On several occasions, various side agreements and schedules have been added to the Wagerup agreement act. That is also the case with the latest agreement. When that agreement was tabled in 2007, it included a separate deed of undertaking. That deed of undertaking was not tabled in this house. However, both those documents were signed on the same day - 28 March 2007 - between Alcoa of Australia Ltd and the Premier, Alan Carpenter. The problem with the Wagerup agreement act is that it has been systematically modified over the years. However, because there is no consolidated reference to the entire state agreement act, it is very difficult for ordinary people to gain an understanding of that agreement act. On 5 June this year, I asked the parliamentary secretary representing the Minister for State Development question without notice 385 -

I refer to the answer to question without notice 306 dated 10 May 2007.

- (1) Does the government hold an up-to-date copy of the Alumina Refinery (Wagerup) Agreement and Acts Amendment Act 1978 incorporating amendments made in 1987 and 2000?
- (2) If yes -
 - (a) is that document available to the public;
 - (b) has it been supplied on request to members of the public; and
 - (c) will the parliamentary secretary table a copy of the document?

The answer is instructive. It states in part -

I thank the honourable member for some notice of the question.

- (1) There is no single official reprint of the Alumina Refinery (Wagerup) Agreement and Acts Amendment Act 1978 - Wagerup agreement - that incorporates all the amendments to that agreement since it came into operation. Official copies of the Wagerup agreement and any variation to it, or which relates to it and which has been ratified by the Parliament, such as the 1987 variation to the Alumina Refinery Agreement Act 1961, referred to as the principal agreement, are available to the public from the State Law Publisher. Copies of any non-ratified tabled variations to the above two agreements, such as that tabled in 2000, are available to members of Parliament and the public from the Legislative Council or the Legislative Assembly papers office.

Agreement acts in the state of Western Australia are becoming more complicated. That makes it very difficult for ordinary citizens to follow the meaning of those agreements.

The background to this disallowance motion is a three-page document that was tabled on 1 May 2007, titled "Alumina Refinery (Wagerup) Agreement 1978". The agreement was made on 28 March 2007, and was between the Premier, Hon Alan Carpenter, and Alcoa of Australia Ltd. The purpose of that agreement, which has been tabled, was to amend clause 7(1) of the principal agreement - the Alumina Refinery (Wagerup) Agreement and Acts Amendment Act 1978 - to delete the words "4 million tonnes of alumina per annum" and insert the words "6 million tonnes of alumina per annum". However, notwithstanding that agreement, Alcoa has obtained environmental approval for only 4.6 million tonnes of alumina per annum. The question in my mind is: why has the Wagerup state agreement act not been amended to reflect that fact? The short answer is that it is possible under the Wagerup agreement act for parties to agree to a written amendment, and for that amendment to take effect so long as it is tabled in the Parliament and not disallowed. It is interesting that the mechanism for the disallowance of changes to the Wagerup agreement act differs significantly from the normal mechanism for disallowance. The normal mechanism is that a motion for disallowance of a regulation or other instrument becomes an order of the day; and, if the matter is not debated and resolved, that regulation or instrument is

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thereby disallowed. Clause 18 of the schedule to the Alumina Refinery (Wagerup) Agreement and Acts Amendment Act 1978 provides in part -

Either House may, within 12 sitting days of that House after the agreement has been laid before it pass a resolution disallowing the agreement, -

This is the active part -

but if after the last day on which the agreement might have been disallowed neither House has passed such a resolution the agreement shall have effect from and after that last day.

This is why members of this house have been somewhat confused about the procedures that are required to be followed to raise issues about the Wagerup agreement act.

I draw members' attention to the fact that although this variation agreement simply seeks to increase the volume of alumina from four million tonnes to six million tonnes per annum, the side agreement, which was signed on the same day - that is, 28 March 2007 - lays out a complicated arrangement for the payment of compensation to landowners who are affected by the expansion of the Wagerup refinery. That is why I have raised the issue that it is extremely difficult for the people who are operating in this environment to understand all the complicated changes that have been made to this agreement over time. The communities of Wagerup, Yarloop, Waroona, Hamel and Cookernup have been running a very vocal campaign, not necessarily about the expansion of the Wagerup refinery, but about the terms on which they are being paid compensation under the side agreement which was tabled along with this variation agreement, and which the Greens are seeking to have disallowed. The side agreement has caused a great deal of community concern because the general opinion is that the terms of the compensation package is unjust. For that reason, I thank the Leader of the House and the Leader of the Opposition for giving the Greens (WA) the opportunity to make a case for the disallowance of this tabled paper. In this case, the Greens seek to disallow this agreement to expand the operation of Wagerup until such time as a fair and just compensation package is put in place that even-handedly treats all the people who have been impacted upon by the Wagerup refinery expansion.

I understand there has been longstanding concern that while the refinery has operated at approximately two million tonnes and 2.2 million tonnes a year, the proposed expansion will involve a considerable increase. Notwithstanding that Alcoa has already applied for an expansion and received an agreement under state environmental law to expand to 4.7 million tonnes, it will be at least two years before Alcoa exercises that right. Therefore, there is ample time for this house to disallow this expansion agreement and to send it back to both the government and Alcoa to negotiate more fair and just terms for the compensation package that will be offered to the people in that area.

The primary argument that the expansion limit should remain as it currently is until a fairer relocation scheme is in place is embodied in the supplementary property purchase program that is at the heart of the current conflict between Alcoa and the local residents. It is important to recognise that this government entered into two agreements with Alcoa that were signed on the same day. First, there is a three-page agreement, the tabled document, and, secondly, a 33-page agreement that was signed on 28 March but was not tabled in this Parliament. The three-page agreement, which is the subject of this debate, seeks to lift the cap on the refinery. However, that cannot be properly considered without also considering the terms of the agreement in the 33-page document, particularly the supplementary property purchase program for affected landowners. That is what is at the heart of this debate.

Before members consider the problems of the supplementary property purchase program, it is worth revisiting the health issues that led to the establishment of that program. First, the "Report of the Standing Committee on Environment and Public Affairs in Relation to the Alcoa Refinery at Wagerup Inquiry" outlined a host of health-related issues because of not only the proposed expansion, but also the normal operation of the Wagerup refinery. I do not need to go through report 11 of October 2004 that was presented by Hon Christine Sharp, MLC, but it outlines at page 74 a range of health impacts on citizens in the Yarloop district. I will not go into the detail of those concerns, but it is worth noting that the committee received a great deal of evidence on this matter and took a long time to deliberate on it. The committee was advised of a series of health problems - painful and burning and inflamed joints, burning under the skin, hot flushes, frequent urination, constant thirst, metallic taste after exposure to some chemicals, burning airways and so on. The list is extensive. My experience as a member in this place for two years and having taken an interest in the Wagerup issue for many years is that there has been a significant impact on the health of people in those communities and there is a reasonable case for some people to be relocated. The interesting thing about the SPPP is that while the government was expecting a handful - probably 30 property owners - to put up their hands and say that they would like to be moved out of the area, there are possibly 260 and up to 300 applications. The terms on which the compensation arrangement is being negotiated are unfair. I will leave it for other members of this house to

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refer further to the impact of this issue on the people in the south west region. Members who represent the south west region would have received complaints from people who have been impacted upon by the Wagerup refinery.

I will give a brief outline of the compensation arrangements that have been put in place over time. In 2002, the area was divided into, first, area A, and the duration for claiming compensation was approximately five years. That timeframe was extended by the Alcoa board of directors to cover the operating life of the Wagerup refinery. Also in 2002, area B gave people five years to submit a claim. I will go through area A. The area A valuation process is the unaffected value plus 35 per cent, with two valuations to be paid for - one by the owner and one by Alcoa. The final negotiation is a settlement between the two. Stamp duty is payable and a relocation fee of \$7 000 is allocated. Post-sale, Alcoa rented those houses to people who signed an agreement that, effectively, they would not make complaints about Alcoa. Area B has a five-year term that is related to the unaffected value of two valuations, with stamp duty payable and no relocation costs. Alcoa rented or sold the properties. The purchasers were made to sign an agreement that Alcoa would not buy from them in the future. In other words, another constraint was imposed on those people who purchased properties in that area; that is, that Alcoa would not be responsible for any impact of its operations on their properties.

The 2007 SPPP agreement has caused the most angst. Residents were given seven months to register - three months to accept an offer and four months to settle. These people have been living in the Wagerup, Yarloop and Waroona area all their lives. They have been operating businesses and living in houses in that area and, subject to the expansion of the refinery, were given only seven months to make a life-changing shift out of an area that has been clearly impacted upon by Alcoa, otherwise there would be no need for this compensation scheme. Stamp duty is payable and, as I understand, some owners of farming operations who sell their businesses on a like-for-like basis might be paid \$10 million and have a \$600 000 stamp duty obligation. Under the supplementary property purchase program, no relocation money is paid to people who choose compensation. The question in my mind and in the minds of the people who live in the shadow of Wagerup is whether these are fair and just terms. It is not a fair and just structure or procedure, and it is not delivering fair and just outcomes. That is why I have moved the disallowance motion on the expansion proposal.

The Greens (WA) acknowledge that both the government and the opposition have agreed to the expansion of the capacity of the Wagerup refinery from four million tonnes to six million tonnes. Where disagreement exists is that this side agreement - the complicated document that lays out the compensation package - does not deliver a fair and just outcome. There is plenty of time to negotiate a new compensation package to remove from harm's way those people who want to move out of the area. Some people need to move to where they can get proper medical services. They do not necessarily just want to move down the road, out of the airshed of Wagerup. As a consequence of becoming ill they may wish to move to Bunbury or Shenton Park to get intensive medical treatment. That means that they cannot make an easy move straight from a farmhouse that has been impacted by Alcoa's air pollution to a suitable residence in Bunbury or in Perth, close to medical services, where their health issues can be properly dealt with. They are not claiming damages; they are merely saying that they want a reasonable compensation package so that they can move from like to like. Some members of the community want to transfer the Yarloop community to another location, and effectively build a new subdivision outside the airshed and away from harm. It is not beyond the realms of possibility for the government and Alcoa to negotiate to move a group of residents to a new subdivision where they can live out their lives without the fear of health impacts from the refinery. That is why the Greens have moved this motion of disallowance.

HON NIGEL HALLETT (South West) [4.14 pm]: To a person, the residents of Yarloop are not talking about stopping the expansion of Alcoa, full stop. It is about relocating their businesses or their properties, whether they be rural or residential. A point has been reached at which it is paramount that some of the residents who are ill are relocated as quickly as possible. Many who lived in what is defined as area A have already been relocated. They were offered total replacement of their houses at unaffected value, plus 35 per cent of their property, along with the relocation costs. As Hon Paul Llewellyn mentioned, they were entitled to two valuations on those properties. To my amazement, I find that no department has done any testing on the water in the water tanks attached to many of the homes, to determine what residual contamination exists, and no blood testing has been done to ascertain whether people have chemical abnormalities in their systems. If this kind of testing had been done, as we have just witnessed in the Esperance area, much of the anxiety that exists today would not be present, and there would be a much clearer outcome.

In area B, as designated under the supplementary property purchasing program, there is an agreement between Alcoa and the state government under which Alcoa is purchasing properties outside of its previous land management zone. This is one of the conditions that Alcoa had to satisfy in order to receive permission to expand its Wagerup refinery. The residents in area B and the SPPP areas are only offered the unaffected market value, as Hon Paul Llewellyn mentioned. This has become a very contentious issue. I have seen much

documentation showing a 25 per cent variation between the SPPP and recent land sale activity. That is far too much, and while owners have been allowed only one valuation, they can get a second valuation at their own cost, but that will not be looked at by the SPPP. Some negotiation is needed there.

An example is the property of Kingsley and Carol Dyson, in Cookernup. Mrs Dyson's health has been severely affected and she needs to move from her present location. On 10 June, it was reported in the *Sunday Times* that light detecting and ranging equipment showed that chemical fumes containing a mix of 260 chemicals could linger close to the ground for up to 18 hours. These results were not available three months ago, and this harks back to my suggestion that testing on rainwater tanks would have shown these things up much earlier. There are many other examples in that area, such as the Jack family, and the owner of the Yarloop post office and store, Mr Glen Turner. He has a licence to operate the post office. The population of Yarloop has declined and many businesses have closed. The fuel station has closed and many core service personnel from the town have gone, so businesses are being very severely affected. What value can be put on the post office? How can the post office, and the licence that goes with it, be relocated? These people are asking for a fair and equitable outcome. They are not looking to make money; they just want to swap like for like, and as quickly as possible, for those who are ill.

We have seen problems arising with the tax implications of farmers relocating from like to like where the valuations vary. Unfortunately, the ABC news on 31 January 2007 reported that Mr Hendy Cowan, who has been appointed to oversee the buyback scheme, acknowledged that some people have been unhappy with the independent valuations of their properties, but it seems that there is no room for negotiations with Alcoa. These people acknowledge that they can put their properties on the open market, but in some cases their health has not permitted them to do the necessary work to bring their houses up to scratch to put them on the market. Some feel a moral obligation not to allow others to move into the area and suffer from the same circumstances, but some people are moving in and not being affected. Everyone reacts differently to some chemicals.

It is quite extraordinary for the Treasurer to point out that the seller, under the supplementary property purchase program, will not need to pay for any marketing costs or commission on the property. However, the government will reap substantial amounts in stamp duty out of this - as mentioned earlier, some \$600 000 in one instance. The government can well afford to help people who need to be relocated. As I have mentioned, these people would not need to relocate were it not for Alcoa. To a person, they say that they acknowledge the contribution Alcoa makes to the area and to the state's economy. They want to relocate to a similar property or business without any cost to themselves. Many of these people cannot afford the \$50 000 or \$60 000 in stamp duty etc that it will cost them to relocate. I have a folder containing many genuine cases. All these people are asking for is a fair and equitable transfer.

HON BARRY HOUSE (South West) [4.21 pm]: I am pleased that we have a few minutes to discuss this motion. It will be a very limited debate; nevertheless, here it is. For the record, we need to note the reason that Hon Paul Llewellyn's previous motion received no support. It was a very limiting motion; it would have required the house to vote on the issue 50 minutes after the motion had been moved, given that there was 10 minutes of debate on voting procedures. That would have effectively meant that the mover of the motion, Hon Paul Llewellyn, could have spoken for that whole time had he so wished. The issue would not have had a very fair airing in any way, shape or form. As it was, Hon Paul Llewellyn spoke for nearly 25 minutes on this motion, which is fine; it is his prerogative to do that. However, the motion moved by Hon Robyn McSweeney on behalf of south west members and the Liberal Party to refer this matter to a standing committee is a far more sensible way to go. The Estimates and Financial Operations Committee has had previous experience with this issue and has done a lot of work on it. I urge the government and all members in the chamber to support that motion over the next couple of days so that we can get the issue referred to the committee and the work can be undertaken over the next couple of months.

I know that other members want to say a few words, so I will be brief. I support Alcoa as one of Western Australia's most important and respected corporate citizens. It has generated an enormous amount of wealth and an enormous number of jobs in Western Australia. In those terms, I certainly support the production expansion from four million to six million tonnes, as I know the Liberal Party does. I also know that there have been issues at Wagerup for some time. In fact, when I was in Pittsburgh in 1999, I took the opportunity to visit the Alcoa headquarters and spoke to some of its top executives. I raised the Wagerup issue with them, and they are very well aware of it and are working assiduously to try to address it. They have tried to manage the issue over the years, but I also acknowledge that there are still some difficulties.

The main point I want to make is that this situation is in part a government responsibility. I refer members back to a report that was tabled in this place in 2004. It was a report from the then Standing Committee on Public Administration and Finance. It related to the impact of state government actions and processes on the use and enjoyment of freehold and leasehold land in Western Australia. It is a report that highlighted the actions of

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government in respect of a wide range of activities. Hon Ken Travers, Hon Murray Criddle and Hon Ed Dermer were members of that committee. We identified a wide range of government activities that impacted on private property ownership, including planning, environmental regulations, and government agencies such as the Water Corporation and Western Power. In a sense, this is another arm of the same theme. The government has sanctioned this agreement, which was signed on 28 March. The government has appointed an administrator, Hendy Cowan, to administer the supplementary property purchase program. I know that he has done his best to juggle some difficult issues concerning an unanticipated level of interest in the scheme, a lack of outright flexibility with regard to fixed funding arrangements and the terms of the agreement, and a limited number and availability of valuers. I understand that four valuers have been working almost full time on this matter for some time, and they have done their best to get through it. One valuer has withdrawn, so that leaves three. There are still quite a few properties outstanding - at least 20. It is unlikely that valuations for those properties will be completed by 30 June. That is the critical period. This is a valid point. How can people who have expressed an interest in the supplementary property purchase program actually make a decision if they do not know the baseline for their decision? What property value are they expected to work from? That is one issue.

The focus and theme of this report and all of these issues is that if the government intervenes - there are times when the government has to intervene - and impacts on people's property rights and their enjoyment of their land, it has to pay fair and just compensation. It has to deal with those people on fair and just terms. That is the basic issue at the root of this matter. From what I have heard, this has not been the case with the supplementary property purchase program. In common with other members, I have been contacted by a wide range of people who come within this ambit. I hear about problems concerning relocation costs; those costs are not included. Some third or fourth-generation families are being asked to uproot their lives and move to distant places in Western Australia, whether it is another broadacre farming region such as Manjimup or Gingin, or to move out of farming altogether. These are monumental decisions for a family to make. There is no allowance made for re-establishment costs. If they move to a like-for-like situation, they have to set up the infrastructure - sheds, fences, dams, irrigation and so on. Some people will be caught by capital gains tax if they owned their property prior to 1985. I know that is a federal government issue, but it is an issue these people will have to take into account if they have to pay tax amounting to hundreds of thousands of dollars in some cases on million-dollar properties. Stamp duty is an issue that falls very much within the state government's ambit. It is something the state government can do something about directly. If the state government has sanctioned this arrangement and agreement, let it be fair and just and say that it will exempt these people from stamp duty for those transactions. Let us have a show of faith from the government on that front. That would be nice to hear. I have mentioned the fact that some of the valuations are not likely to be completed by 30 June. I know of a case in which a property owner - a farmer - has, in good faith, gone out and made an offer on another property around the Manjimup area. He could not get certain assurances and he is still unable to get certain assurances. Hopefully, he got them today via a letter. I spoke to him yesterday. He said that he put down a deposit of \$100 000 for this property. He lost that property. That property is no longer available. At this stage he has lost his \$100 000 as well. I consider that to be unfair.

That is it in a nutshell. I know that other members wish to speak. The way forward from here is for this Parliament to take a good comprehensive look at the arrangements surrounding this supplementary property purchase scheme via a committee inquiry that will give the affected property owners an opportunity to lay their cards on the table. It will give Alcoa an opportunity to come forward and say, "We're offering this but we can't go any further", or whatever its position may be. It will give the government an opportunity, as the broker in the middle of it, to explain its situation. It will also give the administrator the opportunity to explain the complications that he has had to deal with in trying to resolve many of these individual issues.

HON MURRAY CRIDDLE (Agricultural) [4.31 pm]: I wish to make a couple of comments. I know that Wagerup is not in my area but for some reason people from my area seem to have a bit of land around this Alcoa development. One or two of them have indicated that they have not registered their properties for valuations and the like but they would have liked to. Those people are saying that they did not get sufficient notice. I am well and truly aware that substantial efforts were made to make these arrangements available to people and they did not pick up on it. I also understand that if they did not register by 3 April, they are not likely to be involved in the coming valuations. I thank the minister's office for giving me a briefing recently. Approvals were given for Alcoa to produce 4.7 million tonnes of alumina. Changes were made to the agreement to increase that to six million tonnes. I understand that came with some pretty serious requirements, including the requirement that it still has to go through an Environmental Protection Authority assessment and it also has to go to the minister following that.

Hon Kate Doust: The environment minister.

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Hon MURRAY CRIDDLE: Yes, the Minister for the Environment. It has to be ticked off by both the EPA and the minister. They are the requirements. That was done because the government did not want to bring the legislation back through the Parliament again. We know how long it takes to get a grievance through this Parliament. There is some sense in that arrangement. Other conditions were put on as a result of a deed, including air monitoring and health surveys. It was also indicated that areas A and B would be able to be bought out. Also, valuations could be placed on four other areas - Hamel, Wagerup, Yarloop and Cookernup. If people wanted to get involved, they could obviously take up the opportunity provided or this idea of like for like with farming areas - the supplementary property scheme. At the outset, the government was expecting half a dozen applications - it got 56 - from those farmers for a like-for-like, or an equalisation, payment. I have spoken to Hon Hendy Cowan, and there are some issues with the equalisation payments. If a farmer shifts from one area to another or buys a piece of land that may not have infrastructure on it, there are obviously requirements for further funding in that regard. I know that some of the funding requirements would be quite substantial if they were carried through. That is a decision for the administrator. Knowing Hon Hendy Cowan, they will be fair and just, and he will come to a reasonable arrangement.

As Hon Barry House made quite clear, the offers are supposed to be finalised by 30 June, but I know that there are many properties -

Hon Kate Doust: Not for farmers.

Hon MURRAY CRIDDLE: That is the indication I got. Maybe the parliamentary secretary can clear that up when she responds. I would be most interested if she could clarify that. In saying that there were just under 200 applications, there are just over 400 locations so it is not just a matter of valuing one property; a number of locations may have to be valued from that application. There is a problem there. There has been a difficulty getting the number of valuers required to fulfil the commitment by that particular date. There are some complications there. I reiterate that one or two people have indicated to me that they would have liked to have been part of this scheme and they have not been included. Whether they can be accommodated is for the government to decide and to make arrangements with those people. I put that on the record on behalf of those people.

I also understand that this agreement is not an exit for business; it will give a like-for-like opportunity to people who may want to continue farming, or else they could have a straight buy-out. I support the motion moved recently by Hon Robyn McSweeney. An investigation into the way this operation is being conducted would be useful because it would give the Parliament a clear understanding of what is required. The Estimates and Financial Operations Committee would be an excellent committee to inquire into this matter.

HON KATE DOUST (South Metropolitan - Parliamentary Secretary) [4.37 pm]: I thank those members who have spoken to this motion. The government does not support the motion moved by Hon Paul Llewellyn. He is correct in saying that the change to the state agreement was basically about changing a single numerical figure, increasing the tonnage from 4.7 million to six million. Hon Murray Criddle explained that beautifully today. He paid attention to his briefing last week. I thank him for that. He went through it in very good detail. He is right; it was about providing Alcoa with the capacity to increase the tonnage and not come back to the Parliament on each and every occasion but it still has to seek approval from the Minister for the Environment and the Environmental Protection Authority. It does not provide the company with an automatic tick-off. It is important that it was granted that capacity.

Along with getting that change to the state agreement, the side agreement relating to the supplementary purchasing program is very important as it provides assistance to those people who want to leave the area around Alcoa's proposed expansion in Wagerup. As members are aware, this is not a new issue. As has already been alluded to, the Environment and Public Affairs Committee conducted an extensive inquiry into the proposed expansion and other related matters for three years and tabled its report in 2004. We believe that it was a good report that made a number of recommendations to both the company and the government. One of those issues was about purchase of land in the area. It is interesting to see that some of the matters that we talked about are dealt with in this state agreement, matters such as community health surveys and air quality testing as well as the property issue. Although Hon Paul Llewellyn talked about this coming as a shock to people, I do not know whether that is the case because prior to the report being finalised, Alcoa was already commencing the purchase of properties in areas A and B. Indeed, it has done the right thing by the local community by expanding the time period to complete purchases in areas A and B. The move to have this additional property purchase is a sign of good faith by the company.

I acknowledge comments made by members about some of the difficulties experienced by people who have expressed interest in moving under like-for-like conditions. That refers to stamp duty costs they would incur, relocation and other matters. Although I cannot do anything about that myself, I will pass on those concerns to

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the minister. It will be interesting to see whether Hon Robyn McSweeney's motion is supported to hold an inquiry into how this program is structured and operates. I look forward to that discussion in due course.

Obviously, there are issues in the area. Hon Murray Criddle alluded to the fact that when the company initially entered into the agreement to purchase additional properties - I think his comments are correct - it did not expect this great rush. It did not envisage that it would have to spend as much at the end of the day to purchase the properties. I have been given some figures from the supplementary property purchase program office as of last Friday - they are quite high - about the number of people who have already registered their interest. I understand that there has been surprise at the number of farmers who have lodged an interest to relocate to continue farming or, in some cases, to not continue farming. That is something that will be clarified.

Hon Murray Criddle raised the matter of the time period for farmers. From my notes I see that residential owners should have registered by 3 April. They have until 30 June to accept the offer provided by Alcoa. Farm owners have six months from the time they receive a valuation to find an alternative property to purchase. I take on board the problem raised by the member. I think Hon Barry House talked about it as well in terms of the time it is taking to get the valuations done. I understand that it is a difficulty. Currently, three valuers are doing the work to process the applications. It is a problem trying to find enough people to value the properties so that the process can be sped up for the individuals in the area. That perhaps gives an opportunity to the people that Hon Murray Criddle referred to to approach the company to see whether it is not too late. The time has not been cut off for them because properties have not been valued as they cannot get valued due to the lack of bodies. That may give them a window to get that done.

Hon Murray Criddle: What do I do - get them to write to the minister?

Hon KATE DOUST: Without having the right answer for the member, that might be a good start to commence the process. Whilst the residential property owners have a time restriction to accept the valuations, the farming properties have a longer period if they have not already had the valuations done. I understand that there are 56 applicants under the farming business continuation option, which equates to about 217 properties. The number of applicants for residential properties is 132, which equates to 191 properties. That is quite substantial. Unless extra people are funded to do the work, I cannot see this being completed in the short term, although that is desirable. The number of valuations that have already been accepted by property owners and forwarded to Alcoa is 26. I understand the breakdown of that is five for the farming business continuation option and 21 for non-farming or residential. The number of valuations accepted by property owners in preparation to be forwarded to Alcoa is 11. Two of those are under the farming business continuation option and nine are under the non-farming continuation option. There is still a lot of work to be done there, which is an issue that the minister is aware of. I am quite happy to pass on those comments so that he can raise them with the company.

It is important that the government has been able to negotiate with Alcoa to get it on board to address these issues when the state agreement was changed. I imagine how difficult it would be for people in those areas if this type of agreement was not in place and if they were desperate to move out of the area. People should regard it as a positive that the agreement is in place. The comment that it has been a surprise to see the level of interest expressed by local people to engage with the supplementary property purchase program -

Hon Giz Watson: They want to get out.

Hon KATE DOUST: Maybe they do want to get out, but perhaps the increase was greater than expected and has caught people unawares. That is an issue that needs to be looked at. People need to acknowledge that the company has been through all the hoops in terms of getting the expansion approval granted. While some people may not be happy with that situation having occurred - some members of the community do not want the expansion to occur at all - there are other people who live and work for the company who are looking forward to the expansion. We need to keep in mind that the company is a substantial employer in our state. It is a company that has put into the local community huge amounts of dollars to support activities in the community. As I understand it, it also has a long-term sustainability program in the area for the next 20 years. There are lots of pluses associated with this. The problems people have referred to were dealt with during the 2004 inquiry by the Standing Committee on Environment and Public Affairs. I know that Hon Nigel Hallett raised a matter to do with a recent report that was tabled about emissions and airflows. I have not had the opportunity to read that report; I have read only a little bit about it in a newspaper. I do not know whether it is really telling us anything new from what we have already dealt with in the committee report about airflows and emissions. I am interested to look at it at some point.

Given the short period we have today to deal with this matter, it is important to note that the government has negotiated a good state agreement with the company. It has included matters that are of great importance to the local community. The government has got the company to agree to purchase the additional properties. That is a very positive move forward. As issues are coming to the fore now and being raised, the government will give

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consideration to raising them with the company. When the agreement was entered into by the company, it was trying to do what was fair and reasonable for the local community for all the people who lived down there. Perhaps it was looking for people to move out of the area on a fair and reasonable basis. This is one of the issues that Hon Barry House referred to that have come up after the event. I do not know what degree of consideration was given to those types of matters when the side agreement was being discussed. Again, it comes back to the level of interest that was anticipated from people in the area. Perhaps they did not anticipate that so many people in the farming community would seek to either move out of the area and continue farming elsewhere or not farm at all in the future. The matters the member has raised are relevant. I will happily pass them on to the responsible minister.

Debate adjourned, pursuant to standing orders.