

HOUSEHOLD COSTS INCREASES

Motion

HON KATE DOUST (South Metropolitan — Deputy Leader of the Opposition) [10.28 am] — without notice: I move —

That, noting the WA economy is continuing to grow, this house condemns the Barnett government for failing WA families by breaking election promises and imposing huge increases in family bills.

As we have seen in Western Australia, this is a state in which boom and bust have existed since Western Australia commenced its time as a state. We have seen Western Australia come through the global financial crisis in pretty good shape compared with the situation in some of the other states. We hear in feedback from the media and organisations that take a keen interest in these areas that WA is heading to an economic revival; we have only to look at what is happening again in the north of our state. I know that the Premier is reluctant to use the word “boom”, but we are certainly looking towards a very prosperous future again in Western Australia. Look at what is happening with Pluto, Gorgon and the development of a lot of iron ore mine sites in the Mid West. Our housing prices are starting to go back up and the retail industry is on the up and up again. All these things are very positive. I will reaffirm from very positive angles some of those things that are happening.

The Australian Bureau of Statistics in its Western Australian statistical indicators of December 2009 stated that unemployment was down to 5.2 per cent, and that further reduced to five per cent in February 2010. Our population is increasing at three per cent, the fastest over the past 12 months; our life expectancy is rising; our price and wage inflation are increasing; and our retail turnover is increasing. In its business outlook for December 2009, Access Economics noted that growth is projected through to 2013–14, that our housing and construction sectors are rebounding, that our consumer confidence is steady and expected to grow, and that major projects will provide extended expansion as they grow. The Chamber of Commerce and Industry of Western Australia has made a series of comments about what is happening in WA at this time. Its quarterly report from December last year noted that businesses have begun to hire more staff. The CCI regularly raises in meetings the issue of how we will deal with a skills shortage, particularly in the mining and resource sector. It expects the Western Australian economy to grow by 1.5 per cent this financial year, accelerating to six per cent by 2012–13. The CCI also stated that more than \$200 billion of major investment projects are in the pipeline for Western Australia, and it expects investment will return as a key driver of growth in this state over the next few years. It also stated in December last year that exports are expected to grow by 10.5 per cent in 2010–11, by 10 per cent in 2011–12 and by a further 10.25 per cent in 2012–13, boosted by the combination of rising global demand and increased capacity in the export sector.

Therefore, all these things are really good indicators that reinforce and reaffirm the fact that Western Australia has indeed come out of the global financial crisis in a good position and is moving forward and about to grow again, so a whole range of factors need to be considered. All these things are positive and we know that Western Australia thrives in these types of situations, but out of that we ask: what is the return to the community? Part of the reason for this motion is to outline how this government is failing the Western Australian community. Whilst all these great things are happening in WA, it is not actually flowing back into households in Western Australia. Households are paying the cost of this government’s mismanagement. Households now have to pay much higher electricity prices and much higher gas prices; in fact, as of today it is another seven per cent. Over the past few weeks a series of reports have come out of the Economic Regulation Authority about the increase in the number of people who have to seek financial assistance and financial counselling for both gas and electricity bills. We have seen an increase in the number of household disconnections in this state. I think that this week a report from the ERA referred to gas being disconnected from 17 000 homes. When we hear about all these positive changes and all these potential benefits for the state, it is a pretty sad indictment on this government that 17 000 people cannot heat their homes, turn the gas on or have a hot shower because they cannot afford to pay their bills. Therefore, not enough is being done to look after those people—there is not a solid plan. I know that Premier Barnett likes to be seen as a man of great vision; he is big on pipelines and talking up what will happen and he has these great thought bubbles about where we will go, but he has always been very poor on the detail. I think that is how this government gets caught up—the Premier makes an announcement that the government will do something, but he does not actually work out that there may not be enough money in the kitty to deliver on it or he has not worked out the long-term strategy of how it will impact the community. Therefore, I think those are real issues.

I am not too sure which minister in this chamber will respond to this motion, but I know that what normally happens is that this government reverts to the blame game. In the area of energy in which a lot of things that should have been happening are not happening and a lot of things that are happening are to the detriment of ordinary families, normally Minister Collier will come out and say that it is all the fault of Hon Eric Ripper or

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Hon Fran Logan or the Labor government—they did not do this properly or they did not sign off on things or we have problems with Verve Energy. They are standard mantras and we expect that. Otherwise, the minister will say, “I’m not impressed with what’s happening with the management of power bills getting buggered up.” My apologies; I do not know whether that expression is parliamentary. I should correct that.

Hon Norman Moore: It’s all right on the ABC.

Hon KATE DOUST: Is it?

Hon Norman Moore: They say it all the time.

Hon KATE DOUST: If it is all right on the ABC, it must be okay in this place too.

The Minister for Energy goes out and talks about how he is not impressed with this and he is not impressed with that and how he will look into this and he will look into that. However, I can tell members that, as a former union official, that is the sort of line I used to hear all the time from bosses—it is always on the never-never.

We want to see this government take some real action to deliver to families, and to translate the prosperity that is happening now and will happen over the next few years into real benefits for families and the Western Australian community. That is a real complaint. As we go through this motion today, members will provide quite specific detail about this government’s broken or deferred promises and how it has not passed on the benefits to the community. People are now suffering because of the increased cost burden on families due to increased prices in a range of utility areas that they cannot afford to pay. We now hear people on talkback radio say that, because they cannot pay their bills and have had their power or gas—and sometimes their water—cut off, they have to resort to eating cat food. I heard that on the radio—that is just disgusting. People in this state should not have to do that. When Colin Barnett was in opposition, he used to talk about how nobody in Western Australia should have to worry about whether they can have their heater or air conditioner on. What he talked about then is relevant today; therefore, we want to know what he is doing as Premier to ensure that everybody in this state has a decent standard of living and can afford to have their air conditioner or heater on without worrying about having their power cut off.

I will go through a few things that this government has not delivered on and I start with the energy portfolio. The minister is sitting on the other side of the chamber jotting everything down, and he will get up and do his normal dance of blaming us because he is not accountable. The minister is not the sort of bloke who is ever accountable for his own actions. We have to remember that this coalition government has now been in the seat of power for coming up to two years—for more than 18 months—so it has to be accountable; it cannot lay the blame. I remember very clearly that when I sat on the government benches, Hon Norman Moore as Leader of the Opposition would always tell us, “You’ve got to stop blaming us for what we did. You’ve got to stop; you’ve got to get on with it. You have got to be accountable.” I say that to government members: they have to be accountable for their actions and they have to start ensuring that every single person in this state can manage to have a decent standard of living. Although it is great that we have all these fabulous things happening, it does not mean a jot if people cannot enjoy the place they live in with a decent standard of living and be able to pay their bills. They should not have to endure the financial stress that vast numbers of people are under.

Let us look at some of this government’s broken promises. I have a long list, and I will rattle through some of them, starting with the upgrade of power lines. In government we made a commitment to ensure there was appropriate energy infrastructure in the state; therefore, the Labor government made a commitment for the 330-kilovolt line from Perth to Geraldton to be upgraded. It also made commitments—what is the minister nodding at?

Hon Peter Collier: You did not say that.

Hon KATE DOUST: The 330-kilovolt line from Collie to Perth has totally disappeared off the radar; I never hear the minister talk about what is happening with the 330-kilovolt line between Collie and Perth. I know that Hon Peter Collier is prepared to move on half of the power line from, I think, Perth to Eneabba, but we have not had any further news about how that is progressing. Those are all deferments and put-backs. We have had sharp and frequent increases in gas prices. I want to know from Minister Collier what happened to the \$780 million that Labor had budgeted for over a period of three years to provide assistance to families when tariffs had to go up. We do not know where that has gone. It has gone into the great big black hole that this government needed either to cut back for its three per cent efficiencies or to fund royalties for regions when it was sucking money out of everywhere. If that is that case, families have had to pay a huge price. This government talks about transparency and accountability and trying to save money, but it has spent something like \$14 million on consultants. In the area of energy, this minister’s solution to everything is, “Let’s have a review. Let’s set up a committee. Let’s bring in a consultant.” I must say that Mr Peter Oates has done very well from his connections to this minister. Mr Oates has recently picked up a tender of \$250 000 to implement his own report. I would like to know whether that was a closed or open tender.

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Let us talk about renewable energy. I know that the minister would like to have a further debate on that, and we will put a motion on the books.

Hon Peter Collier: It might get here next year!

Hon KATE DOUST: I think it might come up a bit earlier than that.

Hon Peter Collier: Speak to your colleagues!

Hon KATE DOUST: We might even debate it in private members' time on another occasion. I am happy to do that. It was really amusing last week when the minister made the re-announcement about the solar power stations in the north west, which were commitments that the Labor government had made. We set the money aside for that! The minister has reinvented the wheel. He has not done anything new in that area; he has reinvented the wheel. The minister is really, really good at reinventing the wheel. There is a lot more work to be done there, and I am happy to come back and debate that. I promise the minister that we will have that debate, and I look forward to it.

Let us talk about the pipeline for the South West. That was in the media last week. Thanks to Hon Ljiljanna Ravlich and her work with freedom of information requests, we actually got some information out of this government about what it was doing with the South West pipeline. We found that the advice to the government from the agency was that the initial \$225 million or \$250 million—whatever it was—cost was going to blow out and almost double.

Hon Peter Collier: No, it was not.

Hon KATE DOUST: That was the advice. I will show the minister the document. We were told that it would more than double, that there are access problems over where the pipeline would be placed and that there may be problems in town because people might have to pay for new types of facilities and changes in their homes. There are all these additional costs. What does the Premier do? He does not explain how he has costed his promise and how he will pay for the difference; he says, "Disregard that! We are just going to go ahead and do it." That is what happens when someone who has grand visions is into pipelines! That would not occur if the government had looked into the detail. However, this government does not get into the detail; it does not have the plans. Because the government has entered into a coalition of the willing with the National Party, it had to guarantee to the Nats a significant amount of money to pay for all sorts of things in the regions. I am sure that my colleagues will go through those in detail. It is disappointing that the Minister for Energy is leaving us, as I am sure there is more that I can say to him.

The PRESIDENT: Order! Members need to be a bit more careful about noting the movements of members around the chamber just to get a drink of water. I do not think that is a very sensible thing to do.

Hon KATE DOUST: Thank you, Mr President, duly noted, and I promise to try not to do that again.

Let us talk about plastic cows. I know, Mr President, that people in Margaret River really like plastic cows. I think it is a tragedy that this government is prepared to blow \$900 000-odd on plastic cows when we do not need them in Margaret River. I am sure you would say, Mr President, that Margaret River sells itself with all its wonderful tourism places—great vineyards, great surf and all those things. Why does it need plastic cows? Why could that \$900 000 not have been spent on police, schools, hospitals and all the other services? Why could it not have gone back into assisting families to pay their power bills?

Hon Mia Davies interjected.

Hon KATE DOUST: I have no difficulty with arts and culture.

Hon Mia Davies: As long as it is in the city!

Hon KATE DOUST: It is not about the city. I have always had concerns about priorities. Governments need to ensure that families are their priority and that families are looked after first. If this government can guarantee that everyone in this state can turn on their lights, heaters, air conditioners and taps without worrying about being disconnected, it can go out and buy its plastic cows for Margaret River. That is my view. The government should make sure people are looked after, and then worry about the cultural aspects. I would rather see people being fed, watered, warm and housed and not out on the streets. That is another issue. There are people on the streets. The government needs to solve those problems and then talk about art and culture.

The PRESIDENT: Order! The member should not provoke the Chair because I cannot respond.

Hon KATE DOUST: I am happy to have that discussion with you later on, Mr President.

At least people are engaging. There are some serious problems in this state and this government is not delivering. We have this massive opportunity in Western Australia and this huge resource boom is about to happen again;

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hundreds of houses for workers will be needed. Our own Deputy Prime Minister was in Western Australia this week talking about what we need to do to get more people into the state. As that happens, we will need to have more support for families. I do not think this government is capable of delivering that.

Members on this side will go through each of the government's broken promises. In fact, in these last couple of minutes I will kick that off so that people understand. I remind members about the broken promises on the Ellenbrook rail line; on the upgrade to the Coalfields highway—in fact, that was scrapped; on the WA state suicide prevention strategy—delayed; in health care, chemotherapy and radiotherapy outpatient services—delayed; on assistance for palliative and cancer patient services—delayed; and, on the hospital nurses support fund—delayed. I am only cherry-picking these things. And there is also Royal Perth Hospital—a great favourite of the Liberal government. The Liberal government said that it would provide \$20 million over the next four years! Guess what? That was unfunded—\$20 million was allocated in the midyear review and that has now been slashed by \$13 million. There is the environmental policy—a lovely one for the Minister for Environment—underfunded by \$24 million; and, disability services has been underfunded by \$4.5 million and delayed. The government has broken its promise.

Hon Donna Faragher interjected.

Hon KATE DOUST: Good to hear the minister's voice! I look forward to hearing from members opposite. We are going back into a period of great prosperity. We have amazing opportunities for this state. We should be able to guarantee that everyone can turn on their lights, run their water, have a warm or a cool house and have a decent standard of living. Our pensioners should not be resorting to eating cat food because they cannot afford to pay their bills! The government should be making sure that all these things happen, but it is not doing that. This government does not have a clear and coherent plan for moving forward. It has not organised that. I am looking forward to Minister Collier getting up and dancing his tune and telling us it is all the opposition's fault, but the minister has to start being accountable. The minister has to start providing answers and to stop the blame game. Everyone is getting very sick of that. The minister says that he enjoys this portfolio, but he has to start being accountable because people are suffering because of the decisions that he is making. The minister has to start delivering, not just talking the talk; the minister has to walk the walk and deliver for these families and make sure that they can have a decent and comfortable way of life in this state. The minister is not doing that.

The minister talks about Verve and our record on these issues. In the last few seconds of my time, I have a question for the minister about the Economic Regulation Authority, which gave the minister its 2009 annual wholesale electricity market report in February. Where is it? When is the minister going to table it?

HON PETER COLLIER (North Metropolitan — Minister for Energy) [10.49 am]: I was getting a bit worried listening to Hon Kate Doust's comments because I thought she was actually serious! Then I realised it was April Fool's day, and that puts paid to most of what she said. I say at the outset that the government will oppose the motion for a number of reasons. I say at the outset that I hear the same old mantra from Hon Kate Doust of "Where's your plan? Where's your plan?" I will speak very quickly because I have only 15 minutes, and I have so much to say. As I said, I would love a decent formative motion on energy—I really would! If Hon Ljiljana Ravlich would do the honourable thing and take at least half a dozen of her motions off the notice paper, we might get the chance to have one!

What about a plan? What about the previous government's plan on gas security and supply? Let us look at that one! Just before we came into office, there was an explosion up at Karratha at the Apache plant.

Hon Kate Doust: It wasn't our fault!

Hon PETER COLLIER: Pardon?

What was the plan of the former Minister for Energy, Fran Logan, MLA? Fran went up to Karratha, had a look and said, "Oops! It blew up!" That was it! The plan was to tell all the people in Western Australia to turn their heaters and stoves off. The Premier stood—trying to be statesmanlike—and told the public that they had to help overcome the problem. There was no plan!

As soon as this government came to power, a gas emergency management committee was established. It has made some tremendous recommendations that have been endorsed by government to ensure that we have a safe and reliable gas supply.

Hon Adele Farina interjected.

Hon PETER COLLIER: I listened in silence! I have 15 minutes and I cannot be bothered with the member's nonsense.

Several members interjected.

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The PRESIDENT: Order, members!

Hon PETER COLLIER: I will keep on talking the talk about tariffs, because the irresponsible attitude of the previous government was disgraceful. The former government should hang its head in shame! Because of what it did with tariffs, it has left a legacy that will be with Western Australians for decades to come!

Several members interjected.

The PRESIDENT: Order, members! We have obviously been in this place too long, because some bad habits are rubbing off. One or two very well timed, educated, sensible interjections are acceptable while we are listening to the speaker on his feet, but we cannot have four or five people interjecting simultaneously.

Hon PETER COLLIER: I have said this before, but I will say it again because it needs to be said, and the public of Western Australia understands this: for the entire period of the former Labor government there was no increase in electricity prices at all—none whatsoever!

Several members interjected.

Hon PETER COLLIER: From as early as 2002, when the previous government was talking about disaggregation and reforming the energy market, it said, “Help us! Come along with us! Be part of the process! Let’s all work together as comrades in arms and we will bring the prices down!”

Hon Kate Doust: You made it a condition of disaggregation to hold the prices down!

Hon PETER COLLIER: Does Hon Kate Doust know why we put that condition on it?

Several members interjected.

The PRESIDENT: Order, members!

Hon PETER COLLIER: I will quote Hon Eric Ripper, MLA, that great statesman of energy—he was probably the worst energy minister in Western Australia’s history!

Several members interjected.

Hon PETER COLLIER: In December 2002 he stated in Parliament —

These reforms will deliver substantial and sustainable benefits to Western Australian consumers and the economy, through greater competition and lower electricity prices.

In November 2003 he stated in Parliament —

... in other words, compared with what would happen if we were to stay with the status quo—electricity prices will fall by 8.5 per cent by 2010.

The website of the Office of Energy stated, prior to the disaggregation process —

The prospect for the longer term is for more competition, greater choice and cheaper power.

In June 2005 the former Premier stated —

After consideration of the matter, the government decided that it was not necessary, especially because we are going through a reform process that we anticipate and postulate will lead to lower electricity prices and the introduction of competition.

We—being a very honest, honourable opposition—said that we would take the government at its word and support the disaggregation process as long as it did not increase prices, which the previous government told us ad infinitum that it would not do.

Several members interjected.

The PRESIDENT: Order, members!

Hon PETER COLLIER: They are very unruly, Mr President!

Several members interjected.

The PRESIDENT: I can recall saying something just a couple of minutes ago about multiple interjections; I wonder if anybody else heard it.

Hon PETER COLLIER: I do not think they were interjecting on me; I think they were having a bit of a spat, and I ask them to show a bit more maturity!

Several members interjected.

The PRESIDENT: Order, members!

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Hon PETER COLLIER: We decided to support the disaggregation process because we took the former government at its word when it said that it would lead to lower prices—what a load of garbage! Lead to lower prices? Not on your life! That was said despite the fact that a Deloitte’s report commissioned by the previous government actually warned the government in 2002 that the disaggregation process would more than likely lead to increased prices.

Did the former Premier and the former Deputy Premier and Treasurer mislead the Parliament? More than likely, because they consistently said that disaggregation would lead to lower prices. It did not, and it did not lead anywhere near it. In fact, in early 2008 the Office of Energy provided its draft report on electricity tariffs, which stated that there needed to be a 72 per cent increase in electricity prices to get to cost-reflective levels. In response to that, a media statement released by the then Premier dated 4 April 2008 stated —

The State Government has rejected an Office of Energy recommendation increasing residential electricity prices by 47 per cent in 2009–10 and 15 per cent the following year.

Instead, Premier Alan Carpenter reaffirmed today that domestic electricity prices would remain unchanged for a further 15 months ...

Remember, this was in April 2008 —

There would then be a 10 per cent increase in 2009–10, with further annual increases to be phased in over a six to eight-year period.

Let us work it out: April 2008, 15 months—what might happen in between then and the 15 months? Does anyone have any idea? Perhaps a state election! There might have been a state election, so the previous government said that it would not increase electricity prices for 15 months—until after the state election—which added a further burden to the Western Australian community. That decision meant, of course, that if the electricity was not paid for then, it would not be at a cost-reflective level. They were not working with a user-pays system; they were actually bailing out Verve to the tune of hundreds of millions of dollars.

Several members interjected.

Hon PETER COLLIER: It was totally and utterly irresponsible!

Several members interjected.

The PRESIDENT: Order, members!

Hon PETER COLLIER: If the previous government had actually said to the public of Western Australia that it was going to raise prices to consumer price index level increases and perhaps a bit more, it would have worn it. If that had happened, we would not be stuck with having to have these phenomenal price increases to play catch-up. It is because of the irresponsible attitude of the previous government, which has left a legacy of debt in terms of electricity production.

One has to ask why the previous government did that. Why did it not increase the prices at a logical, say, five per cent per annum? That would have been logical and the Western Australian public would have worn it. When we were in opposition, I kept on saying that and I asked questions constantly about it, but Hon Eric Ripper, MLA, has now told us why. A very astute caller, David, asked on the Howard Sattler radio program broadcast on 4 March 2010 —

Eric, how does freezing the price ... how does freezing the price over seven years of these ... these rates, how does that educate ... or how does that educate the public with these immense increases in seven years’ time? Surely you’d have an incremental ... incremental increases, especially during a boom? Where is ... where’s the common sense?

ERIC RIPPER

Well, exactly. That’s what we proposed, David. We delivered people a benefit of the boom. We wanted to spread the benefits ...

CHRIS (CALLER)

I know ...

ERIC RIPPER

... of our amazing economic growth to people.

CHRIS (CALLER)

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There's already a boom, so people are getting more money. So you're not educating them to save the money. You're just saying: "Look, you're getting ... you're getting free electricity for the next seven years."

ERIC RIPPER

Well people, of course, didn't get free electricity. But David, you know, there were a lot of people that didn't win out of the boom, and a lot of people won't win out of boom that's coming. And it's a responsibility of the government to spread the benefits and protect people from outrageous utility charges if the government can, and we could.

It is unbelievable that the previous government, in a period of boom, did not raise the electricity prices; instead, it said that it would wait until there was a period of economic decline, when people are struggling and are in unemployment queues, and then it would raft up the tariffs. What sort of logic is there in that? That was reinforced by the shadow minister on the Sattler program on 30 March —

Sattler – But he will say, I'm sure he will say, remind us, that when your side were in office, that you artificially held prices down, now we are paying the price for that, won't he?

Several members interjected.

The PRESIDENT: Order, members! Hon Adele Farina, you will have a chance to contribute to this debate in the proper way.

Hon PETER COLLIER: Yes; so there!

Hon Kate Doust stated on the Sattler program —

Howard, at the time we were in a boom period. We had the benefit of that economic prosperity and prices were kept low, and people benefited from that.

What a load of rubbish! How economically and socially irresponsible is a government if it does not increase prices at cost-reflective levels in a period of economic prosperity, when people can pay for it, but instead waits until they have difficulty paying for it and then ramps up the prices? The previous government did not increase tariffs; it left them low and bailed out Verve. It was an absolute nonsense and totally irresponsible! Because of that we are left with a situation, Hon Kate Doust, where I have to increase electricity tariffs to bring them up to a remotely cost-reflective level. How are we going to get a competitive energy market if we do not have cost-reflective tariffs?

Hon Kate Doust interjected.

Hon PETER COLLIER: Even using the member's own mantra, she cannot argue against that; she simply cannot. We must get to cost-reflective levels.

There was a lot of scaremongering from the shadow Minister for Energy and from the Leader of the Opposition about how we will have massive increases in electricity prices. They both put out media releases about how churches, schools, hospitals —

Hon Ljiljana Ravlich interjected.

The PRESIDENT: Order! Interjections on the topic being discussed are half acceptable, but an injection such as that, which is completely out of left field and is directed personally at the minister, is not appropriate. I ask the Minister for Energy to please address his comments through the Chair.

Hon PETER COLLIER: Those two media releases point out that there will be massive increases in electricity prices. The midyear review outlines very clearly what we will need to charge to get to cost-reflective levels. If Hon Kate Doust does not know that, she does not understand the portfolio.

Hon Kate Doust interjected.

The PRESIDENT: Order! Hon Kate Doust has made her contribution, and there is an opportunity for a response at some later stage, but please let other speakers have their say.

Hon PETER COLLIER: Thank you, Mr President. Members opposite do not like to hear the truth.

We were faced with the prospect of having to impose massive increases in electricity prices so that we would have money to pay for things that the community needs. Our logic was that there was a significant increase in electricity prices last year of 26 per cent, and there will be an increase of 18.25 per cent this year. That is, of course, a significant increase. We are very mindful of that.

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We have chosen to do it that way. We could have done it the Labor Party way. I will tell members a bit about the Labor Party way. It took the Labor Party quite a while to say what it actually believes in. There was a lot of confusion about what the Labor Party actually believes in. But, finally, the Labor Party has zeroed in on increases in electricity tariffs of 10 per cent per annum. I will tell members what the impact of that will be. The impact of those 10 per cent increases per annum will be that by 2020 we will not be close to cost-reflective levels, and the bailout that will be required for Verve will be \$8 billion. That will mean that we will not have that \$8 billion to spend on schools and hospitals in Western Australia. Every primary school in Western Australia could be rebuilt with that money. Every secondary school in Western Australia could be rebuilt with that money. We could build three Fiona Stanley Hospitals with that money. If the Labor Party is serious about providing welfare and providing services to the community, it needs to understand that an increase of 10 per cent per annum will not take electricity charges to cost-reflective levels. But, not only that, we will have to pay out billions of dollars to bail out Verve. We have made the responsible decision that we will increase electricity charges. At the same time, over the past two years we have increased the hardship packages by over \$29 million to assist those least able to pay. As well as that, last year we also made gas eligible for the hardship utility grant scheme. Why did the previous government not do that? We have a plan. We are in close liaison with WACOSS. One possibility is that any future tariff increases will be on a tiered system. But we will do that only if we believe that that will assist those who are least able to pay. We have a very responsible plan. The Gas Tariffs Review is due to hand down its report in August of this year. That is looking at ways in which we can provide a more effective tariff structure. We are doing something that the previous government did not do. We are making responsible decisions on tariffs. Those decisions were ignored by the previous government. The legacy of that, of course, is that we are now faced with the prospect of having to spend hundreds of millions of dollars to bail out Verve.

With regard to the \$780 million that was mentioned by Hon Kate Doust, we pumped \$260 million into the Verve bailout. We are going to pump potentially another couple of hundred million dollars into the Verve bailout this year. Therefore, what Hon Kate Doust has said about that matter is abject nonsense.

I turn now to what other people have said about what we are doing. I refer first to a media statement from the Energy Supply Association of Australia. The statement is headed "WA Government to be praised for pursuing cost-reflective prices" and states in part —

The Energy Supply Association of Australia supports the announcement by the Western Australian Government that it will continue the program of making electricity and gas prices cost-reflective.

"The Western Australian Government is to be praised for making the politically tough decision to stay on track and reverse a decade of 'fool's paradise' energy tariffs," said esaa Chief Executive Officer Brad Page.

"Moving towards cost-reflective tariffs is an important step towards competitive energy markets, which demonstrably provide the best outcomes for consumers.

"This move is a step in the right direction towards that goal, as it is providing specific hardship measures to protect vulnerable consumers as separate targeted initiatives," said Mr Page.

Hon Robyn McSweeney will be outlining in more detail what we are doing to help people in hardship. I could give members plenty of other endorsements from around the energy sector. I will finish with this quote —

Renewable energy generation is invariably location-constrained because it can only go where the wind, solar, ocean, biomass or geothermal resources are available.

Network costs already make up about half the final electricity bill for households and small businesses in Australia.

These costs will come under further pressure as we confront the need to connect new renewable and gas generation regions to the existing electricity market ...

The reality is that all these costs have to be reflected in consumer prices in the future.

...

The fact is, state and territory regulators are now fronting up to necessary price increases, most recently the Independent Pricing and Regulatory Tribunal in NSW last week, and earlier in Western Australia.

That is from an article that was written by Martin Ferguson.

The PRESIDENT: Order! When the minister is quoting, Hansard has virtually no chance of picking up any of the dialogue when it is delivered at that rate. Members might like to keep that in mind.

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HON MATT BENSON-LIDHOLM (Agricultural) [11.05 am]: I support the motion moved by Hon Kate Doust. The sentiments that she expressed in her speech are very pertinent to this debate. Hon Kate Doust mentioned that the Western Australian economy is growing at a more than acceptable rate. She also mentioned a number of key performance indicators. She focused in her comments on people who are missing out on the growth that Western Australia is experiencing. I want to put a regional perspective on the issues that Hon Kate Doust has outlined, certainly in relation to election promises and the increases in family bills. I will mention a number of those in a while.

I believe that our economy is becoming increasingly reliant on a fairly narrow range of export activities. This is not just a Western Australian phenomenon. I think it is a national phenomenon. Mineral exploration and development has certainly become the focus of the Australian economy, almost to the exclusion of other industries. Although I fully acknowledge the role of the Chinese, Japanese and Indian economies in helping Western Australia to increase its gross state product and thereby provide a better quality of life for the people of this state, I contend that this may become somewhat unhealthy. I believe that we need to encourage greater diversification in our economy to increase our capacity to hedge against problems that might arise in those three countries that I have mentioned.

The global financial crisis has not had the damaging effect in Western Australia, and, indeed, Australia, that it has had in other parts of the world. Many of us would acknowledge that many European countries are basket cases at present. That is particularly the case in Greece and Spain. We all know how poorly the United States' economy has been faring. Why have Australia and Western Australia been able to weather the global financial crisis so well? There are probably many factors that I could mention. Certainly our stable financial position, the security of our banks and the federal government's stimulus package—and a bit of luck—have caused us to be positioned pretty well. But, as I have said, the burgeoning economies of China, India and Japan are of paramount importance to Australia and Western Australia. There is a message in this. The message is that Australia must start to diversify its economic base or perhaps situations such as those that prevail in the bush right now will get worse. I particularly note that at the recent meeting at Kulin, as is the case in a number of other communities in the Wheatbelt, concerns were expressed, particularly about input costs such as fuel, electricity and fertiliser. These costs are having a significant impact upon farmers and farming communities, and rural and remote communities in general.

There are other concerns, of course, but state governments cannot really have a great influence on matters such as the value of the Australian dollar. State governments can probably do little about bank foreclosures in a very much market-oriented economy, although they probably have some influence because of their ability to liaise with the finance sector. There are price and return issues. I have already mentioned input costs. Again, as a small economy, we do not really have a lot of control over returns in a market-oriented economy, but the fact of the matter is that farming families are under enormous pressures to survive.

One of the issues that have been raised about the survival of rural communities—it was mentioned last night by Hon Alison Xamon—is the increasing incidence of suicide. That is no better exemplified than in rural communities. I think the figures for Australia are that between six and eight people a day take their life. The issues that are occurring in rural communities perhaps give rise to concern, hopefully, among members of Parliament. Here is an issue that we really need to do something about. It is all very well to set up a new department for mental health with a minister, but more needs to be done. I am not saying that the government has broken any promise here, but when people go to an election and say that voters should vote for them because their policies are better, they are not just talking about mental health or agriculture; they are saying that they represent a better alternative in every respect to the opposing parties. When issues such as mental health arise, as they have, be they on account of the financial situations that prevail, it is incumbent on governments to act quickly because they are serious issues. The government cannot then start removing services from communities, be they in the metropolitan area, as Hon Alison Xamon outlined, the Wheatbelt or in the more remote parts of Western Australia. This is an area of significant concern to people, particularly in my electorate.

The Barnett–Grylls alliance should really see significant gains in other areas that are of concern to members of this house. I mention particularly education, law and order and health generally, but the reality in many instances is that, yes, things like royalties for regions have delivered better outcomes for the Royal Flying Doctor Service, but it is a patchwork job. I think we need to view the services provided in regional Western Australia in a more expanded context. Promises are one thing, but I would put it to government members that costs are up and services, in many respects, are down. As Hon Kate Doust has already mentioned, promises are being broken.

I do not have a lot of time left. Apart from mental health, may I make some very specific remarks? I do not know what ever happened to the “Road to Hope”—the Bremer Bay – Hopetoun road. The Minister for Energy was

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very voluble in his discussion on energy. I do not know too much about the Albany gas pipeline, but that was a big promise from the Liberal Party.

A very interesting concern is that of grain rail freight. I have some correspondence from a lady by the name of Jane Fuchsbichler, who is the WAFarmers Merredin zone coordinator. In correspondence to me she made a number of very salient points concerning grain rail freight. She wrote, among other things —

- There is a Government responsibility to ensure safety on roads for the general public.

She wrote —

- The upgrade of the narrow gauge rail network would increase efficiency and encourage grain onto rail.

She wrote —

- Why would any Government consider an option which will increase carbon emissions and encourage senseless waste of none renewable resources?
- Who is accountable for road trauma resulting from poor road conditions due to loss of rail transport?

She has a number of other issues. She certainly looks at the cost problems. A number of other issues stem from a very poor budget bottom line, which we are seeing through our current discussions, such as the non-funding of skeleton weed eradication and local government reform. Just quickly, if 139 shires are spending what the Shire of Kojonup has spent at \$52 000, it means that local government reform, before anything happens, costs \$7 million. That is outrageous.

HON ROBYN McSWEENEY (South West — Minister for Child Protection) [11.15 am]: The government recognises that not all families are prospering in this state. As with all governments prior to ours, it has always been the case. Every government should put in place initiatives to ease the burden on families. However, I remember the so-called recession that we had to have under the Paul Keating government and the horrific effect it had on families around the nation. It certainly affected people in Western Australia. Interest rates skyrocketed to about 18 and 19 per cent, and many families were forced into selling their homes. They were not only family homes in the city, but also homes in rural areas that were sold by fire sales. It was a time of great turmoil for many families. Generations of younger men and women now would never know interest rates of those proportions. That is thanks to a federal Liberal government and careful economic management. Most people who are buying houses now are buying at low interest rates. This can have an effect on low-income earners and certainly those who are on benefits. One of those effects is that people put money into an investment home for future benefits. They then rent that home out. Rents have been extremely high in the past, probably up to \$500 a week in Victoria Park. I believe they have now come down to a certain extent, but they are still very high for people who are on low incomes and certainly those who rely on income from federal government Centrelink benefits. We have seen in *The West Australian* today that the median house price in Perth is \$500 000. This does put more pressure on those lower income workers. Houses are sold-on for investors to make a profit. It is then very hard for people to find houses to rent.

Western Australia has both extreme wealth and extreme poverty. No-one would deny that. Non-government services are funded by state governments, some by federal government and some by a partnership of both. They do an absolutely wonderful job at working with people enduring hardship. They certainly do not judge or criticise those people. They look at what is happening to families to see the best way they can help them. The government provides funding through the Department for Child Protection. I will mention here that financial counsellors are absolutely critical to families who are having difficulties. I mentioned yesterday a little of what I am about to say today.

There is no doubt that this government is committed to providing support to people experiencing financial hardship. Under the hardship utility grant scheme, which was established in August 2008, this government has provided more household assistance than was the case with the previous government. In other words, the Labor government also recognised that many families were in financial hardship. I remember one case that I have mentioned on many occasions in this chamber. It involved a woman whose electricity was cut off in 2006 or 2007. Her children were using candles in the house and the house caught fire and she and her two children were burnt alive. The mother was found protecting her two children on a bed. Irrespective of which side of the house members sit, no member would ever want that to happen again.

Obviously, the Labor government recognised there was a problem with power disconnections and the Liberal government continued HUGS and, as I mentioned yesterday, contributed an additional \$16.8 million to that scheme.

The first eight months of 2009–10 has seen a significant increase in demand for HUGS. In this period, 4 247 grants to the value of \$1 410 406 were provided. As a comparison, 2 687 grants totalling \$859 481 were

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provided over 10 months in the 2008–09 financial year. Members can see from those figures that the demand for HUGS has certainly increased.

Hon Peter Collier pointed out that sometimes governments have to make tough decisions because of what a previous government did. The previous government thought that splitting the energy system in four would create a better electricity system for Western Australia. However, we have seen that fail.

Hon Kate Doust: It has not failed because this government made a decision to continue with it. Therefore, it obviously has not failed.

Hon ROBYN McSWEENEY: We have seen it fail.

Hon Kate Doust: It has not failed because this government is continuing with the scheme.

Hon ROBYN McSWEENEY: It is money that has been absolutely wasted. Hon Kate Doust referred to expenditure of about \$990 000 for cows and that that money could have been better spent. When I look at the money that was wasted on projects by the previous government, I am absolutely horrified by what I see, let alone going back to the future with WA Inc.

Hon Kate Doust: It is the past; not the future.

Hon ROBYN McSWEENEY: It may as well be the future.

Hon Kate Doust: You are good at playing the blame game. Nobody on this side has any connection to that.

Hon ROBYN McSWEENEY: I am not playing the blame game. I am pointing out that it had repercussions in the member's government, so much so that five ministers were sacked for inappropriate behaviour.

Hon Kate Doust: That was not because of WA Inc.

Hon ROBYN McSWEENEY: I come back to the package to assist families who find themselves in financial hardship. Already in place are a few assistance measures, including rebates, and the existing HUGS limit is to be increased to provide funding for financial counselling services; to increase rebates to eligible customers, including additional funding for air conditioning payments; the fridge replacement program; the hardship efficiency program; the public housing energy efficiency program; and the solar water heater subsidy scheme. Hon Peter Collier has just provided me with more detail on those.

The fridge replacement program is available to hardship customers in private rental accommodation.

Hon Kate Doust: There is nothing for people in public sector housing who actually need the help.

Hon ROBYN McSWEENEY: It does include assistance in public housing.

Hon Kate Doust: You said private sector rental.

Hon Peter Collier: Let her finish.

Hon ROBYN McSWEENEY: Electricity consumption by refrigerators is the second highest source of energy usage in the home, following heating and cooling requirements, which means that the installation of a more energy efficient fridge will make a significant difference to energy consumption by hardship customers.

The hardship efficiency program assists customers identified as being in financial hardship through the HUGS arrangement. I think that what the member referred to is through the HUGS arrangement. The hardship efficiency program includes energy audits and the provision of insulation, compact fluorescent light globes and water saving devices.

The public housing energy efficiency program focuses on the implementation of energy efficiency measures to public housing residences, including the installation of insulation, weather sealing and compact fluorescent light globes.

Hon Kate Doust: Why have there been reports in the media that public housing renters cannot access those things?

Hon Peter Collier: What reports?

Hon Kate Doust: There have been a number of reports on talkback radio.

The PRESIDENT: Order! This is a debate, not a conversation. One member is putting her point of view and other members will get the opportunity to put their point of view.

Hon ROBYN McSWEENEY: The delivery of hardship energy efficiency programs in regional locations aims to improve take-up rates of hardship assistance and energy efficiency measures in regional locations.

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The solar water heater subsidy scheme is aimed at fully covering the costs of installation of solar water heaters to hardship customers in areas that are not serviced by natural gas reticulation.

Complaints have been made that people cannot see a financial counsellor for up to four to six weeks. I checked this out, because the waiting time is two weeks in country regions. My research indicated that in the December quarter, approximately 57 per cent of applicants were able to see a financial counsellor on the same day following referral by the utility, with 29 per cent of the applicants being able to see a financial counsellor within 15 calendar days.

HON LYNN MacLAREN (South Metropolitan) [11.27 am]: I appreciate this opportunity to put the cold light of day on some of the election promises that this government made and how well it is measuring up. Hon Kate Doust's motion asks us to look at the huge increases in family bills. In examining the Western Australian Council of Social Service rising cost of living report, I found that since the last time it was measured—between 2007 and 2009—household expenses have increased by about \$105 a week; that is, an increase of 17.7 per cent. During the same period, income levels for minimum wage earners increased by \$41 or 5.15 per cent. Therefore, it is clear to see that the family budget is being stretched. Food has risen by 3.7 per cent; housing, 5.1 per cent; rents, 9.3 per cent; health services, 6.9 per cent; and education, 5.3 per cent. It is particularly pertinent to note that the kinds of goods and services to which I have referred form a large portion of a low income earner's budget. We see that gap getting ever wider. People who need to spend money on essential services have less money to spend on them, and the cost of these essential services is going up.

This motion is a good opportunity to review how well we are doing. However, it is also notable that, as I said in my inaugural speech some time ago, some things change and some remain the same.

The report titled "A Vision Beyond the Boom: WACOSS Pre-Budget Submission to the State Government 2007–2008" states —

The State economic boom, which has created a generous budget surplus, presents a unique opportunity to break the cycle of poverty for all Western Australians and to secure a 'fair go' for all. In its May 2006 Budget the State Government "*committed to ensuring that no Western Australians are left behind in the plan to build on our economic boom.*" The Treasurer announced increased funding to support people with disabilities, vulnerable children, seniors and volunteers, and women and children who are victims of domestic violence.

We can see that the issue of providing for families who are doing it tough in boom times has been a challenge for successive governments. It is important to hear from representatives of the former government about how they would approach this should they be in government again. So, let us have a good listen to the suggestions that they are making to the current government.

The increases to projects for disadvantaged groups that this government has put in place have been welcomed. The hardship utility grant scheme and the financial counsellors' funding were welcomed, the federal homelessness funding is even helping and we are about to see more Aboriginal housing in remote areas. There are therefore some elements that this government is improving on in helping families to cope with these financial stresses.

The big question for us therefore is: how can we make a boom benefit? There are several suggestions that have been put forward by the Western Australian Council of Social Service and by the Greens (WA). One particular suggestion is access to public transport. Transport is a key determinant of disadvantage. We would definitely invest some of the boom money into infrastructure so that families do not have to spend so very much on transport costs. We would also like to see some of the boom money invested in renewable energy infrastructure. We have seen moves in this direction but definitely more could be done so that families' bills are reduced.

The issue of building standards has come up. The cost of living can be dramatically impacted on by living in a sustainable house. We are a bit disappointed with the current government's lagging behind on these energy efficiency standards in housing. We will have an opportunity to talk about that next month when the rest of Australia lifts its game and we are left behind. These are simple things that we can do. They have been mentioned by the Minister for Child Protection in relation to public housing; however, as Hon Kate Doust mentioned, they are just taking too long. We need to invest some of the boom money to bring some of these houses up to standard on energy efficiency, and the priority should be to make public housing energy efficient to reduce energy costs for these struggling families.

Two other suggestions are to support a strong and thriving community services sector. As the Minister for Child Protection mentioned, that sector plays an important role in keeping families from becoming trapped in the poverty cycle. We believe, as WACOSS has asked for, that funding for non-government social services should be increased. In fact, the non-government sector has been asking for an increase in wages as it is so very far

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behind the rest of the community. As we heard in Hon Linda Savage's inaugural speech, women who make up a huge portion of the non-government services sector are dramatically underpaid. Poverty therefore is being perpetuated by this fundamental disadvantage.

The Greens support the increased funding for HUGS that the minister has announced and call for more funding for HUGS; we support expanding public transport, as I mentioned; and there is still a dramatic need for shelter for the homeless. We are not meeting the need for refugees and we are not meeting the need for supported accommodation in boarding and lodging houses, particularly single accommodation. Once this need for housing is met, these families can play an even better role in society by participating in wider activities, by being employed and by having a stable existence to send kids to school. I refer to providing simple things like a place to keep clothes dry so that they can get out in the world and play a part in the society to which they belong. We would therefore welcome the boom benefits being invested in these ways.

The previous speakers have mentioned the extent of funding of the arts and culture in rural Western Australia. I personally agree with Hon Kate Doust that it is important that essential needs are met, that people are housed and fed and that they have access to employment. However, I do not think we should ever lose sight of the value of the arts and culture to one's own wellbeing. The arts and culture is something that the state should be spending money on; we should question the proportion that we spend on the arts and culture; and we should be spending some money on arts and culture in the city as well. Although it is an important initiative to support families in the rural economy by providing arts and culture, it is a need that is felt throughout the city as well. I therefore welcome the opportunity to speak to the motion. Thank you, Mr President.

The PRESIDENT: I give the call to Hon Wendy Duncan. I know that other speakers want to take part in this debate but, to be fair to all the parties represented in the chamber, I have to try to allocate the time accordingly. I believe there are about four minutes left for this debate.

HON WENDY DUNCAN (Mining and Pastoral — Parliamentary Secretary) [11.35 am]: Thank you very much, Mr President, for giving me the opportunity to speak. I particularly want to speak on regional areas and focus on the part of this motion that refers to breaking election promises.

When it comes to dealing with regional areas, the election promises that were made by both the Liberals and the Nationals prior to the last election have been delivered in spades, particularly in regional areas. We can talk about the Pilbara revitalisation plan, where the \$300 million going into the Pilbara will provide housing and normalisation of life, which will have an almost immediate effect on families' bills. We can talk about the Ord-East Kimberley project. That project is providing and will in the future provide employment for Indigenous people and others in the Kimberley; that will put money in their pockets and help them with their family bills. There is almost \$31 million for the patient assisted travel scheme to assist people travelling to access medical treatment; that puts money in their pockets and helps them with their family bills. Services provided by the Royal Flying Doctor Service, Kalgoorlie Regional Hospital and Nickol Bay Hospital all improve the life of people in regional Western Australia and actually have an effect on assisting people in the regions with their family bills. Probably the most effective action by this government in helping people with their family bills has been the Country Age Pension Fuel Card. This government has spent \$80 million on that program to give some equity to pensioners in the regions who are not able to access free public transport.

Hon Kate Doust: Have they actually got it yet?

Hon WENDY DUNCAN: Yes, they have indeed. Not only have they got it, but also 27 000 cards have been issued. We are continually getting letters of thanks from regional pensioners who write to us saying how beneficial that program has been. It has enabled them to go their neighbouring town to see their general practitioner, to visit their son or daughter who has just had a baby or to go to the shops and conduct their daily lives. It has been an absolute boon to regional pensioners and it has been long overdue, considering the transport subsidies available for pensioners in the metropolitan area. The program has proved so effective and has been administered so well that it has given us the opportunity to review it in light of this forthcoming budget. There has been strong representation from other categories of pensioners wanting to access the \$500 fuel card that is available to country people who cannot access free public transport. I am very hopeful that this program will extend to disability service pensioners and carers and others who need it just as much as pensioners do.

There have been comments about the plastic cows in Margaret River. There is Sculpture by the Sea; if the metropolitan area can have that, why can we not have our plastic cows? The program has brought millions of dollars into Margaret River. It has brought people into restaurants, shops, accommodation houses and fuel service stations. Money has flowed through into the pockets of people who then gain employment and are able to pay their families' bills.

Debate adjourned, pursuant to temporary orders.

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