

Speaker; Mr Brendon Grylls; Mr Colin Barnett; Mr Terry Waldron; Mr Monty House; Mr Bernie Masters; Mr Eric Ripper; Mr Paul Omodei; Acting Speaker

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**WESTERN POWER AND OFFICE OF ENERGY BUDGET ALLOCATION, REGIONAL POWER CRISIS**

*Matter of Public Interest*

**THE SPEAKER** (Mr F. Riebeling): Today I received a letter from the Leader of the National Party seeking to debate as a matter of public interest the following motion -

That this House condemns the State Government for failing to recognise the severity of the regional power crisis in the 2004-05 budget allocation for Western Power and the Office of Energy.

If sufficient members agree to this motion, I will allow it.

[At least five members rose in their places.]

The SPEAKER: The matter shall proceed on the usual basis.

**MR B.J. GRYLLS** (Merredin) [2.54 pm]: I move the motion.

Page 199 of the Government's budget papers states that the community is increasingly demanding access to a reliable, safe electricity supply. If any member of the Government had been to our community meetings in Koorda or Jerramungup, or to any of the meetings that any of the members of the National Party have been to in our electorates over the past two years, such a member would have heard the absolute disgust of residents of regional Western Australia with the current level of electricity supply that they receive. The budget papers also state on the same page -

An ageing electricity distribution network in the regional areas in the south of the State, together with growing demand for reliable and quality electricity, will require the development of innovative and cost effective solutions.

We call on the Minister for Energy to outline what those solutions are. They were certainly not outlined in the budget. That would have to be one of the great disappointments of the 2004-05 budget. There is nothing in this budget to enable the Minister for Energy to show that he has a comprehensive plan to resolve this situation. The only indication is a dot point on page 205, which states as a major initiative for 2004-05 that the Office of Energy will -

Develop a multi-faceted policy approach for improving the reliability of power supply in country areas of SWIS and prepare an implementation plan.

We are a lot further down the track than to need an implementation plan. The Office of Energy clearly outlined what needed to be done with the south west interconnected system. The Minister for Energy clearly knows what is required in that area. This budget is bare on the number one issue in regional Western Australia. Despite the power crisis intensifying over the past two years, the Government has yet to seriously sit down to address this issue. Clearly, this is a budget of missed opportunities.

The Treasurer has taken great joy in proclaiming his budget to be a V8 budget. We find a V8 budget in the metropolitan area, but sadly there is no petrol available in regional communities. Why is petrol not available? It is because the power is out, so petrol cannot be pumped into the V8 economy.

Several members interjected.

Mr B.J. GRYLLS: That happens as soon as one gets over the hill. It drops out at about Swan Hills. This is an extremely serious issue for every person who lives in regional Western Australia. It has been neglected by this Government for two years. We had an opportunity to address it. The State is moving forward and the revenues flowing to the State are positive. The opportunity was there for the Cabinet of the Gallop Labor Government to direct Western Power to put money into the infrastructure network. That has simply not happened.

Several members interjected.

Mr B.J. GRYLLS: The budget papers state that the Government will support and develop initiatives for sustainable energy. I question how serious that commitment is when the Minister for Energy is reluctant to pick up a funding shortfall to give the Narrogin oil mallee plant the green light. I look forward to the member for Wagin using some of his time in this debate -

*Point of Order*

Mr C.J. BARNETT: The member for Merredin is addressing the Chair in trying to make his comments. There has been incessant interjection from the two members at the back. I respectfully suggest that the member for Merredin be given a reasonable opportunity to make his case.

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The SPEAKER: It is not only when the member for Merredin is standing that incessant interjections come from both sides of the House. That should not happen.

*Debate Resumed*

Mr B.J. GRYLLS: Thank you, Mr Speaker. I look forward to the two Labor backbenchers making their contribution to this debate, because I am sure that as country members of the Parliament they are also very concerned about power supplies in regional Western Australia, and would also consider it to be unacceptable that 44-hour blackouts are becoming the norm. I am sure they look forward to putting on the public record their concerns about the lack of funding for the infrastructure network in the budget that was handed down last week.

The member for Wagin will outline his concerns about the Narrogin oil mallee plant. We have been given some direction from the Minister for Energy that funding would be made available, but when it came to handing down the budget, once again the cupboard was bare for the Narrogin oil mallee plant. The Labor Government must recognise that many job-creation opportunities across the State are on hold because of the inadequate supply of energy. The technology of the Narrogin oil mallee plant has the potential to provide energy solutions for many communities. It is not just about Narrogin. As soon as the technology is proved, it could be rolled out to develop small-scale power generation plants across the wheatbelt to put the power generation in areas that need it the most: regional Western Australia, where the infrastructure is lacking. The lack of power supply in the Northam industrial park in Meenaar means that the Wickepin kaolin resource project has been put on hold. As many as 120 jobs have been lost to the Northam community, and flow-on benefits have also been lost. It is disappointing to note that that plant could be moved to the metropolitan area. Once again regional Western Australia has missed out on an important opportunity to drive industrial growth because of the lack of an adequate energy supply.

In Jerramungup the proponents of a \$4 million stockfeed-pellet mill are hindered by an antiquated power supply. The plant would add value to the high-grade crops produced in the region and would produce up to 30 000 tonnes of stockfeed pellets a year. That would benefit the entire south coastal land division from Mt Barker to Jerramungup. Once again, the biggest obstacle to that project is the power supply. Tapping into the Western Power grid or natural gas and renewable energy sources are not viable options. The proponents are left to consider using a diesel-powered generator. This is the situation in regional Western Australia. The proponents of innovative projects to drive economic growth in the regions - something I am sure every member of the Labor Party would support - must fund their own electricity supply before they can even get to the stage of funding their projects. That is not acceptable. We must stand up time and again and bring it to the attention of the minister. The matter of public interest today is based on the fact that, although there was opportunity in this budget to put money into the infrastructure network, the minister has missed that opportunity.

It is obvious that the great southern needs a power supply to develop. The lack of infrastructure is hindering development. Over the past two days during the budget debate we have heard the members for Albany and Mandurah talk about the great developments in their communities. It is important that Albany and Mandurah develop. However, a great divide is emerging between the coastal communities such as Mandurah and Albany, which are being pump-primed, having money spent on infrastructure and are getting projects off the ground, and other communities 100 kilometres inland, where all that disappears. Absolutely no money is being spent on infrastructure in those places, and any project that looks likely to get up is mothballed because of the lack of energy infrastructure.

My National Party colleague Hon Murray Criddle has a farm in Binnu that is one of hundreds of farms affected by poor power supplies in the north of the State. On the Monday before the Easter holiday his property lost power for 26 hours and a neighbouring property was blacked out for more than 40 hours. If I had more time to speak in this debate, I could name someone from every regional community from Kalbarri to Esperance who has suffered the same problem.

Mr C.J. Barnett: You have only to go to Toodyay.

Mr B.J. GRYLLS: That is right. The energy supply is in a crisis situation; yet, the Gallop Labor Government has done nothing to fix the problem. Members know how hard this problem is hitting home when even members of Parliament are suffering from this problem. At my family farm in Corrigin the fridge and freezer sit on a pallet so that when the power goes off, they can be loaded onto the back of the ute to be driven to our close family friends and neighbours to be plugged in. That is what it has come to. The freezer is loaded on a pallet. We are suffering from an absolute debacle. People have complained about the loss of products in their refrigerators and freezers. People in my office spend half the week arguing with Western Power trying to get compensation for people who have had equipment and foodstuffs damaged. People have lost power to drive their water systems. That is a very dangerous situation that could not have been highlighted more starkly than by the tragedies that occurred at Tenterden and Bridgetown earlier this year.

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People cannot rely on their automatic irrigation systems. They need mobile generators and alternative telephone systems. As members know, when the power supply is cut off from the new hands-free telephone systems, contact is lost to hospitals, ambulances and other important social services that country communities rely on so much. Computer-based work comes to a halt every time the power supply is lost. Small businesses lose their incomes and other opportunities and must shut their doors. Only this week residents in Bruce Rock lost their power supply for 24 hours. In September 2003 the Energy Safety WA office released a report that found that electricity supplies in Toodyay, Koorda, Narembeen, Corrigin and Bremer Bay are often below the benchmark standard for reliability. These standards are set out in regulations. The Director of Energy Safety subsequently set a program and recommended remedial action to Western Power. He noted that significant works are required to achieve acceptable standards of performance. Those standards of performance have been clearly put before this House for the time allowed for blackouts in regional Western Australia and for the duration and frequency of those blackouts. It was clearly put on the record for the Minister for Energy that nowhere in regional Western Australia are those standards being met. The standards put in place by the Minister for Energy are not being met in regional Western Australia. The Director of Energy Safety recommended a new Merredin terminal to Narembeen, a 132-kilovolt line and a 132-kilovolt substation in the Narembeen area to be completed in the near future. What are residents to expect in the meantime? What are they to do while they wait for the budget allocation that will enable the necessary infrastructure upgrade? That is where we are at. The money must be provided up front. It has been clearly spelt out that just under \$50 million is needed immediately and another \$50 million a year for the next 10 years is needed to fix the regional infrastructure network, but that money has not been made available. Some \$12 million has been provided to fix the problem, which means that about only one-fifth of the problems can be addressed. One in every five householders who ring the National Party to complain about their power supply can expect some relief - maybe - in the next 12 months of this budget period. That is not good enough.

Western Power has made it clear that its capital expenditure plans make no allowance for remedial works on the scale of \$50 million that have been outlined by Energy Safety WA. If the Government were serious about fixing the State's power supplies, would it not commence those works immediately? Would it not use the budget surplus that has been driven by the State's very strong mining sector in the north west to provide a reliable electricity system for regional Western Australia? This was highlighted when the State was blacked out in February. Western Australians felt great anger towards Western Power on that single day. That was just one blackout. Country Western Australians live with that problem on a weekly basis.

Mr P.D. Omodei: Black Wednesday.

Mr B.J. GRYLLS: That is right. Large areas of Western Australia are not being provided with a safe and reliable power supply. The Government's indifference is insulting to not just a handful of people but to thousands of Western Power customers. These customers are not receiving the minimum level of service required under the minister's regulations. Time and again the minister has rattled off figures describing the Government's expenditure on regional power. The National Party now knows that the Government's investment is targeted to distribution chains along the coast where the greatest value market potential cost lies. High-cost, small-return parts of the south west interconnected system that services inland Western Australia have been given zero priority by this Government in the big picture of power generation. That is what this debate is about today. We understand that the downgraded infrastructure networks are in the area that requires the Government's community service obligations to be put into effect. Is that too much to ask? It should not be too much to ask for a reliable health or water supply system in regional Western Australia. It certainly should not be too much to ask for a reliable power supply system in regional Western Australia.

These inland communities are a key part of the State's agriculture industry. This year the grain crop alone gave the Western Australian economy a \$3 billion injection, yet it cannot get an adequate power supply. There is no power for the industry that generates \$3 billion for the Western Australian economy. With good, solid rainfall in the next week, we look forward to it delivering another \$3 billion to the economy. That is what we are about in regional Western Australia. We have driven the Western Australian economy since the settlement of this great nation. We are the ones who built the cities. Western Australia has been built on the back of regional communities, and now they have been forgotten and cannot even get a basic electricity supply. Western Power's long-suffering customers have been short-changed in the city-focused state budget of 2004-05. Transmission expenditure of \$138 million is focused on city works, such as the East Perth to Cook Street 132-kilovolt underground circuit, the East Perth terminal line, the Canning terminal 132-kilovolt line and the Rivervale substation upgrade. That is where the \$950 million that the minister spouts off about whenever the National Party raises this issue is going. It is going into the metropolitan area and the coastal corridor. Money needs to be spent on those areas, but it needs to be spent first in places where people cannot get basic power supply infrastructure. For all the Treasurer's talk about spending massive amounts of money to fix the system, these

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funds are not getting to where people need them most. At page 217 of the *Budget Statements* mention is made of the other transmission expenditure that provides for the construction of new lines and substations, and upgrades and enhancements to existing lines, substations, protection systems and communication facilities throughout the south west interconnected system. Why will the minister not say precisely where that money will be targeted? We look forward to the minister taking the opportunity in this matter of public interest debate today to clearly outline where those funds will be targeted. Why will the minister not specify how the \$12 million to address issues raised by the Energy Safety Directorate will be spent? People in the electorates represented by the Nationals are crying out to hear where that \$12 million will be spent. It is their number one issue, and still all we get is a broadband approach that will not target specific areas.

I will conclude my comments now to allow my National Party colleagues to make their contributions to this debate. There is no doubt that the power supply in regional Western Australia is the number one issue of concern. It has even passed health and education as the number one area needing government action immediately. The opportunity was there in this budget but the opportunity has been missed, and the Minister for Energy stands condemned for that.

The SPEAKER: Before giving the call, I point out to the member for Merredin and the Leader of the National Party that the Leader of the National Party actually signed the letter in relation to the matter of public interest today. I am presuming that the member for Merredin moved the motion on behalf of the Leader of the National Party. It is inappropriate for anyone to move on behalf of another member if that member is actually in the House. The net result of the way this has proceeded is that the Leader of the National Party is now precluded from speaking in the debate on this matter of public interest, because the member for Merredin moved it on his behalf. I suggest that in future the person signing the letter should move the motion on a matter of public interest. That is the rule.

**MR T.K. WALDRON** (Wagin) [3.13 pm]: I support the motion. The member for Merredin has hit the hub of the problem with many of the examples he has given. Last night in my contribution to the budget debate I highlighted some of the problems I see with Western Power. I acknowledge the increase in the state budget for the electricity system, but I also make a point about where it is directed. It is quite obvious that the major infrastructure development is once again being directed to the coastal areas. As the member for Merredin said, the inland areas, particularly those further east, are being affected continuously by this problem and need attention, but they have not got it. In my area, which is probably considered to be fairly central, there have been ongoing problems on the Kojonup south east line, the line south of Katanning, the lines around Yealering, those near Darkan and those east of Wagin. People from Woodanilling who were at the Parliament yesterday told me that people were without power for seven hours just last Sunday around Kojonup, Woodanilling and Katanning. The problem of damaged goods and damage to appliances is raised all the time in my office. It is an ongoing problem for everyday people from all walks of life, particularly those in more isolated areas who have young children. It is a real issue, and when it keeps happening cost is also a major factor. The Yealering roadhouse on the Albany Highway has constant problems. Last night I also highlighted the safety issues.

Early in my budget debate contribution I highlighted the situation around Darkan where, on a very bad day, a fire started. Through the great work of the bushfire brigade and a fair bit of luck, it was brought under control. I warned then that we were lucky to get away without serious injury or even death on that day. Unfortunately, a year later those very things happened in bushfires at Tenterden and Bridgetown. We must not ignore the safety issues. We have been calling for a priority plan to address this problem.

I will spend a bit of time talking about the Narrogin oil mallee plant, yet again. It is a crucial project that, for a mere \$600 000, could be brought up to the stage of proof of concept and actually be running. Already \$9.25 million or thereabouts of taxpayers' money has been spent on this project. It is a pilot project, but it is important to prove that it can work because so much hinges on it. Apart from the production of extra power, there are the environmental benefits, the carbon benefits, the benefits of eucalyptus oil and the thousands of mallee trees. Many farmers have already committed a lot of their money to growing these trees. With the continued lack of support from the Government for completion of this project, for the sake of a mere \$600 000, the projects will fail. It is a mere \$600 000 compared with what has already been spent. We worked hard with the federal Government and the State Government to try to get the \$1.4 million from the federal Government, which we got. We met with the minister. He did not give an undertaking to supply the \$600 000, but he gave an undertaking to try to find it the best way he could. I now learn that we are waiting on National Heritage Trust funding for that \$600 000. Once again the minister has shifted the responsibility to the federal Government, instead of meeting that \$600 000. We have received an extra \$1.4 million. The federal Government has shown its hand and put up the money to make sure it happens, but the State Government refuses to meet its share. This will put the whole project back. It is having a debilitating effect on the confidence of farmers in the project, so they stop planting the mallee trees, which is the very thing we need them to be doing. The minister gave the

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undertaking that he would try to find the money, and then once again he flicked it to the federal Government. That is not good enough and I ask the minister today to give us the undertaking to commence the project. We have the \$1.4 million so we can get on and complete the project if the minister will guarantee that he will meet that figure. I know the minister is not listening, but I hope he will read this later.

Before I finish, I will make a couple of other points about Western Power. I want to mention the Western power staff. I meet many of the linesmen who are in the field addressing the problems. These poor guys are working their behinds off. I really admire them because they are doing extra work that they should not be doing. They are the ones who are copping the flak at the coalface. They endure the abuse from the public, and the public also abuses them to me in my office. I try to tell people not to blame the workers. They are doing a great job, and I acknowledge the great work they have done trying to fix the problems that caused those fires at Tenterden and other places. They need a bit of support. One of the senior men at Western Power told me recently that more people are leaving because they have had enough. They are sick of copping the flak. The problem is not only that the staff are leaving, but also many of them are experienced people with great skills, and when they leave, the knowledge and skills go with them. We are losing skills and knowledge that we just cannot buy back. We are putting ourselves behind the eight ball for the next 10 years. We need to get real about this problem. We need a blueprint for country Western Australia, and we need to make sure that we prioritise those critical inland areas. Goodness knows, the National Party has highlighted enough over the past three years. It has led the fight on this since before the meetings at Koorda and Jerramungup. It continues to lead that fight and will do so until the matter is fixed because it is a major problem and we have not even discussed today the effect it has on new industry and the communities of Western Australia.

**MR M.G. HOUSE** (Stirling) [3.19 pm]: I will take a few minutes of this debate to make a few quick remarks and I will leave some time for my colleague the member for Warren-Blackwood to speak. There are some things that people in rural Western Australia by necessity have to look to government to provide. One of them is a secure and safe energy supply. I will take my few minutes to speak about the people of Tenterden and the terrible bushfire that was inflicted on them earlier this year by Western Power - one can only say that it was by Western Power. By a very simple method of safety it could have been avoided. The line takes a turn as it reaches the main junction of the road and turns south. If that piece of wire had been insulated, the fire would never have occurred, 40 farmers would not have been burnt out and two women would not have lost their lives. The effect on the community has been drastic. I do not see anything in the budget to rectify the problem. I do not see anything that will correct the simple problem that may allow the Tenterden incident to occur again. That is what concerns me. This time next year the Parliament and the Government may be faced with another one, two or more Tenterden fires that affect the lives of people and even, as in this case, take lives. That is the setting. It is an issue that the Government cannot afford to leave. The people down there have been wonderful. The response from farmers in surrounding districts has been wonderful. The tenacity of those people to fight back has been wonderful, despite the fact that they were hit with very severe winds last weekend that did more damage. That is another problem for them. It is up to the Government to provide the finance to ensure that the power supply is safe and secure and that an amount of money is in place to fix these simple issues. The problem is simple to fix. I repeat: the line needs insulated wire in places. In other places poles and wires need to be upgraded. I make that clear to the minister and put it on the record because it appears to me that he has not provided funds in this budget to allow that to occur.

**MR B.K. MASTERS** (Vasse) [3.22 pm]: Under normal circumstances I would prefer that this sort of motion not come before the House. I would have expected that, after three and half years of the Gallop Government being in power, something would have been done to correct the many problems that exist with rural electricity supplies. Sadly, after three and half years, very little has been done. For that reason, I reluctantly but strongly support the motion.

The question must be asked: after three and half years in office, why has the Government failed so badly to fix the rural electricity supply crisis that is so obvious throughout rural Western Australia? There is a simple answer, which is that the Government and the Minister for Energy have been wrongly focused on the disaggregation of Western Power over the past three and half years rather than working on the many real and significant problems of electricity supply in rural Western Australia. I commend National Party members, who have done a very good job today of explaining the problems in the wheatbelt.

I cannot let the opportunity go by without reminding the Minister for Energy of the many problems that people in my electorate and I have had to face and put up with. I remind the minister that I have made representations to him in the past on issues relating to electricity supplies to the Busselton and Capel light industrial areas. There is a preparedness by many businesses in Capel to share the cost of upgrading power supplies and transformer capacity. However, there was no support for such a mutually beneficial arrangement from Western Power because it would have put less money into its pockets. The end result is that the businesses in the Capel

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light industrial area chose to not upgrade their power supplies. A company called Harris Wood Machining in Busselton wanted an upgraded power supply. It was asked to commit so much money to what was a fairly straightforward power supply that it was cheaper for the company in the long run to buy a vacant block of land behind its business and tap into the transformer that provided power to that property. Again, an opportunity for Western Power to increase its electricity supply and the quality of its supply went begging. I remind the Minister for Energy that on the evening of the Rugby World Cup final, when the wife of the Premier, Mrs Bev Gallop, was opening an art exhibition in Busselton, the power went off. As a result, because it was during the second half of the final, it was very common to see people in Busselton, Capel and elsewhere listening to their car radios as the only way of accessing commentary on the final. That incident caused enormous disruption in my area. I received telephone calls from a wide range of people, including from people at a wedding that was seriously disrupted. Food had to be thrown out because it was not properly cooked owing to the loss of power. Some people were trapped in lifts. Their one-hour experience did not go down very well. Murray Scott, a dairy farmer in Capel, experienced three power outages in two weeks. Neil McDonald, another dairy farmer, finally managed to get an upgrade to an electricity powerline servicing his and two other dairies after three poles fell over. The stories go on and on concerning the problems faced in my electorate in the past seven years. Even when Western Power tries to do something good, such as bringing in the new powerlines from Waterloo to Busselton, there are still other problems.

Despite that, Western Power has some excellent people in the field. I am referring to the field crews, who do an especially good job working on emergencies. I also refer to people such as Brian Zanich, for whom I have enormous respect. I thank him for everything he has tried to do to help me in the past. All those people are severely hamstrung by policy that is written, or in some cases invented, by people in Perth, and by a lack of funding for the upgrading of all equipment, for the maintenance of existing equipment and for new equipment that must be purchased and installed to meet increasing demands from an area like my electorate.

It is with significant regret but a sense of commitment that I support this motion criticising the Government for its failure to recognise the severity of the regional power crisis that exists in rural Western Australia.

**MR E.S. RIPPER** (Belmont - Minister for Energy) [3.27 pm]: I find it remarkable that this motion is moved in the week following the presentation of the budget, in which \$1.8 billion is allocated for capital and operating expenditure on Western Power's network over four years. That \$1.8 billion expenditure plan over four years is almost \$400 million more than had previously been budgeted for expenditure on Western Power's network.

Let us examine the basic problem we have with Western Power's network. It is a network that, in many cases, was built decades ago. It is therefore an ageing network. When it was built it was designed for the lower power demands of that era. People today want to use more power because they have more varied and sensitive appliances. People also want better quality and more reliable power. In short, we have an ageing network that, in many cases, was designed for power demands that were lower, and for lower quality power than today.

There is a way of looking at the performance of the electricity network. It is through various reliability statistics that are kept by all electricity networks. There is a network reliability statistic known as the system average interruption duration index, otherwise known as SAIDI. SAIDI measures the total number of minutes for which on average a customer has no power during a year. There are problems with using SAIDI as the only descriptor of the network's reliability. The figures I am about to give the House for SAIDI are average figures across the entire network. They include the very good performance in the CBD, averaged with the much poorer performance in regional areas. I will run through the problem and then take the interjections from members opposite. Also, the SAIDI figures do not cover all outages. That became apparent to me when the Director of Energy Safety reported on customers' experiences. The SAIDI figures are based on information generated from Western Power's equipment relating to faults. The director pointed out that some of the faults customers experienced are not recorded by Western Power's fault-recording systems in the same way that customers experience them.

Also, there is the problem with all averages in that an average might mean nothing to a person who has experienced an extremely high level of reliability. The average is based on the experience of that person along with the experience of a very poor level of reliability. There are problems with using SAIDI as the only descriptor of the reliability of the network. Nevertheless, those problems have always existed with the system average interruption duration index. As those problems have always existed with the use of the index, we can use the index as a rough measure of how the reliability of the network has varied over the years. First, I take the interjection.

Mr P.D. Omodei: I think you have explained it. When does SAIDI kick in? In other words, does it take into account when a person reports the outage? A lot of outages are not reported because farmers in particular presume that neighbours have reported the outage. There are many.

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Mr E.S. RIPPER: Although I do not have the report of the Director of Energy Safety in front of me, I think he observed that a fault is not logged into the fault recording system when only one call is made about that fault. Two customers need to call before a fault is taken into account in the system. Nevertheless, these are not new problems with fault recording and reliability statistics; they have been apparent for a long time. The history of the system average interruption duration index contains a common series. We are well placed to make comparisons about the reliability of the network today compared with three, four or five years ago. The statistics indicate that a spike in unreliability occurs about every third year. It is a recurring pattern through the figures. It would appear to relate to events that occur on average once every three years. I read to members the SAIDI figures for each year as at the end of June starting from 1995. Obviously, the lower the figure, the better the reliability.

At June 1995, the figure was 144; at June 1996, 152; at June 1997 it jumped to 207 - one of the unreliability spikes - at June 1998 it was back to 149; at June 1999, 127; at June 2000, another spike, rising to 231; at June 2001, 134; and at June 2002, the first full financial year of the Gallop Labor Government, 110 - the lowest figure of the entire series. By June 2003, the figure had spiked again to 221 minutes a year as the average duration of total outage experienced by a customer. The figures have been compiled for the year to December 2003 at 215.

Bearing in mind the criticisms I have made of the correlation between SAIDI and customers' experiences, it can be seen that there has been no sudden deterioration in the reliability of the network during the period of the Gallop Labor Government. There is a consistent pattern over the decade: a SAIDI figure above 200 appears once every three years, and 2003 was one such year producing that spike in unreliability.

However, there is no doubt that when a customer experiences a lack of electricity for a long period, it can be seriously inconvenient to the customer, it can cost customers money, and, in some circumstances, it can be dangerous to people's health. We must take the entire question of the reliability of the network very seriously wherever our customers might be. The history of the index since June 1995 does not indicate that the situation has worsened under the Gallop Labor Government. It is seen that a spike in unreliability appears to occur every third year, and 2003 has been one such year.

Mr B.J. Grylls: You have spoken for 10 minutes. The MPI is about your budget allocation to Western Power and the areas of the south west interconnected system that are extremely unreliable. Please explain to me how I am wrong and that more than \$12 million is to go to those areas most in need of the immediate remedial action. We do not get many opportunities; we have one today.

Mr E.S. RIPPER: The member for Merredin is like the member for Avon. Over the years the member for Avon has been in Parliament, I have found him to be a useful opposition member, as he interjects just at the right moment to move on in my speech. The member is obviously following him; I hope the member for Merredin performs better than the member for Avon in the future.

Let us look at the total expenditure on the network taking into account both operating and capital expenditure over the last decade or so.

Mr B.K. Masters: No.

Mr E.S. RIPPER: The member should wait a minute. I refer to the total expenditure on the network, capital and operating, over the past decade. In 1996-97, expenditure was \$187.1 million; in 1997-98, \$189 million; in 1998-99, \$233.5 million; in 1999-2000, \$307.4 million; in 2000-01, \$314.6 million; in 2001-02, \$278.8 million -

Mr B.K. Masters: A drop.

Mr E.S. RIPPER: Yes, it was, but look at the following year, 2002-03, with expenditure of \$327.1 million. The figure for 2003-04 was \$346.8 million. The forecast expenditure for 2004-05 is \$434 million; for 2005-06, \$444.8 million; for 2006-07, \$454.8 million; and for 2007-08, \$464.5 million. The effect can be seen of the decision made in this budget to substantially boost both capital and operating expenditure on the network. Members can also see from that history of expenditure that in our first three budgets our level of expenditure on the network was an improvement on the level of expenditure when the previous Government was in power. If members look at the last four budgets of the coalition, total expenditure on the network amounted to \$1 044 million. If members look at the four budgets that we have brought down, total expenditure on the network will be \$1 387 million. There is a significant increase in our four-year expenditure on the network compared with the coalition's four-year expenditure.

Mr B.K. Masters: Where are you spending that money?

Mr E.S. RIPPER: I will come to that in a minute. Let us look at the gross figures. Expenditure on the network in this forthcoming financial year will be \$87 million more than it was in 2003-04. That represents a 25 per cent increase on the 2003-04 expenditure and a 55 per cent increase on the 2001-02 expenditure. If members look at

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the last year of the Court Government, our expenditure on the network in this forthcoming financial year will be \$120 million more than the annual expenditure on the network in the last year of the Court Government.

Mr P.D. Omodei: That is a nonsense argument. The power is going out minister.

Mr E.S. RIPPER: The member says it is nonsense. However, two key points are advanced by the National Party and the Liberal Party with regard to the electricity system. The first point the Opposition argues is that the performance of the network has seriously declined under a Gallop Labor Government. The second point the Opposition argues is that performance has declined because the Government has not been spending enough money on the network. I have been able to show today that both of those key arguments are wrong. There has not been a serious decline in the performance of the network if members look at the history of reliability on the basis of the system average interruption duration index. What members do see across the years is periodic spikes and unreliability; there was one in 1997, one in 2000 and another in 2003. The first argument of the Opposition is shown to be without foundation. The second argument of the Opposition is that somehow or other this has come about - even though it has not come about - because we have been spending less money on the network. I have also shown that to be wrong because our four-year expenditure on the network was \$1 387 million and the previous Government's four-year expenditure on the network was \$1 044 million.

The National Party says the Director of Energy Safety has recommended that \$48 million be spent on trouble spots in the network and that the Government is only spending \$12 million. The Director of Energy Safety recommended that \$48 million be spent over seven years. The Government's black spot program for difficult parts of the network involves an expenditure of \$48 million - \$12 million a year - over four years. We have come up with better than the recommendations of the Director of Energy Safety for black spots in the network. That \$48 million over four years does not include \$5 million that we have already allocated out of other programs for the solution to one of the trouble spots pointed out by the Director of Energy Safety; the power supply at Bremer Bay. Over four years we will provide funding of \$48 million plus the funding from another program to fix the problem at Bremer Bay. We have given a much-needed boost to capital expenditure and operating expenditure on our networks, which is targeted at improved reliability, capacity, safety and quality of power. We want a much better performance from our network than we had in 2003, so we are going to spend \$1.8 billion over four years to get that. The way in which -

Mr P.D. Omodei: Why don't you use the annual figure for each year?

Mr E.S. RIPPER: If the member wants to look at the annual figure, in 2004-05, \$434 million will be spent on the network compared with the \$346.8 million which was spent in 2003-04 - an \$87 million increase.

It seems to me that the National Party has the view that there are real regions and then there are other regions. The only real region the National Party seems to think of is inland Western Australia. For example, it does not seem to see Esperance as a region. I chose Esperance with good reason because Esperance is represented by the National Party. In Esperance, we have procured an investment of \$106 million on improved power supply. Pilbara gas is going to the south coast at Esperance and there is a new gas power plant there. There is also a new wind farm there. We have made a \$106 million investment in power at Esperance. I think Esperance is a real region; it might be on the coast but it is a real region. Likewise, there is the question of Ravensthorpe. Just under \$1 million has been allocated for improvements to the line that runs to Ravensthorpe, and we have given a commitment to the Shire of Ravensthorpe that we will be putting in power plants at Ravensthorpe as the best solution to provide for the increased power demands arising from associated economic activity with the magnificent Ravensthorpe nickel project. That nickel project will go ahead supported by \$18.4 million of infrastructure investment in the underdeveloped south east region represented by the National Party but carried out with investment provided by the Gallop Labor Government. I happen to think that Ravensthorpe is a region too. We are also getting a new wind diesel solution at Hopetoun. Hopetoun is on the coast but it is a long way from Perth; I also consider Hopetoun as a region of WA. Bremer Bay is getting a wind-diesel solution to deal with the power problems there. Bremer Bay is on the coast, but I think Bremer Bay is a region too, and it is benefiting from investment.

I will not run through the full program for the expenditure of \$1.8 billion over four years. The public and the Parliament of Western Australia will see the way in which that program is to be implemented as we announce key elements of it in the next few months. However, I can run through a few of the projects that are occurring in the regions. For example, a project in the Gascoyne will involve a control and data acquisition system for the Exmouth power purchase agreement. In the goldfields-Esperance region there will be an extension to the west Kalgoorlie 33 kilovolt switchboard. I actually think Kalgoorlie is in regional WA as well. I have already mentioned that in that same goldfields-Esperance region there is the Hopetoun wind-diesel project valued at \$2.5 million. I have already mentioned the investment in the great southern for the Ravensthorpe-Gnowangerup feeder of a third voltage regulator. There is also money for voltage regulators at Tenterden and Tambellup and the Bremer Bay wind-diesel project. In the Kimberley, control systems are in place at Broome, Derby and

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Fitzroy Crossing. There is \$2 million for emergency backup generating capacity infrastructure for Kununurra. Kununurra is not quite on the coast but I think it is still in regional Western Australia. In the mid west there is \$8.5 million for the Rangeway substation. There is \$10.4 million for the Pinjar-Cataby-Eneabba line. In Peel there is \$10.1 million for the new Meadow Springs substation. I think that Peel is also a region, is it not?

Mr R.C. Kucera: Very much so.

Mr E.S. RIPPER: There is \$600 000 for interconnected works to connect that new Meadow Springs substation. In the Pilbara there are upgrades at Roebourne and Point Sampson. There is the Port Hedland underground project. There are distribution works on the Burrup Peninsula. In the south west there is the Muja-Bridgetown-Manjimup line, and a third transformer at the Margaret River substation. In the wheatbelt there is the construction of a new 28 kilometre branch feeder from Northam to York to improve capacity in the area. The voltage regulator is being relocated and a new interconnection is being constructed on the Brand South and Fewster South feeders. There is a new voltage regulator at Nungarin, and a new voltage regulator and recloser at Lake Grace. There is, therefore, a lot happening on Western Power's network. The \$1.8 billion will be spent over four years, compared with \$1.044 billion spent in the last four years of the coalition Government. There is a better than \$750 million increase over the next four years, compared with the last four years of the coalition Government. That sort of money buys a very significant amount of work on the electricity network.

I know that sometimes Western Power's internal prioritisation process means that projects that serve a small number of customers do not get up in comparison with projects that serve a large number of customers. Western Power has a rigorous internal prioritisation process, because although \$1.8 billion is a lot of money, there are a lot of needs on the network. That prioritisation process will, therefore, tend to weed out those projects that serve only a small number of customers. Consequently, we need an additional program so that projects for which there is a social need but no commercial justification can nevertheless be funded. That is what that \$48 million over four years is for; it is to meet those social needs when there is not necessarily commercial justification. I will be announcing in the next few months exactly what processes we will be adopting when determining which social needs will get priority in the next year and over the next four years. We have corralled that \$48 million over the next four years specifically to meet those circumstances that occur, particularly in inland regional Australia and Western Australia, in which there might be a social need but no commercial justification, according to the dictates of Western Power's internal prioritisation process.

I do not want anyone to misunderstand. It is not the case that inland Western Australia will get all of that \$48 million. A huge proportion of the electricity network is in inland Western Australia. Therefore, a very large proportion of the \$1.8 billion expenditure over four years will be in inland Western Australia. It is simply that we know that there is also a social need. That is why we have corralled the \$48 million over four years.

Mr P.B. Watson: Did it happen under the previous Government?

Mr E.S. RIPPER: It did not happen under the previous Government. There was no special program to meet social need and there was a lower level of investment in the network, yet under the previous Government there was virtually the same level of reliability and unreliability as is being experienced under this Government. The difference between this and the previous Government is that this Government has tackled the difficult issue, allocated the money and will do something about it, as opposed to the previous Government. Quite frankly, the National Party had no influence on energy policy under the previous Government. Energy policy was run by the Minister for Energy, now the Leader of the Opposition. He did not care about the regions. He did not take any notice of the National Party. In fact, National Party members were very weak about taking him on.

There is one other difference between this and the previous Government. This Government had the political courage to establish regulations governing the reliability and quality of electricity supply, and to give a public servant the independent right to criticise the performance of the government trading enterprise in meeting those standards. That was something that the previous Minister for Energy did not want to do. When I came to office as the Minister for Energy, following the state election, one of the issues that was presented to me by the Office of Energy was the long-overdue need to develop and institute the technical and safety regulations for the electricity supply industry, and to give the Director of Energy Safety the right to independently receive complaints and publish criticisms of the performance of Western Power.

Mr M.G. House: It is how you react to that that is important, is it not?

Mr E.S. RIPPER: We have reacted with this \$1.8 billion commitment over four years. We have recognised that the performance of the electricity network is not satisfactory. We have recognised that we need to deliver a better service to electricity customers across the State. We have put our money where our mouth is. We have made the commitment in the budget. That makes us different from the previous Government on this issue.

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**MR P.D. OMODEI** (Warren-Blackwood) [3.58 pm]: There is an old saying, "Lies, damned lies and statistics." The minister has come here today with something similar. He quotes global figures. The fact of the matter is that the rhetoric of this Government is not matched in the budget. Members may take it whichever way they like. The minister talks about \$82 million by way of capital contribution in this year's budget. The actual of last year's budget shows a \$58.8 million carryover into this budget. Therefore, the minister's \$82 million is really only \$24 million. The minister needs to understand that, rather than coming in here, filibustering and talking about gas in Esperance that got there because the previous coalition Government piped gas into Kalgoorlie, he needs to recognise that the system came within milliseconds of wiping out a whole town in the south west - that is, Bridgetown. If it were not for the aerial support that the Department of Conservation and Land Management had and the very good volunteer fire brigade officers, the whole town could have been wiped out. It was an act of God that it never happened.

The facts of the matter are that the infrastructure is in an advanced state of decay. The minister can blame anybody he likes. He can talk about billions of dollars in the forward estimates or billions of dollars over the past 10 years. Frankly, I do not give a damn; what I care about is that the transmission lines in Western Australia are in an advanced state of decay.

Mr E.S. Ripper: Do you support the budget initiative to spend more money on the network?

Mr P.D. OMODEI: Of course I do. If the minister analysed the new works in the budget, he would see that customer driven new capacity has an addition of only \$2 million, and that the underground project has only \$2 million. There is a \$5.7 million increase for generation; \$16 million-plus for emergency businesses, minus \$11 million for the non-interconnected system; a \$7.6 million increase for the underground power project and a \$37 million increase for transmission. That is a significant increase. However, when one sees that last year's budget was underspent, in a year when there were a number of crises around Western Australia - at Tenterden two people lost their lives, at Bridgetown we went within -

Mr T.K. Waldron: A whisker.

Mr P.D. OMODEI: A whisker! That is the word I was looking for. Thank God for that! We went within a whisker of losing nearly a whole town. It was very close. It was so close that it was unbelievable that it did not happen. Why did that happen? It was because there was a pear tree under a powerline. Western Power and the Department of Conservation and Land Management both said that it was not their tree. It went on and on. I can show members a whole lot of powerlines with trees growing beneath them in my electorate of Warren-Blackwood. I do not want to decry those men who go out in difficult conditions and restore power. They do a fantastic job. What reward do they get? They receive increased loadings, but that reward is taken away in tax. The minister should have a good look at the system average interruption duration index. He should do this little exercise; he should take his family to the south west to try to find a power pole that does not have steel reinforcement. The power poles are rotting. There are power poles with transformers that are leaning over by 60 degrees. They are still there in large numbers. The workers within Western Power cannot be pushed any further. The minister can come in here and talk about all the budgets that he likes, but the fact is that the budget does not match the rhetoric of this Government. We have a serious situation with failing infrastructure and power supplies around Western Australia, but particularly in the south west interconnected system.

Question put and a division taken with the following result -

**Extract from *Hansard***  
[ASSEMBLY - Thursday, 13 May 2004]  
p2948b-2957a

Speaker; Mr Brendon Grylls; Mr Colin Barnett; Mr Terry Waldron; Mr Monty House; Mr Bernie Masters; Mr Eric Ripper; Mr Paul Omodei; Acting Speaker

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Ayes (18)

Mr C.J. Barnett	Mr J.H.D. Day	Mr R.F. Johnson	Ms S.E. Walker
Mr D.F. Barron-Sullivan	Mrs C.L. Edwardes	Mr B.K. Masters	Dr J.M. Woollard
Mr M.J. Birney	Mr B.J. Grylls	Mr P.D. Omodei	Mr A.D. Marshall ( <i>Teller</i> )
Mr M.F. Board	Ms K. Hodson-Thomas	Mr P.G. Pendal	
Dr E. Constable	Mr M.G. House	Mr T.K. Waldron	

Noes (26)

Mr P.W. Andrews	Mrs D.J. Guise	Ms S.M. McHale	Mrs M.H. Roberts
Mr J.J.M. Bowler	Mr J.N. Hyde	Mr N.R. Marlborough	Mr D.A. Templeman
Mr C.M. Brown	Mr J.C. Kobelke	Mr M.P. Murray	Mr P.B. Watson
Mr A.J. Carpenter	Mr R.C. Kucera	Mr A.P. O’Gorman	Mr M.P. Whitely
Mr A.J. Dean	Mr F.M. Logan	Mr J.R. Quigley	Ms M.M. Quirk ( <i>Teller</i> )
Dr J.M. Edwards	Mr J.A. McGinty	Ms J.A. Radisich	
Dr G.I. Gallop	Mr M. McGowan	Mr E.S. Ripper	

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Pairs

Mr J.L. Bradshaw	Mr S.R. Hill
Mr W.J. McNee	Mrs C.A. Martin
Mr R.N. Sweetman	Ms A.J. MacTiernan

Question thus negatived.

The ACTING SPEAKER (Mr A.D. McRae): I advise members that the House is scheduled to sit late tonight. Dinner will be taken between 6.00 and 7.00 pm.