

Mr Colin Barnett; Deputy Speaker; Mr Eric Ripper; Ms Alannah MacTiernan; Mr Rob Johnson; Mr Matt Birney; Mr John Day; Mr John Hyde; Speaker; Mr Mark McGowan; Mr Ross Ainsworth; Mr Rod Sweetman; Acting Speaker; Mr Bob Kucera; Dr Janet Woollard

MINISTER FOR ENERGY, RESPONSIBILITY FOR ENERGY CRISIS

Motion

MR C.J. BARNETT (Cottesloe - Leader of the Opposition) [4.01 pm]: I move -

That this House condemns the Minister for Energy for failing to -

- (a) take responsibility for the energy crisis in Western Australia; and
- (b) discharge his fundamental duty to ensure a reliable electricity supply to all Western Australians.

There has been an enormous amount of public debate about energy and energy supply. I do not expect to pack the Chamber, but I suggest that members who are seriously interested in the issue should listen to the debate. They may learn a little about the history of the energy industry since 1995 and about the reality of the practical problems that must be dealt with, and then have a proper understanding of the events leading to what happened on Wednesday, 18 February when this State lost its electricity supply. On that day more than one million people faced restrictions on power; hundreds, if not thousands, of businesses closed their operations; tens of thousands of workers missed out on a day's work, and in many cases probably a day's pay; parents, mothers in particular, struggled to look after young children; and elderly people in nursing homes and in their own homes were confused, frightened and unsure what to do. Moreover, the events of that day had a damaging effect on the reputation of Western Australia. The reputation of Western Australia and every business, institution and organisation suffers if an essential and fundamental service such as the supply of electricity is not available. There were situations that resulted in surgery being interrupted, the discontinuance of air flow to patients undergoing surgery, people queuing for operations which did not happen and parents leaving their places of work to pick up children from childminding centres. Absolute confusion reigned. It poses the question: why did that happen? The answer is not simple. A range of factors impacted on the processes that led to the events on 18 February. However, in its most simple form, we had a couple of hot days. As the minister said yesterday, they were humid days. So what? I have lived in Perth all my life and it gets hot every summer. We get humid heat in February and March every year. This year the humidity might have been above the norm but it was nothing exceptional. It was not a wild storm, a catastrophic weather event, industrial action closing down the power supply, a power station crashing or a mechanical failure. It was a hot day with high humidity. In that circumstance, Western Australia - a sophisticated, prosperous and modern State in the twenty-first century - could not supply power to homes and businesses. That is a catastrophic failure of government and of Western Power as the government-owned utility.

What I found incredible in the aftermath of that catastrophe was that the minister did not accept responsibility. He and the Premier did all they could to deny responsibility and to blame others. Their excuses and those to whom they levelled blame changed on a frequent basis. I will go through some of the pitiful comments made by both the Premier and the Minister for Energy. They ran from accountability and from responsibility. The Minister for Energy, as I said yesterday, should have resigned. His failure to do so should have resulted in his removal by the Premier, if not from Cabinet, at least from that portfolio. That is not only my opinion. Channel Seven conducted a survey of viewers. A total of 5 800 votes were recorded in which 86 per cent expressed the view that the Minister for Energy should resign or be sacked and only 13 per cent said he should survive. That is what the public felt. It may not have been a scientifically based survey, but a response from more than 5 000 people would not be far off the true sentiment of the community, even though it was not randomly selected. A survey of 5 800 people, however collected, would be very close to the true measure of community sentiment.

Mr A.J. Dean: About 25 000 said Mr Watson should be the police commissioner as well. Would you go along with that?

Mr C.J. BARNETT: I hope the member for Bunbury will contribute to this debate.

Mr J.N. Hyde: Answer the question.

Mr C.J. BARNETT: We are talking about energy. A total of 86 per cent of people in this State, in response to information sought by Channel Seven, rang to say that this minister should be sacked. That is a pretty good indication of how the community feels about this Government and the performance of this minister. As I said yesterday and as I have said on numerous other occasions, the prime responsibility of the Minister for Energy is to ensure a reliable and safe power supply. That requirement is held high above all other measures. This minister failed to ensure a reliable and safe power supply for the people of this State. At the end of the day that is why he should go.

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I have a bit of time today and I will therefore go through some of the specific issues leading up to and around the events of 18 February. They will show an ineptitude and incompetence by the Minister for Energy and the management of Western Power during that period. I do not at all say this minister is solely responsible, but he is largely responsible and must, along with others, bear the responsibility; yet this Government, this minister and this Premier sought to shift the blame to anyone but themselves.

On that black Wednesday, 18 February, more than one million people suffered power restrictions and widespread confusion. Harm and damage were done to the community in the form of financial losses to business and lost wages to workers. Not one member of the Labor Party has stood in this place and put a case for workers who lost a day's work and a day's pay. The loss of a day's pay to people on low incomes, such as factory workers and those in trades, can be catastrophic and a real burden. Any member of this place who lost a day's pay would not notice it but people on low incomes notice it; mortgages must be paid, kids must be fed and so on. Not one member of the Labor Party appeared to give thought to that. All they were worried about was the political consequences.

I will refer to several issues. Issue No 1, which I referred to a little yesterday, is about the position of chief executive officer of Western Power. This is where the minister first becomes culpable. The minister forced David Eiszele to retire. As Minister for Energy I had clashes with David Eiszele. We certainly did not agree on everything. He was a strong-minded person. However, he had over 30 years experience in Western Power. He was an experienced engineer and manager, and he had the respect of the organisation, because he put the organisation and the reliability of power supply first. At the time the minister denied that he had sacked David Eiszele. He claimed that it had been a board decision and David Eiszele had resigned. It was only when correspondence finally came into my hands that we learnt that the minister had terminated David Eiszele. David Eiszele, a person with 32 years experience and service to this State in a public position, and a person who was probably in the last two years of his working life, was terminated by this minister. The reason he was terminated by the minister is that he dared to differ with Labor Party policy. David Eiszele differed with Liberal Party policies and with my policies on plenty of occasions, but never did David Eiszele believe when I was the minister that his position would be terminated. That is the difference. The Liberal Party governs and treats public servants with respect. This minister treated this 32-year serving chief executive with disdain and forced him out through termination. That is what the minister did. The minister should never come into this House and tell me how the Labor Party supports public servants and the independence of the public sector. The minister forced David Eiszele to get out. That was the minister's first mistake, because in doing that he took away from Western Power a person who had the experience and skill to manage the organisation properly and to ensure that power supplies were maintained.

Mr E.S. Ripper: Bring back Eiszele! Bring back Shave! Bring back Kierath!

Mr C.J. BARNETT: How stupid and incompetent the minister is to say that! That shows the minister's incompetence.

What did the minister do then? Having forced out David Eiszele, the minister replaced him with Dr Stephen van der Mye. I do not know Dr Stephen van der Mye. I have no doubt that he has great intellect, and great skill and knowledge in financial matters, and perhaps also in matters to do with energy markets. However, he has no qualifications or experience to run an energy utility. If the minister had wanted to employ Dr Stephen van der Mye he should have employed him as a consultant, not to run an engineering-based organisation that provides an essential service and has 3 000 employees. He was not the person to run the organisation. He probably did not even consider that to be his job, because, after all, his terms and conditions did not relate to that. He was appointed on a 20-month contract. That is no commitment to the long-term stability of management in Western Power. That is no commitment to the maintenance of power supplies. In fact, Dr Stephen van der Mye was given the task of breaking up Western Power. His riding instructions were to break up Western Power, and if he was successful in doing that he would get - cop this - on top of his \$455 000 package a success fee of \$45 000. I have not heard about success fees since the days of Laurie Connell, Alan Bond and WA Inc. This former chief executive was to get a \$45 000 success fee to destroy the organisation that he had been charged to manage. It is little wonder that the management of Western Power became totally dysfunctional. Dr Stephen van der Mye also received a housing and food allowance. As I said yesterday, his family lived in Melbourne, and he went back to Melbourne regularly on a Friday, and sometimes on a Thursday, and on occasions even on a Wednesday, and he had limousines take him to and from the airport. It is little wonder that Western Power fell into disrepair. Dr van der Mye was appointed by the Minister for Energy. That is the first critical point that led to the power failure of two weeks ago.

Mr E.S. Ripper: You know how it works. You are misleading the House.

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Mr C.J. BARNETT: The minister can speak later.

Mr E.S. Ripper: You are not telling the truth in this place on this matter. You are misleading the House.

Mr C.J. BARNETT: The minister can show me the documentation, because the minister did not tell all of the truth about David Eiszele either.

Mr E.S. Ripper: I always told the truth.

Mr J.N. Hyde: Who put in place half of the board members? Here we are! Take the blame! Did the board endorse the CEO? Did it make a recommendation to the minister?

Mr C.J. BARNETT: What a fool! I am not going to waste my time with people such as the member for Perth.

The contract terms and the appointment of Dr van der Mye were a farce. Has the minister learnt anything from that? No. The minister has now appointed Harvey Collins. Harvey is an old friend of mine. I have great respect for Harvey. However, he has been appointed CEO for only four months. Western Power is an engineering-based organisation. The minister needs to understand the nature of the production, distribution and sale of electricity. Harvey is a very competent financial person. However, he is not an energy utility person, which is what is required. Therefore, after three years of Labor, and after the mistakes of Dr van der Mye, we now have a four-month CEO. That is the start of the problem and a major contributor to it.

The second issue is the minister's absolute preoccupation with the break-up of Western Power. We have had in the past, and we will have in the future, debates about energy deregulation and reform. There are a lot of different ways in which we can go about that. The Labor Party is pursuing the break-up of Western Power. The Labor Party views that as a means to an end. I do not believe that is right, but that is not the point I am making. For the Labor Party, the break-up of Western Power became the sole objective of energy policy. The minister could talk about nothing else. The minister took his hands off the wheel. All the minister ever spoke about was the break-up of Western Power. However, the minister failed in his responsibility to properly manage Western Power and to ensure the reliability of power supply. The minister, in his preoccupation with the break-up of Western Power, ignored the need to ensure the reliability of power supply. He also ignored the need to ensure the safety of power supply, which is an issue particularly in rural areas. He also ignored the need for both long-term and short-term planning to expand the power system to meet the growing demand. All those things were ignored. The minister neglected his ministerial responsibilities.

Electricity supply is an essential service. This State has some special features that will impact on any move for deregulation. This State is isolated. It has no interstate connections, and it never will have. This State needs 30 per cent reserve margin. Western Australia is a large State the size of Europe. The gas is 1 500 kilometres away. The coal is closer, but the cost of the coal is three to four times the price elsewhere in Australia. This State has ageing power stations, with one-third of them being more than 25 years old. All of those are practical and real issues. This minister has never been able to grasp those issues. All he can say is that the Labor Party energy policy is to break up Western Power. That is it. That is as far as the minister got. The minister never got to intellectual square two. Energy reform and deregulation are desirable and necessary. However, that needs to be done in a managed and staged manner so that everyone knows what is going on. That also needs to be done in a way that will not threaten the reliability of power supply.

The minister would have this House and the public believe that there has been no energy reform in this State. I will not go through the history, but it started in 1995 with the splitting of the former State Energy Commission of Western Australia into Western Power and AlintaGas. Competition between gas and electricity was put in place. At the same time, the North West Shelf contracts were renegotiated and disaggregated. That led to a fall in the price of gas by 50 per cent in the Pilbara and 30 per cent in the south west. There was a phased deregulation of the gas market. By the time of the last election, 96 per cent of all the gas that was being sold in Western Australia was being sold in a contestable market. Yes, the pipeline was privatised in 1998 for \$42.4 billion, and the then AlintaGas was privatised in 2000 for \$973 million. In the period between 1995 and 2001 there was the total deregulation and, if we like, the total privatisation of the gas industry. That was done without the bust-up that we experienced two weeks ago. We can have deregulation, and we can even push it aggressively, but we need to know what we are doing, and we need to know what the results will be.

Deregulation of electricity under the coalition moved much more slowly for the simple reasons that it is more complicated, the contracts were in place and it is an essential service. It started in July 1997 with a phased deregulation allowing contestability. It started with customers for 10 megawatts, then five megawatts, one megawatt, 230 kilowatts and, finally, 34 kilowatts. Under the schedule that I established as the minister, which continued to apply until last year, 2 500 businesses in this State were in contestable markets. That means that 60 per cent of electricity sales were contestable. To suggest there has not been electricity reform is nonsense - 60

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per cent was contestable. Any of the large business consumers are able to buy and sell electricity. However, the market has to grow. It is more difficult and takes longer to grow the market in electricity. Market structure is an important issue. In 1995 Western Power had a total monopoly. Even today, on the south west grid, 80 per cent of generation is through Western Power and 20 per cent is private, which is mainly the alumina industry. The objective the coalition had in policy was that Western Power would grow by 2010 but comprise about 50 per cent of the south west grid. The private sector would grow to fill the gap. This minister talks about new private sector generation, but where is it? I have not seen it in the past three years. I will tell the House what happened between 1995 and 2001: 1 300 megawatts of new generation went into Western Australia compared with the south west grid of about 3 000 megawatts. It was very substantial. Of the 1 300 megawatts, 1 000 was private. Only 300 megawatts - the Collie power station - was public. Of the 1 300 megawatts, 1 000 was gas. There was a transformation, with the growth of private power generation and a huge shift towards the increased use of gas in our system. Gas is a cleaner fuel; it has about half the greenhouse emissions of coal. A transformation took place in our energy industry. It was an environmentally good one.

What about consumers? When these changes took place in gas and electricity, what happened to consumers? Business did not have a price increase during the eight years of the coalition Government. Allowing for inflation, businesses received a 20 to 25 per cent price reduction in real terms. Householders had only one increase of 3.75 per cent in 1997. There was a period of industry expansion, deregulation and price stability. The deregulation was happening at a more aggressive rate than members of the Labor Party ever recognised. Reform should continue because the job was not finished in 2001. It needed to continue. The great irony is that it has not happened under Labor. Despite all the speeches about breaking up Western Power and the need for reform, what has the Government done in three years? Zip! It has achieved nothing. It has not added at all to the energy deregulation that took place between 1995 and 2001. Reform has stalled under Labor because it has been preoccupied with the destruction of Western Power. It has ignored every other aspect of the industry. That is why we find ourselves in this position with energy policy degenerating to the objective of breaking up Western Power at all costs. It had its cost on one million consumers two weeks ago - on mothers with young children and elderly people.

The proposal to break up Western Power will cost \$153 million to taxpayers as owners of Western Power. It will cost a further \$26 million a year in lost profits to Western Power. The minister has never conceded that his proposal to break up Western Power will reduce the notional value of Western Power by \$500 million. Some believe it will be \$1 billion. As a friend said to me - I will not name him - why is Labor's policy to give it away to foreigners? What will happen to the \$500 million? If Western Power's value falls from \$4 billion to \$3.5 billion, what happens to the \$500 million? Have Labor members thought about that? Where does it go? The energy industry in this State is not worth less. It accrues through share price enhancement of private operators in the industry. The Government's policy is handing over \$500 million with no return to the people of this State. It is as irresponsible as the sorts of deals Labor got involved in during the 1980s.

Mr E.S. Ripper: What is the mechanism? How does it accrue? Come on, master economist!

Mr C.J. BARNETT: I will tell the minister.

Mr E.S. Ripper: Why would it prosper?

Mr C.J. BARNETT: Oh, be quiet and grow up!

I will tell the minister about the mechanisms. If Western Power were split into four parts tomorrow, the price of Alinta would rise significantly. The benefit would accrue to Alinta. That is not too bad; because of the way we privatised Alinta, it has a large proportion of Western Australian shareholders. The share price of potential entrants, particularly foreign companies, will rise. The \$500 million would accrue in large part -

Mr E.S. Ripper interjected.

Mr C.J. BARNETT: If the minister had the brains to be quiet for a moment, which I know is a stretch, he would realise it would accrue over time in profits taken out of this State by foreign-owned utilities.

Mr E.S. Ripper: Why?

Mr C.J. BARNETT: We will go through that. I will continue.

Several members interjected.

The DEPUTY SPEAKER: Order, members!

Mr C.J. BARNETT: The second reason was the complete preoccupation with the break-up of Western Power. It is little wonder that the support this minister received was from fairly narrow interests in the Chamber of

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Commerce and Industry of Western Australia and the Chamber of Minerals and Energy of Western Australia. That is the big business end of town. Why did they support it? Because their members were going to be the direct potential beneficiaries. There is no doubt about it. If challenged about it, they admit it. Those large companies in the energy industry are direct beneficiaries. Of course they support it; it is in the interests of their business and shareholders. They would be negligent if they did not support it. Where was the concern for the public of this State?

Mr E.S. Ripper interjected.

Mr C.J. BARNETT: Just be quiet for a little while!

The third issue is the lack of generation planning. It is a major reason for the failure. We are a growing State. Western Australia needs 120 megawatts of additional capacity every year in a grid of approximately 3 000 megawatts. It needs the additional generating capacity in the form of base-load, mid-merit or business-hours plant and peak plant. That needs to be planned and put in place.

Mr E.S. Ripper: Charlatan!

Withdrawal of Remark

The DEPUTY SPEAKER: I ask the minister to withdraw that remark.

Mr E.S. RIPPER: Of course I withdraw, Madam Deputy Speaker.

Debate Resumed

Mr C.J. BARNETT: Generation has to be moved on with the right timing with a balance of base, mid-merit and peak plant. We must also be conscious of the fuel mix between gas and coal. Let me talk about the coalition's record, which the minister will not want to hear. We got things done in this State. The goldfields gas pipeline was built with a string of private power stations along its length through the Pilbara and goldfields. Interestingly, on Wednesday, 18 February, there was a second pipeline that had the capacity to generate power in Kalgoorlie and send it back to Perth. That was due to the goldfields gas pipeline, which was built under the coalition. Mission Energy's co-generation project on the Kwinana strip and the Worsley co-generation project are also there. The Collie power station was built in 1998. It is a 300 megawatt power station. It was built with all the infrastructure to take a second 300 megawatt unit. Gas power generation, coal generation, gas pipelines and deregulation all happened under the coalition. What is more, the coalition put in place a plan for future generation. It was in place. It was agreed with Western Power, and it was agreed by Cabinet. I will tell members about that process. The first step was to replace old units at the Kwinana power station with combined cycle gas units, and to take the burning of coal from Kwinana, which was a major environmental benefit. That decision was made by the previous Government. The construction took place under this Government, and I am pleased that it did so.

The second part of the coalition energy plan was to have a gas generation, private mid-merit plant of 240 megawatts to come on stream in 2005, and 120 megawatts in 2006. The minister missed that opportunity. The third step was a base-load generation of 360 megawatts in 2007. I wonder what that generation would have been. It would have been base-load coal and unit two of the Collie power station. It was good long-term planning. Collie opened in 1998 and was on track for the second unit to be provided in 2007. A 10-year plan was in place. Sure - this Government could have changed the plan in that period; it could have brought something forward and changed another aspect. It was long-term planning. Everybody in the energy industry knew that there was a plan for power generation that included both Western Power and private investment. Where is that process now? It is in tatters under this minister. Industry has complained for two years about the lack of certainty on procurement policy. Who failed to progress that? The minister failed to put that planning in place. In fact, he constrained Western Power because it was to be broken up. Therefore, the Western Power Board of Directors could not sign contracts for long-term power supply from private generators, nor could they sign contracts for long-term gas supply. As company directors, they could not do that because they knew that the organisation they represented would not exist over the term of the contract, and they would be liable and responsible as company directors. It was a bleedingly obvious point the Government never understood. That is why the Government's appointments to the Board of Directors of Western Power said that they could not sign these contracts short of a ministerial directive. That is the reality. The minister did not even understand corporate governance. Again, that was a major failing by the minister.

Issue four was the minister's failure to deal with the pipeline issues. When the power supply problems arose, his first response was that it was a problem of gas supply and the gas pipeline; that is, it was all the fault of the former Government and former minister for privatising the Dampier-Bunbury natural gas pipeline. Let us look at the pipeline. Is there any significant difference between contracts to transport gas prior to privatisation and

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those drawn up post privatisation? Not much. They were always contracts. One did not just get a bit of gas out of the pipeline; it was always a contractual regime operating according to the prevailing rules.

The Dampier-Bunbury NGP was privatised in 1998. At the time, the Labor Party, through the shadow energy spokesperson, supported the privatisation. It is on the record in *Hansard*. Bill Thomas supported it. The minister can change his mind, but the Labor Party is on the record as supporting that sale.

Mr J.H.D. Day: They even tried to take credit for initiating it.

Mr C.J. BARNETT: They did. The now Premier, and then Leader of the Opposition, supported the sale. Why carry on like a pork chop today? It has been sold. Labor now has a different view. I accept that the Government has changed its mind. Let us see what Labor thinks is wrong with the privatisation.

First, the pipeline was sold for too much money. That is an interesting argument. When putting a house up for auction, is it said that a bid is too high and a lower bid will be accepted? That says something about Labor's finances. Why not take the highest bid? What a joke. Who was Epic Energy? It comprised El Paso and Australian institutional shareholders. It was a respected group of US pipeline operators and Australian institutional investors. They knew what they were doing. I thought they paid too much. As minister, I expected the sale price to be \$2.1 billion, but it was \$2.4 billion. It was a great result that allowed the Government of the day to pay off more Labor debts from the 1980s. What a stupid view is being expressed by the Labor Government today: the pipeline was sold for too much. Give Epic back the \$300 million then! What a foolish policy. The money from the pipeline was used to pay off a vast amount of Labor debt from the 1980s; to provide \$100 million worth of computers to our schools; and to contribute \$100 million towards the construction of the convention centre now being built on the foreshore in Perth. One takes the best price.

Members opposite tried to spin the argument by saying that the problem was the transport cost. The former Government did not take the theoretical highest price it could have achieved. When the decision was made to sell the pipeline, the cost of transporting gas was \$1.27 a gigajoule. If the price had been left at \$1.27, we could have sold the pipeline for another \$300 million or \$400 million. The former Government said there was a public interest in lowering the price of gas transport. Therefore, as part of privatisation, it put in place a transport price of \$1.27 in 1997; \$1.18 in 1998; \$1.09 in 1999; and \$1 in 2000. Thereafter, the regulator was to set the price according to the national gas access code that was being negotiated across Australia at the time. The pipeline was sold against a regime of a 20 per cent plus fall in the price of gas transport. There were no losers: everyone in Western Australia who bought gas as a major gas customer or a retail customer down the line benefited from the lower price in gas transport. The national access code came in, but a complication arose. When the Independent Gas Pipeline Access Regulator brought down his decision on gas transport charges according to the National Third Party Access Code for Natural Gas Pipeline Systems, he made a decision that the transport cost would be 78c a gigajoule. No-one expected that figure - it was way out of the ballpark. I do not blame the regulator necessarily as the code was untested at that time. However, the price was so far out of whack that it was unrealistic for Epic, and Epic's customers in Alcoa, Alinta and Western Power all knew the price was not realistic. What did the minister do? He failed to act. He sat on his hands and said it is up to the regulator and he could not get involved. As the Minister for Energy, he must get involved in such matters. When the minister sought my advice privately, I told him in private that he needed to extend the regulated price of \$1 for two or three years until the issues were sorted out. The minister went around saying that such a move would represent a rise in price for electricity. The transport cost was \$1.27, and came down to a \$1 - the regulator said 78c. Who paid 78c? No-one has, and no-one is paying that figure today. It never reached that level. The price today is \$1.02. People wanted reliability of supply and reliability of contracts.

The next explanation was the necessary expansion of the pipeline's capacity. The minister's response was that the previous minister was to blame because - cop this, Madam Deputy Speaker - both he and the Premier said that when Barnett sold the pipeline, he failed to ensure capacity was expanded. That is absolutely wrong. In fact, Western Power takes only 20 or 25 per cent of the gas coming down the pipeline. The major customers are Alcoa, Alinta and Western Power, and there is a group of smaller customers. When the pipeline was privatised, schedule 1 of the Dampier to Bunbury Pipeline Act 1997, which was effectively a prelude to the national access code, contained a clear requirement that the operator of the pipeline must expand capacity for firm capacity bookings. It seems the Premier and the current minister did not know that. That law went through Parliament when they were sitting in here handling the measure. The legislation was enacted. A group of customers in Worsley, Wesfarmers, CSBP Ltd and the South West Co-Generation Joint Venture called forth and signed up for further gas transport. That was post privatisation. Epic Energy, as required under the law, spent \$125 million on the stage 3A expansion. It actually spent that money and expanded. Had Western Power come in subsequently and signed a contract, it would have been bound to expand capacity. In fact, the requirements that I put in place are stronger than the national access code.

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Mr E.S. Ripper: And they did not work, because Western Power did make that approach.

Mr C.J. BARNETT: It goes on, my friend, because there are also other options for Western Power. Although it takes 25 per cent of the gas through the pipeline, it has only about 10 per cent of that pipeline capacity in T1 or T2 categories; in other words, firm commitments. Why did it not have more than that initially? It is because the Collie coal station had come on line in 1998. There was some slack in the system. A lump of 300 megawatts of coal came power in. It could rely more heavily on coal for two to three years, which it did, and less heavily on gas. Once those two or three years went by, it needed to commit to more gas and more gas transport, and firm up the structure of its contracts to more T1 and T2 categories. It did not do that. The minister did not even understand it. It is the Minister for Energy's job to make sure that those things happen. Western Power had the opportunity on numerous occasions to expand capacity and sign contracts. In fact, even now Western Power has failed to conclude its long-term gas transport contract with Epic, which has been in a hiatus since May 2003. Epic is saying that if Western Power had concluded that, it would have firm commitments in place for capacity expansion.

Mr E.S. Ripper interjected.

Mr C.J. BARNETT: It does not provide an essential service as Western Power is bound to do. Alcoa World Alumina Australia takes 40 to 50 per cent of the gas. It has more long-term, firm capacity than Western Power. The minister needed to firm up contracts and capacity. Again he failed on issue No 4.

On issue No 5, the minister failed to take notice of the warnings. As an energy minister, I was warned in the late 1990s that Western Power's distribution and transmission system was essentially 40 to 50 years old; it was ageing and problems would accelerate. I was warned quite properly, and the Government was warned. That is why we committed Western Power to a major program of upgrading over seven years. The minister might have changed his mind now, but he constrained Western Power's capital expenditure. He cut it back. Powerlines have fallen over in the country, and there have been pole-top fires. Maybe there will always be some of that, and there always has been. However, the minister slowed down an urgent program of maintenance and improvement.

The minister failed to heed the warnings about the fires this year. Surely that was a sign. The two fires in Bridgetown and Tenterden both related to Western Power issues. Power poles have been falling over in the past two years throughout the wheatbelt at an alarming rate. The minister even failed to heed the advice that Western Power gave him in November last year. I will read from the report the minister tabled yesterday. This report was given to the minister in November 2003, and it states -

Western Power experienced peak demand during the 2003 summer period of 2719 MW on 10 March 2003. System demand forecasts for the 2004 summer period indicate a potential extreme weather peak demand for the Western Power load area of 2770 MW.

While this is within the derated capacity of the portfolio, it leaves little margin for error and will be a significant undertaking for Western Power to achieve from a portfolio in which approximately 50% of the capacity is more than 20 years old.

Half the generating capacity was more than 20 years old. At that time it was too late to do anything about the generating capacity. However, the minister was warned of an acute situation this summer, and he failed to inform the public. As Minister for Energy, he should have gone to the public and said that we could potentially face energy shortages this summer. He should have negotiated contracts with major energy consumers. He should have put in place the interruptive provisions and extended them. He should have done all that work in November and December leading into the January-February peak. However, he did nothing. He did not tell the public about the threat, and he did nothing to try to mitigate the disaster that happened on 18 February. He absolutely failed in his public responsibility. On issue No 5 the minister failed.

Issue No 6 relates to the absolute fiasco of black Wednesday, 18 February. What happened? We had a couple of hot days, and it was humid. However, we have hot days every year. There was no mechanical failure or systems tripping out. There was complete incompetence in the management of a hot-day demand. There was no mechanical failure, no power station crashed and no transmission line failed. There was a failure to manage a hot day in Perth. That is what happened. Western Power placed an order in *The West Australian* of Wednesday, 18 February, headed "Urgent Power Restrictions Required". Confusion and chaos reigned in the community. People did not know whether they could turn on their airconditioners, parents did not know whether to send their children to school and workers did not know whether to turn up to their jobs. No-one knew what was going on. What did the Minister for Energy know? We know that he was told about this on the evening before, at about

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four o'clock. We know that he was told about it. Epic actually gave him some prior warnings that this sort of problem could occur over the summer.

Mr E.S. Ripper: Get it right. Four o'clock is wrong.

Mr C.J. BARNETT: Okay. When was it?

Mr E.S. Ripper: Five o'clock.

Mr C.J. BARNETT: That is different from the accounts I have heard. I heard 4.15 pm.

Mr E.S. Ripper: No, four o'clock is wrong.

Mr C.J. BARNETT: We will be interested to hear what Dr van der Mye says about that.

Mr N.R. Marlborough: You talk to Dr van der Mye, do you?

Mr C.J. BARNETT: I have never spoken to Dr van der Mye. I believe the minister knew at about four o'clock. The Premier certainly knew when he was at a cocktail function. He was having a glass of wine at the North Cottesloe Surf Life Saving Club. He knew about it. I will tell the House how I know he knew about it. The Premier was in my electorate launching a book when he knew this State was facing an energy crisis. I know that because he mentioned it to a guest at that function, who walked over to me and said, "Do you want to hear what the Premier just told me?" I first heard about it at the North Cottesloe Surf Life Saving Club. The Premier knew about it well before the evening television and radio news bulletins went to air that night. Why was the public not told? Why was the information not broadcast on news services? Why were special announcements not made throughout the evening on the television? It did not happen because this minister and that Premier chose to not inform the public. They thought they could tough it out, and they might be lucky and get away with it. However, they failed to inform the community. It was gutless and irresponsible to not tell the public of this State what was going on.

Mr J.L. Bradshaw: And the Premier wouldn't come out of that surf-lifesaving club to face the media. He refused to do it.

Mr C.J. BARNETT: Yes. Confusion reigned. During the day the ban was called off at about 1.30 pm.

Mr N.R. Marlborough interjected.

Mr C.J. BARNETT: I do not know. It was early afternoon. As Leader of the Opposition, I made a call that the minister should be stood down because he was incompetent and irresponsible. I called on the Premier to do that. About an hour later the ban was called off. Then what happened? The Government has denied this, but according to reports to my office from consumers of electricity, there appeared to be a series of rolling blackouts, because power went off in various suburbs, not at seven minutes past three but right at 3.00 pm. Western Power replaced the ban with a series of rolling blackouts. It may have had no choice in protecting the integrity of the system, but again the public was not told. This Government did not have the integrity to say that the ban had caused chaos and confusion and there would be rolling blackouts. It did not have the honesty or integrity to tell the public that, and the confusion continued to reign throughout the remainder of the day. Again, the minister failed.

On issue No 7, the Premier and the minister sought to blame anyone and anything but themselves. They blamed the pipeline operators, they blamed the previous Government and they blamed me. Yesterday they blamed the Bureau of Meteorology. Yesterday it was the weatherman who was responsible! Finally, having defended Western Power, the chief executive officer and the chairman, they came in like a front-end loader and sacked the CEO and the chairman. Why? They had to have someone for the members of the community to take their anger out on. Let us blame anyone except the Premier and the minister!

Let us look at a few of the comments that have been made about the issue. Some of them are interesting. In *The West Australian* of 20 February, the day after the power crisis, the Premier is reported as saying -

It's very, very clear who should accept responsibility in respect to the problems we have had; the chairman accepted that point, the board followed up in terms of the CEO, that's what should have happened and that's what did happen . . .

That is really decisive, clear thinking, is it not? What did the minister have to say on ABC radio? He said that he believed the problem stemmed from a lack of gas. In *The West Australian* of 19 February, the following day, the minister is reported as saying that the managing director has his confidence. In *The West Australian* of 20 February - this is a beauty; he is still talking about the CEO and the chairman - he is reported as saying that they

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have his absolute confidence until the moment they do not. Fantastic! Obviously Dr van der Mye did not! What a joke! What did Dr Stephen van der Mye say - the villain in the piece, the sacrificial lamb? *The West Australian* of 19 February reports him as saying -

They can call for my resignation and that's fine.

But the facts are that Western Power had every single piece of plant working.

What was the problem? It had not planned enough capacity. Every bit of plant it had out there was going flat chat. It did not have enough plant. It had not planned 18 months to two years earlier to ensure that it would have sufficient capacity to meet the demand. Who is responsible for that? The Minister for Energy is responsible for that.

Mr E.S. Ripper: That is just wrong. That is a totally wrong analysis.

Mr C.J. BARNETT: That is what he said.

Mr E.S. Ripper: The conclusion you drew is totally wrong.

Mr C.J. BARNETT: The minister sacked him in any case, so he is gone. What did David Williams say, the CEO of Epic Energy, which was also blamed? He said, "It was either me or Epic Energy." The *Sunday Times* of 22 February reports him as saying that the power shortage might never have happened had the Government, in the past three years, encouraged Western Power to sign up to new contracts beyond 2010. He is also reported as saying that this would have provided the financial security it needed to expand the pipeline's capacity and that the Government also failed to make the public interest argument to resolve the tariff dispute.

What did one of the business leaders in this State say? John Rothwell, the executive director of Austal Ships Pty Ltd, is reported as saying -

On one hand they are saying we're trying to spend money to attract industry to WA but if it gets hot we will have to close it down . . .

That is the comment of a leading industrialist. I could go on and on with the quotes. Yes, Dr van der Mye was an inappropriate appointment in the first place. He was sacked. Malcolm Macpherson, a chairman who was brought back to implement the policy, was sacked too. The Labor Party did not have any problem sacking David Eiszele, Dr van der Mye and the chairman of Western Power, but the one thing it will not do is sack the hapless, useless, poor-performing, incompetent Minister for Energy. Eighty-six per cent of people think he should be sacked.

Withdrawal of Remark

Ms A.J. MacTIERNAN: Members of the Opposition have sought the withdrawal of phrases far less inflammatory and insulting than that. I ask you, Madam Deputy Speaker, to apply some consistency to the rulings and not allow those statements to go unwithdrawn.

Mr R.F. JOHNSON: The Minister for Planning and Infrastructure is wrong. The word "incompetent" has been used in this House many times. It is not unparliamentary. She has used it many times herself. She is fully aware of that. It is perfectly within parliamentary standards to refer to someone's performance as hapless and incompetent. There is nothing whatsoever unparliamentary about that, and the minister should know better.

Mr M.J. BIRNEY: The language the Leader of the Opposition used was merely descriptive. It was not personally insulting. It was descriptive language based on the Leader of the Opposition's view of the way the Minister for Energy has been performing his role. The terms "useless" and "hapless" are descriptive and are not personally insulting.

The DEPUTY SPEAKER: The standing order is quite clear. If one is referring to the manner in which a job is undertaken, a certain amount of description is allowed. However, when a direct accusation is made, as in "you are", it is deemed to be unparliamentary. My understanding of the words that were spoken this time is that they were in the context of "you are"; therefore, I ask that they be withdrawn. Under the code of conduct and the standing orders, it is quite clear how one is to approach these issues. If it is a direct insult and seems to be a personal reflection, it is deemed to be unacceptable under the code of conduct.

Mr C.J. BARNETT: If I have used a term that is unparliamentary, I withdraw it.

The DEPUTY SPEAKER: I thank the Leader of the Opposition

Debate Resumed

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Mr C.J. BARNETT: I will summarise what I have said. The minister has failed in his duty as a Minister for Energy. He has been incompetent. He has not understood the energy sector. His performance can be described only as hapless, useless and not up to the quality or standard we expect of a minister. He should have resigned. At a minimum, he should have accepted responsibility for what happened.

Mr E.S. Ripper: Like you did in March and May 1994?

Mr C.J. BARNETT: At a minimum he should have done that.

Mr E.S. Ripper: You have no consistency.

Mr C.J. BARNETT: The Premier, who preaches standards of accountability, and it does not matter on what issue, whether it is the drink-driving record of the Minister for Planning and Infrastructure or the Attorney General giving an affidavit to a witness before the royal commission -

Mr E.S. Ripper: What about the Leader of the Opposition taking alcohol into an Aboriginal hostel?

The DEPUTY SPEAKER: Order, members!

Mr C.J. BARNETT: The minister will withdraw that.

The DEPUTY SPEAKER: I remind members of this House that we have adopted a code of conduct. They can see what happens when they start to make personal reflections on people in this place - the debate degenerates. I would like all members to be mindful of that code of conduct.

Withdrawal of Remark

Mr J.H.D. DAY: Madam Deputy Speaker, in the same context as your previous ruling on what is unparliamentary, I believe the comment of the Minister for Energy was unparliamentary, and I ask for it to be withdrawn.

The DEPUTY SPEAKER: I did not hear the comment.

Mr E.S. RIPPER: That matter was well canvassed in this House and I do not think my remark was unparliamentary, but of course I will be bound by your ruling on that matter, Madam Deputy Speaker.

The DEPUTY SPEAKER: I did not hear the comment. If the minister made a comment that was unparliamentary, I ask him to withdraw. My ruling applies to the whole House and is in the context of the code of conduct and members' personal comments about each other. Members are to refer to each other as members of this place and by the position they hold, and no other way.

Debate Resumed

Mr C.J. BARNETT: I will not react to that comment, but I note that it is similar to the comments that the minister has tried to portray in the media.

I will restate what I have said about this issue. We had a catastrophic failure of power supplies. It was unprecedented, and the only explanation was that we had a couple of hot days. There was a series of issues on which this minister failed in the events leading up to the power failure, and not just on the day itself. In fact, on every matter pertinent to the events of Wednesday, 18 February, this minister has failed. The minister failed with his inappropriate appointment of Dr van der Mye as chief executive officer. He failed as a result of his total preoccupation with splitting Western Power into four units, which is something he does not properly understand. He took his eyes off the ongoing operation of the energy industry in this State. The irony is that over three years he has achieved no reform at all; the reform has stalled under Labor. He failed in the planning of generation capacity. The procurement process has become a farce. I know that he is trying to get it back on track now, and I hope he succeeds, because it has been farcical for the past two years. He failed to provide even short-term planning for any summer period of hot weather. It is necessary to make sure 18 months or two years out that the situation is covered. Being covered means a 30 per cent safety margin. That has been the longstanding convention of power generation in this State because the grid is not connected interstate. The minister failed on long-term planning and short-term planning. The cost of that was the blackout on 18 February. The minister failed to deal with the pipeline issue. He stood around during the chaos of 18 February and tried to blame anything to do with the pipeline. He said that it did not have capacity, but everyone else said that it did. When it was privatised, the minister supported the privatisation. The privatisation had conditions for expanding capacity. They were put in place by customers other than Western Power.

The minister failed to intervene and resolve the uncertainty as a result of the Independent Gas Pipelines Access Regulator's decision - a decision which came down during his term as minister. I told the minister in good faith what I would have done. I told him that if he acted, he would not be criticised by the Opposition. All he had to

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do was to restore for a period of perhaps two years the regulated dollar while the problems of the access code were resolved. If nothing else, he would have saved all parties huge costs in litigation. He could have commissioned more capacity within the total capacity of Western Power. He absolutely failed to deal with a whole range of issues. Why? As we saw yesterday when he was questioned, the minister said that his role is policy and that he does not do hands-on work.

Mr E.S. Ripper: I did not say that.

Mr C.J. BARNETT: Yes he did. He said that he was not concerned with day-to-day operations.

Mr E.S. Ripper: You are misrepresenting me.

Mr C.J. BARNETT: I will find the quotes. If he did not say it yesterday, he said it in the past few days. The point is that he sees himself as so important a minister that he sits in his ivory tower and deals with policy. I am sorry, but a good minister makes sure that everything that is required is done. He makes sure that the gas capacity is in place, the procurement process is happening and that management is performing, and he demands action from the board and from the chief executive officer. He does not interfere with line management, but he is in there as the person charged with representing the owners - the community. That is the minister's role. This minister did not do anything on all of those issues. He was negligent. He failed to heed the warnings. He has failed to respond to the desperate need to upgrade transmission and distribution; in fact, he whipped \$20 million out of Western Power that should have gone into those upgrades.

There was then the fiasco of black Wednesday. This minister and the Premier failed to ensure that the public was informed. I do not care whether he knew at four o'clock or five o'clock; he had time to get news bulletins out and to get radio stations to make public announcements that night. It did not happen. It would have taken 10 minutes to organise. Western Power was capable of doing that. The minister could have got public notices onto media stations. It happens in the case of cyclone warnings or warnings about fire danger. The minister did not cause public announcements to be made on the radio or television that night. People woke up in the morning to a front-page story and an order from Western Power that they frankly did not comprehend. They were confused. This Government and this minister made no attempt to properly and responsibly inform the public. Even if the minister found out late in the day, he failed in his responsibility because the announcement was not made. I do not know what he was doing, but the Premier was with me enjoying the hospitality of the North Cottesloe Life Saving Surf Club. It was a great function, but, frankly, had I been Premier and known of the circumstances, I would not have been having a nice time at the North Cottesloe Surf Life Saving Club but would have been in Perth making sure that the public interest was being looked after, just as I did when I faced a crisis in power supply because of extreme storm conditions.

Mr E.S. Ripper: You refused to accept responsibility and you still do not accept responsibility.

Mr C.J. BARNETT: I accepted responsibility publicly and do so today.

The minister has sought to blame everybody else. He has failed. So long as he continues as the Minister for Energy, the people of this State will have no confidence in this Government or in the minister's ability to maintain a reliable power supply for the people and industries of Western Australia.

MR J.N. HYDE (Perth) [5.08 pm]: I am very proud to be speaking in this debate. It is important that we look at the motion as it is printed, which refers to power supply in this State. The previous speaker has diverted the debate to what has happened with power procurement over the past 15 to 20 years.

I want to speak from a personal perspective as a small business person who relied on electricity supplies around the State. For many years - certainly during the eight years of the previous Government - I was involved in a small business travelling from Wyndham all the way to the south coast and to various country towns. After a while it became necessary for me to buy a private generator and make sure that I had it on board because, for a variety of reasons, power would go. At the Dwellingup log chop there was a loss of power. Because of a lightning strike on a transformer in Denmark, there was a total loss of power. I did not call for the then Minister for Energy to resign. A lightning strike on a transformer can happen.

The only place I have seen mist is at Broome when there was no loss of power. Therefore, I have no experience of mist causing an interruption of electricity. At the Donnybrook Apple Festival there was a loss of power, so on went the generator. Because forward planning was not done, at Derby there was massive dislocation and problems with power supply. At the Boab Festival every year there was loss of power at the critical time when a mass of people were in town, because the planning was not done.

The previous speaker has spoken about the long-term planning the previous Government undertook. He revealed that there was a commitment for a 300 megawatt power generator in Collie, instead of the

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600 megawatt generator that was recommended and that would have involved a more efficient cost. Collie A power station is a 300 megawatt producer and the most expensive power generator in the southern hemisphere. Even the power supply in Chile that the corrupt dictators flogged off to their private sector mates is more efficient than the power supply resulting from the amazing deal carried out under the previous Government. The previous speaker spoke of the growing need for power generation from 100 to 130 megawatts a year. Where was the planning that should have been in place? It is similar to the position with the Liberal Government and the railway. There was not one centimetre of rail infrastructure but the State lost the Fremantle railway line, so the position was negative. The previous speaker, when Minister for Energy, presided over the closure of the alternative small-scale free power source that was generated at Wellington Dam. It is the only hydro-electric project in the world that has closed down because of water flooding. No money had been spent on maintenance or the upgrade of infrastructure.

The state power company in Tasmania, Hydro Tasmania, is investing in wind and a number of other power sources. In a debate last year, the previous speaker demonstrated that he had no idea that Hydro Tasmania was interested in wind power. Hydro Tasmania had knocked on his door to tell him that it wanted to come here to use wind as an alternative energy. The great tragedy of the eight years of the coalition Government is that we are now not enjoying alternative energy to anywhere near the degree to which we should be. This Government has to make the decisions and the investment and do the forward planning to ensure that we have reliable power in the future. We should not dwell on misty Monday when we lost power totally or on that day in February when some places lost some power. We should look at how we as parliamentarians can ensure that the State has a supply to guarantee the amazing future growth it faces, including the \$9 billion iron ore deal and the \$30 billion Chinese gas deal. The incredible six per cent growth that we predicted - greater than the two per cent the Opposition said we would have - has been achieved. We must make sure there is planning for the future to allow for that growth. Today's debate has been turned around to discuss that issue, and I thank the previous speaker for that.

The real issue is privatisation. "The Path to Privatisation" report has been tabled in Parliament. It was prepared when the Leader of the Opposition was the Minister for Energy and considering a sell-off. This report was clearly the beginning of the election campaign of the coalition Government, which is soon to be the Liberal-National coalition Opposition. Privatisation would have resulted in the Collie power station being flogged off. People in Collie would have been thrown out of work because of the coalition's policy of privatisation. We witnessed amazing hypocrisy from the previous speaker when he cried poor about the working rights of a bloke on \$400 000 a year who was suddenly chucked out of a short-term contract. He pined for the days of David Eiszele, a public sector servant for 32 years, when there were jobs for life. The previous speaker said that we should respect that sort of longevity and idea of a job for life. He was part of the mob that introduced workplace agreements and presided over the lowest wages in Australia. He was part of the mob that refused to raise the minimum wage. An actor in this State earned \$410, which was \$100 less than an actor anywhere else in Australia. The coalition Government would not raise wages for any workers in any sector; it would not raise minimum wages at all. It left people in poverty, but the Leader of the Opposition is concerned about a bloke who was on \$400 000 a year being put out of a job as a result of his performance. That is the Leader of the Opposition's priority. It is not the workers.

The previous speaker confessed that he was proud that he had committed only 300 megawatts of power to the public sector and that he had committed 1 000 megawatts to the private sector. That lousy 300 megawatts went to Collie A. There should have been a Collie A and a Collie B station. That had been recommended. If Collie B had been built, the coal supply would have been much more efficient. The capacity would have been there. It did not happen. Instead, the cheap-cheap option was taken.

I remember losing power when I was in small business. It was when the Big Day Out was on at Perth Oval. That occurred under the coalition Government. It was the biggest-earning day of my career. I sold ice in summer, so I liked the hot days, but we lost power on the biggest-earning day of the year. The power failure was not blamed on mist, heat or the previous Minister for Energy. What we wanted from the Government - and what we want from this Government - was a forward commitment to ensure that we had the capacity to deal with the growth of the State. The Leader of the Opposition used the excuse of mist. I do not know how bad the mist was in 1994. All I remember is that we lost everything. We lost all our power. There was not an earthquake; nor were there 300 000 lightning strikes on individual transformers. The whole system imploded. The Minister for Energy did not resign then. It is interesting that today's *Guardian Express*, my local newspaper, contains a column by Graham Mabury. He writes about Wednesday, 18 February, and states -

Later that day the weather bureau told us that Perth had endured its worst ever combination of heat and humidity.

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Mabury makes the point in his column that the climate has changed as a result of greenhouse and other effects. I remember growing up in Mt Lawley. If it got hot, we would sleep in the backyard on the couch grass. We experienced a dry heat then. It is different now. However, we do not dwell on or talk about the weather. We are concerned about power procurement, looking forward and meeting capacity.

I turn to the document detailing the plans of the previous coalition Government for the privatisation of Western Power. Unfortunately, if the electorate ever decides to go backwards to a coalition Government, this is what will happen. The recommendation to the former minister, the member for Cottesloe, is -

A partial float (up to 49%) possibly leading to a staged withdrawal from ownership by Government . . .

The justification is very interesting, and includes the figures that were provided by the bureaucrats - job-for-life public servants in Western Power. I assume that David Eiszele endorsed this advice. It is interesting that the previous speaker stated that David Eiszele was able to disagree with the coalition Government and that he was not hamstrung by the minister. The speaker said that the minister was not able to tell David Eiszele what to do. Yet, in another breath, the member for Cottesloe told the current Minister for Energy that he can tell the CEO and Western Power what to do. Either the minister was able to tell David Eiszele when he should tie his shoelace or polish his shoes, or David Eiszele had free rein to run a corporate entity. The member cannot have it both ways.

On page 7 of the coalition Government's privatisation plans is the David Eiszele-endorsed project. A trade sale is canvassed and a partial privatisation leading to a full, \$6 billion sell-off is recommended. The document states that the disadvantage of a trade sale is a change of management control, but that a float would allow the same management to remain. Under a float, the currently employed bureaucrats within an entity like Western Power would keep their jobs and conditions. It would be swallowed up by the mums and dads who are convinced by the advertising to put their hard-earned pensions into shares in a new private company. Those executive jobs would have been guaranteed. It says nothing about the workers; the real people producing power. The only job creation scheme we would get from a Barnett-Trenorden coalition Government is that involving the return of David Eiszele, Doug Shave and Graham Kierath. That is the troika; the job creation scheme for Western Power.

Mr C.J. Barnett: I hope you did not spend time working on this speech. If so, it has been a very unproductive day.

Mr J.N. HYDE: During question time today somebody wiped the floor with the member. The previous speaker was so rattled that he referred to the Northbridge shelf gas project. He had better read his *Hansard* proofs because that is what he said and he should correct it.

Mr B.J. Grylls interjected.

Mr J.N. HYDE: No; the Northbridge shelf project. If he had been a hands-on minister, he would have known it was the North West Shelf; however, the reference in the speech made a little more than an hour ago was to the Northbridge shelf. We think of the Northbridge tunnel. He thought they were drilling for gas, and Eric Charlton thought he was doing it for roads and a camera-free zone.

I return to the partial privatisation. Page 9 of the report states -

Partial privatisation generally leads to a complete withdrawal by Government from ownership . . .

That was the privatisation plan from a future Liberal-National Party Government and no denial has been made that it is off the agenda. Clearly, the lack of maintenance on the Wellington Dam hydro and the lack of commitment to alternative wind projects that are coming on board now under this Government -

Mr B.J. Grylls: What about the mallee trees?

Mr J.N. HYDE: Who started the oil mallee project? Which Government will produce alternative energy from a source such as mallee that will deplete salinity?

Mr B.J. Grylls: You mothballed it.

Mr J.N. HYDE: No, this Government has a massive commitment to sustainable energy. We are the mob that is designing and constructing. Mallees are being grown and buildings are there, unlike the 600 megawatts of coal that people in Collie were promised. Did they believe that? Obviously not. They kicked out a National Party representative because they were let down by the previous coalition Government which promised to build an efficient 600-megawatt generator - Collie AB. What did the previous Government do? It duded us with Collie A, the most expensive generator in the southern hemisphere. That is the legacy from the supposed forward planning of the previous Liberal Government. The previous speaker made commitments all over the shop.

The Western Australian coalition election policy of 22 January 2001, which also committed the Nats, stated -

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The Coalition will not privatise Western Power Corporation, though consideration may be given to the privatisation or joint venture development of an individual power station.

We were told by the member for Cottesloe on 7 November 2002 that if the coalition had been in power one of Western Power's generators would have been privatised by then. However, on 12 November 2002 - five days later - *Hansard* indicates that the Opposition was again trying to suspend standing orders to debate energy. If the Opposition had had its way, it would have debated energy, it would have shown us the light and it would have had the pre-hindsight that it has so much of now to tell us what was going to happen on 14, 15 and 16 February this year.

The member for Cottesloe has now announced that the Opposition would have considered privatising Muja or Collie power stations. Clearly, going into the next election, the people in Collie now know, and they will be reminded, that a Liberal Government means a privatised power station and that it will be at the expense of jobs in Collie. The lower-paid working people of Collie who were guaranteed respectable jobs will be the victims of privatisation. However, the "bring-backs" - bring back Eiszele, bring back Kierath and bring back Shave - will be there with jobs for life in a privatised Western Power to be floated.

Mr B.J. Grylls interjected.

Mr J.N. HYDE: The Nats can pipe up because the Nats agreed to higher electricity prices for businesses in Esperance.

Mr B.J. Grylls interjected.

Mr J.N. HYDE: Hendy committed the Nats and the Cabinet was rolled on it. People in businesses in regional WA paid higher electricity prices. It was only under a Labor Government that the universal service guarantee was introduced to bring down power costs for a number of businesses in Esperance and other parts of regional WA.

The responsibility for the future power supply in this State must be taken by the Government of the day. It is incumbent on this Government as a whole to provide information on how future power needs will be met. We have heard the confession of the Leader of the Opposition that we need at least 110 megawatts a year. Clearly, Treasury will factor that figure into an independent analysis before the election on the impact on the budget bottom line of the Liberal Party's commitment to those new power generators. It is very important to have that analysis. We will track it to make sure that our analysis and the result of Western Power's independent internal inquiry indicate the real needs of Western Power and that those needs will be met by future Governments. It is important that we carry out that analysis in an impassive, impartial and objective way. Our focus in this Parliament must be on the future and on building a stronger community in which people can prosper, jobs can grow and six per cent of economic growth can translate into jobs, better wages and security through a guaranteed power supply. It is important that our focus be on that and that we do not dwell on the horrendous mistakes of misty Monday, when all of WA lost power, or other minor interruptions since then. We must go forward and look to the future.

MR J.H.D. DAY (Darling Range) [5.25 pm]: What a waste of 20 minutes that was. I thought the Government would have at least dished up someone who might know what he was talking about on energy issues. We really should be hearing from the Minister for Energy at least, rather than listening to that drivel. I know that the member for Perth knows something about some things, but I do not think he can claim to know much about the energy or electricity industries in Western Australia.

Ms A.J. MacTiernan: He knows that the Leader of the Opposition will privatise it.

Mr J.H.D. DAY: Now the Minister for Planning and Infrastructure is putting in her two bobs' worth as well. That is just as much a waste of time.

I will deal with the subject of the motion. The Opposition has moved -

That this House condemns the Minister for Energy for failing to -

- (a) take responsibility for the energy crisis in Western Australia; and
- (b) discharge his fundamental duty to ensure a reliable electricity supply to all West Australians.

The appropriateness of the motion was very much demonstrated on black Wednesday, two weeks ago today, when the minister and the Government failed to fulfil their basic and primary responsibility to ensure reliable and safe electricity supplies were available to Western Australians. That is the primary responsibility of the Minister for Energy. The major energy source for most Western Australians, particularly in their households and

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businesses, is electricity. Gas also plays an important role, but electricity is the major essential service. That, above all else, is what the minister should be focusing on to ensure that reliable electricity supplies are available. As the Leader of the Opposition outlined comprehensively, the minister failed in that responsibility two weeks ago. He should be condemned for that and he should have resigned from his position as a result of it.

We know that the minister does not have responsibility for the day-to-day management of Western Power, but the buck stops with him and it is his responsibility to ensure that Western Power has in place both the management and the procedures to provide reliable electricity supplies.

The second major point that must be made is that the minister has been personally responsible for active neglect in his position, in particular because of the policy of the Labor Party to break up Western Power. The focus of the organisation, the Government, and the previous managing director in particular, has been to break up the organisation. That was Dr van der Mye's brief and the reason for his appointment. We do not criticise him for that. However, we criticise the Government for not getting its priorities anything like right and for having a simplistic policy that it sought to put into effect, and which I have no doubt was at least partly responsible for the failure of the system two weeks ago.

Mr M. McGowan: What policy?

Mr J.H.D. DAY: The policy of breaking up Western Power and taking the focus away from the main responsibility; that is, to ensure a reliable electricity supply is available and that there is enough fuel to generate the electricity needed.

Mr J.N. Hyde: It was managed two weeks earlier when half the pipeline was closed down. Either you are giving the Minister for Energy credit for what happened two weeks earlier or you are not.

Mr J.H.D. DAY: Was the member for Perth concerned about the privatisation of the pipeline?

Mr J.N. Hyde: Absolutely!

Mr J.H.D. DAY: I will come back to that in a moment.

Mr J.N. Hyde: Good, I am glad about that.

Mr J.H.D. DAY: We have seen not only lack of action but also what I would call active neglect in respect of the minister's duties.

The Opposition is supportive of further reform in the electricity industry in Western Australia. As the Leader of the Opposition has outlined, substantial change has been put in place over the past 10 to 12 years in Western Australia with the disaggregation of the former State Energy Commission of Western Australia into the gas and electricity corporations and the subsequent very successful privatisation of the gas industry in Western Australia. As much as that might be decried by the Opposition, it has produced substantial financial benefits to all Western Australian taxpayers.

Mr J.N. Hyde: So the three-way split is back on again? Do you support that?

Mr J.H.D. DAY: We have had 20 minutes from the member for Perth, and that was 20 minutes too much.

Mr J.N. Hyde: You have just crowed that you are committed to reform!

Mr J.H.D. DAY: We are.

Mr J.N. Hyde: Four weeks ago it was a three-way split. Is that back on? Tell the people of Western Australia!

Mr J.H.D. DAY: We are certainly supportive of that, and we will come out with a policy that does support, embrace and encourage further reform of the electricity industry in Western Australia. We have always said that that should occur. We are supportive of encouraging further competition in generation. That is where genuine competition is likely to occur. We are supportive, like the Government, of the private sector being more involved in providing competition in generation, so long as it can do it more cost effectively and at least as reliably as Western Power. If it can be shown that Western Power is more cost effective than the private sector, then in my view it should be given the opportunity of providing additional generating capacity.

Two weeks ago, when there was the catastrophe in electricity supply in Western Australia, the Minister for Energy blamed the problem on the privatisation of the pipeline, which had resulted in the owner of the pipeline not being able to invest in expanding the capacity of the pipeline. The Minister for Energy, who has now come back into the Chamber and may now hear what I am saying, blamed the problem that we experienced two weeks ago on the privatisation of the pipeline. Is that correct, minister?

Mr E.S. Ripper: When I speak I will give a full explanation of the interactions that occurred there.

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Mr J.H.D. DAY: It sounds as though the minister is doing a bit of backtracking.

Mr E.S. Ripper: There is no backtracking at all, but it is not possible to give a one-word answer to that question.

Mr J.H.D. DAY: The minister certainly did that two weeks ago when he blamed the problem entirely on the privatisation of the pipeline and the fact that it was owned by a private sector company that did not have sufficient financial capacity to expand the pipeline.

Mr E.S. Ripper: That is correct.

Mr R.C. Kucera: Were you aware of the privatisation report that the Leader of the Opposition had commissioned?

Mr J.H.D. DAY: There was never a privatisation report that the Leader of the Opposition had commissioned. There was a draft report - it does have "draft" on it - that was produced for Western Power.

Mr R.C. Kucera: Were you aware of that report?

Mr J.H.D. DAY: No, I was not, but am I alarmed by it? No, I am not alarmed by it. It was never government policy. A range of things are produced in government agencies that do not necessarily become government policy. Does the minister not understand that?

Mr R.C. Kucera: Were you aware of the report?

Mr J.H.D. DAY: That is another irrelevant contribution.

Mr J.N. Hyde: If you were the minister, would you direct the independent regulator to raise the price?

The SPEAKER: Order!

Mr J.H.D. DAY: We certainly would have produced a much more effective outcome than has been produced under this Government. Both the Leader of the Opposition and I, as shadow Minister for Energy, expressed our views.

The SPEAKER: Order! I am sure that the member for Darling Range will get through a lot more of his speech if he does not respond to the interjections. One member has made a 20-minute speech, and other members will have the opportunity to contribute in the proper way.

Mr J.H.D. DAY: Thank you, Mr Speaker. Let us put the lie to the claim by the Minister for Energy and the Labor Government that the problem of two weeks ago -

Withdrawal of Remark

Mr M. McGOWAN: The member for Darling Range just used the words "Let us put the lie to the claim by the Minister for Energy". In my view that is accusing the Minister for Energy of telling a lie. There is a range of rulings over the history of this House that that is unparliamentary.

The SPEAKER: Order! I heard that comment, but I do not agree.

Debate Resumed

Mr J.H.D. DAY: Thank you, Mr Speaker. I am not accusing the Minister for Energy of lying. I am simply saying that we should put the lie to the argument that the privatisation of the pipeline was responsible for the problem that occurred two weeks ago and that the previous Government was, therefore, indirectly responsible for that problem because it was the Government that privatised the pipeline. Certainly the privatisation of the pipeline occurred during the term of the previous Government. However, it was supported totally by the then Opposition. I will read some of the comments that were made at that time so that everyone will be clear in the future that there was bipartisan support for the privatisation of the pipeline. The then shadow Minister for Energy, the member for Cockburn, Mr Bill Thomas, said in this Chamber on 18 November 1997 -

I make it very clear from the outset that the Opposition supports the sale of the Dampier to Bunbury natural gas pipeline and welcomes it; in fact, it is pleased to be associated with it. The public record will reveal that the members on this side advocated the sale of 100 per cent equity in the pipeline 12 months before the Government got around to doing so, and our support of the sale has been unequivocal since then.

Therefore, not only did the then Labor Opposition agree with the privatisation but also it claimed the credit for it. The then member for Eyre, Mr Julian Grill, said in the same debate -

... the Opposition supports this legislation. In fact, it was the Labor Party that came to the conclusion some time ago that 100 per cent of this pipeline should be sold.

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Those were the comments of a former senior minister in an economic portfolio in the previous Labor Government up until 1993. Finally I will refer to an interjection from the then Leader of the Opposition and now Premier of the State, Dr Gallop, in response to a question from the then Minister for Energy and now Leader of the Opposition, the member for Cottesloe. The then Minister for Energy asked -

Will it -

That being the then Opposition -

support the passage of this legislation in this House this week and in the upper House during this session of Parliament, prior to Christmas, so that the sale of the pipeline can go ahead?

The then Leader of the Opposition, Dr Gallop, said yes. The then Minister for Energy then said -

I thank the Leader of the Opposition. That is good.

The then Leader of the Opposition then said -

We told you that before.

Clearly the Labor Party in opposition not only supported the sale of the pipeline but sought to claim the credit for it. Therefore, the comments from the current Minister for Energy have been shown to be completely hollow and false. The minister should explain completely that what he said two weeks ago was misleading and is simply an example of his thrashing around and trying to attribute the blame to anyone other than himself and his Government.

A debate has been taking place over the past two or three years about the electricity industry in Western Australia, and it is taking place in the Legislative Council to some extent this week in the debate on the Electricity Industry Bill 2003. I will give one example that sums up the absolutely shameful and disgraceful actions of this Government in respect of the electricity industry. I have mentioned in this House previously in the debate that took place last year on this legislation, but I need to make the point again, that the Government claims that it is seeking to lower prices for electricity consumers in Western Australia, in particular, business consumers. The Liberal Opposition agrees that electricity prices are higher than is desirable. We believe electricity prices should come down, and we believe they can come down. On 2 August 2002 it was reported in *The West Australian* and *The Australian Financial Review* that Western Power intended to reduce electricity prices by 10 per cent over three years for 65 000 small to medium-size businesses in Western Australia by reducing the L1 tariff that applies to those businesses. That would have taken effect from 1 July 2003 and been in force for three years, so by now those 65 000 businesses in Western Australia would have had a three and one-third per cent reduction in their electricity costs but for one event. That event was clearly the intervention of the Minister for Energy. I am not sure whether he spoke directly to Western Power or directed through one of his staff. However, we need a full explanation from the minister on this issue - we certainly have not had it yet. The proposal by Western Power to reduce electricity prices under the current regime was prevented by this Labor Government and this Minister for Energy, either by direct intervention or a message being sent by the minister to Western Power. The Chamber needs a full explanation from the minister regarding the action he took. I look forward to his response. If he does not respond, my understanding of the matter must be correct. It was a shameful event. The reality is that 65 000 small to medium-sized businesses in Western Australia could have had lower electricity prices if not for the intervention of this Government. It intervened because it was not politically expedient to reduce electricity prices at that stage. The Government had a grand plan to break up Western Power at a cost of \$153 million over four years, with an increase in state debt of \$150 million and a reduction in the value of Western Power by \$500 million. The Government wanted to argue that electricity prices would be reduced as a result of the break-up. That intervention was a shameful act.

I see the Minister for Small Business sitting opposite. Maybe he would like to comment, as I invited him to comment last year, on this matter.

Mr R.C. Kucera: Your figures don't add up. How do you say we have reduced the value of Western Power when we've no intention to sell it off? We've no intention of privatising Western Power, but you do. You've no idea what you're talking about.

Mr J.H.D. DAY: What is the minister's comment concerning the 65 000 small to medium-sized businesses that could have experienced lower electricity prices if the proposal had not been blocked by the Minister for Energy?

Mr R.C. Kucera: As I go around small businesses, people say that they know that you, for base political reasons, are blocking the reform of the electricity industry. They will reflect that knowledge in the ballot box. You wanted my view; that's my view.

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Mr J.H.D. DAY: The lack of response from the minister on the point I invited comment is deafening. He has avoided the issue and is effectively confirming what I stated; that is, the intervention was made by the current Government in a shameful act. That matter will be publicised to the 65 000 businesses in Western Australia that otherwise would have benefited from the reduction in the cost of supplies. I look forward to an explanation from the Minister for Energy.

I could speak for much longer on this motion, but many opposition members wish to comment on electricity supplies in this State and the failure of the minister to discharge his responsibilities appropriately to ensure a reliable electricity supply to all Western Australians.

MR M.J. BIRNEY (Kalgoorlie) [5.45 pm]: It might surprise some members to note that I have a vivid imagination. I have an interest in the theatre and the arts, even to the point that I spent some time thinking about what I might do when I finally depart from this place, and I have devised a comedy script. It is my intention to have the script played out in a live theatre if and when I depart this place. The name of the comedy is “Mr Bumble Fumble and the Comedy of Errors”. It involves electricity in the “State of Chaos”. The lead character is a fellow called Mr Bumble Fumble, who is in charge of the department that administers power in the “State of Chaos” known as “Woeful Power”.

The script begins with one million people in the “State of Chaos” waking one morning to read a large advertisement in the local newspaper known as “The Left Australian”. That advertisement is a bit of a comedy of errors in itself. It tells people that restrictions apply to users of electricity from the south west interconnected system. Unfortunately, most people in the “State of Chaos” do not know what the south west interconnected system is. Most assume that as they do not live in the south west, it is okay for them to use power. The large ad in “The Left Australian” told people that they must restrict cooking to one hot plate, one oven, one microwave or one cooking appliance at a time. Many people in the “State of Chaos” thought that they would use exactly the same amount of power if they used two hot plates separately for 10 minutes each or two hotplates at one time for 10 minutes. Many people in the “State of Chaos” could not understand this advertisement, which outlined that refrigeration, including deep freezing, must not be used except to the extent absolutely necessary to prevent loss or deterioration of food. I am no expert in catering, but I would have thought that if a deep freeze is turned off, food will be lost. It was an odd little ad. It further stated that electricity must not be used for industrial purposes unless supply is essential to prevent serious damage to plant, and it was permitted if “Woeful Power” had given written permission prior to that usage. The only problem was that the people who own industrial businesses in the “State of Chaos” woke up that morning to read this order. Therefore, how were they to get prior written approval from “Woeful Power”? It was a very odd ad indeed.

The people of the “State of Chaos” were surprised to hear on 6PR radio Mr Bumble Fumble comment that he found out about the matter only the previous night, and that he had some questions for “Woeful Power” as well. Everybody found that to be a little odd because Mr Bumble Fumble was the chap in charge of “Woeful Power” and electricity supplies in the “State of Chaos”. At six o’clock on the morning that the advertisement appeared telling people not to use their electricity, he said that he had some questions for the power company as well. That did not instil confidence in the people of the “State of Chaos”.

As the day progressed, it seemed that Mr Bumble Fumble sensed that this issue was doing him horrific political damage. He searched far and wide for somebody else to blame - anybody rather than himself. He chose the good old chestnut of the former Government. Mr Bumble Fumble raced out to the media and said that he had worked it out: “It’s not our fault; it’s the fault of the former Government.” That worked for about five minutes as the one million people sweltered in the 41 degree heat and decided that that approach would no longer wash. Mr Bumble Fumble went to his bunker and spoke to his spin doctors, who developed a new approach. They decided to sack the head of “Woeful Power” the next day. The people of the “State of Chaos” thought it was odd because Mr Bumble Fumble had blamed the former Government the previous day.

The SPEAKER: The member has clearly indicated that this speech does not relate to a ruling I made earlier that the member is not to refer to the minister in any way, shape or form by the terminology the member has ascribed to a fictitious character. It appears that the member for Kalgoorlie is not speaking to the motion; I direct him to do so.

Mr M.J. BIRNEY: Mr Speaker, it is of course private members’ business and the Opposition has moved a motion relating to electricity. If you bear with me, I am getting to a few pertinent points that I am sure members will be interested to hear.

My point is that the former Government cannot be blamed one day for a problem, and then the head of the department be sacked the next day. Who was at fault? Was it the former Government or the head of the department? Members cannot have it both ways.

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The day drew on and Mr Bumble Fumble was really feeling some political heat -

The SPEAKER: I direct that the member for Kalgoorlie not refer to the minister in that way again. He can refer to the minister as the minister, but he should not refer to him in any other way, shape or form.

Mr M.J. BIRNEY: I have not referred to any ministers in this House. I am simply reciting a fictitious comedy that I intend to write when I leave Parliament.

The SPEAKER: Then the fictitious comedy does not comply with the rules in relation to this motion. The member is to direct his comments to the motion.

Mr M.J. BIRNEY: Mr Speaker, it is very disappointing that you have cut me short. I suppose it is probably time for me to come clean and tell people that what I was just reciting - you are right, Mr Speaker; you are on the ball - was not a fictitious comedy; it actually happened. Strange as it may sound - I know everybody thinks it is a bit odd - all those events happened.

I am very concerned about the way in which the Minister for Energy has dealt with this matter. I was getting to the point of saying that the minister cannot blame the former Government one day and sack the head of his department the next day. It does not make any sense. What happened then was that the poor old Minister for Energy was thrashing about and looking for somebody else to blame. First of all, blaming the former Government did not wash. Secondly, blaming Western Power did not wash. The poor old Minister for Energy was still looking for somebody else to blame. Who did he blame then? He blamed the poor old pipeline operator. He said that it was the pipeline operator's fault. After first blaming it on the former Government and then sacking the head of Western Power, he changed his mind - he had had a better think about it - and said that it was the pipeline operator's fault. In fact, it had not expanded its capacity and did not provide enough gas.

What the minister did not count on was a letter from employees of the pipeline operator being leaked and spread around a little. That letter states -

We would like to reiterate that all our customers with reserved firm (T1) capacity *were not interrupted* . . . Western Power is the only customer who has elected not to contract all of its required capacity as firm capacity. If adequate reservations for firm capacity were in place for Western Power, gas shortages would not be an issue for Western Power.

The minister did not count on that becoming public, did he? First of all, he blamed the former Government, then he sacked the head of Western Power, and then he blamed the pipeline operator. All those attacks fell flat. What was his new approach? He blamed the trusty old weather. We had had a couple of hot days in Western Australia, and in his thrashing about trying to find a whipping horse to take the blame, he blamed the weather, because the weather cannot fight back; it cannot leak a letter defending its position.

Mr B.J. Grylls: It might fight back. We'll give him another couple of 40-degree days and we'll have another crisis.

Mr M.J. BIRNEY: Sorry; I take it back. I have been corrected by my friend from Merredin. The weather may well fight back, because everybody else that the minister had blamed fought back.

In recent times Western Power made an announcement, and that was that it had done a deal with Wesfarmers, I think, to take X amount of megawatts of power during peak times, or at least to take some of its gas because Wesfarmers does not have any problem getting gas, that the problem had gone away and everything had been solved. Of course, the question in everybody's mind was why it did not do that a month ago if it was that easy. If it just meant signing a deal with Wesfarmers stating that it would take some of Wesfarmers' gas if it got into trouble, why did it not do it a month ago? The fact is that somebody bumbled and fumbled. I do not need to tell the House who that person is. Everybody knows exactly who it is.

A few questions remain unanswered. First, when did the Government receive advice to the effect that an eventuality like this could occur? Was it a year ago or two years ago? The minister might as well come clean and tell us, because eventually we will get that information by way of freedom of information anyway. If we get advice to the effect that the minister was told six months ago, a year ago or two years ago that this eventuality could occur, he will have absolutely no option but to resign. In fact, he has no option now but to resign. He is simply clinging on to the edge of the cliff with his white knuckles. Why the Premier, Mr Accountability, would keep him in the ministry is well and truly beyond me. Do we not all remember the Premier talking ad nauseam before the last election, almost to the point of making us sick, about ministerial accountability? Everybody in this place remembers that, do they not? When the Premier was on the campaign trail, he said that his ministers would be accountable and that the buck would stop with the Government, with the ministers and with him as the Premier. He has failed test after test.

Mr Colin Barnett; Deputy Speaker; Mr Eric Ripper; Ms Alannah MacTiernan; Mr Rob Johnson; Mr Matt Birney; Mr John Day; Mr John Hyde; Speaker; Mr Mark McGowan; Mr Ross Ainsworth; Mr Rod Sweetman; Acting Speaker; Mr Bob Kucera; Dr Janet Woollard

This was his biggest test. He could have done a Peter Beattie and said, "Look, it's been nice working with you, Eric, but you are a hapless sort of fellow and you are not doing much of a job. I'm sorry; what about sitting out the rest of this term on the back bench, and we might bring you back in a junior portfolio next time round?" He could have made a hero of himself. However, we all know how the numbers go in the Labor Party. We all know that the Premier has no real power and that he is simply a front man for the Labor Party.

It is quite interesting to consider the approach that has been taken by the Minister for Energy. He has frequently and consistently attempted to distance himself from Western Power. He keeps trotting out the line that Western Power is a corporatised entity and that he, as the minister, has no control over and nothing to do with it; what Western Power does is up to Western Power. Of course, we all know that that is not the case. We all know that the Electricity Corporation Act states that the Minister for Energy controls the policy settings of the board of Western Power. We all know that the minister has the power to direct the board to take action, that he must be kept informed of the corporation's operations and that he has the right to access any corporation document. Importantly, he has the final say over any major financial decisions made by Western Power. Effectively, the Minister for Energy has control of Western Power.

I woke up at six o'clock on the morning in question to hear the minister saying on the radio that he had only just found out about the situation and that he had some questions for Western Power too. This is the Minister for Energy. What an absolute disgrace. He is not fit to hold the office of Minister for Energy, let alone Treasurer of this State. I join the chorus of voices that have said the Minister for Energy should resign.

Mr M. McGowan: Last year you stood right there and made a speech supporting everything he was proposing. Now you not only make the dumbest speech I have ever heard but also call for the person you were supporting to resign.

Mr M.J. BIRNEY: Let me widen the scope a little. I have probably been too narrow. I do not think the Premier is a fit and proper person to hold his office either. In the past month or so, people have not been able to catch a train in this State because the train drivers will not go to work. There were the absolute tragic circumstances surrounding the deaths of a couple of babies at our hospitals. People cannot water their lawns, and they cannot turn on their power. Technically, this is known as a crisis. The Premier and the Minister for Energy have been presiding over a State that is in crisis. I referred earlier to the state of chaos. Neither of those individuals is a fit and proper person to hold his office. The sooner they depart from those offices, the better off this State will be.

I will leave the House with a couple of comments from my neighbour. Big Dave Bull is his name. He made me promise that I would tell all the members present, the Minister for Energy and the Premier about his comments. Big Dave Bull said to me that this must be the worst Government in history, and the sooner it leaves, the better. Big Dave Bull is a good, solid, blue-collar, working-class fellow who takes an interest in the State and, of course, in the city of Kalgoorlie. Here it is: a good, average person - a good, solid, hardworking fellow - has dubbed this mob the worst Government in history. I rest my case.

MR M. McGOWAN (Rockingham - Parliamentary Secretary) [5.59 pm]: In addressing the motion moved by the Leader of the Opposition, I will comment on a couple of remarks made by him before I turn to each of the substantive issues in the motion. First, the Leader of the Opposition constantly and consistently - he seems to be followed slavishly by his colleague the member for Kalgoorlie - reduces this place to a level of pettiness that is, quite frankly, embarrassing to all members. It was disgraceful to listen to his pettiness when he raised the issue of the Premier attending a function to launch a book in the Leader of the Opposition's electorate, a function to which he was invited months earlier. It had already been programmed, yet the Leader of the Opposition raised it in this place in the context of someone having a glass of wine. I am absolutely tired of the diminution of the reputation of this House in that way by the Leader of the Opposition.

Secondly, he has called the event of a couple of weeks ago, when power was lost or there was some interruption in the supply of power to people's homes, black Wednesday. There are a number of days that historically have been prefixed with the word "black". Normally they are the days on which there were massive fires in country areas throughout Australia and on which on one occasion over 70 people died. He has trivialised those events, which really were black days, by trying to put forward in this place the notion that we should somehow call that day a black day.

Thirdly, the Leader of the Opposition attacked the new Chief Executive Officer of Western Power, Harvey Collins - I do not know Harvey Collins - on the basis that his experience is in the field of business. If we take the line that a person must be an engineer to run a business, does that mean that a person must be a doctor to be the Minister for Health, an Army officer to be the Minister for Defence, an environmentalist to be the Minister for the Environment, or a television technician to be the managing director of a communications company? Quite plainly it was a ridiculous and silly thing to say. Western Power is a business. I understand that Mr

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Collins is a very accomplished businessman. It defies belief that the Leader of the Opposition should run the line that somehow being a senior, accomplished and respected businessperson is not enough to run a major enterprise in Western Australia and that somehow he must have a qualification in the area. It does not apply in virtually any other field of endeavour, but somehow the Leader of the Opposition thinks it should apply in this area.

The Leader of the Opposition's next point was about the former managing director, Dr van der Mye, flying east. Apparently his family live in Melbourne. I do not think that was a huge problem, but it would have been preferable if he had stayed here. The Leader of the Opposition constantly denigrated and attacked Mr van der Mye over that point. The simple fact is that when the Leader of the Opposition was a minister, the head of one of his departments flew east regularly because she had a family over east. Did we make a big thing about that person's living arrangements at the time? No, we did not because we thought that would demean this place and demean and attack a person doing her best in the circumstances.

I turn now to the substance of the motion moved by the Leader of the Opposition. First, it condemns the Minister for Energy for failing to take responsibility for the energy crisis. The Minister for Energy took responsibility for the events that took place on the day - and virtually every day since. He has done that verbally in public, to the media and in this Parliament. I can quote to members numerous occasions on which he has said that he takes responsibility for these events. The first point of the motion is wrong.

Mr R.F. Johnson: Why did he sack the CEO?

Mr M. McGOWAN: That is the point of the Opposition. Why was he not sacked? Let us look at this issue in the broader political context. The Opposition is playing a game of political blame. Someone must be sacked! The minister must be sacked for what took place! However, did the Leader of the Opposition apply these standards to himself when the power went out on 24 March 1994 as a result of a climatic event? Nearly 10 years ago the power went out completely. People did not have to restrict their usage; the power went out completely throughout the south west interconnected system. I have read reports that people got off trains while they were stopped along the track and walked to wherever they had to go. Under the management of the Leader of the Opposition, people were trapped in lifts in buildings in the Perth central business district for hours on end. First, the Leader of the Opposition did not take responsibility for that. There is no evidence of that. Secondly, did the then Opposition run around saying that the minister must resign over it? No, the then Opposition did not. The politics of blame is what the Opposition is playing at, and that involves a downward spiral. It is about time members opposite got over the politics of blame idea that they must constantly politicise everything that happens. We did not do that.

Let us take the view that the minister must resign every time that minister makes a mistake or, more importantly, every time something goes wrong and apply that view to the Leader of the Opposition. First, the power crisis of 24 March 1994 was far more extensive than the event of a couple of weeks ago. Secondly, Oakajee. Need I say more? It lost about \$24 million or \$25 million. Did the Leader of the Opposition resign? No. The Windimurra vanadium mine lost \$40 million to \$50 million. Did the Leader of the Opposition resign? No. In 1999, when the Leader of the Opposition was the Minister for Education, up to 100 positions in Western Australian schools were unfilled. Who did he blame? He blamed the teachers. We remember it. He said that it was the teachers' fault. Did he resign or accept any responsibility? No, he did not. Let me turn to the fact that the coalition misled the people of Western Australia about the gold royalty and the uniform tariff. Those areas fell, either directly or indirectly, under the Leader of the Opposition's ministerial portfolios. He applied the gold royalty and changed the uniform tariff in an adverse way. Did he resign? No, he did not. He also said that he would never give preferences to One Nation. The member for Merredin is sitting in this place at the moment because the Australian Labor Party never wavered from its promise and gave him its preferences. Yet the Opposition changed its mind in that respect and gave its preferences to One Nation over the ALP. Another big issue is that the Under Treasurer, Mr Langoulant, wrote to the then Premier about the spending practices of the Minister for Education, the now Leader of the Opposition. He blew his budget by \$100 million a year over four years when he was Minister for Education. Did the Leader of the Opposition offer to resign in those circumstances? No. Where were the standards in those cases? In our case, The Minister for Energy took responsibility for these circumstances. That is the first point of the argument put forward by the Opposition.

The second part of the Leader of the Opposition's motion states that the House condemns the Minister for Energy for failing to discharge his fundamental duty to ensure a reliable electricity supply. What has happened? A couple of weeks ago there was a failure in the supply of power to a range of people's homes for certain appliances. It was a hot day. I went through it like everybody else. The airconditioning in my office and in my home was turned off. Many people endured hardship during that time.

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It is important that there be a plan to deal with such problems in the future. The Minister for Energy has announced a plan. He has taken positive steps to put in place a plan to deal with circumstances as they arise, provisions to deal with demand management and new generation capacity, arrangements for a gas swap with Wesfarmers and the provision of an additional 200 megawatts of capacity to come on line during the next year. The big part of the plan is the electricity reform agenda, which was designed to resolve such problems for the future. It was designed to enable private competitors to get into generation and enable Western Power to put a greater level of effort into the network where there are fire problems and to provide a retail organisation that is far more competitive and customer focused in the provision of services to the public. That is what the reform agenda was designed to do, and it works. Such models are working in New South Wales and Queensland where electricity generation has been retained in public ownership. It shows what can be done when there is a model that promotes private generation, but retains the massive part of the infrastructure that is publicly owned.

Electricity generation was carried out by a monopoly the structures of which were designed to prevent competition. Competition means that the organisation will not be as comfortable as it once was. It is an integrated model. One need go no further than the report of the Electricity Reform Task Force to see the benefits of the model that the Government is putting forward, and it is doing so to try to resolve the very types of problems that took place two weeks ago. Amazingly, the natural conservatism of the Government's opponents means that they accept that there is a problem, but they want to stay with the same system that gave rise to the problem. The Opposition went three-quarters of the way to supporting the model the Government put forward, but it has now withdrawn from that position on the basis that the current system is not working. That the Opposition could come up with such a solution defies logic.

What will be the outcome? Firstly, as was apparent from newspaper articles last week, we will see less private generation. Secondly, customers in country areas will see less effort being put into regional power and networks connecting towns and communities across the south west interconnected system. That will be the outcome of the pure politics applied by this Opposition. Let us look a little deeper at the Opposition's motivation and its solution to the problem that we faced a couple of weeks ago. That solution is contained in the "Western Power Corporation - The Path to Privatisation" report that was commissioned by Western Power, obviously with the knowledge of the former Minister for Energy, the current Leader of the Opposition, because it quotes his views on this issue. What does the report say? What is the model being proposed - the agenda of the Opposition on Western Power? Let us see what its model is. The second paragraph of the report reads -

Western Australia's achievements in energy reform have been shaped to match the State's energy policy which recognises the unique aspects of the State's energy market and the inherently capital intensive nature of Western Power's business. These factors combine to justify Western Power's continued existence as a vertically integrated entity.

Why would Western Power need to remain a vertically integrated entity in the context of its privatisation? What is the value of an asset that has a natural monopoly? This is economics 101. I studied economics a long time ago, but I recall that if an asset is vertically integrated and essentially controls the market and can stop competitors getting into the marketplace, its value will go through the roof. Why would the owner of such an asset want such big value? In the first place, when the asset is sold, it realises a lot more money. What then happens in the marketplace? All the private generators and retailers are discouraged. The report makes quite clear how the value of Western Power will be increased. The member for Ningaloo will like this. The second last paragraph of the report reads -

However, in order to maximise value in a float and to ensure the ongoing integrity of the Western Australian energy market, numerous policy issues require resolution. A disinclination to resolve these issues will impair realisation of full value.

Focus must now turn to resolution of these key policy issues, including the approach to CSOs . . .

CSOs are customer service obligations. The document is saying we must deal with these CSOs. Uniform tariff is a CSO helping those people whom the National Party claims to represent ensure they get charged the same prices for electricity as those in the city. Other CSOs include rebates for pensioners, Seniors Card holders and those caring for children. The secret agenda is revealed. The price is lifted by keeping Western Power as a wholly integrated asset, and then it is sold subject to resolving those CSO issues, which deal with helping those at the bottom of the economic scale and those who choose to live in country communities throughout the State. All those issues are now up for grabs, according to this report, which reveals the agenda of the then Minister for Energy, now the Leader of the Opposition. We now know that the Opposition is about selling Western Power, increasing its value and cutting out all the things designed to benefit the disadvantaged.

Mr R.F. Johnson: Nobody believes you.

Mr Colin Barnett; Deputy Speaker; Mr Eric Ripper; Ms Alannah MacTiernan; Mr Rob Johnson; Mr Matt Birney; Mr John Day; Mr John Hyde; Speaker; Mr Mark McGowan; Mr Ross Ainsworth; Mr Rod Sweetman; Acting Speaker; Mr Bob Kucera; Dr Janet Woollard

Mr M. McGOWAN: It is here in black and white. The agenda of the Opposition is now revealed. The Government wanted to keep Western Power publicly owned, keep the CSOs in place and ensure that private enterprise could get into the system. However, the North Korean acolytes on the other side believe that it should remain government-owned until such a point as they can sell it to maximise its value and hurt those people who can least afford it.

MR R.A. AINSWORTH (Roe) [6.19 pm]: Over the past 12 months, the minister has displayed a great lack of ability to grasp the whole energy issue in this State. More than 12 months ago, he accused my party of scaremongering about the quality of the service in country Western Australia - "scaremongering" was his exact word. A public meeting was held in Koorda and attended by the Energy Safety Directorate. It produced a report saying that six areas of the State had power supplies below the minimum standard for safe operation. The Government was subsequently dragged kicking and screaming into committing some funds to address some of those shortcomings, which we were told we were scaremongering about. The minister came into this place yesterday and waved around a document that he subsequently tabled. He used that document as evidence that he had been given what he believed to be satisfactory information about Western Power's ability to provide sufficient energy over the peak summer period. I read this document with great interest and in some detail. If I were the minister, I would have required a dangerous goods licence to take it home because it is dynamite. It contains much information, which the minister did not quote yesterday, that would have set alarm bells ringing in my head if I were the minister. This document is dated 19 November; it was produced almost three months to the day before the debacle of the other week in which a range of people had their power supply cut and there was great panic in the community because of misinformation by Western Power. This document is absolute dynamite. I suspect the minister knew some of this information before the report was produced three months ago. I cannot prove that, but I know that he was given this document three months before the problems we faced the other week.

I give the good news first. The document states that the Cockburn 1 station is producing an extra 240 megawatts for the system. That is great news. It then says that the output of the Muja plant has had to be dropped by 25 megawatts because of problems with ageing and its poor design. Already 25 megawatts of the 240-megawatt increase has been lost. The document then refers to Western Power's Kwinana station and says - I paraphrase slightly - that if Western Power were required to use coal instead of gas to run the Kwinana station, output would drop by 160 megawatts. Again, there was the possibility of problems if Western Power were required to use coal. It refers to the other four units at Kwinana and states -

Due to their age and general condition, their availability is less certain.

Those four units produce a total of 480 megawatts. If anything happened to those units - bingo! - Western Power would lose another 480 megawatts. The document then states -

System demand forecasts for the 2004 summer period indicate a potential extreme weather peak demand for the Western Power load area of 2770 MW.

While this is within the derated capacity of the portfolio, it leaves little margin for error and will be a significant undertaking for Western Power to achieve from a portfolio in which approximately 50% of the capacity is more than 20 years old.

In other words, Western Power was telling the minister that it thought everything was okay, but that it was crossing its fingers, thumbs, toes, eyes and everything else it could think to cross because, by golly, if anything went wrong, it would be in strife. The report then states -

Gas Transport Risks

The greatest risk to Western Power's ability to meet system demand during the 2004 summer period will be associated with the availability of sufficient gas transport capacity.

...

This gas requirement implies that Western Power will have sufficient transport capacity to cover its average summer working day requirements but will have a peak day contracted transport capacity shortfall of 61 TJ/day. ...

Historically Epic Energy (Epic) has been able to meet Western Power's gas transport requirements, even at peak times, while its pipeline compressor plant remains available.

...

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- The reliability of the remainder of Epic's gas compressor plant is of serious concern to Western Power, especially in light of recent outages of CS9 and CS3 and the known condition of CS6.

The report says that if something went wrong with the compressors -

This would result in a gas transport deficit of 59 TJ/day during an average summer working day.

...

Western Power's exposure to gas supply risks are two-fold in that not only must it mitigate risks associated with a shortfall in its own gas supply, but Western Power must also provide electrical back-up to IPP's whose production capability is curtailed as a result of a failure of their own gas supplies.

This report to the minister also states -

While Western Power's aggregated MDQ -

That is, the maximum daily quota -

will be sufficient to meet its own requirements on the majority of days -

That is, not all but the majority of days -

during the forthcoming summer, it may not be sufficient to enable it to also provide electrical back-up to the IPP's if required on a peak load day.

The document then refers to large unit risks and Collie. It states -

Thus, the loss of Collie A on a very hot day is the most difficult situation facing Western Power, and it is most unlikely that demand above about 2800 MW could be satisfied without Collie A.

In the summary, it states -

The availability of gas transport is the single greatest risk that Western Power faces in the forthcoming summer and the outage of DBNGP CS6 will place electricity supplies at risk if performed during January 2004 as currently proposed by Epic.

That of course was before this problem existed. It continues -

I hope this information is useful in helping you understand issues relevant to Western Power's ability to maintain power supplies during the 2004 summer peak period.

We see a forlorn hope in that last paragraph, because this report contains so many areas which indicate that those at Western Power doubt they can manage if problems occur. They have managed historically, but they are relying on ageing infrastructure and on gas supplies that may not be able to be increased to meet any extra demand; they are relying on everything working down at Collie; and they are relying on so many things that if anything goes wrong, they will be down the tube and not able to supply their customers during a peak load situation in the summer months. That report was made three months prior to what happened the other day. I suspect that the minister has done absolutely nothing in response to this update, other than be satisfied by the fact that Western Power quoted that its peak output for last summer was so many megawatts and its forecast for this summer was only marginally above that and therefore it should have been okay. It is not very satisfying to me when I read that. That is only about two paragraphs in a four-page document. Apart from the first paragraph, which I read out, referring to the extra 240 megawatts at Cockburn, the remainder is literally doom and gloom. It is giving the clear message that if anything goes wrong we will have severe problems. That is precisely the situation that we faced, even though it was not because of failure in the system. The Minister for Energy was saying it was because of the inability of the system to provide extra gas to maintain or increase generation capacity, but that was effectively flagged in this document anyway and nothing was done to overcome those problems. The minister's excuses or reasons yesterday for not having done more about this and not being aware that there was a likely problem are very hollow when one reads this document. Only two things in the document provide any comfort. Had I been the minister, the rest of it would have caused me great concern. If I had taken this home for bedtime reading I think I would have stayed awake most of the first night just worrying about it, because politically it was dynamite, and nothing happened. The minister does stand condemned and I support the motion before the House.

MR R.N. SWEETMAN (Ningaloo) [6.27 pm]: My comments will be brief because I am aware that other members want to speak on this motion. I support the motion and I agree with much of what has already been said by opposition members during this debate. We keep talking about the legislation in relation to the disaggregation of Western Power and power reform as though they are one and the same thing. In my mind, and in the mind of most people in this Parliament, the two situations simply do not cohabit. Ongoing reform has

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occurred since the splitting of SECWA into AlintaGas and Western Power - reform has been constant. Reference was made to whether Western Power was prepared for privatisation as part of that process, as it was clearly understood that AlintaGas was. I have said in this Parliament on previous occasions that it was back in 1994-95, probably even through to 1996, before I started to notice a difference within the culture of Western Power. I thought privatisation was as inevitable as it was necessary, but during the energy legislation debate I said that for some time now I have held a completely different point of view. I was satisfied with the competency of the management within Western Power and the evolution that had taken place. There has been a change within the culture of the work force from the rank and file, the blue collar workers, through middle management into upper management; they are a very capable and competent group of public servants. That group of public servants understood better than most the expectations of the Government and the broader Western Australian community on energy reform.

Mr R.C. Kucera: Why are we having this debate then?

Mr R.N. SWEETMAN: Because in the past three years a vacuum has been created; that is what we are debating.

Yesterday the motion of no confidence in the Minister for Energy was defeated along party lines. Today we are debating the consequence of three years of neglect. I will do the courtesy of not accusing the Minister for Energy of deliberate negligence to contrive an outcome to suit certain vested interests in the Western Australian community. I will say simply that because of the pressure of time and the responsibilities that the minister has as Treasurer in this State that a lot of these things just went by him. Many members of Parliament tried to warn him during debates in private members' business and on the Economic Regulation Authority Bill. That Bill was an interesting piece of legislation. I think during the ERA debate I extracted from the minister an interjection on the position of Ken Michael, the Regulator of the Office of Gas Access Regulation. He was signing his letters as regulator, instead of acting regulator, and I think the Minister for Energy said in an interjection that he had been reappointed to that position. I think the minister also said in the interjection, or I read it in the paper, that it was for a period of five years. We all assumed - certainly I did - that when the ERA legislation was passed Mr Michael would become the regulator. Now it is public that Lyndon Rowe is the regulator. What happened to Ken? Has he fallen from grace? Did he not achieve everything he was supposed to achieve while at arm's length from the Government of the day? We are left to wonder. If he was appointed for five years, he went from being acting regulator to regulator. Did he just voluntarily retire or was he given a management-initiated redundancy?

Mr E.S. Ripper: He is a member of the Economic Regulation Authority.

Mr R.F. Johnson: Did he jump or was he pushed?

Mr E.S. Ripper: He is the alternate chairman of the Economic Regulation Authority.

Mr R.N. SWEETMAN: Is he therefore effectively deputy to Lyndon Rowe and the public is getting value from the extension of his contract by the Minister for Energy for a further five years?

Mr E.S. Ripper: He is the alternate chairman. There are three members of the authority: Lyndon Rowe, Chris Field and Ken Michael.

Mr R.C. Kucera: As a member of the Liberal Party, you wouldn't understand that because that's called a team.

Mr R.N. SWEETMAN: I am surprised that the Minister for Small Business and Tourism, Hon R.C. Kucera, would interject - R.C. by name and R.C. by nature. He inspires me because if he can be a minister of the Crown I can actually aspire to be one as well.

Withdrawal of Remark

The ACTING SPEAKER (Mr A.P. O'Gorman): I ask the member for Ningaloo to withdraw that last comment about the minister.

Mr R.N. SWEETMAN: I withdraw, Mr Acting Speaker.

Mr R.C. KUCERA: Mr Acting Speaker, I was not offended by it because it means lucky. However, I have not abandoned my electorate like he has.

Debate Resumed

Mr R.N. SWEETMAN: It is interesting to note, and it is probably a good thing, that the Minister for Small Business has been in this place supporting the Minister for Energy who is in so much trouble. I guess the Minister for Small Business believes there is a reciprocal arrangement because I would say, with the job he is

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doing in the various portfolios he has had to date, that he will require the Minister for Energy's support in motions such as this not too long from now.

Mr R.F. Johnson: He just needs the Attorney General's support. The Attorney General is the one who has all the power in Cabinet.

Mr R.N. SWEETMAN: Does he?

Mr R.C. Kucera: Member for Ningaloo, ask the people in Exmouth what they think of you. I was up there last week. At least I haven't abandoned my electorate.

Mr R.N. SWEETMAN: I do not think I have either. The electoral reform process, in part, took care of that, but that is a debate for another day. I want to move on in the debate.

What I was getting at, Mr Acting Speaker, was that Western Power, as a state-owned corporation, has been substantially weakened under the current minister and, in fact, under the current Administration. They have seriously let down the community of Western Australia in that they have allowed Western Power for a time to step back from reform. Perhaps the effective casting of this publicly owned utility to the four winds is part of the overall agenda of disaggregation. The minister and his Administration have been weak. I agree with what the Leader of the Opposition said earlier about David Eiszele. I believe that pound for pound he is probably one of the best and most capable public servants that this State has produced. He spent some 32 years working with Western Power. He rose from the position of engineer all the way to chief executive officer of a corporatised agency. He was able to inspire and lead people through the reform process. More than anyone else, he was responsible for the change of culture in Western Power that delivered many benefits to the community of Western Australia.

Much has already been said about tariffs to business not increasing since Western Power was corporatised in the early 1990s. Even when the goods and services tax was implemented, the full effect of the GST was not passed on. In real terms there has been a reduction in the tariff as a consequence of the implementation of the GST. There has been only one modest increase of 3.75 per cent to the residential tariff customers. That is a very good story. It was important that the momentum for reform and evolution was continued. It should not have been interrupted simply because the Government shifted from one Administration to another in February 2001.

The member for Roe has referred to the briefing note that was provided to the minister by Western Power. I assume that Stephen van der Mye did not prepare it all himself; it would have been prepared by someone in middle or upper management. They would have worked out exactly what was required to be delivered to the minister.

Mr E.S. Ripper: I believe it was drafted by the then general manager of generation, which was Mark Chatfield.

Mr R.N. SWEETMAN: That is right. However, the document would have gone under the gaze of Stephen van der Mye. I give him and the people who prepared it enormous credit. This is the type of advice a minister would expect to get. It forewarned the minister. As the member for Roe has said, the member would need a dangerous goods permit to transport this document back to his electorate because of everything contained in it. It is quite damning. For the minister to quote selectively during question time and during the matter of public interest -

Mr E.S. Ripper: I quoted from it during the MPI. I quoted from the sections that related to gas transport because gas transport is the issue that affected the recent power restriction.

Mr R.N. SWEETMAN: The member for Roe covered the gas transport issues quite well. Some 119 terajoules of gas a day are almost firm, although 51 terajoules of that is interruptable. Epic was prepared to honour that as though it were a firm tariff. An excess of 70 or 80 terajoules was required, about which Epic could not make any promises. The way the briefing note is set out is interesting. The bottom line of the first paragraph under the heading "Fuel Supply Risk Mitigation" says that there is enough capacity to meet a gas availability shortfall of 75 terajoules a day. That is in excess of the 119 terajoules. The bottom line in the next paragraph refers to Western Power's available gas being augmented by up to 20 terajoules a day. That totals 95 terajoules. As a contingency, Western Power had close to 200 terajoules of gas a day on which to call. While it made some cautious suggestions in relation to the gas transport, there were contingencies in place that covered Western Power for more gas than it required at the time the problem with the partial shutdown of CS6 occurred. The minister's criticism of Epic was very immediate and public. The minister also said that the minister who facilitated the sale process was the root cause of all the power interruptions and power shortages, which is not quite the case.

The briefing note to the minister under the heading "Western Power's Generating Portfolio" refers to Cockburn 1. What an extraordinary story that has turned out to be. People from industry tell me that nothing sticks in their

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craw more than Cockburn 1. They say - conspiracy is too strong a word - that the management of Western Power contrived a set of circumstances and ran the process short of time to a point at which the Government would agree to allow Western Power to build a 240-megawatt power station. Those people from industry may or may not be right.

Mr E.S. Ripper: When we came to Government, some people did not want us to build Cockburn 1. People who think that the Government does just what businesspeople think should be done ought to remember that. Some of them lobbied us not to build Cockburn 1, but we built it.

Mr R.N. SWEETMAN: Well, accolades where accolades are due. The fact that we now have Cockburn 1 is one of the most redeeming qualities within the generating capacity of Western Power today. The document states that -

... Cockburn 1 entered commercial operation on 9 October 2003 and has exceeded Western Power's expectations for performance and efficiency.

Fantastic! The summary on the last page quantifies all the reasons that Cockburn 1 has been so successful. It states in part -

The addition of Cockburn 1 to Western Power's portfolio has been invaluable in that it not only provides much needed additional capacity but its high operating efficiency means that it uses approximately 12 TJ/day less gas than plant it replaces in Western Power's order of merit.

That is significant. If my mathematics are right, 12 terajoules is about 12 000 gigajoules, which should equate to a daily saving of about \$36 000, or an annual saving of \$13.14 million. I suppose that if Cockburn 1 had not been built, and disaggregation had come in and Cockburn 1 had been built by private enterprise, flowery media statements would have been released saying what Cockburn 1 is achieving and how through private power procurement Western Power has been able to get a private operator to build the power station and sell us power for less than we could get it previously. However, that would not be comparing apples with apples. I suggest that we would not be saying that we had made a saving of \$13 million. The imperative for a state-owned asset to deliver a return on capital, and the appetite of private enterprise to make a profit, are not quite the same. Therefore, I suggest that we would be saying what jolly good fellows we are; this process is saving us \$1 million, \$2 million or \$5 million. I bet we would not be saying that we are saving the taxpayers of Western Australia \$13 million. However, that is the reality of it. I guess the nub of our argument about the disaggregation of Western Power, and, separately, the power reform process, is that this is what can be achieved when we allow a corporatised entity to do what it is best at doing.

In previous debate I have also made the point about the profits that Western Power has made over the past four or five years. I think the Leader of the Opposition said earlier that he was advised and he made some decisions, and he certainly made some public comments, about the network infrastructure, particularly in the south west interconnected system in rural Western Australia, and that it was imperative that as soon as possible something be done to upgrade that part of Western Power's asset base. Western Power has been contributing \$100 million, \$200 million, and a bit over \$200 million in profits to the State each year. The corporate tax equivalent comes to the State, and the State then takes 50 per cent of the net amount. Last year or the year before that, the Government dipped in again and took another \$20 million. The reality is that if the Western Power board and management had been given free rein to run the business totally as they believe it should be run, the Government would not have been in the crisis situation in which it had to hastily announce that over the next seven or eight years it will spend \$1 billion to upgrade the network system.

In conclusion, the most telling point in the motion of no confidence that was moved against the Minister for Energy yesterday was made by the member for Churchlands, Dr Constable, when she said something that I am sure has crossed the minds of many people. If the Government wants to cite climatic conditions or acts of God as the reason for those days of loss or interruption to our power supply, then why did the minister sack the chairman of the board and the chief executive officer of Western Power? If it was an act of God, should not that have been sufficient to save their positions?

Mr C.J. Barnett: Maybe they were agents of the devil!

Mr R.N. SWEETMAN: The forces of darkness! There is quite a lot of it. There is a theme.

We have talked a lot about management-initiated redundancies. To this day I cannot believe that someone like Roger Payne copped the mauling he did at the hands of an administration that he understood a whole lot better than did the Government. What a high price he has paid. Someone has had to come in and pick up the mess.

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The Government got rid of one of the most competent public servants ever produced in the State - David Eiszele. He was put out to pasture.

Mr E.S. Ripper: Nevertheless, he presided over the two blackouts in 1994.

Mr R.N. SWEETMAN: As I said, we had probably only just invented electricity back then! The minister wants to live in the past but we are trying to look forward. The public of Western Australia wants to get some direction from this Parliament about where it goes from here. The public needs some leadership from the minister and this Administration. It also seeks some humility because it has not seen much from the minister. The minister wants to play the blame game. He wants to apportion blame to everyone but himself. Even though the minister is a very senior figure in the Government - a minister of the Crown and of some significance in Western Australia - it is time and wholly appropriate for him to show some humility. An apology from him would have gone a long way rather than him just saying that the Government had weeded out the bad guys.

Mr E.S. Ripper: The member has not looked at his media because I did that.

Mr R.N. SWEETMAN: An unreserved, unqualified apology to the public of Western Australia because he messed up.

Mr E.S. Ripper: I did that.

Mr R.N. SWEETMAN: If the Minister for Energy did that, he would have gone some way towards recovering his reputation and standing in the community in Western Australia. It goes without saying that the briefing note handed to the minister gave him warning - heaps of warning. It was crying out for a policy decision by the Government of the day.

Mr E.S. Ripper: Did it? What policy decision did it recommend?

Mr R.N. SWEETMAN: At the very least the Government should have ensured there were sufficient gas supplies.

Mr E.S. Ripper: Did it recommend that the Government take any additional action? No.

Mr R.N. SWEETMAN: I conclude on this point. The caution given to the minister on 19 November last year stated that the highest rate possible, given the worst-case scenario, would be 280 terajoules of gas required in a single day. Obviously, that refers to the large unit risk. If more gas had to be burned, the upper limit would be 280 terajoules a day. The minister might, as minister, have acted in a facilitating capacity to try to ensure that amount of gas was available in case a crisis befell the State. As it has turned out, it did, and the minister was missing in action. Like the rest of Western Australia, my confidence and belief in the minister are severely shaken as a consequence of everything that has happened, not just over the summer months but over a period, in which we have concluded that the minister and the Government, along with others, have an alternate agenda that is not in the best interests of the community of Western Australia.

DR J.M. WOOLLARD (Alfred Cove) [6.48 pm]: I will be brief because other members wish to speak. The minister has to accept responsibility for his actions. This is not the first time that a minister has said that something has happened or has refused to accept responsibility. We have seen it with the Minister for the Environment - when dealing with heritage - and the Minister for Health. Unlike the backbenchers on his side, the minister has no excuse. He is part of the Executive Government. The minister should have started planning three years ago to look after the people of Western Australia and ensure there were no power cuts. Instead, we have seen privatisation by stealth over the past three years. It was not one of the Government's promises when it was elected. The Government did not get on board by telling people it would privatise Western Power, which is what it has tried to do. There has been a history of failures by Western Power - even deaths in the south of the State. There has been a constant stream of failures by Western Power in my electorate. I have been writing to the minister about these matters. Western Power has only now accepted responsibility for the fact that several hundred people in my community were without power for 24 hours because the Government had not installed a transformer that could cope with the needs of that community.

Mr A.D. McRae: The Government or Western Power?

Dr J.M. WOOLLARD: I refer to the Government. This minister has responsibility for the Act. It is no good saying that the minister does not know the policies, as he sets the policies. Just as the Minister for Health must take responsibility for all problems in the health care system, the Minister for Energy must accept responsibility for power failures.

Mr R.F. Johnson: It's always someone else's fault.

Mr Colin Barnett; Deputy Speaker; Mr Eric Ripper; Ms Alannah MacTiernan; Mr Rob Johnson; Mr Matt Birney; Mr John Day; Mr John Hyde; Speaker; Mr Mark McGowan; Mr Ross Ainsworth; Mr Rod Sweetman; Acting Speaker; Mr Bob Kucera; Dr Janet Woollard

Dr J.M. WOOLLARD: That is right. The blame has been pushed from pillar to post. People in my community telephoned me to ask why they were experiencing the power failures. They said it was like living in a Third World country. "Why has the Government not got its eye on the ball?" they asked. What answer could I give them? I did not know. The Government has broken one promise after another. We know it has not fixed health, education, and law and order. Problems were arising with water supply and we now have the same with electricity - the basic supplies. If the minister looks to the past, he will see what happens when ministers refuse to accept responsibility for their portfolios. It has happened in the past and it will happen again, minister.

What about the cost of these power failures? The community cost must be considered in terms of the elderly, the sick and the families who suffered. We heard on television reports about big businesses, but what about the small businesses that were affected? My electorate had a power failure for 24 hours that cost small business proprietors \$20 000, \$30 000 and \$40 000. People came to my office asking where the Minister for Energy's office was so that they could dump at his doorstep their frozen food that had gone off.

Mr E.S. Ripper: Did you tell them where my office was?

Dr J.M. WOOLLARD: If I had had the minister's home address, I would have given it to them. Fortunately, we are not given that information. People who came to my office were furious. As a local member, I had to suffer because of this Government's incompetence.

Several members interjected.

Dr J.M. WOOLLARD: I probably would not have given the minister's personal address because I remember how it felt as an individual when loggers threatened to dump logs on my doorstep prior to the last election. I would have given the minister's electorate address, though.

Mr E.S. Ripper: I appreciate your consideration!

Dr J.M. WOOLLARD: The minister must accept responsibility. I hope that following these events, some of the money the Government has raked in from different taxes will be directed to basic supplies. It should be directed to electricity. As I mentioned to the minister the other day, powerlines appear to be falling down in the metropolitan area. I do not know how many other transformers in my area should be upgraded.

Mr E.S. Ripper: Do you think all this happened in three years? I refer to 800 000 poles and 70 000 kilometres of electric powerlines. Do you think all the power stations suddenly got old in three years?

Dr J.M. WOOLLARD: I think the minister was aware of the problems when he came to government.

Mr E.S. Ripper: I'm very aware of the problems.

Dr J.M. WOOLLARD: What has the minister done about it? Western Power had a good name three years ago. I feel sad for people who work at Western Power. People who came to my office were unhappy about telephone calls they had received. When elderly people had no power or had to turn off their airconditioning, what happened in the minister's department? The minister allowed Western Power to run its airconditioners.

Mr E.S. Ripper: There was no airconditioning in my office.

Dr J.M. WOOLLARD: The minister might not have had airconditioning in his office, but perhaps the minister did not see the e-mail from people who visited Western Power that day and noticed that it had its airconditioners on. Elderly people were suffering and operations were cancelled because people did not know what was happening.

Mr E.S. Ripper: I visited Western Power that morning and I do not recall the airconditioning being operational.

Mr R.F. Johnson: I know that Western Power did not have airconditioning. It was allowed to turn it on about midday or one o'clock.

Dr J.M. WOOLLARD: Other people did not know that the electricity bans had been lifted, so they continued to suffer.

Mr R.F. Johnson: I wasn't told.

Dr J.M. WOOLLARD: I found out that the bans had been lifted when an e-mail from the member for Riverton's office was forwarded to me an hour after the bans had been lifted.

Mr E.S. Ripper: That is another example of the communication catastrophe. That has been acknowledged.

Dr J.M. WOOLLARD: Ministers communicate with Labor backbenchers but not with opposition members, National Party members or Independents.

Mr Colin Barnett; Deputy Speaker; Mr Eric Ripper; Ms Alannah MacTiernan; Mr Rob Johnson; Mr Matt Birney; Mr John Day; Mr John Hyde; Speaker; Mr Mark McGowan; Mr Ross Ainsworth; Mr Rod Sweetman; Acting Speaker; Mr Bob Kucera; Dr Janet Woollard

The ACTING SPEAKER (Mr A.P. O’Gorman): Order!

Dr J.M. WOOLLARD: There is nothing that the minister can say. However, he could assure the community that this will not happen again. Rather than trying to find another way of privatising electricity, he should be making a commitment to allocate funding to services for the community and making sure that Western Australia does not suffer similar blackouts in 12 months.

Mr E.S. Ripper: The communication was mishandled dreadfully by Western Power. Operational mistakes might also have occurred. An independent committee of review is examining all the events of those days precisely so that we can learn lessons to avoid this happening in the future.

Dr J.M. WOOLLARD: Let us consider the number of reviews this Government has already undertaken. The minister must take responsibility for his portfolio just as the Minister for Health must take responsibility for his. I refer to all the reviews that have been established to examine health services in this State. Money is wasted on reviews and no action is taken. The Minister for Health has promised a new hospital. What will the Minister for Energy promise us?

Mr E.S. Ripper: One of the things we need to examine, for example, is whether the organisation really did learn the lessons from the 1994 blackouts. It is interesting that the previous minister made exactly the same criticisms of the State Electricity Commission of Western Australia as are being made now.

Dr J.M. WOOLLARD: How long has the minister been in government? He took on the portfolio and he was critical of what happened in the 1990s and even before then. Therefore, it is his responsibility. He is in charge of the policies that his department implements. He should have made sure that a continual supply of power was provided to the community. Some people suffered without power for six hours and some people in my electorate suffered for 24 hours. I have repeatedly written to the minister and advised him of the problems with the supply of power in that area.

The minister has been focusing purely on privatisation and neglecting essential services. The minister said that he has apologised. Perhaps one of the biggest mistakes of this Government was to reduce the number of ministers. He is not the only minister who is not on top of his portfolio. Several ministers in this Government are not doing the job they should be doing. Perhaps now is the time to try to divide some of that workload.

When this Government was elected, it made a commitment to improve health services. The kiss-of-death health portfolio was taken from the member for Yokine - now the Minister for Tourism - and given to the Attorney General. The Attorney General is managing two portfolios, neither of which is being managed very well. The Minister for Health is now promising to build another hospital. A promise was made 20 years ago to build a hospital in Geraldton, and it is still under construction.

Debate interrupted, pursuant to standing orders.