[COUNCIL — Tuesday, 21 August 2012] p5207d-5215a

Hon Helen Morton; Hon Alison Xamon; Hon Dr Sally Talbot

## WATER SERVICES BILL 2011

#### Committee

Resumed from 16 August. The Chair of Committees (Hon Matt Benson-Lidholm) in the chair; Hon Helen Morton (Minister for Mental Health) in charge of the bill.

# Clause 7: Minister may grant exemptions —

Progress was reported after the clause had been partly considered.

**Hon ALISON XAMON**: We were talking about clause 7(6), and I had raised a question about publishing the notice of a decision. I had asked why it would not be published in the *Government Gazette*, and in which other forms it would appear. The minister replied that it was to leave open the option of publishing the notice of a decision on another forum, for example on the internet, and I had a few concerns about that. I do not have a problem with using the internet as an additional way to publish decisions, but I am concerned that the internet is not accessible to everybody. I am not sure that there is much more to be said on that; however, is it intended that it will be more clearly prescribed within regulations?

**Hon HELEN MORTON**: The member is quite correct: it will be more clearly prescribed in the regulations in terms of when it is appropriate to advertise on the internet and when it is appropriate for work to be done through the *Government Gazette*.

**Hon ALISON XAMON**: Okay, that is good. It sounds as though various levels of decision making are going to be afforded differing levels of publication then; is that correct?

**Hon HELEN MORTON**: Basically yes, and the member should not forget that regulations are disallowable, so she will have an opportunity to look at them again.

**Hon ALISON XAMON**: I want to make a comment about subclause (7). The Greens (WA) support the transparency of water licensing decisions, and we welcome the right of a third party to obtain the reason for the grant or refusal of an application under this subclause.

Clause put and passed.

Clauses 8 and 9 put and passed.

Clause 10: Application for licence —

**Hon ALISON XAMON**: Clause 10(2)(b)(ii) requires the applicant to set out the methods and principles that the applicant plans to apply in the provision of the service. What are these methods and principles?

**Hon HELEN MORTON**: It is basically to make sure that the method by which the water supply will be provided is clearly set out, for example, through desalination.

**Hon ALISON XAMON**: Can the application be selected if the methods or principles do not conform with government principles?

Hon HELEN MORTON: Obviously, the authority will be guided by government policy when it makes its decisions.

**Hon ALISON XAMON**: I will take that as a yes; although the authority will be guided, it can still be selected if it does not conform.

Hon Helen Morton: Just that last part again.

**Hon ALISON XAMON**: I am confirming that although the ERA will be guided, the application can still be selected even if it does not conform with government principles.

**Hon HELEN MORTON**: I think that the member is looking for a level of specificity that I am not going to give her. The authority needs to be informed by government principles and the Economic Regulation Authority will take that into account when it makes its decision. It will be guided by that, but the ERA is an independent authority.

**Hon ALISON XAMON**: My next question will probably make a bit clearer where I am going with this. I am trying to figure out whether it includes an opportunity for stating environmental principles in the licence application.

Hon HELEN MORTON: Environmental principles must be taken into account.

Hon Alison Xamon: Must?

Hon HELEN MORTON: They must be taken into account. The member is happy with that.

[COUNCIL — Tuesday, 21 August 2012] p5207d-5215a

Hon Helen Morton; Hon Alison Xamon; Hon Dr Sally Talbot

Clause put and passed.

Clause 11 put and passed.

Clause 12: Conditions of licence —

**Hon ALISON XAMON**: Clause 12 allows the setting of conditions in a licence to include the metering of water services, compliance notes and community service obligations that cover services that are not viable by themselves. Community service obligations have been around for a long time and, as far as I am aware, the first policy with this term came in 1999 out of Queensland. The Greens (WA) put on the record that we are pleased with these provisions. This is one of the major reasons for our support of this legislation in Parliament.

My question targets clause 12(1). As the conditions for a licence are not limited, would such conditions in theory focus on environmental consideration and sustainability principles?

**Hon HELEN MORTON**: Your support for this bill is greatly appreciated. On the specific question that the member asks, the focus is primarily on ensuring that customers get a good standard of service, and included in that is efficiency in that service delivery, which takes account of environmental factors. However, the primary focus is on customer protection.

**Hon ALISON XAMON**: Is the minister saying that it does not preclude the consideration of environmental and sustainability principles?

Hon HELEN MORTON: No, it does not.

Clause put and passed.

Clauses 13 to 18 put and passed.

Clause 19: Effect of water resource management plans —

Hon ALISON XAMON: The Greens are pleased with this clause because it gives priority to any water resource management plans that the government might want to prescribe from the moment any plan is gazetted. We are concerned about how this worked in the past and whether the government can resist lobbying from industry against any changes to delay any water resource management. I want to again make the comment that it is disappointing we do not have before us the water resources management bill, and that that will need to be progressed as soon as possible

Hon HELEN MORTON: It is coming.

Clause put and passed.

Clauses 20 to 24 put and passed.

Clause 25: Operational audit —

Hon ALISON XAMON: Will the reports that are mentioned be made public; and, if so, how?

**Hon HELEN MORTON**: Yes, they will be made public. It is the process that is currently used, which is via the internet.

Clause put and passed.

Clause 26: Compliance with codes of practice made by Minister —

**Hon ALISON XAMON**: Clause 12 lists details of the codes of practice that the minister can make, and water conservation and efficiency of water use can of course be a possible content of such codes. If publication in the *Government Gazette* is not mandated, how will the minister ensure that Parliament knows about any provisions that might involve such codes and whether it can move a disallowance or not?

**Hon HELEN MORTON**: These are treated like subsidiary legislation, and so they will be published in accordance with the regulations, which are yet to be made.

**Hon ALISON XAMON**: Is the minister confirming that they will come to the attention of Parliament, and therefore they can be disallowed if necessary?

**Hon HELEN MORTON**: Yes, that is correct.

Clause put and passed.

Clauses 27 to 29 put and passed.

Clause 30: Prescribed conditions of licence —

[COUNCIL — Tuesday, 21 August 2012] p5207d-5215a

Hon Helen Morton; Hon Alison Xamon; Hon Dr Sally Talbot

**Hon ALISON XAMON**: I think this is in a similar vein to the issues I have been raising. If providers do not like the conditions prescribed by regulation, what avenues will they have to address that?

**Hon HELEN MORTON**: Obviously there will be a significant level of consultation that takes place prior to the regulations being developed; the regulatory gatekeeping process demands that that level of consultation take place. Nevertheless, once they are published, they can also, again, be disallowed.

Clause put and passed.

Clauses 31 and 32 put and passed.

Clause 33: Exception — dangerous situations —

**Hon ALISON XAMON**: This clause makes provision in case of a dangerous situation, but does not define the criteria that constitute a dangerous situation. What guidance is available to the department in its assessment of whether a situation is dangerous?

**Hon HELEN MORTON**: The Economic Regulation Authority will take guidance from a variety of government agencies in its consideration of a dangerous situation. For example, if it were a health matter, it would have to take guidance from the Department of Health. If it is an environmental matter, the ERA will have to take guidance from the Department of Environment and Conservation on it. That deliberately has not been prescribed in the legislation so that it gives the ERA the opportunity to go and get that guidance from the relevant agencies.

Clause put and passed.

Clause 34: Cancellation of licence for serious default —

**Hon ALISON XAMON**: This clause provides that a licence can be cancelled in the case of serious default and when the licensee has been convicted of more than three offences. Why does it need to be three offences before a licence will be cancelled?

**Hon HELEN MORTON**: Cancelling a licence is considered the last resort in terms of serious default and is usually taken after somebody has demonstrated a propensity to not take into account earlier opportunities to rectify problems and opportunities for improvements. Cancelling the licence is to give the Governor, who cancels the licence, the opportunity to recognise that it is a situation in which all other avenues have already been exhausted and therefore will need to go down that track.

**Hon ALISON XAMON**: Water is a precious resource and I do not necessarily object to serial breachers having their licence cancelled. I am trying to pick up on the arbitrariness of three breaches. The other issue is that often convictions occur only if the prosecution is successful in proving more than one breach of a licence, which effectively means there could be multiple breaches—that is, more than three breaches—even though there have been only three convictions. Separating the issue of a breach from a conviction, how many breaches of conditions would the minister anticipate to have occurred until prosecution is at least commenced?

**Hon HELEN MORTON**: I do not think I can answer the question because the member has really asked a hypothetical question. I find it a bit difficult to suggest a number or whatever it is that the member is asking. But perhaps one way to answer the question is to say that to date there has never been a cancellation of a licence. A number of notifications have taken place and service providers have remedied whatever the concern was, but it has never had to go to the stage of cancellation. However, it is there as that last resort if necessary.

Hon ALISON XAMON: I am also aware that people who have been issued a water licence—I am not necessarily talking about the larger water licensees—have engaged in quite deliberate violations of a licence agreement. I express my concern about that because I think it is a privilege to get a water licence and it is a resource that should be available to everyone, so we should be careful about how we manage it. That is just a comment, unless the minister wants to respond to it.

Clause 34(3) defines when a licensee is in serious default. It then states that the subclause includes a case when "the failure is material in terms of the operation of the licence". Could the minister please give an example of a case when a failure becomes material?

**Hon HELEN MORTON**: It was difficult to find an example, because at this stage there has not been a failure in material terms. A hypothetical example would be if a service provider could not continue to provide the water.

Clause put and passed.

Clauses 35 to 49 put and passed.

Clause 50: Terms used —

[COUNCIL — Tuesday, 21 August 2012] p5207d-5215a

Hon Helen Morton; Hon Alison Xamon; Hon Dr Sally Talbot

**Hon ALISON XAMON**: I will ask some questions about the term "supplier of last resort". We know that the supply of water to some regional areas is unlikely to ever be profitable. I suspect that the government will be unable to ensure that a private provider will be available in those areas. However, access to water by residents in gazetted residential areas is obviously in the public interest. That is where I understand this provision comes in. I understand that the decision to appoint a supplier of last resort will be made by the Economic Regulation Authority. Is there any minimum area for a designated area?

**Hon HELEN MORTON**: The purpose of this clause is around protecting consumers. It is not necessarily about trying to find new areas or to develop new water supply services; it is about stepping in if an existing service provider fails, and making sure that the people who receive a water supply from that provider can get it from an alternative source. The ERA will then appoint a provider of last resort.

**Hon ALISON XAMON**: Can a designated area be only a residential area or could it, in theory, also be an industrial project, such as a mine site?

Hon HELEN MORTON: It can be anything that currently exists in terms of a licensed water service..

Clause put and passed.

Clauses 51 to 55 put and passed.

Clause 56: Functions of supplier of last resort —

**Hon ALISON XAMON**: I am looking at clauses 56, 57 and 60 in conjunction with each other. The supplier of last resort is to prepare a draft last resort supply plan and submit it to the Economic Regulation Authority, and clause 57(c) provides for the event that that plan comes into operation. Clause 57 allows the authority to determine the contents of a plan if such a plan is not approved, and clause 60 gives the appointed supplier the duty to perform the functions. These clauses give the authority wide-ranging powers over the operation of the provider that is appointed as the supplier of last resort. I acknowledge that it is an important provision that must be in the bill. What is the likelihood of a private provider being the supplier of last resort?

**Hon HELEN MORTON**: Private providers can nominate to be the supplier of last resort but they will not be forced to be. A government water utility can be in that situation if it is required to be.

Clause put and passed.

Clauses 57 to 64 put and passed.

Clause 65: Authority may approve scheme —

**Hon ALISON XAMON**: Clause 65(3) provides for the retrospective application of the water services ombudsman scheme. How soon after the first water service licence has been issued does the minister expect the scheme to be finalised?

**Hon HELEN MORTON**: It is anticipated that the ombudsman will come into effect as soon as the act comes into effect. A few steps need to be taken to get there but that is the overall time frame that has been looked at.

**Hon ALISON XAMON**: I note from the explanatory memorandum that, according to schedule 1 of the transitional provisions, the first scheme is to be approved by the minister. Why was responsibility for approval of the first scheme given to the minister and not the Economic Regulation Authority?

**Hon HELEN MORTON**: It is because of the way the energy ombudsman is established. That office will be set up by the minister and brought into effect through that ministerial role and then handed to the ombudsman to take from there. The minister will have that authority.

Clause put and passed.

Clause 66: Requirements for scheme or amendment to be approved —

**Hon ALISON XAMON**: Clause 66(2)(h) mandates best practice complaint handling benchmarks. Only the revocation of a scheme needs to be tabled in Parliament whereas the design of a scheme in the first place does not need to be tabled. Could the minister explain that inconsistency in approach?

**Hon HELEN MORTON**: The scheme is pretty much set out in this clause. Any movement away from that or any change, amendment or revocation would have to come through Parliament and would be under the oversight of Parliament.

Clause put and passed.

Clauses 67 to 77 put and passed.

[COUNCIL — Tuesday, 21 August 2012] p5207d-5215a

Hon Helen Morton; Hon Alison Xamon; Hon Dr Sally Talbot

## Clause 78: Meters —

Hon ALISON XAMON: Clause 78 deals with the installation of meters. It is at the discretion of the water service provider whether to install a meter. The Greens are concerned about this discretion of the water service provider. We would rather see it made compulsory for meters to be installed, apart from the very rare cases in which this was considered to not be reasonably practicable. We are concerned that the proper metering of water use will ensure that a customer knows what water is used over a certain period so they do not pay more than they have consumed. I particularly wanted to raise this because I have concerns about residents in long-stay caravan parks, retirement villages and similar facilities. The Greens have received complaints about inappropriate utility charges in the past. If metering were made compulsory, it would obviously put an end to these sorts of complaints. I wanted to make the comment that we would like to see that there is also a right of people to be able to have a meter as well as an obligation on licensees, though we do understand that a similar wording is used in other Australian jurisdictions regarding the metering.

**Hon HELEN MORTON**: This section obviously covers all the services that are contained within the bill. Meters are not always appropriate for all services; for example, there is not any metering of residential sewerage. The way this is dealt with in the bill makes it optional, because it is not always required.

Clause put and passed.

Clauses 79 to 83 put and passed.

Clause 84: Ensuring water service works are done —

Hon ALISON XAMON: Reasonable costs of water services can be recovered and water service providers can charge infrastructure contributions from local residents. I note that the minister must approve guidelines to set out the extent to which an infrastructure contribution can be required and that such guidelines have to be published on the department's website but they do not have to be tabled in Parliament. My question is: would these guidelines not have a similar character to subsidiary law, and therefore would it not be appropriate to have these tabled in Parliament? If not, why not?

Hon HELEN MORTON: Can I just clarify whether the member is talking about clause 84 or clause 85?

Hon ALISON XAMON: I am actually dealing with clauses 84 and 85 together. That is what is making it a bit difficult.

**Hon HELEN MORTON**: It seems that the question the member is asking is applicable to clause 85. If it is, I would ask that we agree to clause 84 so that we can get on to talking about clause 85.

Hon ALISON XAMON: That is fine; I am happy to do that.

Clause put and passed.

Clause 85: Infrastructure contributions —

**The CHAIR**: Hon Alison Xamon, do you wish to clarify anything with regard to clause 85, or are you going to handpass it straight to the minister?

Hon ALISON XAMON: Thank you, Chair. It is effectively the same question as I asked before.

Hon HELEN MORTON: I think we are looking at clause 85(6), which states —

The Minister must publish the guidelines on the Department's website.

Hon Alison Xamon: Yes, we are.

Hon HELEN MORTON: That is a normal way of doing that sort of business, and would continue to be.

**Hon ALISON XAMON**: I was actually recognising the significance of these guidelines, and that is why I asked why they were not being treated as subsidiary law.

**Hon HELEN MORTON**: These are new requirements. It was believed, in consultation with people, that this was the most appropriate way to do it. This process makes it more widely available to a wider group of people. It was just agreed that this was the most appropriate way to do it.

Hon ALISON XAMON: Are draft guidelines already available?

**Hon HELEN MORTON**: They are not set down at the moment. It is modelled on the Water Corporation's guidelines. Members can look at those to get a feel for what they are like.

**Hon ALISON XAMON**: I want to confirm that we are talking about the same guidelines. There was something published in February 2012 by the Water Corporation that states that the purpose is to assist with offsetting the

[COUNCIL — Tuesday, 21 August 2012] p5207d-5215a

Hon Helen Morton; Hon Alison Xamon; Hon Dr Sally Talbot

present or future cost of the licensee providing or upgrading necessary infrastructure. Anyway, that is where it was referred to. Are we talking about the same document?

Hon Helen Morton: Yes.

Hon ALISON XAMON: We are talking about the same document; okay.

What clause, if any, exempts single residential developments from infrastructure contributions?

**Hon HELEN MORTON**: They are not exempt. They are known as headworks. Every residential or other facility that hooks up to any of these facilities or services has to pay that contribution.

**Hon ALISON XAMON**: Which leads me to my next question: what percentage of infrastructure cost is it anticipated will need to be refunded in the public interest?

**Hon HELEN MORTON**: We do not have those guidelines sitting in front of us because they are guidelines from the Water Corporation. My advisers and I are struggling to know precisely whether the member is advocating for a particular type of facility or residential facility, or whatever. We do not know what the member is specifically requesting information about.

**Hon ALISON XAMON**: I suppose the concern is less about the Water Corporation, which has one shareholder—which is, of course, the government—and more about residents who might have water provided by a private provider. They may be required to pay a considerable portion towards infrastructure costs, but the ownership of that infrastructure does not remain in public hands. That was effectively the concern I was raising. I also want to get an idea of how that contribution will relate to ownership of future water infrastructure.

**Hon HELEN MORTON**: I am making an assumption about what the member's concern is, but is it what will happen to the investment or the infrastructure that is related to a particular service provider if people have paid the money and have contributed to the cost of being connected to that private operator, and that private operator then goes out of business or something?

Hon Alison Xamon: Yes.

**Hon HELEN MORTON**: Under those circumstances, the supplier of last resort would come in and everything would be kept in a holding pattern until the supplier of last resort was able to find a new supplier, and the new supplier would then carry on. There are also regulations—I do not have them at my fingertips—that would enable the infrastructure and the investment to be vested in the new operator.

**Hon ALISON XAMON**: So, in effect, does that mean that the infrastructure will remain at least under public management if not formally under public ownership?

**Hon HELEN MORTON**: I will paraphrase it. A private operator cannot run away with it, if that is what the member is concerned about.

**Hon ALISON XAMON**: I want to tease out this issue of infrastructure. "Infrastructure" is defined in clause 85(2), which states, in part —

infrastructure includes, subject to section (7) —

It says "infrastructure includes" but it does not have the words "but is not limited by", for example, so it actually outlines the sort of infrastructure that is envisaged. I just want it to be made clear. Can the minister confirm that the possible higher salaries of people employed by privatised water service providers could not possibly lead to an increase in the infrastructure costs; in other words, there would be no correlation between people investing in future infrastructure—which as a policy position I think we have agreed is sound—but then also being hit up for additional costs because a private water provider might decide to boost its executives' salaries?

The CHAIR: The minister.

Hon HELEN MORTON: Thank you, Mr Chair. I must add that you are being very patient today.

The regulator determines what can be charged. So, all of the charges are considered. When the regulator is bringing to bear all of the costs associated so that an appropriate amount of money can be determined to be charged, the Economic Regulation Authority advises the minister on those recommendations. But, at the end of the day, it is the minister who approves the level of charging, through the regulations.

Clause put and passed.

Clauses 86 to 94 put and passed.

Clause 95: Disconnection or reduction in rate of flow etc. —

[COUNCIL — Tuesday, 21 August 2012] p5207d-5215a

Hon Helen Morton; Hon Alison Xamon; Hon Dr Sally Talbot

**Hon ALISON XAMON**: Water service providers are allowed to cut water flow to unoccupied land without the requirement to notify the owner of the land in the first place. I am particularly interested in how this clause applies to residential areas. How does the minister define "unoccupied"?

Hon HELEN MORTON: To the best of our knowledge, "unoccupied" is not defined in legislation—I am having a quick look to make sure that it is not, but we are pretty sure that it is not. That is probably because the normal definition of "unoccupied" is taken, which means that there is no-one living in a facility or on that land. Proper process and investigation have to be gone through to determine that no-one is on that land, and that takes a reasonable amount of time. It is not a matter, for example, of someone working two or three weeks away on the mines and coming back to find that the water to their house has been disconnected or something like that. The investigation process is such that it would be determined that the land is unoccupied, and there are policies and procedures around how that occurs.

**Hon ALISON XAMON**: That was actually the crux of my concern. If a previously occupied dwelling is unoccupied, what duty does the water service provider have to ensure that the land is actually unoccupied? Should the owner not be contacted in any case if there is a residential dwelling on the land?

**Hon HELEN MORTON**: There is no doubt that contact would be made with the landowners if they were able to be contacted. The other safeguard, if that is what the member is looking for, is the capacity to set out these rules and further guidelines in the processes that are already in play or that will be in play. Those processes will be in put place to make sure that proper consideration is given and there is an ability to contact the landowners about a disconnection. All of that can be set out in the rules with the licences.

## Clause put and passed.

Clause 96: Fire hydrants —

Hon ALISON XAMON: I move —

Page 82, after line 24 — To insert —

- (6A) The licensee must keep the Minister informed, and the Minister must keep the Minister responsible for the *Fire and Emergency Services Act 1998* informed, of
  - (a) the number of outstanding requests under subsections (3) and (4); and
  - (b) regarding each fire hydrant that is the property of the licensee, the date when it was last confirmed by the licensee to be in effective working order.

I referred to this amendment in the second reading debate and indicated that I would move it at this point. The context, as explained in the explanatory memorandum regarding clause 96, is that the clause and the transitional provisions will cause fire hydrants to be vested in water service licensees, whereas currently hydrants are vested in the Fire and Emergency Services Authority. I also pointed out that the Western Australian branch of the United Firefighters Union of Australia has strong concerns about this shift because, as it has made clear, firefighters' lives depend on the hydrants working properly. It has considerable concerns that the Water Corporation is not keeping up with the work orders to maintain the fire hydrants. The union told me that currently FESA is at least able to check the hydrants annually and do basic maintenance and send a work order to the Water Corp if specialist work is needed, but this bill changes that. As I also said in the second reading debate, I recognise that the change in the bill reflects recommendation 50 of the Keelty report, which in turn reflects a 2006 recommendation made by a parliamentary committee. On that basis, I recognise that this change that has occurred to the bill during its passage through the other place is widely acknowledged as being necessary. Therefore, this amendment at least provides a fallback position. It assumes that the Water Corporation or the water services licensee is the owner of, and responsible for, fire hydrants and ensures that the emergency services minister knows the number of outstanding work orders and when the last time a fire hydrant was checked to ensure that it was in good working order.

I will explain some of the wording in this amendment. The term "effective working order" comes from section 54(8) of the Fire Brigades Act and section 37(6) of the Country Areas Water Supply Act, which require fire hydrants to be maintained in good working order. I describe the minister as the "minister responsible for the Fire and Emergency Services Act 1988", not the Minister for Emergency Services, because I recognise that the names of portfolios can change. By referring to that specific act, it is clear which minister is meant. Although I recognise that this amendment adds an additional burden in terms of the lines of communication, I also think it is useful for both ministers to know about the situation of the fire hydrants. That may increase the chance of the hydrants being properly maintained. That is effectively why I am moving this amendment, and that was the thinking about it, recognising that, hopefully, it becomes the best of both worlds.

[COUNCIL — Tuesday, 21 August 2012] p5207d-5215a

Hon Helen Morton; Hon Alison Xamon; Hon Dr Sally Talbot

Hon HELEN MORTON: That amendment essentially will require the water service licensees to report to the Minister for Water all outstanding hydrant repair and installation requests, and provide a report on when each hydrant was confirmed to be in working order. I made a comment in my second reading speech that 68 000 hydrants are identified by Keelty. The current number of outstanding fire hydrant work orders is some 465 for the whole state and around 400 for Perth, but at the time of the Keelty report, the Water Corporation advised us that it had some 1 000 of these outstanding work orders on fire hydrants. The member's amendment cannot be supported because the requirements for reporting outstanding work orders are far more appropriately set as a condition of the licence under clause 12. The bill already allows reporting obligations such as these to be set as licence conditions, and such reports should go to the regulator, not the minister, to ensure clear lines of accountability. In this case the regulator would be the Economic Regulation Authority, and the Economic Regulation Authority can take action in the case of noncompliance with a licence condition. Providing these reports to the ministers who do not have direct regulatory responsibilities in this area would create uncertainty for regulators and the licensees. Finally, non-statutory options exist for reporting hydrant maintenance information, and the Fire and Emergency Services Authority and water utilities are currently developing a service level agreement that will ensure that regular reports on hydrant maintenance are provided to FESA.

Hon SALLY TALBOT: I want to clarify for the minister, because Labor is very keen to support this amendment, that there was, as honourable members would know, a considerable amount of debate about clause 96 in the other place, so the issues that are of grave concern to us were very well canvassed down there. This amendment, I would have thought, is a basic accountability provision. The way in which the minister has just responded to the amendment made it sound as though she had doubts that the right reporting mechanism was being canvassed by the amendment. So, can I ask the minister to clarify whether she is suggesting that there should be an alternative reporting line, because I think that the points made by the amendment are highly relevant and go to that basic question about the health and safety of people who are charged with using the hydrants in the course of their professional activities and, indeed, the safety of householders.

Hon HELEN MORTON: Basically, we are saying that we agree about the requirement for regular reporting et cetera, but we think that the mechanism that has been chosen is already incorporated within the act, and the amendment is not one that we would support. At the moment it can be made a condition of a licence. Right now part of the developing service level agreement will ensure that these regular reports on hydrant maintenance are provided to the Fire and Emergency Services Authority. The intent of what the member is hoping to achieve with this amendment is something that we agree with, but we do not agree with the mechanism through which she wants it to occur.

**Hon ALISON XAMON**: I suppose I am a little confused about this because it seems that there is agreement on the policy of what this amendment is trying to achieve. I am at a loss to understand why there is resistance to ensuring that the mechanism is permanently in the legislation. When the minister listed the number of hydrants that are currently subject to work orders, it did not fill me with confidence.

**Hon Helen Morton**: They dropped down by half.

Hon ALISON XAMON: I am glad the number dropped by half but still a lot of hydrants require maintenance. I suppose that reinforces for me how important it is that the Minister for Emergency Services be fully across the exact situation with hydrants at any given point. The reality is that when things go wrong and tragedies occur, such as the one we saw in the Roleystone–Kelmscott bushfires, it is ultimately the minister responsible for emergency services to whom we look to provide some answers—as I think is appropriate. If we are going to do that, we also need to give the Minister for Emergency Services, in fairness, a mechanism by which they can automatically get the sort of information that we would expect them to be across to be able to effectively monitor their portfolio.

**Hon Helen Morton**: There are service level agreements.

Hon ALISON XAMON: I am hearing the minister say that it is unnecessary because there is a service level agreement. Service level agreements can change and can be more readily overlooked or ignored. That is one of the reasons why it was considered that with this significant, albeit necessary, change—which is recognised in terms of responsibility for the maintenance of fire hydrants—we could ensure by at least one mechanism that ongoing accountability is maintained so that we as the public, if you like, can also feel confident that we can keep the Minister for Emergency Services accountable in their role.

**Hon HELEN MORTON**: I will probably sound as though I am repeating what I have already said, but the amendment is not supported. It is absolutely believed that the appropriate line of accountability is to make these reports go straight to the regulator and the regulator, in turn, has the ability to take the action that is necessary around the issues of noncompliance with the licence conditions. That process is more direct and provides the clearest lines of accountability.

[COUNCIL — Tuesday, 21 August 2012] p5207d-5215a

Hon Helen Morton; Hon Alison Xamon; Hon Dr Sally Talbot

Just on another point the member raised to do with the fire hydrant, the issues around the bushfires were not related to a non-functioning fire hydrant.

Hon ALISON XAMON: I am actually aware of that. I said that when things go wrong, people look to the Minister for Emergency Services for answers. The point I was making, therefore, is that it is reasonable for the Minister for Emergency Services to expect that at all points they will be given information on the full state of affairs, particularly in this instance on the status of maintenance around fire hydrants. I do not think that is an unreasonable ask. The process that has just been described to me is one whereby the regulator will know what is going on, and I am quite sure will try to work towards making sure a licensee is fulfilling their obligations, but in that scenario the Minister for Emergency Services may not have any idea about what is going on and may not be aware that they actually also need to be weighing in on the issue of ensuring that hydrants are being appropriately maintained.

**Hon SALLY TALBOT**: I am still seeking clarification on this point. I will be very brief. In her response to me, the minister said that such provisions may be included in service level agreements. First of all, does the minister mean they will be or that their inclusion is optional?

Committee interrupted, pursuant to standing orders.

[Continued on page 5224.]