

Hon Sue Ellery; Hon Peter Collier; Deputy President; Hon Kate Doust; Hon Nick Goiran; Hon Dr Sally Talbot;
Hon Robin Chapple; Hon Helen Morton; Hon Ljiljana Ravlich

ELECTRICITY CORPORATIONS AMENDMENT BILL 2013

Second Reading

Resumed from 4 December.

HON SUE ELLERY (South Metropolitan — Leader of the Opposition) [12.44 pm]: When the debate was interrupted last evening, I had made the point that the opposition's concern about the Electricity Corporations Amendment Bill 2013 was based on the fact that we think it is underdone and that the house has not been provided with evidence that demonstrates that the bill will meet the policy objectives set out in the second reading speech, laudable though they are. One of the policy objectives, in a nutshell, is that the merger will achieve cost efficiencies and reduced corporate overheads in the merged business. No evidence of that has been put before us. Another policy objective is to sustain private sector participation in the electricity sector, but, to achieve that, regulatory constraints would need to be put in place to ensure that some functions were subject to ring-fencing, a transfer pricing mechanism and protocols governing the flow of sensitive information. That has not been provided to the house.

I made the point that there is no stakeholder support for the bill and that there was no consultation in the lead-up to the decision. In summary, it is a bad bill. I made the point that significant policy work in this area was done in the government's first term arising out of the commissioning of, and the work done by, the Oates review and the work done in the lead-up to the release of the "Strategic Energy Initiative: Energy2031". I made the point that Labor's disaggregation was done at the end of a consultation process across the sector, but the bill before us was not done at the end of one of those consultative processes, but, indeed, was done completely in the absence of a consultative process.

I also made the point that the nature of this sector requires stability and certainty, and that a no-surprises approach is the best path for all to take. We know that some eight months after all the work that I outlined last night in and around Energy2031, which sets out the blueprint for the next 20 years' worth of policy in the energy area, had been completed and published, and some one month after the state election, during which no reference was made to merging the two entities, the Premier made his announcement to re-merge Synergy and Verve Energy based on none of the methodical and careful planning and extensive consultation on the strategic energy initiative that all the stakeholders said needed to be followed in order to reach an agreed outcome. I thought it was a bit cute of the government when it made the announcement on 10 April in a media release with the heading "Changes to machinery of Government", which canvassed such things as moving the Department for Communities into the Department of Local Government and moving the science unit into the Department of the Premier and Cabinet. Under that kind of machinery of government change, we had the bit that stated, by the way, chief among the proposed changes is the merger of Verve and Synergy. The merger of Verve and Synergy is a serious economic decision with serious commercial ramifications, and it was just a little too cute to suggest that it was the same as moving the science unit into the Department of the Premier and Cabinet.

I also raised the questions that were raised by Hon Jacqui Boyde in her contribution to the debate when she said —

... the need to now review that market to bring it back into a merged state to allow for a better future positioning of the privatisation of that market is where we stand today with this bill.

I made the point that there is a very serious and significant difference between the government managing private sector participation, which is one of the policy objectives set out in the second reading speech, in a market in which those utilities are still held in public hands and the privatisation of those utilities and, therefore, the total privatisation of the market. Hon Jacqui Boyde also said that the government was currently undergoing a detailed review of the structural aspects of the electricity market, and that she found it a little concerning that the Parliament was dealing with this bill and that the bill may be passed before we know the outcome of that review. I find it more than a little concerning that some members of the house have been briefed on that review while the rest of us have not. Obviously this bill sits within the context of that review; that is the view of at least one government member. It also fits with one of the second reading speech policy objectives; we were told that this bill is a step in a broader reform, but we do not know exactly where it sits in the context of that broader reform.

I want to raise a couple of new issues. The first objective in the second reading speech is cost saving. I spent some time trying to find out exactly what the government has said the cost savings will be, and whether a time line for revealing those savings has been provided to us. I went to the *Hansard* for the Legislative Assembly estimates committee hearings. A series of questions were asked during those hearings about the merger, and I will refer to those questions. I refer to the estimates hearings of 22 August 2013 and a question asked by the member for Cockburn, Hon Fran Logan. It states —

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I refer to the decision by the Premier to amalgamate Verve and Synergy. What are the expected costs of bringing the two companies together during the last financial year and the financial year coming; and, what are the expected savings from bringing these two companies together specifically in the next financial year?

Minister Nahan replied —

In the budget papers—I cannot find the page now—there is a statement for the last fiscal year of expenditure for the merger of \$355 000, I believe. That was the expenditure by the Public Utilities Office, and it was reimbursed from Synergy and Verve. Going forward, it is yet to be determined what the total costs will be and what the gains will be. Those costs will be absorbed by the combined entity of Synergy and Verve. The total costs and the total cost savings are yet to be determined.

Mr Logan then asked —

So the \$355 000 that the minister referred to is for costs so far?

The minister turns to an adviser, Mr Matacz, who replies —

The actual figure provided is a saving as a result of the merger of the two boards into one.

The transcript then continues —

Mr F.M. LOGAN: The \$355 000?

Dr M.D. NAHAN: I was wrong. I thought that was expenditure. That was a saving of \$355 000 in the last fiscal year.

Mr W.J. JOHNSTON: If that is the saving, what was spent on the merger in 2012–13, and what is expected to be spent on the merger in 2013–14?

Dr M.D. NAHAN: Those costs are being incurred by Synergy and Verve. The actual costs and the actual cost savings from the merger are yet to be determined.

Mr F.M. LOGAN: The CFO has identified the savings for the last financial year up to 30 June. I am sure that the costs have been identified as well. I am simply asking what those costs were.

...

We know what the savings were for the last financial year, yet we do not know what the costs were.

Dr M.D. NAHAN: I will find that \$355 000, and that will clarify it, and we can go forward from there. I am told that the \$355 000 is not in the Synergy area of the budget but is actually in a different part of the budget. It is not a saving. It is actually an expenditure in the 2012–13 financial year.

Mr F.M. LOGAN: So it is not a saving? I am trying to clarify this, because there seems to be two opinions.

Dr M.D. NAHAN: It is an expenditure by the PUO in 2012–13. The expenditure in 2012–13 and 2013–14 for the combined board, and the savings from that, particularly in 2013–14, are yet to be determined, and they will be worn by the combined entity and not reported in the budget.

This was back in August, and the minister was unable to identify what the savings would be, although we were able to ascertain that the cost to that time was \$355 000.

Further along in the same estimates hearing, the member for Cockburn continues his questioning. The transcript continues —

Mr F.M. LOGAN: I want to bring the minister back to the question that I have asked about the merger of Verve and Synergy. There was some confusion between the minister and his advisers about what were the costs and what were the savings. I want to know the figures for the financial year to 30 June.

...

The minister told the committee initially that that \$355 000 was savings. We now know that that \$355 000 was costs incurred in the 2012–13 financial year as part of the amalgamation, and those costs were primarily as a result of the Public Utilities Office. I want to confirm that that statement by the minister is absolutely correct. Also, as part of my previous question, if that was the cost, what were the savings?

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Dr M.D. NAHAN: The \$355 000 mentioned on page 757 of the *Budget Statements*—I do not know what table that is—refers to a common board for Synergy and Verve Energy. That money was spent by the Public Utilities Office to set up the common board. Okay?

Mr F.M. LOGAN: Yes.

Dr M.D. NAHAN: As to the follow-on question about additional savings, as of 30 July 2013 there were no savings—the board had not yet operated and the combined entity had not taken place. There were no savings prior to 30 June 2013.

Of course, that makes absolute sense, because the body had not yet been set up. The minister continued —

There will be savings going forward. The merger process is still being planned and undertaken. We are yet to crystallise all the savings and costs. Those are being borne by Synergy and Verve, and after 1 January by the combined entity, which is to be called Synergy. I cannot give the total estimate of the cost, revenue or savings from that merger, although I am very confident that the net impact will be positive; that is, the savings will exceed the costs.

That was in August and we are now in December. It is disappointing that the house still does not have the projected savings before it. It has been a considerable time since the minister told the other place that the government was still working on this. That is one of the key policy objectives of the bill before the house, but the house has been given no evidence for how that objective is going to be met. I find it hard to accept that no projections have been done. I can accept that the government cannot give an ironclad guarantee on the exact amount of money that is to be saved, and I accept that there will be some movement on the figures. But given that the announcement was made in April, I find it hard to believe that no modelling or projections have yet been done to estimate the savings and to give the government some confidence about what the savings will be. I find it astonishing that the house is being asked to take this on trust.

Further along in the same estimates hearing, the member for Cannington, Bill Johnston, asks some questions of the minister. The transcript states —

Mr W.J. JOHNSTON: Is Synergy involved in preparing a business case for merging Verve and Synergy? If it is involved in preparing a business case for the merger of Verve and Synergy, when will that business case be complete, and will that business case be made public?

Dr M.D. NAHAN: Synergy is involved at various dimensions. The implementation team is not just putting forward a business case, but also developing the organisation and all the aspects associated with it. The implementation team will provide a full report when it is eventually finished.

I hope the house can be told what stage that report is at. The hearing continues, further along —

Mr W.J. JOHNSTON: The minister referred to the implementation team; I asked about the business case. I will ask again: is Verve involved in developing a business case for the merger of Verve and Synergy?

Dr M.D. NAHAN: Yes.

Mr W.J. JOHNSTON: When is it expected that that business case will be complete and will that business case be made public?

Dr M.D. NAHAN: I am not sure when the business case will be completed. It will evolve.

...

There is not a single “should we do this—yes or no”. The case is strong. The questions are: What will it look like and how will it be structured? What will the cost of implementation be, and, more importantly, what savings will there be to the combined entity of Synergy and Verve and what will the savings be to the market as a whole?

Indeed; I agree with the minister—those are important questions to be answered.

Sitting suspended from 1.00 to 2.00 pm

Hon SUE ELLERY: Immediately before the break I was referring to the *Hansard* of the estimates committee in the other place on 22 August this year. The member for Cannington was asking a series of questions about the business case for the merger. The reason that I referred to that *Hansard* was, of course, because one of the key policy objectives of the bill is cost savings. I am making the point that the house does not have the information before it to make a judgement on whether there are indeed going to be any cost savings, because no business case has been provided. In the estimates hearing, Mr Johnston asked —

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When is it expected that that business case will be complete and will that business case be made public?

Minister Nahan replied —

I am not sure when the business case will be completed. It will evolve.

He then went on to say —

There is not a single “should we do this—yes or no”. The case is strong. The questions are: What will it look like and how will it be structured? What will the cost of implementation be, and, more importantly, what savings will there be to the combined entity of Synergy and Verve and what will the savings be to the market as a whole?

I earlier made the point that these are very serious questions posed by the minister himself. But the minister has not been able to put the answers before the house, despite asking us to consider the bill that he says will provide the answers to those questions. There is no evidence before the house of how that will be done. I note that he gave that answer in the other place in August; he did say that the business case would evolve and I hope that it has evolved since August, given that we are now in December. The minister identified those key questions and he is right—they are key questions. Unfortunately, at this point, the house does not have the answers before it.

One of the other points made in support of this legislation is that we need to take this step because the two organisations are not performing as financially well as they should. That is one of the justifications for why we should proceed down this path. It is worth noting that although the government’s position is that the entities are not performing as financially strongly as they should, their performance is not so poor that the government has stopped taking a dividend from them. Indeed, during the first term of this government, the government increased the size of the dividend it takes from public utilities. The former Leader of the Opposition, Eric Ripper, a good friend of mine, described this government’s increasing reliance on dividends from utilities as “sweating the assets”. This government increased the dividend payout ratios paid by those utilities in the 2010–11 state budget. For Synergy the ratio was lifted from 50 per cent to 75 per cent, and for Verve from 50 per cent to 65 per cent. Members would be aware that the final dividend is paid from the net profit after tax for each year. Before this government changed it, 50 per cent of net profit after tax for the year was paid back to the government by the public utilities as a dividend. As I said, this government changed that for Verve and Synergy—up to 75 per cent for Synergy and 65 per cent for Verve. That amount of money is set out every year in the budget papers. The total dividends from the public utilities in this year’s budget are estimated to be \$832 million. In the “Revenue to government from public corporations” table on page 314 of budget paper 3, the dividend from Synergy for 2013–14 is \$9.629 million and from Verve \$74.6 million. That is a lot of money that this government is relying on from entities it says need to be merged because they are not performing as financially well as the government thinks they should. At the same time the government was taking those dividends, all utility prices, including electricity, were rising.

The point I am making is that we are told that the policy objectives include cost savings but we have no information before us as to what they are projected to be. We are told that the policy objectives include sustaining private sector engagement in the market by appropriate regulatory framework, but we do not know what that is. We are told that it includes things like ring-fencing, but we do not know the extent of that. We know that the bill has no support. To further demonstrate that, in April, one of the energy newsletters, energynewsbulletin.net, provided a summary to energy sector participants, which reads —

ONE of recently re-elected Western Australian Premier Colin Barnett’s first edicts has been to re-merge state utilities Verve and Synergy in an attempt to curb high prices for consumers.

...

The two were originally spun out from Western Power to stimulate private competition within the sector and while Barnett maintains there has been competition, more often than not it has led to negative consequences for consumers.

He said that by having separate and smaller entities it diminished the bargaining power of both.

...

He said bringing the pair back together would create a “financially robust” entity capable of underpinning industry and reducing overheads and costs, —

We do not have that before us —

with the savings to be passed onto the consumer.

The ENB goes on —

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However, the reaction from business has been somewhat different, with the WA Chamber of Commerce and Industry saying the move would set back energy sector reform in the state.

It said there were already a number of measures being undertaken to address higher end-use costs, including a review being undertaken by the Public Utilities Office.

The CCI also said it was up to the government to demonstrate how placing the risk and costs associated with the businesses onto the public dime would encourage public sector investment.

We have not seen that because we have not seen the business case and we have not seen any of the projections. In concluding, the ENB states —

It claimed the government did not consult with private players in the industry about the move.

That is not a claim; that is a fact. It continues —

It was a sentiment shared by the WA Independent Power Association, which said the move came as a surprise.

“We are seeking an urgent meeting with government to get more detail about what is being proposed and we want to be closely involved in discussions on any changes to the market structure which could affect private investment,” WA IPA chairman Richard Harris said.

I return to the point that I was making earlier. The second reading speech tells us that one of the critical policy objectives is to sustain private sector participation in the electricity sector. It also tells us how this legislation gives effect to that by ensuring that there is a new regime of regulatory constraints, so “some functions within the merged entity will be subject to ring-fencing”. So critical is this policy objective that the provisions giving effect to that are absent from the bill. We are to trust that they will be dealt with adequately in the regulations to be minted by the minister once the bill is passed. A key policy objective and one designed to give assurances to the taxpayers is shunted off to regulation land and not subject to the same level of parliamentary scrutiny as the body of the bill. There is no business case and no policy development that can lead to this legislation; in fact, it is the complete opposite. The only real backing that the Premier claimed to have has now infamously been revealed not to be the case. It is not the case that he received correspondence from the two chairs requesting the merger. What makes that all the more galling is that at the time the Premier was talking about that in public, he was really quite mocking of those who suggested that he should ignore this letter that he said he had. He said, “They asked me to do it. What do you expect me to do?” It has now been revealed that they did not ask him to do it. I would have loved to have been listening to the phone conversations between those two chairs every time they heard the Premier talking about how they had asked him to do that. Those phone conversations would have gone on for several months because the Premier held to that line for several months earlier this year.

Why do we need the kind of ring-fencing that this bill tells us we need when that was the very reason the entities were disaggregated in the first place? The second reading speech tells us that the merger will achieve cost efficiencies. We heard others—I think it was in the Oates report—suggesting that it would be about \$5 million.

That was back in 2009. I find it hard to believe that no real projections have been done since then. The house needs the evidence of that.

The fact remains that there is no evidence that any of the policy objectives set out in the second reading speech have been met by this bill. The bill is underdone. There is no evidence of cost efficiencies. There is no evidence of reduced corporate overheads. We are not able to test the extent of the regulatory constraints because we cannot see them. There is no support for the bill. There was no consultation in the lead-up to the bill. There is no stakeholder support. No policy work was done on the bill. In the absence of any of those things, this bill is not ready to be debated by the house.

Discharge of Order and Referral to Standing Committee on Legislation — Motion

HON SUE ELLERY (South Metropolitan — Leader of the Opposition) [2.12 pm] — without notice: I move —

That —

- (1) Order of the day 8, the Electricity Corporations Amendment Bill 2013, be discharged and referred to the Standing Committee on Legislation for consideration and report by no later than Tuesday, 18 February 2014.
- (2) The committee has the power to inquire into and report on the policy of the bill.

HON PETER COLLIER (North Metropolitan — Leader of the House) [2.13 pm]: The government will certainly not be supporting this referral motion.

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Hon Ken Travers: You gave that a lot of consideration.

Hon PETER COLLIER: This is quite frustrating. In this house over the past 13 hours we have heard monotonous arguments from one speaker after another about issues they have with this bill. I have not had an opportunity to respond to those issues. As I said, the speeches were very consistent in that each speaker articulated virtually identical issues. The issues raised with regard to this bill were very general. They were very philosophical. The opposition just does not like the bill.

Hon Ken Travers interjected.

Hon PETER COLLIER: The member should settle down.

Hon Ljiljanna Ravlich: No-one likes your bill.

Hon PETER COLLIER: It is not a matter of whether members like the bill; this is part of the government's agenda. It is part of government policy. The opposition will have plenty of opportunities to express those concerns in a much more forensic fashion in the committee stage when we eventually get there.

Hon Ken Travers interjected.

Hon PETER COLLIER: If Hon Ken Travers does not mind, I am not taking interjections. I was very quiet for the last 14 hours. Members opposite are obviously a bit hot under the collar. For some reason, when I try to give an explanation from the government, they cannot stand the explanation that is provided. I have been as forthcoming and as flexible as possible with members opposite to try to provide as much opportunity to get into committee stage, when we should be able to legitimately and forensically look at this bill. Members opposite will have that opportunity. I give a commitment that I will answer all their questions. I am very familiar with this bill. I am very familiar with why the government is going down this path to re-merge. I will not go into the specifics of the arguments at this stage; that is not the motion. The motion in front of us is whether the bill should be referred to the Standing Committee on Legislation.

This is flawed logic on the part of the opposition. Without a doubt, we will restart the arguments. We will have hour upon hour of flawed logic of why this bill needs to go to a committee. It does not need to go to a committee. It is government policy to re-merge Verve and Synergy.

Hon Ken Travers interjected.

Hon PETER COLLIER: I am not listening to Hon Ken Travers. If he gives me the opportunity, I will sit in the chair at the table for 20 hours and answer his questions.

Hon Ken Travers: It will be longer than that to get through all of these issues.

Hon PETER COLLIER: That is fine, and I am very much looking forward to it.

Hon Ljiljanna Ravlich interjected.

Hon PETER COLLIER: I am not listening to Hon Ljiljanna Ravlich either. To get to this point, having spent two weeks listening to the same arduous, monotonous arguments, which do not have any foundation, and then for members opposite to have the audacity to say that we are going to go through the whole thing again and send this off to committee, beggars belief. If members opposite think that this is a good way to deal with the business of this house, they have another thing coming because it is not a good use of this chamber's time.

Hon Ken Travers interjected.

Hon PETER COLLIER: Madam Deputy President, with all due respect, it is getting rather monotonous listening to Hon Ken Travers. I am not taking interjections; I made that quite clear.

The DEPUTY PRESIDENT (Hon Liz Behjat): I ask members opposite to give the Leader of the House the courtesy of listening to his response to the motion in front of us.

Hon PETER COLLIER: We have sat here for the past two weeks and listened to issues purporting to be connected to Verve Energy about the strategic energy initiative. We almost had a re-reading of the State Energy Initiative from member after member. We have heard arguments about cost blow-outs, tariff increases and public consultation—a whole host of areas which, with all due respect, are philosophical. It is policy. It is what the opposition feels. We do not agree with it. That does not provide reason why this bill needs to go to a committee. The bill does not need to go to a committee. What we have here is a very clear and simple policy and bill; that is, we are merging the two entities of Verve and Synergy. We are doing that for legitimate reasons. I am willing to go through those reasons in my second reading response, and I will do so at length when we get to that point. Suffice to say, I am disappointed that opposition members feel it is necessary to go down this path. Without a shadow of doubt, we are now going to spend an exorbitant amount of time while members opposite articulate

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without foundation exactly the same arguments that have been heard for the past 13 or 14 hours for why this bill needs to go to the Standing Committee on Legislation.

The government is keen to expedite its legislative program. It has provided two weeks on this bill thus far. We have another long week in front of us, with extended hours, with the consent of the government and, I acknowledge, with the support of the opposition; but that is in good faith.

Hon Kate Doust: Good faith from us enabling you to have those additional hours.

Hon PETER COLLIER: I thought it was a mutual agreement?

Hon Ken Travers: To help the government.

Hon PETER COLLIER: Give me a break!

Hon Kate Doust: We are trying to help you.

Hon PETER COLLIER: I have misinterpreted the conversations that I have had. Does the opposition not want the extra hours?

Hon Kate Doust: No, happy to help you.

Hon Sue Ellery: It is up to you.

Hon Ken Travers: We are doing it for you, though.

Hon PETER COLLIER: I say to members opposite that I am very comfortable to provide as many hours as they like next week. It works both ways in this instance.

In conclusion, I am disappointed. I feel that if the opposition were sincere in its opposition to the bill, it would provide the government an opportunity to respond to its concerns.

Hon Ken Travers: You have got it now.

Hon PETER COLLIER: Hon Ken Travers, I will respond in a more expansive fashion in my response to the second reading debate, not in response to the referral to the committee.

Hon Ken Travers: Just trying to help.

Hon PETER COLLIER: It does not matter what I say now; I know what is going to happen here. We will have these speeches over and again. I am disappointed. I genuinely thought that we were reaching the point at which we could make some progress on this bill. As I have said, I am willing to spend hour after hour sitting in the chair when this bill goes into committee to answer the numerous concerns of members opposite. They are asking for government explanation. Opposition member after opposition member pleaded with the government to provide that information. I am willing to provide it. As Leader of the House and leader of the government, I am willing to sit here for hour upon hour and provide the information, explanations and answers opposition members want. I want to do that, but they are denying me that opportunity. I really am disappointed that we have got to this situation.

Hon Sue Ellery: I can live with your disappointment.

Hon PETER COLLIER: That is fine, but, as I said, I am really disappointed. There is no point going on, suffice to say that we will sit down and listen. However the government will not support the referral motion. I would like to think that this will not take too long, because the government will not be supporting it, and the house can get back to a situation in which I can give a comprehensive precis to the second reading contributions of members opposite and then spend time on what the house should be doing—that is, forensically dissecting the legislation in committee. The government does not support the referral.

HON KATE DOUST (South Metropolitan — Deputy Leader of the Opposition) [2.24 pm]: It is interesting for the Leader of the House to express his disappointment; the opposition is very disappointed that it has to deal with a bill such as this and it is disappointed that the bill has been left until the end of year. Since the election, opposition members have also sat here, frustrated, listening to government members filibuster bills that should have been promptly passed. We had to sit here and listen to the Attorney General filibuster in his own reply for three hours and 16 minutes spread out over three days to a bill we all supported.

Hon Ken Travers: Longer than the combined speeches than the members speaking to the legislation.

Hon Michael Mischin: Are you speaking about this?

Hon Ken Travers: If you keep carrying on like that, I just might.

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The DEPUTY PRESIDENT (Hon Liz Behjat): Order! The house will get through this quicker if members speak in turn. The member with the call at the moment is the Deputy Leader of the Opposition. That is the only person I would like to hear from at this stage.

Hon KATE DOUST: We have had to sit here and wait for the government to bring in legislation. We have had to take time off from the chamber because the government could not manage its agenda; it did not have the legislation. Then this bill is read into this place on 19 November; the debate commenced on 26 November. All opposition members who have spoken on this bill are very concerned about what the government is doing with this bill. It is all very well for the Leader of the House to say that it is government policy. As we all know, it certainly was not government policy leading up to the election. There was nothing in the public arena then. There were no commitments, no discussion; it was all kept quiet. It was not until about 11 April this year, as has been mentioned by a number of members, that all of a sudden, as an addendum to everything else, the Premier announced that the Synergy–Verve re-merger would go ahead. Let us face it: the Premier finally came out of the closet on something we all knew would eventually happen, something that he had always talked about because he is the only person driving this. For the Leader of the House to say that he is disappointed that the opposition would want to seek further information and have issues clarified, that is just tough luck! That is the job of this place.

I have sat in this place long enough to see what happens with referrals. It is important, and it does not matter how much debate has happened here leading up to the second reading. I recall in my first two terms in this house, when the Labor Party was in government, that it was not uncommon for members of the then opposition, Hon George Cash, Hon Peter Foss, Hon Derrick Tomlinson, Hon Ray Halligan and a number of others —

Hon Ken Travers: Oh, Ray Halligan!

Hon KATE DOUST: He was very competent at giving extensive and detailed speeches, I must say, and would stand up and rail against the government's agenda or the bill of the day and then want it referred to the Standing Committee on Legislation, which is a very important and under-utilised committee of this house. This government has demonstrated in the past five years its absolute reluctance to refer legislation to that committee. I think it has had three inquiries in the first term of this government and one this term, which looked at two clauses of a bill on the geothermal legislation. One would think that that is the committee that would have bills constantly referred to it because that is the core business of this house—the house of review.

Here we are today, having spent substantial time canvassing issues to which we know we are not going to get the answers in committee, that we believe should be put out for further discussion and appropriate consultation, which has not occurred on this legislation, and we are told by the Leader of the House that he is disappointed, that he does not find it acceptable and that he will provide the answers. I do not believe the Leader of the House will provide the answers. We will get the answers to all the matters opposition members want canvassed only via the Standing Committee on Legislation.

The fact that Hon Sue Ellery has moved to have this bill sent off to the Standing Committee on Legislation to look at not only the detail but also the policy behind this legislation is both significant and important. It is important for not only the work we do in this house, but also the community of Western Australia and the Western Australian energy industry because it should have the right to have all of the information made available to it.

We are being asked to take this legislation on trust. The Premier has come out and said, “Just trust us. We are the government. Just bang this bill through”, as was done in the other place; declare it an urgent bill and put it through—I think it might have been guillotined as well. I would say that not all of the answers were handled all that well down there. But the opposition is saying that it does not trust this government. The opposition does not accept that all the information has been provided, and that has become apparent after members have listened to members on the government benches, Hon Martin Aldridge and Hon Jacqui Boydell, who have said that this is the start of broader reforms. We do not know what those broader reforms are, and we are unlikely to get that information from the minister in this chamber who is responsible for the bill, but we are likely to get it from an inquiry by the Standing Committee on Legislation. Those questions can be put to the minister and the implementation committee about what they will do in this space. What else will happen once this legislation has been passed? That information certainly has not been made available to the opposition. We have not been able to make our decisions based on full, open and transparent information. That is another issue. When this government was elected in 2008, it claimed to be open, transparent and accountable to the people of this state. Every time we try to move for a full, frank and open inquiry so that, as Hon Paul Llewellyn used to say, we can unpack it and find out the details, we are denied that opportunity. I question why this government even keeps the Standing Committee on Legislation in place. I do not know whether it is to keep Hon Robyn McSweeney occupied. It would be a much better use of this chamber's time to refer this bill to the Standing Committee on Legislation and

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have it conduct a full and frank inquiry into all the concerns espoused recently by Hon Sue Ellery and report back to this house on 18 February, the date Parliament is due to resume. That time would be better spent and provide us with much more substantial information and, hopefully, answers to the information we need so that the bill can proceed. I am not saying that will change our position on whether we support it, but at least we will be able to provide the community and industry with the information we are seeking, which is now not available to us.

Hon Adele Farina was correct in her contribution to the second reading debate: the Electricity Corporations Amendment Bill 2013 is a skeletal piece of legislation. We need only flick through it and find the constant reference to “Regulations may be made”. We do not know what the regulations will be; that information has not been provided to us and it will not be made available to us until after the bill has passed. We have a right to know the government’s intention with the regulations it plans to draft. Re-merging these two energy utilities is a significant change. All the information should be made available. That point alone is enough to support this motion. We refer to committees legislation that comprises the bare bones. In the last five years, this government has developed a tendency to introduce very simple, structured bills that do not have meat on the bones and that do not clarify the legislation’s objectives. The government then backs it up with regulations, the details of which we are not necessarily informed of, or it backs it up with notes or directions that we do not have access to at all. That is one of the fears about how these changes will be managed. Changes will be made that Parliament, the community and the industry have no capacity for input into, feedback on or management of. There are some real concerns about this bill and I think we have articulated that.

Government backbenchers are also expressing concerns about this legislation. We are correct to expect everything to be laid on the table when we are dealing with legislation. I do not believe that has been the case with this legislation. I do not understand how this government can come into this place with a piece of legislation that is half-baked, for which there is no business plan, and on which the government has not articulated the regulations. The government has talked about the bill being part of a package of broader reforms, but has not explained what those reforms are and how they will impact on the industry. These matters need to be investigated by a full and frank committee inquiry. A committee is the only vehicle that can do that. The minister said that he is happy to spend hours sitting in the chamber responding to question after question. Believe me, minister, if this referral motion is not passed and we do not have the capacity to have this matter sent to the legislation committee for a full and frank inquiry, he will be sitting at that table dealing with this bill all next week and quite possibly beyond. There are questions to be answered beyond the information provided at any stage during this process so far. This is not a minor cat or dog bill; it is a significant piece of economic reform in this state and it has come out of one man’s constant pig-headed drive to re-merge these utilities because he was never satisfied with the decision made in 2006. At that time he did not have the guts to get on his feet, voice his opposition to it and vote against it. In another thought bubble he has had this legislation drafted and is claiming it as government policy. It is latent policy that was never articulated at the election. The government does not have a mandate to deliver it. We are saying that given the bill is underdone, as my colleague sitting next to me described it, it is probably one of the best examples of legislation that a committee should examine clause by clause to question the detail and policy behind them and report back to this house on whether they should stand or be amended.

We need only go back and look at some of the very excellent work done by our standing committees. Quite frankly, some of the past referrals of legislation to the legislation committee provoked very feisty debate in this chamber, but at the end of the day, once the reports came back into this place, we were able to work through the bills and achieve a far better outcome than before the bills went to the committee. For example, a significant number of amendments were made to the electoral reform legislation as a result of the good work of the legislation committee over an extended time. I think that took more than 12 months. We are not asking for that for this bill, but for a report to come back to this house on 18 February, a relatively short time. We need only look at the inquiry into the State Administrative Tribunal legislation—a substantial piece of legislation—which was handled, I think, by the legislation committee, and I think there has been a subsequent inquiry. A couple of hundred amendments to that bill were recommended, and I think the vast bulk of those recommendations were accepted by the house. At the end of the day, it made for a much better process and a much better piece of legislation. I am sure a lot of other bills have benefited from referral to a committee. There was also the Corruption and Crime Commission legislation. I was a member of the legislation committee during that examination, and through the very good work of that committee, which was also an extended inquiry—I think it must have taken more than 12 months—more than 200 amendments were recommended. Although not all those recommendations were supported by the minister of the day, a substantial number of changes were made to the CCC legislation. Another piece of legislation was the stop-and-search legislation, possibly the only piece of legislation referred to that committee in the last term. As a result of that inquiry, the bill has not proceeded. Based on the amount of work of that committee, for whatever reason, it was discovered that it was not

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appropriate for the bill to proceed. That was a very good outcome and I think most people in this place will agree with that. Obviously, the government agreed with it because it did not bring back the bill. We are saying that, surely with legislation such as this, that will cause significant change in the energy market, and in light of the questions canvassed and concerns raised, by not just our side of the house but also members opposite, the government wants to get it right. We are saying with this referral, "Let's get it right and have a look at the policy and find out the reasons for all these things and what regulations will be put in place and let us talk about the business case we haven't seen." I will not go back over what I said in my contribution to the second reading debate.

Hon Nick Goiran: That would be repetitious.

Hon KATE DOUST: I am sure Hon Nick Goiran would be the first person to his feet to pull me up under the standing order on that, so I will not do that. I do not know what we have to do to get the backbench of this government to think about their responsibilities as members. Hon Adele Farina reminded us of that in her contribution to the second reading debate. Perhaps it is something we need to think about more seriously. It is not a case of just coming into the chamber and thinking that because the government has presented a bill, it must be okay and we should back it and get it through. We have all been in that situation. We have to be smarter than that and question the detail of bills. It is our job to determine whether they will work and deliver to the people of Western Australia what they purport to deliver. At this point in time, I am not convinced of that, but I believe we will be able to find the information that we seek via a parliamentary committee. We are not asking to have the Standing Committee on Legislation inquire into the bill and report back in 12 months; we are not asking it to do anything unreasonable like that. Essentially, we want a short, sharp inquiry that will look into the detail of the 36 clauses in the bill, which is not that hard. The committee can look at the government's policy, which came about only in April this year; indeed, it certainly was not government policy during the five years leading up to the election. We are asking a fairly simple thing. It will be a good use of members' time and we will get a much better outcome if the committee can open this up to allow industry players to have their say and talk about how the bill will affect them.

There has been a period in which there has been increase in competition in the Western Australian energy market. A range of alternatives has arisen and arrived for both the industry and consumers. A range of other factors has kicked into play, and I imagine that industry players have concerns. I do not believe that industry has had a genuine opportunity to have a say on the detail of the legislation and how it will impact on them into the future. If we refer the bill to the committee, we would certainly be giving industry stakeholders a chance to have their say. The committee will get feedback from stakeholders, such as Ky Cao, who sent us the letter; Richard Harris; the Chamber of Minerals and Energy; the Chamber of Commerce and Industry of Western Australia; and any number of energy players around town, all of whom have a right to have a say. We should seek their view about the legislation. Government members should not think that because the Premier wants it, they should give it to him. They should be questioning it. The credibility of the Premier and the government is at a low ebb in the community. The government's economic credentials are substantially strained due to poor management decisions. We should challenge the legislation. The opposition will take whatever time it takes to do that, but our preferred option at this point in time is the smarter option, which is to refer the matter to the Standing Committee on Legislation to let it do the good work that we know it will do before bringing a report back to this chamber. Perhaps there will be no recommendations for change or, alternatively, perhaps there will be significant recommendations for change. We do not know the outcome yet, but we should give the committee an opportunity to investigate exactly what the bill is about and what it will mean for the industry. If the government denies the committee the capacity and opportunity to inquire into the bill, it will be denying the industry and community a voice. I do not understand why we would continue to call ourselves a house of review if the government is so reluctant to use the very vehicles that represent what we are about. This is not the Legislative Assembly. Legislative Council members are not the show ponies of the Parliament. We are meant to look at bills in detail and make sure that whatever comes into this chamber goes out as good and workable legislation that will achieve the best outcome for the community. If the referral motion is denied, we will not deliver those things for our constituents. We will certainly not deliver it for the energy industry in Western Australia.

I have serious concerns about this bill. I do not think we have wasted time. It has been a healthy discussion for every member.

Hon Michael Mischin: It has been 11 hours of monologue!

Hon Helen Morton: And repetition!

Hon KATE DOUST: Honourable ministers, I have been around this place long enough to know that when Liberal Party members sit on this side of the chamber, they do exactly the same thing; I have seen it happen. I

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will say this: people such as Hon George Cash, Hon Peter Foss and Hon Derrick Tomlinson are sadly missed in this place from time to time.

Hon Michael Mischin: I will let them know that.

Hon KATE DOUST: I am happy to put that on the record, because they were intelligent and articulate members, and members opposite do not step up to the mark.

Hon Michael Mischin: I am sure you will say all this about me one day.

Hon KATE DOUST: No! Hon Michael Mischin should not get too carried away.

Hon Sue Ellery has done a very positive thing for the chamber. Having articulated her concerns and asked that the matter be further inquired into, she has done the right thing for the chamber. It would be more timely—and it would provide a better outcome—if the bill was referred to the Standing Committee on Legislation for a full investigation with a report to come back to this chamber. The committee can work its way through each of the clauses to make sure that they will work. That would be a better use of time than what may lie ahead of us. I do not believe that the minister representing the Minister for Energy will be able to provide us, as we work through each clause, the type of information we require and the detail of that information without the feedback that we hope would come through the committee process.

I encourage members on the other side to seriously think about their role and to think about the implications for the future. It is very important that we send the bills to a committee; that is our job, and we are not doing it well. This government has dawdled all year and has failed to manage the processes in this place. All of a sudden, as we get a week or two away from the finish of Parliament, the government has started banging up legislation as high priority and putting pressure on us to get it through. We will do our job and we will do it thoroughly. We will go through the bill bit by bit until we are satisfied that the Western Australian community is getting the best outcome that it could hope for. That is not the case at this point in time. The Legislative Council committee should hold a full inquiry and bring back appropriate information for us. If this motion to refer is denied, I certainly look forward to spending the next few weeks leading up to Christmas with everyone else in this chamber as we work our way slowly through the bill!

HON NICK GOIRAN (South Metropolitan) [2.48 pm]: I thank you, Madam Deputy President (Hon Liz Behjat) for the call to contribute to this motion. To date I have not contributed to the debate on the Electricity Corporations Amendment Bill, but I will do so now because of the proposition that it be referred to the Standing Committee on Legislation.

Members opposite know full well my views about the use of parliamentary committees, because I have stated them in this place ad nauseam over the past four and a half years. My view, which I have expressed on multiple occasions, is that the procedures of this place ought to be looked at so that each and every bill that comes into this place goes to a committee for review. However, that was not the case when I arrived here and it is still not the case to this day. There is something to be said about exempting certain bills from the committee process. The default position ought to be that they go to a committee, but there should be room for exemptions. An example of what should be exempted is the budget bills, which are traditionally introduced in middle to late May. It is preferable and most often highly desirable that they are passed before 30 June. They are matters that, in any event, are looked at in detail by the Standing Committee on Estimates and Financial Operations during what is informally referred to as estimates week. That is an example of the bills that meet my proposed exemption rule and that would not need to go to a committee.

There may also be certain simple matters that do not need to go to a committee because there is such widespread agreement and they are straightforward. I do not in any way suggest that it would be an absolute rule, but it would be a helpful default position. I am not expressing anything new today; I have said this before.

The second thing I want to say is that members opposite know full well—every now and then they like to prod the backbench on this side—that there is one significant difference between our parties; that is, in the Liberal Party we always have a conscience vote on every bill, not just on some bills. The rule in our party is that if a member is going to do something contrary to their team, there is an obligation to let their colleagues know in advance. For absolute crystal certainty on this, members opposite know this; it is not new. As I have said at least once before to members opposite, if they are serious about matters like this, they can come and talk to us and give us notice. Today, after extremely protracted debate on the second reading of this bill —

Hon Michael Mischin: It was 11 hours.

Hon NICK GOIRAN: I thank the Attorney General—11 hours.

After all that, this motion was moved without notice to refer the bill to a committee. Members opposite know that if someone like me was inclined to support the opposition sending the bill to a committee I would now have

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a massive problem, because I would have no opportunity to do the right thing and let my colleagues know my view. Frankly, a stunt has been pulled, which is highly, highly unsatisfactory. As I say, members opposite are not operating in ignorance; they know all this. I find it very difficult to support opposition members in their endeavours because, as I say and as I have had said before, if they were serious, they would have approached us. They would have said that in their view this bill is a problem and it needs to go to a committee, and they would have asked me what I reckoned. That would be the collegiate approach to take. It would be in the spirit of what Hon Kate Doust said today distinguishes this house from the other place; that is, this place is not about trying to be partisan on as many matters as we can, it is about this place fulfilling its function as a house of review. We know all that and yet this motion was moved without notice, with no consultation and with a ridiculous expectation by members opposite that members on this side will somehow cast aside their obligations to their colleagues and say, “Don’t worry guys, I am crossing the floor anyway.” I suggest to members opposite that they get real; it is not going to happen. If they were serious they would have chatted to us before; they did not, so I do not think they are serious.

The other thing I want to pick up on is the suggestion by at least one member opposite that there is some kind of distinction between minor and major bills, which is an interesting and novel concept. There was some suggestion that issues relating to cats and dogs are minor matters and that the bill in question is a lofty matter. I look forward to the contribution by the Greens about that; they might have a different view of the world. The point that ought to be made, and I am sure members opposite will agree, is that each and every bill needs to be assessed on its merits. They are all important matters that have been presented, generally speaking, by the members of executive for the consideration of this place and they warrant due scrutiny, consideration, and then obviously deliberation and a vote.

Lest it in any way be suggested by opposition members that there is some form of filibustering on this side after this most interesting development this afternoon, I will put the context of time and seriousness in a bit of perspective. The learned Attorney General informed me a few moments ago that we have had 11 hours of debate on the second reading and I take no issue with that. Members are entitled to make their contributions and, arguably, even to say very similar things to what their colleagues have said and I do not in any way suggest that it should be otherwise. There was an example in fairly recent times of processes in this place when we knew that members were serious. That was when the Voluntary Euthanasia Bill 2010 was debated. If there was ever a time when members in this place were being real and serious, it was then. For the benefit of members who were not here, the government in its wisdom—I will not express whether I agreed with it or not—and the then Leader of the House facilitated a process whereby the bill introduced by Hon Robin Chapple was given an entire week for debate.

Hon Kate Doust interjected.

Hon NICK GOIRAN: Madam Deputy President, I believe I have the call.

We were given an entire week to debate that matter. At the time there was not one member in this chamber who did not have the opportunity to speak if they wanted to. The matters before the house were grave, and to borrow the suggestion by members opposite that there might be some distinction between minor and major bills, I suggest that bill would have fallen in the major category, considering we were talking about possibly killing people in this state. Everybody at the time saw the gravity of that matter. There is no question that there were different views, but everyone was serious and real. A week was given for debate and everyone had the opportunity to put their views forward. In the case of the bill before us, we have had 11 hours of debate. I take the advice of senior government members who say that the debate has been somewhat repetitious and the same comments were made ad nauseam. On top of that we have this stunt pulled in the knowledge of everything I said earlier. This stunt has been pulled with the opposition knowing full well that it did not give notice and that it did not come and talk to us beforehand, which it would have done had it really wanted the bill referred to a committee. Now there is almost the suggestion that the government is trying to ram things through. As I said, get real. If the opposition is serious about these matters, I am always available; the opposition can come and talk to me.

Hon Sue Ellery: The door’s always open!

Hon NICK GOIRAN: The door is always open. For the benefit of some of the newer members, lest they interpret these as “just nice words” and ask whether I would back them up with action, more experienced members on the other side can tell them, “When this guy says something, he means it; he has crossed the floor on a couple of occasions—when there has been an opportunity for conversation and consultation beforehand. These are not just mere words he is expressing; he would back them up if he felt the need to.” I regret to inform members opposite that on this occasion there is absolutely no way I can support them on this motion. More than anything else, frankly, it has to do with the way the opposition went about the motion. Had the opposition gone

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about things in a different way, I might have had a different attitude. Members should be willing to consider the seriousness of the remarks I made earlier about the spirit of how these matters should be dealt with. After 11 hours of second reading debate in which repetitious comments were made, members opposite should not move a motion without notice to send a bill to a committee. Things should not be done in that spirit but in the serious spirit of being real and saying we are genuinely concerned about this matter. It should have nothing to do with the fact that the government wants to make the merger happen on 1 January; it should be done because members are serious. If that were the case, the situation would be different. I conclude my remarks by indicating that, for all the reasons I have just outlined, I am unable to support my colleague from South Metropolitan Region, Hon Sue Ellery's motion.

HON SALLY TALBOT (South West) [2.59 pm]: If the word disingenuous comes to mind, it is not just because it is late on a Thursday afternoon in the third consecutive week of sitting. It is because I have a great deal of respect for the contributions Hon Nick Goiran makes to this place. Very frequently, I do not agree with them. However, when I find myself quite interested in what he is saying, it is usually when he is genuinely trying to improve the way we do things in this place, and I thought when he started his contribution just now that was an example of that kind of contribution.

I just want to make a brief reference, before I go to the substance of my comments about this referral motion, to the points he has raised. Let us be absolutely clear about the way that the Labor opposition approached this debate which, I think from memory, started at some point last week.

Hon Kate Doust: Tuesday.

Hon SALLY TALBOT: Tuesday of last week. We came into this place obviously respecting the standing order that refers to the interaction between the Legislative Council and the Legislative Assembly, in the sense that what that standing order captures is that we have our own debates in this place. We are in no way an extension of the debate in the other place; and we are not influenced by what has come out from the other place's debates. We start again with a fresh slate; we reach our own conclusions in this place. Nevertheless, of course, every member on this side of the house in preparing for this debate went to those lengthy transcripts that came out of the other place. I will not speak for my colleagues, but certainly from conversations we have had in our party room and privately between ourselves about the way we will deal with this bill, the reason most of us went to that debate in the other place was to see whether, during those hours that were spent on the bill, any substantial light was shone on the contents of the bill—indeed, in the broader sense, to be enlightened about the government's intentions—namely, what the government had hoped to achieve by this bill.

I will not go over any of the substance of my second reading contribution, because that would be contrary to what we are supposed to be talking about today. I and every member on this side of the chamber made it very clear that we are talking about a radical change in public policy that happened 32 days after the state election, in which the government was re-elected on a platform of not re-merging Verve and Synergy. Specifically, it said that this policy move would not be made. Therefore, 32 days after that election, we are presented with this as a policy position. Some months have gone past since then and there has been plenty of opportunity for debate and discussion, not only in the broader community, but also amongst the stakeholders in the sector. My research has not shown that a single ray of light has been shone on the issues that underlie this significant move in public policy. To a certain extent, I make this reference specifically to the comments that were made by Hon Nick Goiran, about how this debate has proceeded in this place. I want to refer to the article by Gareth Parker in *The West Australian* on 31 October 2013, titled "In the dark on power games". Remember, this is about six months after the government has done its policy backflip. I will not go into the detail because I do not have the time. Towards the end of the article Gareth Parker states —

This columnist cannot see how any MP could in good conscience take a vote on the Bill given the complete paucity of —

Point of Order

Hon PETER COLLIER: This is a very, very narrow debate. It is on the referral to committee. We are not rehashing issues that have been raised in the actual former debate. The honourable member has actually read that entire article in her second reading contribution.

Hon Sally Talbot: It was not me.

Hon PETER COLLIER: We are revisiting her earlier debate. She is now delving back into arguments that were considered during the debate.

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The DEPUTY PRESIDENT (Hon Liz Behjat): Thank you, members. I note that the member is only a few minutes into her contribution. As such, she may have strayed into detail that has been covered in the second reading speech. I think she probably will move back to become more focused on the referral motion. Thank you.

Debate Resumed

Hon SALLY TALBOT: Thanks for your reminder, Madam Deputy President. I certainly do not intend to read into the record more than one sentence from this article. It is, I remind honourable members, specifically because I want to respond to the accusation that has just been made by Hon Nick Goiran that somehow Labor is engaging in some kind of stunt by moving this referral motion. I am sure Hon Michael Mischin's stopwatch has been working, so I will take his word that we have had 11 hours of debate. At the beginning of those 11 hours, we went into the debate having in the front of our minds this caution that is being expressed by stakeholders and by the community and was captured by the media. I want to assure the Leader of the House that I have not referred to this article because I have only just brought it in. However, Gareth Parker states —

This columnist cannot see how any MP could in good conscience take a vote on the Bill given the complete paucity of detail on its operations and implications.

But vote on it they will — after the Government used its superior numbers to rush in the Bill — to meet an artificial deadline set by the Premier —

Several members interjected.

Hon SALLY TALBOT: No, I did not. I said I am only —

Several members interjected.

Hon SALLY TALBOT: I am sorry, I said I am only going to quote one paragraph.

Hon Peter Collier: Is that one line?

Hon SALLY TALBOT: I may have said one sentence; however, I am still on the same sentence. They are long sentences given the dashes separating the clauses. I am sure members understand grammar: dashes separate the clauses. He states —

... to meet an artificial deadline set by the Premier and because the Liberal Party does not demand of its executive any higher standard.

That is a pretty damning indictment. That, for us, set the tone of this debate. However, we recognise that in the debating procedure in this house we go through various stages. Because we have approached this bill on the basis that the second reading debate may shed some light on the substance of what the government's intentions are, we thought that during the second reading debate we may well get some contributions from government members—Liberal Party or National Party members—that will indeed address some of these questions. That would then enable the journalists, who have been following this debate and reporting it to the wider community, as well as the stakeholders who clearly indicated their unhappiness up to this point, to all become enlightened by that further information entering the public realm. That would then help us validate our decision. On the basis of what we were given in background information and briefings, we, at that stage, were not prepared to support the bill.

I will now go to my personal reaction to the second reading debate. We did, indeed, have two contributions from members of the government; that is, two members of the National Party. I have to say those two contributions only served, from my perspective, to muddy the waters. We heard from those two members of the National Party the most extraordinary statements about the privatisation of the sector; about what they understood the Premier's intentions to be; and about what they understood the minister's intentions to be. Far from issuing any sort of clarification about the direction the state was going in with this important change in public policy, those two contributions only served to add to the confusion. They increased the feeling on this side of the house that more scrutiny was needed into the various aspects of the policy and substance of the bill.

Did we sit in our party room some months ago when the bill was introduced in the other place and say, "This is what we'll do. We'll go through the second reading debate in the Council, assuming it has had several hours or indeed several days in the other place, and all 11 of us will speak for our allotted time and then we'll pull the stunt at the end of it. And we'll make sure that Hon Sue Ellery goes last because she's got unlimited speaking time and she'll move the referral motion at the end"? No, we did not. I can put my hand on my heart and say that we did not. I have not been party to a single conversation that went down that line. Indeed, we were expecting to be debating this bill much earlier. We had talked some weeks ago about whether we should expect to be sitting extra days at the end of the year. I found a couple of pieces of correspondence that I received around that time about my commitments to the electorate to make sure that I could still fulfil those commitments. However, we

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were talking about that, but not in connection with the Verve–Synergy merger, because we assumed that the government would allocate more than sufficient time to debate it. We thought we might be debating the Mental Health Bill. Eternal optimism reigns in our ranks on this side of the chamber that we might be debating a biodiversity bill or a Margaret River protection bill or one of the other bills that the government promised to have in front of us, but that has not been the case.

To be very frank with members of the government, because we do not usually stand in this place and talk about what goes on in our party meetings, we could probably count by a matter of hours the time that elapsed between the suggestion that we should move to refer the bill to a committee and Hon Sue Ellery moving that motion in this place. If government members question the information in my account of how things went, they should read our second reading contributions. I was not aware at any time of members foreshadowing the referral of the bill to a committee. We assumed all along that we would hear contributions from government members that would help to shed light on the government's intentions and on how this bill is supposed to work. That has not happened. We thought it was, therefore, a very wise and sensible decision for Hon Sue Ellery to move the motion for referral, and that is why I am standing to support it now.

Of course, as honourable members know, I am the Deputy Chair of the Standing Committee on Legislation. I have been a member of the legislation committee since I was elected to this place in 2005. I have, therefore, had some considerable experience of its operation, as has of course Hon Kate Doust. I note that in Hon Kate Doust's speech supporting this referral motion she paid tribute to the work of that committee.

Hon Kate Doust: With Hon Jon Ford on that committee as well!

Hon SALLY TALBOT: Hon Jon Ford was the chair, yes. During that time, of course, that committee was operating under a Labor government. We therefore had a Labor government and a Labor chair on the committee. I do not think the Labor Party had a majority on the committee. I recall that Hon Giz Watson was a member of the committee during that time, so the government certainly did not have a majority on the committee.

However, the work the government did during that time was clearly the grounds for Hon George Cash—whose name is being raised for the second time in this debate and I am sure he will be highly gratified about that—to refer to the work of that committee in the very substantial report he did in May 2005. I refer Hon Peter Collier to that report, because when he rose to his feet to oppose this referral motion, I could not help but think about what goes through the mind of the Leader of the House. I would never assume, of course, to have a clue about what goes through the mind of Hon Peter Collier, but if I were in his position, going through my mind would be the reference that has been made by some highly esteemed members of this place in former times about the role of a business management committee. I am sure Hon Peter Collier is familiar with the report issued in the name of Hon George Cash. It is not a committee report; it is a report by Hon George Cash as Chairman of Committees. It is titled “Reflections on the Legislative Council Committee System and its Operations during the Thirty-Sixth Parliament: *Discussions with the Chairs and Deputy Chairs of Parliamentary Committees*”.

In speaking specifically to this referral motion before us today, I draw to the attention of honourable members paragraph 12.2 of Hon George Cash's report, which states —

It was observed that the scrutiny of primary legislation by Legislative Council committees during the Thirty-Sixth Parliament lead to more informed debate in the House and better legislation.

Of course he has already made the point that he refers to primary legislation very deliberately, and in a minute I will briefly address the point Hon Nick Goiran made about major and minor bills.

Hon Nick Goiran interjected.

Hon SALLY TALBOT: I want to quickly put to Hon Nick Goiran a couple of arguments about how that distinction can be made and this comment on primary legislation, which is what we are dealing with in this bill that we have moved to refer to the legislation committee. Our Parliament is quite unlike any other Parliament in Australia in that we have three standing committees to which bills can be referred: the Standing Committee on Uniform Legislation and Statutes Review, the Joint Standing Committee on Delegated Legislation, and of course the Standing Committee on Legislation, which is the appropriate committee to consider primary bills. Hon George Cash says in his report that those referrals lead to more informed debate in the house and better legislation. I will briefly refer to the report, if the house will indulge me for about 30 seconds. Hon George Cash goes on —

It was suggested that the scrutiny of primary legislation would be enhanced by using the *Business Management Committee*, established under SO 125A, to actively and regularly consider those bills that should be referred to particular committees.

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I remember that Hon Giz Watson was a very fierce defender of the proposition that the house should be working with a business management committee. I was interested to hear the remarks made by Hon Nick Goiran. I assume that he would also support the proposition that the house should work with a business management committee; that the committee should meet on a regular basis to look at the bills that are coming before the house; and, presumably, that the business management committee would have at the front and centre of its mind those remarks by Hon George Cash that when referrals are made on a well-considered basis, they lead to more informed debate in the house and to better legislation. If members go back over the raft of bills considered during the eight years of the former Labor government, they will see that was the case. I point out incidentally that those referrals made during those eight years of the Labor government were not of the same ilk as the bill in the referral motion we are debating now, because most of those referrals were made at a much earlier stage in the debate.

Hon Kate Doust: Sometimes.

Hon SALLY TALBOT: Sometimes but not always. I think some of the most significant ones were. The one I am thinking of particularly is the Environmental Protection Amendment Bill, which of course resulted in a huge report from that committee and which was no doubt responsible for consideration of the bill when it came before the house taking a matter of hours rather than days or weeks. The debate on it would have certainly taken days or weeks if the chamber had not had the committee report in front of it when it embarked on the Committee of the Whole stage of the bill. I think that is exactly what we might have been dealing with here if the government had paid closer attention to how this bill would proceed through Parliament. Indeed, I suggest that the referral motion moved by Hon Sue Ellery that we are considering at the moment is in and of itself a second-best solution. It is not the preferable option.

The DEPUTY PRESIDENT (Hon Alanna Clohesy): Members, I am finding it hard to hear the member on her feet. Keep the chatter down, please.

Hon SALLY TALBOT: I do not think I would have been in a position six months ago to propose this option. I do not think that any of the leadership of my party was in that position. I assume that the same was true for the Liberal and National Parties. It came as such a shock to see the reversal of policy within 30 days of the election that none of us were quite on top of what would be involved. We saw these bills only a matter of weeks ago even though the policy move was announced on 10 April this year.

With the benefit of hindsight, it seems that by far the preferable option would have been for this bill to go to a select committee right at the beginning. I have served on only one select committee; that was the committee that was chaired by Hon Helen Morton. Presumably she is someone who would advocate for the use of select committees to address very specific problems. Select committees, of course, have very tight terms of reference and limited lifespans. They can undertake very specialist inquiries around those limited terms of reference and their short time frames. I think that we have seen some very productive use of select committees over the years that I have been actively involved in this Parliament. I have already referred to the Select Committee into Public Obstetric Services that Hon Helen Morton chaired and I deputy chaired for her.

Hon Peter Collier: Are you going to amend the amendment?

Hon SALLY TALBOT: The point is that I am supporting the motion moved by Hon Sue Ellery because I think that is the only option left to us. If we could start again with a clean slate, we might suggest that we had a select committee before this bill hit Parliament at all. I think that two really good uses of select committees were the inquiries into the Swan Valley Noongar community and *The Sunday Times* raid; they were very complicated issues that were clearly best addressed by that kind of committee. As I said, that opportunity has passed us by. After having come into this place and listened very carefully—in fact, I think we have spent more than 11 hours on the bill so far —

Hon Peter Collier: It is 13.

Hon SALLY TALBOT: I thank Hon Peter Collier. I was taking the number given to us by the honourable Attorney General, but I think 13 is more accurate because we had those contributions by members of the National Party and everyone on this side participated. However, we are none the wiser. Indeed, as I said earlier, we are slightly more confused than we were before the National Party chose to contribute to the debate. The only option remaining to us is referring it to the Standing Committee on Legislation. We can make this work like a select committee in the sense that we can have a highly circumscribed time frame so that we essentially work over the summer to get this right and the terms of reference, of course, could be contrived to be pretty similar to a select committee's terms of reference in that we are trying to put together a response to a very important piece of public policy. That is the first point I make in talking to the substance of this motion.

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Just before I go on with further points, let me just say that this is clearly a major piece of legislation. I know Hon Nick Goiran is saying that “major” and “minor” are terms we on this side of the house have used. There is some real significance to designating bills in that way. Without distracting from the motion that I am addressing, I refer to the clause in the Environmental Protection Act with which Hon Donna Faragher would be very familiar, having talked about this many times. I think it is section 40(2), which refers to major changes in public policy. As Hon Donna Faragher would know, the act sets up a possibility of an inquiry with the powers of a royal commission if we have a significant change in public policy. If we take that as a rough guideline, clearly there are times in this place when we deal with bills of that ilk and times when we deal with material that might be designated as more procedural or operational. I do not think it is really hard to make that distinction. I think Hon Nick Goiran was saying that every piece of legislation that comes into this place has an import and a gravitas of its own and that we should treat each piece of legislation in that way. I entirely agree with him. But even if I were to take his point that we should not make that distinction, clearly this bill is a very substantial change in public policy. Therefore, it is entirely appropriate to refer it to a select committee for more detailed consideration.

In the time remaining to me, let me go on with the substantive points for why I support this referral. The first point I have made is that it should have gone to a select committee. The second point I make, which may surprise some honourable members, is that I suggest this ought not to be a party political issue. Remember that the bill to disaggregate Western Power went through the two chambers of this Parliament in 2005 and 2006 and was supported by the two major parties in this state.

Hon Kate Doust: Without dissent.

Hon SALLY TALBOT: It was without dissent. I thank Hon Kate Doust, who was, of course, a member of this place at that time. These very important significant changes in public policy ought to be debated to a point at which they are not party political issues. That is obviously not the case with the Synergy–Verve merger bill. We are divided absolutely along party lines despite the fact that the Leader of the House is on the record as saying that as the former minister he did not support this re-merger. We will absolutely divide down party lines even to the extent that the National Party, presumably, will vote en bloc with the Liberal Party.

Hon Helen Morton: You can come over with us if you want.

Hon SALLY TALBOT: I am making a very serious point here. I am suggesting to members opposite that with a major public policy change such as the merger of Synergy and Verve, we ought not to divide on political lines, as the original disaggregation was done. That is what we ought to be working towards. The fact that it will be whipped across party lines is a sign that we have not got there; we have failed. If this was to go to a committee, I think we could overcome that. I do not suggest that we will win the fight on the floor of Parliament. I take very seriously Hon Nick Goiran’s point that the Liberal Party does not have a Whip. I think that is what he was saying; the role of the Whip in the Liberal Party is only to make sure that members are here for votes and it is not to determine how members vote. When Hon Peter Collier indicated he would not support this, he made his way around the chamber and talked to everyone on that side of the house, so I assume he was making sure they would all vote that way. If we vote on party lines for this referral motion, we will have failed the people of Western Australia. As I said in my second reading contribution, we ought to argue this point, contest these ideas and defend our positions and see whether we can move beyond party politics to decide how the state will go forward with its energy policy. I think we can do that in committee. There is no better example on the Legislation Committee than the report that has already been referred to by Hon Kate Doust—that is, the report we did into the stop and search bill. The committee was chaired by Hon Michael Mischin. Over time, the second member of the Liberal Party changed, so, I think, finally, it was Hon Helen Morton, but somebody might have taken her place. She might have gone into the ministry before we concluded that report. I am not absolutely certain of that. Was Hon Helen Morton on the legislation committee for the whole stop and search inquiry?

Hon Helen Morton: I definitely was.

Hon SALLY TALBOT: Hon Michael Mischin, Hon Helen Morton, Hon Alison Xamon, Mia Davies and I were members of that committee. I can tell you, Deputy President (Hon Alanna Clohesy), it was 157 hours and 40 minutes, because I counted. It was a very, very long inquiry.

We worked very well together. We came up with what I think people never anticipated we would be able to produce, which was one report. We did not have a dissenting report, despite the fact that ideologically we were about a million miles apart. When we sat down and looked at the legislation clause by clause, we wrote one report. That was a major achievement. I am certain that committee will work equally well under the chairpersonship of Hon Robyn McSweeney. I think we will be able to arrive at a position in which we are not

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operating as party-political partisans. We will operate as a committee and we will give our best shot at producing one report, as we did on the stop-and-search legislation.

The third point that I wanted to make is that one of the reasons committees are able to do that, whereas the house operates either as the Legislative Council or as Committee of the Whole, is that committees operate in a far less adversarial way. We get a chance to weigh the evidence and the competing arguments. We get a chance to talk not just in the formal sessions of the committee but informally as well. The standing order that prevents us from disclosing deliberations of the committee does not refer to discussions between individual committee members. That can be extremely fruitful. We often talk in this place about how we can operate in a less adversarial way. Committees are our opportunity to do that. Why would we not at least look at the possibility of referring this bill to a committee and come back with one report, as we did with that previous very contentious legislation? We do not have to be party political. We can work in a less adversarial way.

The fourth point I want to make is that committees, particularly the legislation committee, which is the one I have had the most experience with, are exceptionally good at dealing with complex material. I noticed that Hon Peter Collier is feeling a bit frustrated with what is going on. He said the debate was becoming tedious and repetitious. When Hon Jacqui Boyde stood and made her speech, the minister said that it was refreshing to hear someone talk about the bill. In his remarks about the fact that he would not be supporting the referral motion, he said that the debate had been monotonous so far. There is a certain inevitability to this. I absolutely do not agree with him that Hon Jacqui Boyde was talking about the legislation whereas Labor members were not talking about the legislation. The fact is that we have not got to the point in which we are talking about the legislation yet; we are still talking about the policy of the bill. That is where we find the most confusion. That is where we find the lack of certainty about what we are supposed to be doing here. We have not even started talking about the bill yet. When Hon Jacqui Boyde stood and started talking about clause 20, the Leader of the House's eyes lit up. In his reflections on the bill, he obviously thought that when he hears somebody talking about clause 20, he will know that we are getting through the bill. He was very happy when Hon Jacqui Boyde started talking about clause 20. The fact is that we are nowhere near that. Imagine if we proceed straight to Committee of the Whole. If we just vote along party lines and defeat Hon Sue Ellery's motion and move into committee, how long will we spend on clause 1? We are nowhere near the stage of even being willing to talk about clause 2, let alone clause 20.

When we have a bill as complex as this, it makes perfect sense to refer it to a committee. Maybe we can even break our record. I did not check the number of hours that the previous committees spent on legislation between 2001 and 2005 and 2005 and 2008 but I know that we spent 157 hours and 40 minutes on our inquiry into the stop-and-search legislation. Maybe we can break that record if this bill is referred to the legislation committee. We would be happy to do it. If that is what it takes, that is what it takes. I am sure Hon Robyn McSweeney as the chair would not disagree with me on that.

The next point I want to make relates to the contentious nature of this bill. During my speech on the second reading I asked whether it was true that the bill had no friends. Some hours further on in that debate, not one single member of the government from the Liberal Party or the National Party was able to identify a single friend of this legislation. It is extremely contentious. A committee is the place where those people who have voiced their strident opposition to a bill can be called to give evidence. The committee members will be in a position to examine that evidence. Maybe we will decide that that vehement opposition is without grounds. I do not know why the government is reluctant to go down that path. I would have thought that it would serve its purposes extremely well if the committee examined those witnesses while working in a bipartisan way and while working in a less adversarial environment than we will inevitably have in the chamber. I am talking about the major stakeholders. Presumably, we would be talking to the Chamber of Commerce and Industry of Western Australia and we would be talking to Reg Howard-Smith from the Chamber of Minerals and Energy of Western Australia, or whoever his nominated person is. We would certainly be talking to the Sustainable Energy Association. It would be amongst the first groups to contact the committee if this referral motion succeeds today. It will be very keen to have its say. I assume that we would be talking to either a representative of the WA Independent Power Association or one of its member groups given that it represents Alinta, the APA Group, Collgar wind farm, ERM Power and Griffin Power. I think there may be more but those are just some of them. Many hours of hearings can be had with those stakeholders.

I have sat through enough hearings to know that if members want to hear evidence that stakeholders or the committee do not want on the public record, the committee always has the option to go into a closed hearing. I have been in many hearings in which quite ferocious arguments have taken place between committee members and the stakeholders who appear as witnesses. When I say "ferocious arguments", I am talking about civilised conduct. Clearly, the committee operates as though it was the Parliament. I am not talking about slanging matches; I am talking about vigorous pursuits of points and the extent to which we can cross-examine witnesses.

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I know that is the term that brings a little glow of joy to Hon Michael Mischin's heart. Those were happy days when he was in a position to cross-examine people. Committees do not work quite like that. We certainly have the ability, the time and the authority to really delve down into what people are thinking. Quite frequently, the results of those inquiries are that the committee says to a witness that it thinks he or she is wrong. The committee will say it politely; it will use parliamentary language to do it. It will use well-chosen words in its reports. The examples are boundless in the metres and metres of committee reports that come out of our committee system every year. We can find many, many examples of committees that will say, "We examined this witness, we heard this point of view and we actually do not agree with it." We could well be walking back into this place in the latter half of February saying to this chamber, "We had a look at the arguments put forward by the Chamber of Commerce and Industry of Western Australia, the Chamber of Minerals and Energy and the various stakeholders involved in that group of representatives, and we do not think they have any substance." We may well be doing that. This house cannot second-guess that process because we have not had the opportunity to do it. In terms of the consultations that have gone on, what we on this side of the chamber are being told by those stakeholders is that they feel that their voice is not being heard by the government. This is our chance to do that. We have had no contest of ideas; referral to a committee is a way of ensuring that happens.

As I have said, we would have the chance to carry out an investigation, to hear evidence and consult whatever the committee decides would be expert advice on this important change of public policy. Of course, the committee also has the chance to involve the public. Members of the public can sit at the back of the hearing and listen to what is going on, they can read the transcripts or they can actually come and give evidence. One of the things that occurred to me when reading the remarks by the National Party members, particularly those of Hon Jacqui Boydell, was that there could be any number of members of our community who would like to come in and pursue the links that she was drawing between the subsidies that are given to Verve and the retail cost of electricity. Some extraordinary comments were made, which I think will have puzzled more people than just those on this side of the house.

I also point out, in particular to the Leader of the House, but to all honourable members who, presumably, are going to be whipped to defeat this motion to refer, that the Parliament also has control of the Standing Committee on Legislation membership. Clearly, we have elected members of the legislation committee and if the referral is successful today, that referral will go to the committee that is made up of Hon Robyn McSweeney, Hon Donna Faragher, Hon Dave Grills, Hon Lynn MacLaren and me. Of course, if the government decided that it wanted other people on that committee, it could talk to the committee about doing that. One of the things that occurred to me during the second reading debate and that I am glad to have the opportunity to raise now is that Hon Jacqui Boydell should be co-opted onto that committee. I think that the information that would be available to Hon Jacqui Boydell through that process of inquiry would be very interesting for her to hear, in particular in relation to the two specific concerns that were raised by the honourable member in her second reading contribution. I do not have time to go into them, but she will raise them if she is of a mind to. Certainly, some of those links between the wholesale and retail price of electricity were very, very puzzling and troubling to people on the Labor side of this house. I am sure that the honourable member would find being co-opted to that committee an immensely rewarding experience. What I am suggesting is that the government ultimately has control of that process. If Hon Peter Collier, as somebody who has vast practical experience of the energy portfolio, thought there was a backbencher or a member of the National Party who was particularly well-suited to participate in that inquiry, that could be accommodated by the committee. I remind honourable members of that option.

The government's usual reason for rejecting motions of this kind—I refreshed my memory of a couple of debates we have had on these motions—is based around one or two things. The first, of course, is the timeliness. Referring a bill to a committee is often seen by the government as a way for the opposition to buy time or defer something from happening. That is not the case here. Essentially, the merger of Verve and Synergy took place on 1 July this year. They are now operating under one board. If it is the case that something is happening on 1 January, it has not been made clear in this place. It was not made clear in the second reading speech by Hon Peter Collier and it has not come up in the second reading debate. It is not in the explanatory memorandum and not in the bill. Therefore, 1 January seems to be a fairly arbitrary target. We are talking about only a two-month delay and nothing about timeliness has been raised. It was not raised by Hon Peter Collier when he stood and indicated that he would not support the referral motion.

The second thing that is sometimes raised is legal obligations. Hon Donna Faragher may recall, although it may have been Hon Helen Morton as the minister with responsibility for the bill, the Conservation Legislation Amendment Bill 2010. Legal obligations were going to cost the government in the range of \$10 million if there had been some delay. I remember that was a point put very articulately by whichever minister had carriage of the bill when we did it; that deferring the bill even for a couple of months was potentially going to expose the

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government to that sort of penalty. Of course, that referral was defeated. Nothing like that has been raised in relation to this bill. I say to all honourable members, if it is true that they are not going to be whipped on this motion because every Liberal Party member is able to make up their own mind on every point of substance that comes to this place, support the referral to the legislation committee.

HON ROBIN CHAPPLE (Mining and Pastoral) [3.46 pm]: The Greens will support the motion moved by Hon Sue Ellery that the Electricity Corporations Amendment Bill 2013 be discharged and referred to the Standing Committee on Legislation and that the committee be given the power to inquire and report on the policy of the bill. The reason for our support is actually the very voices that are out there in the electricity market that have not been heard during the whole process of re-amalgamation. I thank Peter Oates, the chairman of the Merger Implementation Group, for the presentation he gave us. The presentation came up with three things: reduction of costs, security of supply, and facilitation of private sector investment. I have been talking to the private sector, which has taken two positions—re-merge and sell it off. That is certainly not the government’s position. The other option is not to re-merge and do some better freeing up of the marketplace. We must remember that those are the voices of industry, the Chamber of Commerce and Industry of Western Australia and many others that are not being heard in this debate. Supporting this bill to go to the committee will enable those voices to be heard.

Synergy holds around 80 per cent of the total south west interconnected system market and almost 99 per cent of the total customer accounts. Permanently locking up Verve’s capacity to Synergy again will consolidate Synergy as a monopoly supplier and therein create a problem for all the emerging markets in all forms of energy that are in the marketplace at the moment. The government cannot re-create a state-owned monopoly supplier, continue to handcuff the million small businesses and mum-and-dad consumers to a monopoly, raise tariffs every time the monopoly’s costs blow out, and then call it beneficial to the public, or, indeed, to the economy. I think that a committee needs to be looking at the issues from an industry perspective and hearing from those who have dirty fingernails because they actually work in the industry. The industry is immensely concerned that if this goes back to being a government-owned monolith, exactly as the old Western Power was, that does not have to listen to the minister or include the values of competition, it will be a detrimental position.

Referral of this bill to the Standing Committee on Legislation would enable those members in the private industry sector, the Chamber of Commerce and Industry and the renewable energy industry to come before the committee and present their views, not the views of what is an almost communist ideologue of let’s re-merge this system. But for what purpose is it being done? It has been said in the briefings that we have had that it is possible, and we can ring-fence, but we still have not discovered the reason for doing this. There is a notion that the re-merger is economic. Before I comment on that, I refer to “Energy2031 Strategic Energy Initiative Directions Paper”, to which my office made a very limited submission. It was asking the way forward. The way forward is certainly not going back to the past. Only months before the last state election the government issued this document with fanfare. It did not even mention the words “amalgamation” or “re-amalgamation” or that it was going to re-monopolise or re-nationalise the energy market, which is what is being done through the current Synergy–Verve re-merger. Shortly after the election the government announced the merger without any policy goal or consultation.

Point of Order

Hon HELEN MORTON: This is a very narrow debate. I have not heard very much about the actual question in the debate. The member seems to be raising issues out of the primary debate. I would ask the Deputy President to ask the member to narrow the focus of his discussion to the referral of the legislation to the standing committee.

The DEPUTY PRESIDENT (Hon Alanna Clohesy): I was listening intently. The member was making a point about the reasons for referral of the bill to the committee; however, I take this opportunity to remind the member to focus on the issue of referral.

Debate Resumed

Hon ROBIN CHAPPLE: I am raising these points because they are the very salient points that the committee needs to investigate. The committee should be able to talk to the industry, something that the government seems to have failed to have done in the preparation of this legislation. I am trying to come to the point that industry, through this document, Energy2031, had a significant amount to say in a large number of submissions from industry, energy suppliers and others about the direction we needed to go. We need to hear their voices.

One of the points that need to be discussed in the committee is security of supply. When we look at some of the things that have happened and we talk about security of supply, and when we had the various crises in the energy market, it is interesting that we ran out of energy during a long hot summer some years ago. Yet when the energy

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market was split and the private sector involvement in the marketplace increased, the Varanus Island problem occurred, and although that was a major problem, we did not run out of energy.

Hon Helen Morton: Try to be relevant.

Hon ROBIN CHAPPLE: I am being relevant.

Hon Helen Morton: To the reason you are supposed to be talking to the amendment.

Hon ROBIN CHAPPLE: My relevance is that industry—something that the Liberal Party should be proud of supporting—are the very people who need to come before this committee and explain how the system is currently working, why it is working and why a re-merger is not in industry's best interest. That was the point I was making. I will continue to make that point because it is very valid.

Committees in this place operate by listening to people who are experts in industry, by having an inquiry where people come before the committee and express their views. They are not my views; these are the views of a very structured, industry-based group of people who need to be heard in this debate—not some ideologue that just re-amalgamates Western Power for no reason. We cannot find a reason. Let us have a committee of inquiry where we can understand what is going on.

We come to an industry position about why we should not merge and, to a degree, why the committee needs to hear these points. I now refer to a document presented to the Energy2031 conference in Perth, which states —

The merger represented an unjust and dangerous Government appropriation of private investment and enterprise value without due process and without public interest grounds.

This is industry that is saying this. This is who needs to come before the committee and be heard. It continues —

A criminal is afforded better justice than the thousands of investors, including mums and dads through their superannuation funds, who have placed hundreds of millions of dollars in developing energy assets in WA.

This is the industry that needs to come before the committee and be heard. It continues —

Both Synergy and Verve have developed contractual relationships with private counterparties that compete against either party. Synergy has contracts with private generators that compete against Verve, and Verve has contracts with private retailers that compete against Synergy. This open market approach is the reason for the deregulated market having received over \$200 million of savings per year.

This is industry saying this. It is not the Greens or the Labor Party; it is industry saying this, and it is industry that needs to have a voice before a committee. The document continues —

The merger will unfairly allow Synergy access to Verve's contracts and Verve access to Synergy's contracts. Each party could then use confidential information in those commercial contracts to drive competitors — read all private participants — out of the market. This is unconscionable conduct by Government. There is nothing in the merger legislation, as currently tabled in Parliament, that will prevent such predatory practices.

These are the people who need to come before that committee and be heard. It continues —

The conflict of interest faced by Synergy's new board will be acute, just like in the old days when WPC had its networks division ring-fenced from the rest of the utility. The board of a merged Verve Synergy could not be asked to be blind, deaf and dumb in dealing with each of Verve's and Synergy's affairs. That untenable environment had led to loss of morale and direction and poor performance in the old WPC, resulting ultimately in bipartisan support for WPC's disaggregation for the sake of corporate governance and clarity of business operation.

We are talking about putting Humpty Dumpty back together again, and Humpty Dumpty did not work in the old days. When Western Power was disaggregated, which the Greens opposed, the government did not address the fundamental problem that was Western Power; the disaggregation was allowed to be anticompetitive.

Point of Order

Hon PETER COLLIER: We are getting into the argument again of the actual policy of the bill; we are not talking about referral to the committee. I have given the honourable member some latitude but certainly in the last five minutes or so he has moved off the referral.

The DEPUTY PRESIDENT (Hon Alanna Clohesy): I remind the member to stay on the referral motion and not to stray into the detail of the substantive motion.

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Hon ROBIN CHAPPLE: I will move away from that line of argument because I still think it is very important for the committee, Madam Deputy President.

The DEPUTY PRESIDENT: You may take the opportunity to remind members why you are talking about the referral.

Debate Resumed

Hon ROBIN CHAPPLE: Industry needs to be heard. I have tried to highlight the points industry has made to this house. It is my firm view that if this bill is sent to the Standing Committee on Legislation, the committee will be in a position to hear from the private sector, the sector the Liberal government is usually proud to support and to listen to. It seems that the Liberal Party is blind to the idea that industry has a voice and needs to be heard in a committee environment. I have tried to point out to the house some of industry's views, which are the very same views industry would be able to present to a committee; that is, this change will do nothing for the benefit of the burgeoning emerging private energy sector in Western Australia. I find it quite interesting to be arguing at this level that, indeed, we should be listening to the side of the fence of members opposite. Members on the government side are not prepared to listen to their own people.

With that, the Greens (WA) will certainly support the bill's referral to the Standing Committee on Legislation. Committees of this house have worked well in the past. I think in 2005, at the end of the parliamentary term, the then Leader of the Opposition, Hon Norman Moore, said that in all his time in this place, he had never seen a period in which the committee process had worked as well and come up with so many good outcomes for legislation. This legislation certainly needs a committee's oversight. It will enable members of the community who are speechless in this process to come before the committee and provide good, economic rationale for why the re-merger of Verve and Synergy will not be a good outcome for this state.

HON LJILJANNA RAVLICH (North Metropolitan) [4.00 pm]: I rise to support the motion and in doing so want to say that I found the Leader of the House's comments about the debate on the referral motion to be quite astounding. The Leader of the House commented that he has listened for some 14 hours to the debate and the debate has been without foundation. That says to me that the Leader of the House did not choose to understand one word said by any member in this place about the concerns they hold about this bill. I find that very poor. I say this: if the Leader of the House can sit here for 14 hours and come to the conclusion that there was no foundation to any of the points of view held by any member on this side of the chamber, clearly we have some serious problems. If the problems are so serious that the Leader of the House cannot understand the points made, I do not think we have any choice whatsoever but to refer this bill to the Standing Committee on Legislation. That he made that comment and that the minister has not responded at any point of this debate so far with respect to —

Hon Peter Collier: I haven't had a chance

Hon Helen Morton: If he gets up and speaks, it will close down your debate.

Hon LJILJANNA RAVLICH: Quite frankly, the Leader of the House did not have an answer when he was Minister for Energy. This is a mess of his own creation. He now says he does not understand any point made by the opposition, and he is not prepared to spend extra time in this place over the next week to ensure we deal with this properly.

Several members interjected.

The DEPUTY PRESIDENT: Order!

Hon LJILJANNA RAVLICH: Quite frankly, if the Leader of the House is so disinterested —

The DEPUTY PRESIDENT: Order! I want some quiet in the house so that I can hear your presentation.

Hon LJILJANNA RAVLICH: Thank you. The point is that if the Leader of the House is so disinterested, clearly the bill needs to be referred somewhere where there might be some interest and where the concerns of people on this side of the house can be, one, heard; two, understood; and, three, responded to. Of course people are concerned about this legislation and they should be, because there has been great inconsistency among responses provided by the government about the re-merging of Verve and Synergy. Hon Peter Collier's view at 26 August 2009 on the merger of the two entities was that, "I'm of the view that the merging of Synergy and Verve will not solve the problems as they currently exist, therefore, the government will not follow down that path." Fast forward to April 2013 when the Premier announced that the merger was on the cards —

Point of Order

Hon Sue Ellery; Hon Peter Collier; Deputy President; Hon Kate Doust; Hon Nick Goiran; Hon Dr Sally Talbot;
Hon Robin Chapple; Hon Helen Morton; Hon Ljiljanna Ravlich

Hon PETER COLLIER: Once again, the scope of this debate is very narrow. It is about why the bill should be referred to a committee. Members cannot recount arguments expressed in the second reading debate and they cannot comment on policy. Each of the points Hon Ljiljanna Ravlich has raised have been raised in the second reading debate. I ask for a ruling from you, Madam Deputy President, and that you bring her back to the actual referral motion.

The DEPUTY PRESIDENT: I am sure Hon Ljiljanna Ravlich was getting to the point of the detail of the referral, was she not?

Debate Resumed

Hon LJILJANNA RAVLICH: I do not understand what it was about the 24 words I just said, because the next point I was going to make was that the inconsistency of the information provided about whether there will be a merger is exactly why this bill needs to go before a committee of the Parliament. I cannot understand why the minister finds this motion so objectionable. At the end of the day, people need certainty and clarity around this issue. Members on this side of the house have made some very good points. This is not about only the re-merging of two entities. Yes, that is crucial, but a lot of people's decisions are hanging off the re-merger of those two entities. Many stakeholders are looking for answers to their questions. The only way they will get those answers is if the Standing Committee on Legislation has a close look at the Electricity Corporations Amendment Bill in public hearings. Stakeholders will be able to go before the committee with their outstanding questions, which is just about all the questions they have asked because they have been told nothing so far, and that would be a positive step forward. Clearly, alarm bells should be ringing! The Chamber of Commerce and Industry of Western Australia, which tends to be more of a right-wing organisation, has serious concerns because it has not received answers to its questions and its many members are concerned. It is only on a wing and prayer that the government believes the merger will result in a reduction in electricity prices and some sort of flow-on benefit to consumers and businesses. However, it would be a good thing for business to go before a committee of the Parliament to directly express their concerns. The committee would be able to find out what work the government has done to ensure that electricity prices will go down. It is very reasonable to ask what work the government has done, and it will not be such a complex question to answer if the government has done its homework.

Of course, this bill will affect all of us. If the cost of energy rises—at the end of the day, it is an input into production—the increased costs will flow through to the end price of goods and services that have energy as a component part of the product. Every person in one way or another will be affected by this. We talk about the direct impact of the cost of power when we talk about our utilities. That is one of the direct flow-on effects, but the indirect flow-on effect is the component cost of input into production of energy into a final good or service that has been paid for through a purchase by a consumer. Obviously, an open inquiry that anyone could attend would be of great benefit. The motion to refer the bill to the Standing Committee on Legislation should be passed. If the government had done the right thing, perhaps it would have referred the bill to the Standing Committee on Legislation prior to it reaching this stage of progression. That would have been sensible because all stakeholders—including Labor members, because we on this side of the house had not received any answers to any questions—could have had their questions answered earlier. Clearly many people are concerned about what the government is doing and they do not think it is good public policy. One has to ask: why has the government not spoken to industry? Why does industry feel as though it has not been consulted? Perhaps the government does not want to hear from people such as former Chamber of Commerce and Industry of Western Australia executive, James Pearson, who has said that the re-merger of Synergy and Verve is a step back into the Dark Ages. Perhaps the committee could call on Mr Pearson, even though, as I understand, he is no longer with the CCI.

Debate interrupted, pursuant to standing orders.

[Continued on page 7361.]

Sitting suspended from 4.15 to 4.30 pm