

Mr Jeremy Edwards; Mr Arthur Marshall; Speaker; Mr Brendon Grylls; Mr Paul Omodei; Mrs Cheryl Edwardes;
Mr Colin Barnett; Deputy Speaker; Mr Bill McNee; Dr Janet Woollard

ELECTRICITY INDUSTRY BILL 2003

Second Reading

Resumed from 18 November.

MR J.P.D. EDWARDS (Greenough) [12.11 pm]: I want to add my small contribution to this debate. Although I would be the first to admit that I do not know a lot about electricity, my electors do, and they know, as other members have stated, that there is an ageing electricity infrastructure in the northern wheatbelt and in other parts of rural Western Australia. On a number of occasions I have raised the frustration and the anger that is felt by small business people and residents in the townships of Kalbarri and Dongara about the lack of a continuous supply of electricity. The situation does not seem to be getting better, and I do not know that it will in the short term, particularly following the one and only briefing that I managed to attend, at which the Managing Director of Western Power, Mr van der Mye, gave us an outline of a 10-year plan. That is a long time for people to wait for an improvement in their electricity supply. I am aware that the infrastructure for the distribution and supply of electricity is some 40 to 50 years old - in some cases probably 60 years old - so the issue does need addressing. I guess I am talking about powerlines and power poles. The generation of electricity, and how that is accomplished, are matters that members with a better technical knowledge than I have will work their way through.

I am aware that the Government is making the point that this State's economy is heavily dependent on businesses that we manage, whether agriculture, mineral resources or whatever, and those industries need an ongoing energy supply at a reasonable price. They need to be competitive. I understand that current electricity prices in Western Australia are among the highest in Australia. That is probably due to the fact that for coal power - which we have in Collie - we are paying some \$60 a tonne compared with our colleagues in the eastern States who pay only \$15 a tonne. That obviously has an enormous effect on the competitiveness.

Mr M.P. Murray: Economies of scale and other differences.

Mr J.P.D. EDWARDS: I hear that, but I suggest my argument could have some bearing on it. I understand that this legislation is an attempt to set the electricity industry in Western Australia on a competitive footing, improve service delivery to all consumers, and deliver a sustainable and efficient electricity sector for future generations of Western Australians. However, there is much debate about this within the community, among consumers, unions and others. I note that reference has been made to overseas examples where there have been successes and failures in electricity deregulation.

I will quote from a paper produced by the Australian Services Union, which states -

The best guide for the debate for Western Australia would be the comparison of retail prices with the other mainland states of Australia -

About which I have just made some comment -

all of who have introduced varying levels of deregulation greater than what has been achieved in Western Australia. An examination shows other states in Australia have experienced significant price volatility following deregulation. In fact Electricity Supply Association of Australia figures show that the domestic tariff in Victoria, which has seen the greatest level of deregulation, has increased to 16.5 c/kWh while the domestic tariff in Western Australia has dropped to 15.81 c/kWh.

It is interesting, when we start talking about deregulation and privatisation and all those good buzz words that we use nowadays, that some years ago in the United Kingdom the equivalent of our Water Corporation was deregulated and privatised. Water prices went through the roof and there was no great benefit to the consumer, to the point where the Government stepped in to try to regulate the price of water. That is something we do not want to see here.

Small businesses in New South Wales have seen electricity costs increase by up to 200 per cent since competition was introduced in 1998. Similarly, South Australian residential consumers and small businesses face price increases of 20 to 30 per cent with the forthcoming move to full contestability. Those figures relate to January 2002, so they are probably slightly out of date.

I think that in 2002-03 Western Power paid a capital dividend of some \$224 million. I will not go into how that was made up, but I believe that in 2001-02 Western Power's payments to the State Government were in the order of \$200 million. That is a significant amount of money. I suppose some would say that it should be put back into the energy infrastructure and the distribution lines. After all, if this utility is to be balanced across the State for all people and all consumers, perhaps we should look at that. However, I understand that would leave

Mr Jeremy Edwards; Mr Arthur Marshall; Speaker; Mr Brendon Grylls; Mr Paul Omodei; Mrs Cheryl Edwardes; Mr Colin Barnett; Deputy Speaker; Mr Bill McNee; Dr Janet Woollard

government coffers with some holes, and I do not suppose any Government would be prepared to take that step at this time. It is interesting that in 1996 Western Power's annual return was only some \$75 million. Payments to Governments have increased every year. I understand that it also provided some price reductions to consumers. Consumers would not necessarily agree with that. I also understand that from 1996 onwards - basically the next five years through to 2001-02 - the returns from Western Power were conservatively estimated to be \$1 billion. We are not talking about some piddly little organisation that does not produce a healthy cash flow. Obviously Governments and consumers must try to find that balance. My personal view is that government utilities should be just that - government utilities. If we go down this path of deregulation and privatisation, some things should be the responsibility of government and probably should stay the responsibility of government.

Mr M.P. Murray interjected.

Mr J.P.D. EDWARDS: I say to the member for Collie that I am not making any prediction one way or the other. I am stating my opinion; that is all it was and I prefaced my remarks with that comment.

I said that I would make some short comments. That is probably all I can lend to the debate at this time. All I can hope for in what the Government is trying to achieve with this legislation is that consumers of electricity end up paying a better price for electricity and that what the Government is trying to achieve comes to fruition. Obviously time will be a factor in that. As years go by, we will know one way or the other whether the Government has made the right move in this particular direction.

MR A.D. MARSHALL (Dawesville) [12.21 pm]: I will make a short contribution to this debate. It will not be a personal appraisal but a view that I have reached after listening to the electors in my community. I worry that the Government is dead set on splitting Western Power into four bodies, and it is doing so hastily. It has been in government for only 24 months. It is trying to change the Western Power system overnight without the correct investigation and research into the matter. Why would a Government split an organisation as large as Western Power into four bodies?

Mr R.C. Kucera: Because it is not working.

Mr A.D. MARSHALL: The Government's excuse is that it will make power delivery to the community and to businesses more efficient and cheaper. How can it make that assessment in just 24 months? I heard the Minister for Sport and Recreation say that it is because Western Power is not working. I am cautious and unsettled about the haste with which this change is being made. I live in Mandurah and I have seen the changes to the rail link that have been rushed through overnight. Those changes mean that the railway will cost more than an extra \$500 million and have caused a delay of more than three years. That is costing the businesspeople of Mandurah hundreds of thousands of dollars because they expected the railway to be finished by 2005. There is sheer cussedness in the Government's attitude that it owns the railways of Western Australia and knows what it is doing. The Government's view that it knows that Western Power is not efficient, that it comprises the businesspeople and has the business knowledge and that it can change the system overnight has the same ring to it.

Mr R.C. Kucera: But the peak bodies agree.

Mr A.D. MARSHALL: I do not think that is correct.

Mr R.C. Kucera: With all due respect, the CCI agrees.

Mr A.D. MARSHALL: It has taken 24 months to draft changes to one of the major government bodies that delivers services in Western Australia. The Government has introduced this legislation without giving the Opposition the correct time to be briefed on it so that it can understand the issue better. The Government has not informed the public.

One of the reasons the poll tax proposal was defeated was that it was not delivered to the public in an itemised way. For instance, there should have been a headline in the newspaper stating, "McGinty and Barnett meet to discuss the probability of whether a poll tax will work". Three months later we should have read a headline stating, "McGinty and Barnett pursue the idea that is operable in every State in Australia". Three months after that we should have read another headline stating, "McGinty invites Barnett to join him in visiting the eastern States to investigate how it is happening and whether it is working". Three months later we should have read another headline stating, "Barnett gives permission for McGinty to suggest that they look into legislation". Then three months later we should have read the headline "Barnett and McGinty get together with a team to pursue the legislation that will be brought forward". Three months after that we should have read another headline claiming, "Barnett and McGinty agree that a poll tax is the best thing for Western Australia". If the facts had

Mr Jeremy Edwards; Mr Arthur Marshall; Speaker; Mr Brendon Grylls; Mr Paul Omodei; Mrs Cheryl Edwardes; Mr Colin Barnett; Deputy Speaker; Mr Bill McNee; Dr Janet Woollard

been presented correctly, the proposal for a poll tax would have passed through this place. The Government cannot bulldoze the people of Western Australia.

Mr N.R. Marlborough interjected.

Mr A.D. MARSHALL: Mr Speaker, a person who sounds like a rugby crowd is carrying on.

Mr R.C. Kucera: You were inviting an interjection from me.

Mr A.D. MARSHALL: I was not talking about the minister.

Mr R.C. Kucera: If that is the case, doesn't it simply show a complete lack of leadership on the part of the Leader of the Opposition?

Mr A.D. MARSHALL: No.

Mr N.R. Marlborough: Will the member for Dawesville take an interjection?

Mr A.D. MARSHALL: No.

Mr N.R. Marlborough: Will the member for Dawesville take an interjection?

Mr A.D. MARSHALL: Mr Speaker, did the member not hear what I said?

The SPEAKER: The member for Dawesville has indicated that he does not wish to take any more interjections.

Mr A.D. MARSHALL: As I have said, my contribution will be short. I know that we are talking about electricity. We spark up the Government when it does not get its own way. It cannot bulldoze the people of Western Australia. If the Government had taken the time to take a public opinion poll, it would have found that the public is not happy with this arrangement. It is all very well to say that this will save costs, but first it must prove that it can do it. It seems that the Government wants to split the bureaucratic body of Western Power into four entities to deal with transmission, power generation, retail power and regional power. On paper it looks as though it is more efficient for the Government to split a large body into four, because there will be tighter control of the four individual bodies, but we know that that does not work with bureaucratic government systems. More costs will be involved in setting up those bodies. When there is one body and all the sections are in one house, the Government has control. However, if those sections are split between the metropolitan and regional areas, more control will be needed and more costs will be involved. Once that happens, there will be more errors. Splitting Western Power into four entities will immediately create a problem. The privatisation of a government body is unpopular with members of the public. The Government has said that this is not privatisation, but it has already been proved that it is privatisation by stealth. Again, that makes it very unpopular with the public.

Deloitte Touche Tohmatsu, a well-known international accounting firm, has estimated that the value of Western Power will deteriorate by half a billion dollars. That is a lot of money for the Government to pick up when it is trying to save money. Setting up the system that has already been agreed to will cost \$153 million. To spend \$153 million to establish this change without a guarantee by the Government that the cost of power to business and individual householders will be cheaper represents a business deal that I would not venture into. When a person buys a business he gets a broker, checks the books, gets an accountant to check them and goes to a business person in the same business to check them again. A person just does not rush into buying a business. To say that the disaggregation of Western Power into four units will cost \$153 million is all well and good but why is it being split up? It is being split up to supposedly reduce the cost of power in Western Australia and make the industry more efficient. Despite that, the Government cannot guarantee that will happen. I recently bought a reconditioned motor for my boat. I wanted a 40-hour guarantee but the people I bought it from were too shrewd; they gave me only a three-month guarantee. It was three months during which Parliament was sitting and I could not use the boat! At least I got a guarantee. I am very concerned about the way in which this Government has squandered money over the past 24 months. It has taken on highly costly projects. Did I mention the rail link from Mandurah to Perth? It is \$500 million over budget. It will be years before we see the service. It is all because the Government thinks they are the people who best run trains. Now they think they are the people who understand business. I am not quite sure that this Government does.

I have received many telephone calls on this from members of my electorate. I listened to talkback radio. One caller asked, if the Government is going to spend \$153 million to break up Western Power, why not keep it as it is and use that money to make household electricity supplies cheaper? That caller believed the money would be wasted. A lot of people are uncertain and unsure about this legislation. I believe we should have taken more time to look at it. As I said about the poll tax, there should have been more consultation between the Treasurer and the Opposition. More people from government should have been invited to give members briefings to make them better acquainted with such major decisions. On paper, this is a very risky deal. Any person in business would be unsure and would dice it. Here we are, members of the Opposition, being asked to agree to something

Mr Jeremy Edwards; Mr Arthur Marshall; Speaker; Mr Brendon Grylls; Mr Paul Omodei; Mrs Cheryl Edwardes; Mr Colin Barnett; Deputy Speaker; Mr Bill McNee; Dr Janet Woollard

that, in our own hearts and having been in business, we are uncomfortable with. I believe this should be shelved for a while. This could be good but it has to be proved that the research is correct. The public has to be convinced that the research is right and that people will get cheaper power. That is the uncertainty because the Government will not guarantee it. I cannot see that a \$500 million deficit in the capital cost of what Western Power is worth because of these changes, and an additional \$153 million cost to effect the changes, will be worthwhile unless we do this properly. I ask that we reserve our rights and shelve this legislation. Why are we racing this through before Christmas? We are sitting late at night to do it.

Mr C.J. Barnett: The reduction in value of \$500 million will create big problems for Western Power's borrowings.

Mr A.D. MARSHALL: I take the point of the Leader of the Opposition. Anyone in business knows that the more assets one has, the easier it is to borrow. If we are breaking up this major asset into four minor assets, each with less value, the borrowing power decreases. I want to record this in *Hansard* because, in years to come when this deal falls down, people may refer to my contribution in which I warned the Government that this is happening in too much of a rush. This is like the Mandurah to Perth rail link. It is an ego trip to show that the Government is doing something for the public. The public does not agree with this and it cannot get a guarantee that power will be cheaper. I wholeheartedly disagree with this proposition as it is currently presented.

MR B.J. GRYLLS (Merredin) [12.34 pm]: I make my contribution to this debate on behalf of my electorate. In formulating my opinion on the disaggregation of Western Power, I cast my mind to the effects this legislation will have on my constituency. How will the people in my electorate benefit? Why would people in my electorate want me to support this legislation? What benefits will it bring to them as constituents of the electorate of Merredin? I have thought about some of the critical issues that have arisen in connection with Western Power since my time in Parliament that any change in the structure of the utility should address. I refer to the family from Koorda who cannot come to Perth on the weekends to visit family or friends or access medical services - which is another debate we could have here many times over - because their power supply is so unreliable. They cannot afford to lose the produce they have in their freezers. I am talking about Koorda in 2003. The wheatbelt town is quite prosperous. If they want to go away for the weekend, they unpack their freezers and cart the produce to their neighbours' houses and put it in their freezers and fridges so that they know that when they return they will not have rotting food that they will have to throw out. This is happening in Koorda in 2003! I cast my mind to the family in Corrigin who, upon purchasing new electrical equipment for their house, suffered three power surges in a row in the first month that destroyed the electrical equipment. Obviously, they were fairly aggrieved by that so they contacted Western Power to voice their complaint. They were told that there was no problem with the Western Power system and that it was obviously a problem with their house and that there would be no compensation for the lost electrical equipment. Everyone in the town knew there were power surges, it was only Western Power that did not know. After extensive investigations by my office we located the linesperson - the on-the-ground Western Power worker - who is working under incredible pressure and strain in the wheatbelt. The linesperson confirmed to Western Power's head office that Western Power infrastructure had caused the power surges and that they were the fault of Western Power. After four weeks of argument we managed to get some compensation for the family in Corrigin so they could replace the electrical goods they had lost through the power surges.

In the past few weeks a family from Dalwallinu lost acres of this year's bumper harvest to a fire. The fire was caused by a downed powerline. Three or four farms were burnt, covering a substantial number of acres. Many people put their own safety at risk to put out the fire. They advised my office that, four months ago, the power pole that caused the fault was struck by lightning and severely damaged. Western Power came out at the time and propped up the pole and got the power back on. In the ensuing four months Western Power has not been back to repair the problem. In the past four weeks, including the recent hot spell during the middle of the harvest, the powerline on the pole set fire to the crop and caused substantial damage, not to mention risk to volunteers who put out the fire. Those are just three examples. I could go through many more. My National Party colleagues have spoken about our meeting in Koorda at which these issues were brought up. Another meeting was held in Jerramungup in the past few weeks at which another raft of issues with Western Power arose.

The National Party has been consistent in bringing these issues to the Parliament and calling for them to be addressed. It was with some interest that we learned this Western Power disaggregation Bill was coming before the Parliament. Given that these issues have been raised over the past 18 months, the minister must be clearly aware of the many issues that need addressing in National Party electorates. We looked forward to the legislation for the disaggregation of Western Power coming forward so that we could determine how it would address some of the issues that I have put on the *Hansard* record today. The trouble is that the legislation is a great pile of documents that includes four Bills, explanatory memorandums and a heap of information.

Mr Jeremy Edwards; Mr Arthur Marshall; Speaker; Mr Brendon Grylls; Mr Paul Omodei; Mrs Cheryl Edwardes; Mr Colin Barnett; Deputy Speaker; Mr Bill McNee; Dr Janet Woollard

However, not once in close to 1 000 pages of Western Power and government documentation on the disaggregation of Western Power and the delivery of a better power system to Western Australia are the problems that are so critical to the electorate that I represent addressed. Not once does the documentation state how the family from Koorda to whom I referred will get a more reliable power system so that they do not have to unload their freezers on the weekend. Not once does the documentation state how we can end the surges that have caused hundreds of thousands of dollars of damage to electrical equipment right across the State. Not once does the documentation mention how Western Power line workers will get more resources so that when damage is done to a powerline in the wheatbelt that damage can be repaired so that we do not have similar fires to those that broke out during the past couple of weeks. As my National Party colleagues have outlined to the House in their contributions to the debate, that is why the National Party has great trouble supporting the disaggregation legislation. There is nothing in it that will provide any beneficial outcomes to members of my electorate and to those of the other National Party electorates of Western Australia.

Mr E.S. Ripper: If it provides benefits to other people, is it reasonable for you to resist that?

Mr B.J. GRYLLS: That sums up the Government's attitude to this matter. Given that the legislation will provide benefits to big business with some downward pressure on prices - although the Government cannot commit to that being the case - the minister wants me to go back to my electorate of Merredin and tell its people that even though their power supply is substandard, for the benefit of big business in Western Australia they should support the disaggregation of Western Power. The minister was made aware of the issues in the wheatbelt region from an early stage when the legislation was being framed. These are not new issues, yet not once has the minister attempted to address them. I will go further and say that, in his summing up of the second reading debate, the minister will not shed any new light on how the disaggregation of Western Power will provide any benefits to regional Western Australia. Further, in the minister's comments that I have heard to now, there has almost been a "trust me" mentality suggesting that Western Power has not been able to deliver the outcomes required for country constituents and so we need to turn the whole process on its head and disaggregate Western Power, which may produce benefits. That is not good enough for regional Western Australia. I want the legislation to state the tangible benefits for my constituents. That is not in the legislation, and the minister has just confirmed that it does not exist in the legislation by saying that there are no tangible benefits for regional Western Australia but there are benefits for big business, so regional Western Australia should support the legislation. The minister has said that regional Western Australia should support the disaggregation because there may be some downward cost pressures that he cannot quantify or guarantee. That is not good enough for regional Western Australia. Regional Western Australia will have a voice on the disaggregation of Western Power. We are plainly and clearly saying to the minister of the day that this legislation is not up to scratch; it is not good enough. From what I have heard from other speakers in Parliament and from what I have seen and heard in the media, it will be thrown out. The minister will have to go back to the drawing board and put forward legislation that contains changes to Western Power that will deliver outcomes for the country constituents that we represent. That is the concern that all National Party members of Parliament have raised with the minister. We raised these issues months ago in briefings and said that we wanted the legislation to state how it would benefit our constituencies. That has not been attempted at any stage. As has happened today, we have been told to take a blind leap of faith; we have been told that if we do not think Western Power is working at the moment, we should just support the minister and maybe we will get some outcomes. The trouble is that even if the minister promised me positive outcomes for regional Western Australia, I would not accept his promise, because only a few months ago the Government also promised that the new Moora hospital would go ahead. Promises from the Government on regional development initiatives no longer hold any water. Obviously they are promises made in the heat of the moment and as soon as the budget is pressured they are the first initiatives to drop off. We have seen that time and time again, and we will see it in the lead-up to the next election. Regional Western Australia continues to get the raw end of the deal. It has no faith in the Treasurer or his Government to deliver the regional development outcomes so critical to driving the economy of Western Australia.

Throughout this debate, the National Party has said that if electricity reform legislation is presented to us with safeguards for regional Western Australia, we will seriously consider supporting it. As was said by our electricity spokesman, the member for Stirling, it is hard to argue against the broad principle put forward in the legislation. The broad principle is that changes to the structure and the way electricity is generated, supplied and retailed in Western Australia must take place. However, the National Party would particularly like to have seen - I hope the minister will write this down in his notes so that he can respond when he closes the debate - a clause that made the failure to meet the benchmark standards of quality and reliability an offence. Secondly, we would like to have seen enshrined in the legislation the principle that consumers should have access to affordable infrastructure and that a corporation should not be permitted to establish significant margins over and above cost recovery. Given the sheer size of this legislation, these issues would have made little impact on the

Mr Jeremy Edwards; Mr Arthur Marshall; Speaker; Mr Brendon Grylls; Mr Paul Omodei; Mrs Cheryl Edwardes; Mr Colin Barnett; Deputy Speaker; Mr Bill McNee; Dr Janet Woollard

Government's reforms. In speaking to the first point I raised, the little orange handbook produced by the Office of Energy and Safety clearly states that benchmarks must be made. Those benchmarks relate to the amount of power outages and the time of those outages. They are good benchmark standards. We have conveyed to our constituents that Western Power has to meet benchmark standards in regional Western Australia and that that gives us the ability to monitor the power supply and to make complaints to the Energy Safety Directorate when those benchmarks are not met. The concern is that when we move further into those regulations we find that when remedial action is required the minister has the opportunity to lower those benchmark standards. Obviously, that is of great concern to us. We are concerned at the level of power being delivered to the region and to find that the regulations at the minister's disposal give him the ability to lower the benchmark standards if he feels that it will be too much of a cost impost to improve the infrastructure to ensure that those benchmark standards are met. We are very concerned that under the Electricity (Supply Standards and System Safety) Regulations 2001 it is not an offence for Western Power to fail to meet the benchmark standards of service. The Energy Safety Directorate has released two reports that show minimum levels are not being met, and this was based on evidence collected from all over regional Western Australia about the interruption, frequency and duration of blackouts. We believe it is unacceptable that there is no legislative requirement for people to get a reliable electricity supply. In this legislative process the Minister for Energy has had at his disposal the ability to put in place those legislative requirements but he has chosen not to do so. That is one of the major planks and it is a major reason the National Party cannot support this legislation.

I will now turn to my second point. Clause 58 of the Electricity Industry Bill states that regulations may prescribe the circumstance in which new or existing customers may be connected to the distribution system in order to receive an electricity supply. The National Party would like to see in this clause of the Bill a principle that consumers should have access to affordable infrastructure. We have all heard other members provide examples of how customers of Western Power have been quoted \$14 000 to get a connection only to find six months later that the connection charge has risen to \$35 000. The member for Stirling spoke of examples in which businesses are being driven out of regional Western Australia because they cannot access a power supply. Everyone likes to pay lip service to decentralisation and to promoting business in regional Western Australia. However, I am offended when businesses like Southern Wire from Gnowangerup - a major employer in the region that is producing a fencing product in regional WA that is used by regional Western Australians - wants to expand its business and is told that Western Power will happily provide it with the upgraded power supply for its business but that a new powerline will have to be run from Katanning to Gnowangerup at a cost to the business of \$1 million.

[Leave granted for the member's time to be extended.]

Mr B.J. GRYLLES: That is unacceptable to Southern Wire in Gnowangerup. A similar problem exists in Avon's Meenaar industrial park where a lack of power supply has hindered the development of that park. I have spoken to businesses in Dalwallinu that cannot get access to upgraded power. Before I came to Parliament, I upgraded the whole power system in the Corrigin light industrial area so that my business could grow. I had to foot the cost of upgrading that whole system. I had hoped that some of these issues would be addressed in this new legislation that provides for the disaggregation of Western Power. Unfortunately, that has not happened. The National Party would like to have a provision in the legislation that holders of a distribution or an integrated regional licence are not able to apply margins over and above cost recovery. An example is when Western Power provides an exorbitant quote to supply power to a regional consumer. The regional consumer raises his concerns with his local member of Parliament, and, by simply making that initial complaint, often the cost of that connection goes down. If, as soon as a member of Parliament is involved, the price is reduced, I do not know how Western Power comes up with the initial price. Every member of the National Party can give examples of that happening as can the member for Warren-Blackwood. It happened to me with a farmer from Moorine Rock. As soon as he indicated that perhaps putting on a solar power system would be more affordable and reliable than upgrading the Western Power line to his property, the cost he was asked to pay by Western Power was reduced. It is clear to all members in this House, no matter what political party they represent, that regional development is being stifled because Western Power expects small business to contribute to the cost of the infrastructure needed to establish their power supply. That is in direct contrast to metropolitan businesses that are only expected to pay for the cost of the connection. When we talked about decentralisation, regional development and growing country communities, the provision of power for businesses was a major component of that, which is not happening.

A mechanism was required in these Bills to ensure that existing and future infrastructure would be affordable. During the many briefings the National Party has had on these reforms, there was no indication that the Government would provide the guarantees asked for by the National Party for regional Western Australia. As the legislation stands, there is little value in it for the regional constituencies. As all members have said, access to electricity is one of the basic rights of the community. Along with water, health and education, electricity is

Mr Jeremy Edwards; Mr Arthur Marshall; Speaker; Mr Brendon Grylls; Mr Paul Omodei; Mrs Cheryl Edwardes; Mr Colin Barnett; Deputy Speaker; Mr Bill McNee; Dr Janet Woollard

critical and we would like to have seen that fact recognised in this legislation. There is nothing in these Bills to indicate that electricity supply will be absolutely provided to remote parts of the south west interconnected system that are already struggling to receive a supply. There are no guarantees that the outlying areas of the network will receive more attention under these reforms. There are no provisions to rehabilitate the network. It concerned us that after the Energy Safety Directorate released its report on the wheatbelt that said that \$48.5 million needed to be spent immediately to bring the system in that area up to scratch, the minister made no indication that that \$48.5 million would be spent. Therefore, we are gridlocked because the minister is trying to forge ahead with his reforms to Western Power. However, the members of Parliament that he needs to support these reforms are too busy fighting the micro-issues that individual constituents have with Western Power, and these micro-issues are not addressed in this legislation. Therefore, the macro-issue will not be supported, which I am sure is disappointing for the minister - it is disappointing for many of the industry groups that support this disaggregation. However, the Western Australian Chamber of Commerce and Industry and the Chamber of Minerals and Energy of Western Australia need to be acutely aware of the issues in my constituency of Merredin. I would like them to become part of the process of pushing for those infrastructure upgrades that are so necessary. If the Chamber of Commerce and Industry and the Chamber of Minerals and Energy said that for this disaggregation process to work, we must realise that there are issues in regional Western Australia that need to be addressed and the capital should be put in to do that, then my constituency would be far more supportive of these issues and the Chamber of Minerals and Energy and the CCI would be a lot closer to achieving their end game of Western Power disaggregation. However, as it currently stands, the National Party cannot support this Bill. Until the Government addresses these issues in the legislation, we will not be able to support it.

One of my main concerns with regard to the broad overarching response to power in Western Australia is that the Minister for Energy constantly refers to the subsidies received by regional WA. He constantly tells us that we are lucky to be receiving power in WA because it is a huge cost burden on the State. How can the State be expected to upgrade those outer areas of the SWIS and repair all the power poles that are hit by lightning? How can the State be expected to come up with that money?

Mr E.S. Ripper: Do you support the National Party's privatisation of Telstra?

Mr B.J. GRYLLS: We support \$3 billion being put aside to future-proof Telstra, which is exactly the same -

Mr E.S. Ripper: You want to privatise the telecommunications utility.

Mr B.J. GRYLLS: The process that we have gone through with telecommunications is similar to the process we would support in the Government's disaggregation of Western Power. If the Government put up a pool of money to fund the infrastructure spending that is so necessary in regional WA, then perhaps we would support this legislation today - it is as simple as that. If the Government had come to the table and said that it knows \$48.5 million needs to be spent on the system, this is how it will be done and this is how it will be enshrined in legislation, we would not be dealing with this dead duck legislation before us now. However, the Government has not done that. It has failed to put that money on the table to remediate the system, which is why this legislation will not be passed by this Parliament.

I refer to one of the minister's comments in *Hansard* in closing my contribution to this debate. The minister, the Labor Government, the Chamber of Commerce and Industry of Western Australia and the Chamber of Minerals and Energy of Western Australia are all making promises. They have said that we need to change Western Power because they are not happy with the way it is working at the moment, and that once that change has been made, money will be freed up in the system and will be spent on infrastructure. The National Party agrees that money will be freed up in the process, but will that money go into infrastructure? I refer to comments made by the Minister for Energy in *Hansard* of 5 June, in which he stated -

If millions of dollars are required in additional investment and it is the only way to fix a problem, the millions of dollars required for the urgent investment must be compared with the millions of dollars that might be required for other investments in health, roads, law and order, or education. The Government appreciates the importance of good quality electricity supply but it has to make decisions on the basis of priorities in every matter.

This is the exact concern that the minister has failed to address in this legislation. When the money is freed up through the disaggregation process -

Mr E.S. Ripper: You would sacrifice country schools for the country electricity system?

Mr B.J. GRYLLS: Not at all. If money is freed up through the disaggregation of Western Power, it should be spent on upgrading the infrastructure. It is as simple as that. This is not about not supporting schools. It is not about not supporting hospitals, not spending on road infrastructure or not supporting law and order; it has nothing to do with those things.

Mr Jeremy Edwards; Mr Arthur Marshall; Speaker; Mr Brendon Grylls; Mr Paul Omodei; Mrs Cheryl Edwardes; Mr Colin Barnett; Deputy Speaker; Mr Bill McNee; Dr Janet Woollard

The minister wants to free up money in the power supply process in Western Australia. That money will be freed up under this legislation; I do not dispute that fact. The concern of the National Party is where that money will be spent. The minister has made it very clear that the money will not be spent on the power infrastructure of the Merredin, Stirling, Roe, Wagin or Avon electorates. We know that is true because any money that becomes available to the system will get sucked out of regional Western Australia. There can be no plainer indication of that than the people who came from Moora yesterday and were sitting in the gallery. When the budget gets a little tight, regional Western Australia misses out. When money is freed up under the minister's proposal for the disaggregation of Western Power, it will not be delivered to infrastructure in regional Western Australia. It will be delivered to the priorities of the Government, which it has made clear are not the development and supply of a reliable, quality electricity system to regional Western Australia. Until that happens, the minister will not have the support of the National Party for this legislation.

MR P.D. OMODEI (Warren-Blackwood) [1.03 pm]: I obviously must have caught the Deputy Speaker's eye before the member for Kingsley did! I will take up from where the member for Merredin left off. I will put my case as far as my electorate is concerned on the Electricity Industry Bill 2003. I indicate to members and the House that it has always been the case that there has been a cross-subsidisation or community service obligation for a range of government services in Western Australia, whether it be the supply of electricity, water or sewerage to a lot of small towns around regional Western Australia in which those schemes are not viable. There always has been a cross-subsidy from the metropolitan area to the regions. That was taken as a given by successive generations and Governments since the beginnings of Western Australia. We are seeing a move by the Government, obviously driven by Treasury, the Chamber of Commerce and Industry and the Chamber of Minerals and Energy, to bring in legislation for the disaggregation of the power supply in Western Australia, supposedly for the benefit of certain sections of industry in Western Australia. I find it interesting that the Chamber of Commerce and Industry has been diligent in lobbying on this issue, when on other matters of deregulation in Western Australia on which regional chambers of commerce had a different opinion from that of the state chamber of commerce, the state chamber of commerce chose not to reflect the decision of those regional chambers. That is a bit of a worry. Obviously, the Chamber of Minerals and Energy would be supportive of the minerals and energy industry in Western Australia. The Chamber of Commerce and Industry has a responsibility to a broader group of people across the State.

This proposal by the Government will increase state debt by \$159.2 million. It will reduce the value of Western Power by \$500 million. The Government is blithely doing this without having consulted the rest of Western Australia over a long period.

Mr E.S. Ripper: The policy position adopted by the Liberal Party has those exact same consequences for state debt and costs.

Mr P.D. OMODEI: The minister has already made that point. What I am putting to the House is that the Government has not catered for people in regional Western Australia under this legislation. The Labor Party's position on the sale of Telstra is in total contrast with its position on the disaggregation of power. The Labor Party is opposed to the sale of Telstra because of its concerns about the delivery of adequate services to regional Western Australia, yet in this case, with the same scenario, it supports disaggregation.

The member for Merredin has provided examples, as have other country members, of how country people suffer because of a lack of money. We know that there is a \$150 million cross-subsidy. It needs to be more than that to make sure that the infrastructure is maintained at a high standard to ensure that people do not lose their livelihoods or have them put at risk. I do not say that lightly. The number of fires that are started as a result of deteriorating powerlines in Western Australia is becoming too great. A couple of fires were recently experienced in the wheat growing areas of Western Australia. I came back from there last week. Farmers were very buoyant and happy about the season, only to have those feelings dashed and taken away in some cases. It must be devastating for a property holder who has just gone through three years of drought to see his crop burn before his eyes because of the negligence of successive Governments. Western Power is placing a priority on regional centres and the metropolitan area rather than on the maintenance of that asset. It is absolutely vital.

Large areas of Western Australia are being placed into wilderness and national parks. Those wilderness areas and national parks are traversed by powerlines. It is well known that on very hot days powerlines can stretch. If those powerlines are not properly maintained, they can start fires. I can see it happening now. Further devastation will be caused by fire as a result of deteriorating Western Power infrastructure in regional Western Australia. I will give a couple of examples. Northcliffe is a far-flung place in Western Australia. Under the previous Government Western Power upgraded the east Northcliffe line, which services a lot of dairy farmers. Dairy farmers get up at three o'clock in the morning to milk their cows. They milk late at night and when there is rain, hail and thunderstorms. The power often goes out. In some cases in eastern Northcliffe, the power goes out three or four times a week. Farmers who do not have backup power supplies have faced great hardship.

Mr Jeremy Edwards; Mr Arthur Marshall; Speaker; Mr Brendon Grylls; Mr Paul Omodei; Mrs Cheryl Edwardes; Mr Colin Barnett; Deputy Speaker; Mr Bill McNee; Dr Janet Woollard

Animals have been left overnight. They could not be milked until the morning and so on. Milk was poured down the drain. Western Power decided to upgrade half the line. The financial constraints were seen. Western Power believed that it was not a viable line; therefore, it would upgrade only half the powerline. The farms at the end of the powerline were still without power. The Government stepped in. It took money out of the Back Beach project in Bunbury and applied it to the Warren action plan, which was jointly chaired by the former Deputy Premier, Hon Hendy Cowan, and me. The line was finally upgraded and the loop completed. The Government had to make a direct injection to fulfil Western Power's responsibility. I will come to the conclusion shortly. I have mentioned Carlotta in this place before. It is a little place near Nannup where the power supply goes out on a regular basis. As a matter of fact, it went out again on Saturday.

A lot of people are sick and tired of the levels of burglaries, home invasions and other crime in the city and are moving to the country. They are taking with them new technology and computerisation. They are pursuing business opportunities through telemarketing, the Internet and so on. People are running significant businesses from downtown Bridgetown or Nannup. If there is a power outage or surge, part of their livelihood goes up in smoke before their very eyes. These sorts of things are happening in regional Western Australia. If disaggregation is allowed, the private sector is able to enter the market and Western Power is not able to maintain its cross-subsidy, those power supplies will deteriorate further. I remember very clearly when the Labor Government was elected. In his first public speech the Premier said that he would govern for all people in Western Australia. However, the Labor Party in Western Australia is not governing for all people in Western Australia. People in regional and rural Western Australia are being left out in the cold. Assets are being allowed to deteriorate, water supplies are not maintained and on it goes. We hear from the Minister for Energy that there will be an 8.5 per cent reduction in electricity tariff prices to consumers. That reduction was originally to occur over the next 20 years, then it was over 10 years and now it will have occurred by 2010. We do not have enough information to verify whether those estimates - that is, the percentage reduction and the out years - are correct. Like the members of the National Party and my other colleagues from rural areas, I am very concerned that the Government is responding to an edict by Treasury. I think the Treasurer is very easily led by Treasury. Sometimes government is about standing up to bureaucrats and making sure that the people's voice is heard. This move by the Government will disadvantage people in rural and regional Western Australia.

I have mentioned one of my constituents, Mrs Lurlyne Bennett, in a 90-second statement in this place. She is an incessant caller. She retired to Windy Harbour with her husband Les quite a number of years ago. They have an antiquated generator. Windy Harbour is 16 kilometres from the power supply and about 20-plus kilometres south of Northcliffe. It is on the coast and is the only safe harbour between Busselton and Albany. It is located in an area in which there is a large amount of shipping and, of course, recreational activities over the summer months. Windy Harbour has no power. This is 2003. A lot of people seek to retire to that village. A blacktop hot-mix road goes to Windy Harbour, and a large number of people visit at Christmas and Easter. There is not an appropriate water supply and certainly not an appropriate power supply. It has been talked about for more than a decade. People decide to retire there. I am sure Lurlyne has been asked a number of times why she lives in Windy Harbour. Why live anywhere in rural Western Australia? We should all live in the city. We know that out of a state population of 1.85 million, almost 1.35 million live in the city. That is increasing to 1.4 million at a rate of knots. The Western Australian regional centres of Kalgoorlie, Geraldton, Bunbury and Albany each have a population of about 30 000 people. About 350 000 people live in the remaining 2.5 million square kilometres. They live in small towns and communities that deserve, firstly, good representation in Parliament and, secondly, the same services that are expected by other people in Western Australia. I remind members of the old adage that Australia lives off the sheep's back. We all know that it no longer lives off the sheep's back; however, a massive amount of wealth is generated in rural and regional Western Australia. This year's wheat crop will be 14 million tonnes, up from four million tonnes last year. That is a massive increase

Mr W.J. McNee: If we can get it off.

Mr P.D. OMODEI: Yes; if it stops raining, and I am sure it will. I have great confidence. All over regional Western Australia are farmers on their headers. I was in Binu in the member for Greenough's electorate last week. A 64-year-old woman told me that she had just had a hip replacement but that in the previous four years she had driven the massive 300-horsepower header. There was not a negative bone in her body. Everybody was running at 100 miles an hour. Her husband was driving their B-double train full of grain, and the two boys had a header on each farm. They were going at 100 miles an hour. Further out in Mullewa are people with properties that can handle 40 000 acres of crop. There are massive grain crops. Everywhere I went in Chapman Valley, Binu, Mullewa and Tardun, the farmers were on the move. There was an aura of achievement and progress. Why should they be treated any differently from people in downtown Melville, Nedlands or Victoria Park? There are young families in regional Western Australia. Some of the young married women came from city bases. I have asked them about agricultural policy and whether they think there should be a women-in-agriculture policy. Madam Deputy Speaker, you would be interested in this. Two or three of the women have

Mr Jeremy Edwards; Mr Arthur Marshall; Speaker; Mr Brendon Grylls; Mr Paul Omodei; Mrs Cheryl Edwardes; Mr Colin Barnett; Deputy Speaker; Mr Bill McNee; Dr Janet Woollard

asked me why there should be something special for women. They said that they stand alongside their husbands. Those women are out there driving the chaser and the header. They do the same things that the men do. They have their say at meetings. It is not like city life in which there seems to be a division between the menfolk and the womenfolk. A fantastic group of people lives in regional Western Australia. The family structure is there. The older and younger generations - and the young mothers and kids - all work together for the benefit of the community. At the end of the day they are involved in the community. They fix up the tennis club or the basketball pavilion, and on it goes. Why should they be treated any differently from people in downtown Perth? They deserve an adequate power supply. As the member for Merredin said, they should not have to worry about whether their frozen vegetables and meat will thaw. They should not have to worry about whether a power surge or outage will affect their computer system and programs. Many people are right up to date with technology. The young farmers in Western Australia are among the most innovative in the world. They are up to speed with what is happening in the Kansas or Chicago grain futures markets. They know what is going on. The Government wants to do a deal that will help major business in Western Australia, but it has not told us that the power supply of people in rural areas will be guaranteed. As the member for Merredin said very well, things would have been different if the minister had gone into the community and given some guarantees that the power supply in Carlotta near Nannup would be fixed and that residents would not have to experience five outages a week in a month. That is not acceptable in this day and age. It is not a reflection on those workers who work on the power sites at all hours of the night. Some of them go to a site three times a day to restore the power. The reality is that the infrastructure has deteriorated to such a state that the workers might as well camp at those sites. That is how bad it is. If that were to happen in a city-based electorate held by a Labor member of Parliament, it would be fixed quick smart - although, for a start, it would not happen because the infrastructure in the city is far better than it is in regional Western Australia.

Mrs C.L. Edwardes: It still happens.

Mr P.D. OMODEI: The member for Kingsley tells me it still happens. However, the truth of the matter is that people in the bush, who have to travel long distances to attend parents and citizens meetings or presentation nights that occur at this time of year, feel aggrieved when they come home to find their power out, their freezer off and everything in a mess, but they must get up the next day and go out and do a hard day's work. I sympathise with Lurlyne Bennett, who gets quite upset with me. We have tried and tried over successive Governments to get a power supply to Windy Harbour; we almost had it there and then it was delayed. Mrs Bennett wrote to the Premier but the reply she got was dismissive; it was just not good enough. The Government may be able to find a corporate sponsor to install a wind-powered generator at Windy Harbour; after all, it is called Windy Harbour. That would boost the fortunes of that community and the Northcliffe community and would result in more people settling there. The school at Northcliffe is a district high school. A wind-powered generator would maintain the school and the economy and social structure of the community there. It would make a whole lot of elderly people happy at Windy Harbour if it could be supplied with power through the proposals in this legislation. In the overall scheme of things the people of Windy Harbour do not figure in the political fortunes of any political party in Western Australia, but that does not mean they do not deserve a fair deal. That is what this legislation is about.

In a nutshell, the concern on this side of the House is that the Government has not catered for people in rural and regional Western Australia. That must be contrasted dramatically with the Labor Party's stance on the sale of Telstra whereby it is concerned about people in regional Western Australia, as I am. However, when it comes to a regional power supply, because other people will benefit from the legislation, the Government believes it should charge down the track of disaggregation at a rate of knots and in all haste. If the Government is serious about the legislation, why must it be rammed through late at night in the dying hours of Parliament? Why does the Government not deal with it properly and consult with the people of Western Australia to ensure that it gets it right first?

Obviously there are some good reasons for the disaggregation of power in WA, but I am not convinced that it will well service the people of my electorate. From a regional perspective, as the shadow Minister for Regional Development, I do not believe it will cater for the needs and aspirations of people in regional and rural Western Australia. On that basis, I oppose the legislation.

MRS C.L. EDWARDES (Kingsley) [1.22 pm]: I speak on behalf of my constituents - domestic householders. I represent more than 10 000 households - that is, more than 26 000 people. We enjoy going home and pressing a switch, because wonderful things happen: the lights come on and the coffeepot operates. What we as householders want from this legislation is the reliability of a power supply at the cheapest possible price. Currently, we pay 12.6c a unit. I received my electricity account last night and was able to confirm exactly what we pay. I am a \$100-a-month customer, approximately. Although my account goes up and down depending on the seasons, it is probably a lot higher than the accounts of some people in my electorate and probably lower than

Mr Jeremy Edwards; Mr Arthur Marshall; Speaker; Mr Brendon Grylls; Mr Paul Omodei; Mrs Cheryl Edwardes; Mr Colin Barnett; Deputy Speaker; Mr Bill McNee; Dr Janet Woollard

others. That is a balanced approach. However, I represent many seniors in my electorate. Although there has been a very strong push from industry for electricity reform - it may be the larger consumer in WA at a consumption rate of 80 per cent - a greater number of people, who consume only 20 per cent of power, also have the right to be heard and have benefits returned to them. I refer not only to householders but also to small business operators in small industries, such as tenants of shopping centres.

I listened very carefully to the members for Merredin and Warren-Blackwood who drew attention to some of the problems that their electorates have with the reliability of supply. We in the metropolitan area also have those problems. I am continually given examples of disruption of power for several hours on end. A coffee shop in a small shopping centre cannot cope when there is no service; it cannot deliver coffee and food starts to go off. Householders do not want to have to come home at night, empty their freezer and spend the whole night cooking so that they do not waste meat or vegetables that are likely to go off. There is currently a great deal of concern therefore about the reliability of Western Power's performance. I will not get into a debate on whether Western Power is good or bad or on the technical aspects of the legislation. I want to ensure that domestic users and those small business operators are protected by a guarantee that the rate per unit that they pay today will reduce or will not go any higher. Small business operators have no guarantee of that. Protection measures for customers were referred to as the last resort supply arrangement.

Industry is really keen on this reform on the basis that Western Power will be disaggregated, as it wants to get offline. Big industry wants to bring in private suppliers to compete so that it can get a cheaper price. The Opposition does not have a problem with private suppliers providing a cheaper alternative to big industry or to anybody else. However, the senior citizens and mums and dads in my electorate will not have that opportunity. Under this legislation Western Power will be the last resort supply arrangement. Members have talked about reliability of supply and the amount of money that must be spent to ensure that the current age of the assets is up to scratch so as to avoid the unreliability of supply. Who will pay for that? Western Power will pay for it. Who will pay for Western Power? The customer will pay for Western Power. Although industry will be offline with a private supplier, the people who will ultimately absorb those costs are the mums and dads and senior citizens in each of our communities.

I am not convinced that this legislation is good for the whole of the community. It may very well be good for industry. Industry assures us that is true; however, a greater number of people must be considered. A very good economic argument was put that there must be lower fuel prices to improve economic growth, and that from that will come jobs. The senior citizens in my electorate do not want increased electricity bills and, quite frankly, are not interested in jobs either. Why should they be left to pay the costs of improving the assets, which are ageing and are already affecting the reliability of supply, so that industry can get offline?

Mr R.C. Kucera: If you have read the recent articles in *The Australian* on the generation gap that is now emerging, you would know that there is a concern about who will support your seniors in the future if those jobs are not made available.

Mrs C.L. EDWARDES: The Minister for Small Business again puts forward a theoretical economic argument, but I am talking about paying the monthly bills. I am talking about the electricity accounts that people must pay. Currently, people pay 12.67c per unit. The minister has given no guarantee whatsoever that people will either pay less or the same price and he has given no guarantee that the price will not go up - none whatsoever.

We are talking about ageing infrastructure. There is a cost associated with that. It will not be paid by industry because it will be off-line. We are talking about the fact that the State Government has set aside \$153 million to cover the cost of reform over four years. Who will pay for that? Where will those costs be included? At the end of the day, the financial analysis and the economic and social impacts on the domestic consumer have not been adequately explained. Do not tell me about the big theoretical economic argument that unless competitiveness is increased and unless economic growth is improved, no jobs will be available to look after our seniors in the future. In the meantime, the seniors will pay 13c, 15c, 19c or 23c per unit. In that case, the Minister for Small Business will no longer be a member of Parliament because the mums and dads and senior citizens will vote him out.

Mr R.C. Kucera: It is hypocrisy on your part.

Mrs C.L. EDWARDES: They will not accept the price increases -

Point of Order

Mr C.J. BARNETT: Once again a male Labor member is trying to intimidate a female member across the Chamber. Madam Deputy Speaker, I respectfully suggest that you call to order the Minister for Small Business.

The DEPUTY SPEAKER: There is no point of order.

Mr Jeremy Edwards; Mr Arthur Marshall; Speaker; Mr Brendon Grylls; Mr Paul Omodei; Mrs Cheryl Edwardes; Mr Colin Barnett; Deputy Speaker; Mr Bill McNee; Dr Janet Woollard

Debate Resumed

Mrs C.L. EDWARDES: I am not convinced. The Government has not sufficiently explained the financial implications. I have been given no analysis of the social or cost benefits that will apply to the domestic user. It is simple. Big industry supports the change. It accounts for 80 per cent of the power consumption in Western Australia. It wants disaggregation because it wants to get off-line. However, my constituents cannot get off-line. They will end up paying for the ageing infrastructure and any of the subsidies that will be required.

Mr C.J. Barnett: And for the fuel contracts.

Mrs C.L. EDWARDES: It was reported in the *Electricity Supply Magazine* of November 2003 that Nick Morris, the Chief Executive of Acil Tasman Pty Ltd, told a conference held recently in Perth that -

In considering prices, says Morris, it will need to be borne in mind that the WA end-users will bear the subsidy burdens for maintaining the State's uniform residential tariff, for regional system support and for developing new renewable energy supplies.

Madam Deputy Speaker, that means that your constituents and my constituents - the mums and dads in the community - will be affected. They may be only the smaller end-users of consumption in Western Australia, but there are a great number of them.

MR W.J. McNEE (Moore) [1.33 pm]: I want to make a small contribution to this debate because power is a basic requirement, as are roads, hospitals and water. I remind you, Madam Deputy Speaker, that this is 2003. I will make a few comments in support of Western Power. I want to support the staff who keep the ageing unit working under the most dreadful conditions. Like the member for Murray-Wellington, I recently came home from a function at 2.00 am and found that the power had gone off. It was a dreadful night. I thought, "God bless those young fellows who must put it back on again - it will not be me."

Power has been connected to my area for about 40 years. We have enjoyed a very good service. Until about the end of last year when there were some very bad storms, the power had been cut off only a few times. I recognise, accept and support people who have had problems with voltage, which has caused problems for their computers. I take all that in. I support their arguments and I am supportive of their problems. However, when the electricity system was installed in the 1960s, households required power for only a light and a refrigerator. Since then, the rural areas have developed when good coalition Governments have been in power - unlike under this Government, which will not do anything. Businesses require greater amounts of power these days. Businesses are bigger. Some of the businesses in the wheatbelt that keep machines in the paddocks are huge. Of course, they have big power requirements because they are involved in a very important business. We have wheat bins now. Forty years ago people used a little old 5 or 6-horsepower Ronaldson Tippet diesel engine to run a grain elevator. I do not know how many tonnes the modern elevators take in, but they are all powered by Western Power. Western Power has done an admirable job in providing the infrastructure in keeping the damn system going. Have you ever kept an old car going, Madam Deputy Speaker? You probably have not because it costs too much money to run.

Successive Governments have not maintained the infrastructure. In 1960 I paid \$1 200 - which was a massive amount of money in 1960 - to get power. My power was out for a couple of days last December. That was an exceptional circumstance. Half of my fences fell over. Western Power gets as many years use as it can from its power poles, just as I get as many years use as I can from my fences. When I have a loss, I have a big loss, because the whole lot blows over. If infrastructure is replaced more regularly, that does not happen. That is what happened to Western Power. A number of its power poles were blown down. Strangely enough, Western Power sent me back my \$1 200 because that was the deal we made all those years ago. It had made that deal not just with me, but with everybody. It is not all bad news.

I could give members a lot of examples of experiences that customers of Western Power in my electorate have had. For example, Bindoon is a growth area. The baker in the main street of Bindoon lives in fear of having insufficient power. He is a good baker too. The butcher is not sure whether he will build a new butcher shop. He is not sure whether he will have enough power to run the butcher shop. The supermarket has problems too. An elderly couple who ate dinner in the evening could not run the kitchen appliances and the heater at the same time. They had to finish their meal before moving into the lounge room to watch the television because they could not run all those appliances together. Bindoon is just a hop, step and a jump from the General Post Office. There have been problems there. Although that infrastructure is newer, it is still not good enough. It is still not providing for the number of people who want to live in a beautiful area such as that. I can understand why people would want to live in Bindoon or Chittering, in that beautiful valley, and travel to Perth. What a wonderful place in which to bring up kids. It has a good primary school and other facilities. However, it also has this other problem.

Mr Jeremy Edwards; Mr Arthur Marshall; Speaker; Mr Brendon Grylls; Mr Paul Omodei; Mrs Cheryl Edwardes; Mr Colin Barnett; Deputy Speaker; Mr Bill McNee; Dr Janet Woollard

The Leader of the Opposition has outlined our position very well; therefore, I will not attempt to do that. However, I just want to say that I share the Leader of the Opposition's concern that the price of power will not come down. I cannot quite work out what we are doing. In my industry, I have always been told that I should buy my neighbour's farm so that I will get the advantage of economies of scale. However, that did not really help me, because I bought my neighbour's farm, but I lost my neighbour. When my children went to Koorda Primary School - that was a long time ago, I can tell members - there were 120 children in the school. Today there are about 30. That is because farmer A bought out farmer B and C, and probably also farmer D; then the bank went; and then everything else went as well, because the services were not being provided. As I drive around this vast State of Western Australia and see powerlines radiating out everywhere, I say to myself, "What a hugely expensive system to keep operating. Who is going to look after those people if the Government is not in there doing it?" As many other members have said, the Government has a responsibility to provide services such as power, water and health. The Government's answer to that is if there is a difficulty, close it down. That is what it is doing.

Mr R.C. Kucera: Just like you did at the Midland workshops.

Mr W.J. McNEE: The Minister for Small Business should not interject and tell me that is not what the Government is doing. The Government is doing it. Make no mistake about it.

Mr C.J. Barnett: He will turn big businesses into small businesses!

Mr W.J. McNEE: He sure will. There is no question about that. He absolutely will do that overnight. However, thank God there is only another year to go, and then they will probably be gone. I can well remember the Keating Government giving us the national competition policy. What a great thing that was! I cannot find anyone whom it has helped. It has not helped me. I cannot see that it has helped the rural industry. I was at a meeting the other day with a lot of people, and I said, "Stand up and tell me if the national competition policy has helped you." Not one person bothered to stand up.

Mr C.J. Barnett: I will tell you who it has helped. It has helped the federal bureaucrats, because it has shifted the decision making power from the States to the commonwealth. That is really what it was probably always all about.

Mr W.J. McNEE: The Leader of the Opposition is absolutely right.

Mr R.C. Kucera: So why did you sign up to the agreement, Leader of the Opposition?

Mr C.J. Barnett: Because the principle was sound, but the way in which it has been implemented has been unsound.

Mr W.J. McNEE: It was designed by the bureaucrats, in the rarefied atmosphere of a university some place. However, it has gone too far. On some days I listen to Liam Bartlett and on some days I listen to Paul Murray. I do not listen to either of them a lot, but it just so happens that if I am in the car and need something to do, I turn on the radio. As I was driving into town yesterday morning, the Paul Murray show was on, and he was talking to some person, I think about this very question of power, but I would not hold myself to that. The national competition policy was also mentioned. Paul Murray said to the person he was talking to, "I can remember having lunch with Paul Keating, and he suggested" - this is also something that I heard the Leader of the Opposition say yesterday - "that if New South Wales has a meltdown in a power station, it can get power from Victoria or Queensland. We do not have that facility. We are out on our own. We do not have power that we can pull in if we have a problem." He said also that he had said to the Prime Minister that under the national competition policy we should perhaps get some advantage or payment because we cannot be interconnected to the other States. He then went on to say that he had to explain to Prime Minister Keating about the desert between Western Australia and South Australia. That indicated to me that these people have a complete misunderstanding of what happens in rural Western Australia.

The member for Kingsley has very eloquently and adequately outlined the problem for her constituents. I assure members that her constituents would want to know that the price of power will at best be maintained, or, hopefully, as the minister has said, reduced. The minister has said that there will be reduction. However, he will not say by how much. I think it is very much a pig in a poke proposition, and I am sure you would agree, Madam Deputy Speaker (Mrs D.J. Guise), and so too would a lot of other members on your side. However, of course they are so tightly caucused that they cannot mention it. They dare not stand up. I dare the members of Country Labor to stand up and tell me what the people in their electorates are saying to them about this matter. I know what the people in my electorate are saying to me. I am sure the people in their electorates are saying similar things, because they are the same sorts of people with the same sorts of problems. However, we will not hear that from them. They will allow their minister and their Premier to try to just smother us over.

Mr Jeremy Edwards; Mr Arthur Marshall; Speaker; Mr Brendon Grylls; Mr Paul Omodei; Mrs Cheryl Edwardes;
Mr Colin Barnett; Deputy Speaker; Mr Bill McNee; Dr Janet Woollard

There is a little water supply in my electorate called the Nilgen water supply. It supplies water to a small community. There are a lot of complaints from the people in that community, because they are on a pension and do not get any government assistance. Unless that water supply is taken over by the Water and Rivers Commission, it will go broke. They are currently asking that it be taken over. What I am saying is that in today's economic situation, a small unit like that cannot continue to operate. I talked earlier about how farmers often buy a neighbour's property to get economies of scale. The Government is saying that if Western Power is split into four, it will be more economical. I wonder why. I wonder how. I do not know the intricacies of Western Power. All I know is what I see happening around me. Western Power appears to me to be a fairly efficient operation. It may well be. People who know a lot more about Western Power than I do may say I am wrong, but I have not heard the minister say anything about where all of the savings will come from. Frankly, if the minister were trying to sell me something, I would not buy it from him. I would say it is a bit of a dodgy deal that he is trying to put together. I was interested to notice yesterday that someone on the government benches had a sign that said something about make it here, or the jobs will disappear.

Ms M.M. Quirk: That would be the member for Cockburn.

Mr W.J. McNEE: I can agree with those sentiments.

Mr A.D. Marshall: It was the member for Kimberley. She had a sticker on the back of her laptop.

Mr W.J. McNEE: Someone said to me recently that when the Government gave out the numberplates contract, it gave it to a company in Queensland. Is that right? I do not know. Perhaps one of the ministers here can tell me.

Mr A.D. Marshall: Absolutely. Altona Industries has 75 years of business in this city. There were three families that went through it, and they were duded. That is one of the most disgraceful things I have ever seen.

Mr C.J. Barnett: What about the ticket machine contract? ERG is exporting ticket systems. What did this crowd do: it gave the contract overseas.

Mr W.J. McNEE: The Minister for Small Business has vacated.

Mr E.S. Ripper interjected.

Mr W.J. McNEE: I would like to know what the minister really means. He is selling smelly fish. Believe me, this is a rotten deal; it is a stinking deal; it does not do anything to help my electorate and I stand opposed to the minister and his rotten Government's proposal.

DR J.M. WOOLLARD (Alfred Cove) [1.50 pm]: I have heard only some of the debate on this issue, because I was absent for a while yesterday. I have looked through the debate in *Hansard* and I thank the Government for the briefing that I was given. Whilst I appreciated the briefing, the government officers were unable to answer my questions and provide me with the assurances that I felt should be included in this Bill if it is to be supported. At the moment approximately 70 per cent of the electricity we receive from Western Power is generated from coal and 30 per cent from gas. After reading the Leader of the Opposition's comments yesterday, I can see that those percentages are probably tied to the agreements that were made many years ago and that is why we are paying high prices for coal and gas at the moment. I was amazed after reading *Hansard* yesterday - maybe not so amazed, because more and more I seem to be hearing a Liberal Opposition, rather than the Labor Party, speaking on behalf of the general community. Sometimes I have to pick up my dictionary and look up the meaning of "Labor", which states that it is considered as a political and economic force; the Labor Party is a major Australian political party representing the interests especially of working people.

This Bill does not represent the interests of working people. I do not have some of the facts and figures that the Leader of the Opposition put on the Table yesterday, but I am interested in the cost of supply and the support that is given to regional areas. I think the Leader of the Opposition said that came to \$150 million. I cannot find the exact part in *Hansard*.

Mr E.S. Ripper: Inside the south west grid -

Dr J.M. WOOLLARD: I thank the Minister for Energy, because during the briefing I said that Western Power generates supply and is responsible for the networks, the retail and for the regions, and I asked what will happen when private companies come in.

The Minister for Energy is disappearing, just when I was hoping he might answer some questions about things that are not in this Bill. I thought it was interesting that the Leader of the Opposition said that people should not be attracted to this market through legislation; it should be done by allowing the market to continue to grow. This legislation will make it okay for other people to come on board. We could have two other companies responsible for generating power, with just the one network system and those two other companies selling the

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power. At the briefing I asked what would happen in 10 years if the Government had reduced its costs for the supply of power and had not put the money into Western Power, and the other companies that had generated the power then said that they could only continue to sell the energy if the Government permitted them to put up the prices? This Bill does not contain a clause to stop those companies from doing that in 10 years time. They can force the Government to put up prices, and when those prices go up the people in the community will have to pay. This Bill will allow big business to come in and take over the role of Western Power, and people in the community will not be given a guarantee that in 10 years, when those companies have a stranglehold on the industry and are generating more power than Western Power, those companies will be able to say that if the Government wants them to continue it will have to allow them to put up their prices. The clauses in the Bill indicate that the regulations will make this provision, but at the moment there is no provision so there is no guarantee. This is almost a handover. The Leader of the Opposition basically said that signing this agreement was almost like a \$500 million handshake to big business.

Mr E.S. Ripper: He knows all about handshakes.

Dr J.M. WOOLLARD: The minister is saying that the Leader of the Opposition knows all about handshakes. The Leader of the Opposition has not been running government business for the past two years. I have not seen the Opposition doing handshakes with big business; this Labor Government is meant to be there for the working community. This Bill is not for the working community, so there is no guarantee that in five or 10 years these new private businesses coming on board will not force the Government to put up prices. The average person who lives in my community and the minister's community will have to pay the money that these new generators demand.

The Leader of the Opposition also referred to supply. I believe that 99 per cent of the current energy the private suppliers will generate comes from gas. The minister referred to handshakes, and I often wonder what is behind these Bills. Is it something to do with marginal seats and an election in 12 months? Will this Government look favourably at a company that wants to come on board as a private generator and retailer in this area? If the company is interested in gas as a source of supply in a marginal seat such as Collie, will the Government say it is interested? It is disappointing that I have to look at every Bill that is put on the Table and wonder what the Government is up to. Although the Labor Party has said that it will not log our forests as a source of energy, this Bill does not stop big business from moving into the area and deciding to log the forests and use wood as an energy source. It leaves the door wide open, and when that starts to happen, the Government says its hands are tied, and the operator can seek whatever form of fuel it wants. We will have allowed people to come into the market with insufficient control of their activities. I looked at some of the comments put together about this Bill by Hon Robin Chapple. I noticed that, in the upper House, he had asked the Government to release a report.

Debate interrupted, pursuant to standing orders.

[Continued on page 13391.]