

Legislative Council

Thursday, 15 October 2009

THE PRESIDENT (**Hon Barry House**) took the chair at 11.00 am, and read prayers.

WAVE ENERGY PROJECT — DEMONSTRATION FACILITY SITE

Statement by Minister for Environment

HON DONNA FARAGHER (East Metropolitan — Minister for Environment) [11.03 am]: Today I wish to update the house on the progress of Carnegie Corporation's wave energy project. Members may recall that, in February 2009, the Minister for Energy and I, as joint decision makers, announced that Carnegie Corporation had been given in-principle approval to receive \$12.5 million to construct a five-megawatt demonstration wave energy facility under the low emissions energy development fund.

Carnegie's proposed demonstration power station will use submerged pumping units on the sea floor to collect wave energy in the form of pressurised sea water, which would generate electricity from a hydroelectric turbine onshore. Albany was identified as the preferred location for the facility; however, the government was subsequently notified by the company that, as a result of new information from a feasibility study conducted by industry experts, an area west of Garden Island was now nominated as the preferred location as it was considered to be the lower-risk option for the demonstration facility. This assessment was conducted and was based on key site characteristics, which identified Garden Island as having calmer and more predictable sea conditions, allowing better access for deployment and maintenance purposes; more favourable topography and geology, which decreases costs for pipeline construction; and proximity to high technology support services. I am advised that major stakeholders, including the City of Albany, the Great Southern Development Commission, the Department of Defence and the Rockingham Kwinana Development Office were consulted by Carnegie regarding the proposed relocation of the initial demonstration project. Carnegie maintains an interest in the potential development of a wave energy facility in the Albany area.

Following the receipt of this information, the Minister for Energy and I subsequently sought additional advice to determine whether the relocation of the project to Garden Island would meet LEED fund guidelines and government probity requirements. This included advice from the probity auditor, the Western Australian Chief Scientist and the Department of Environment and Conservation. The probity auditor, Paxon Group, advised that the project relocation does not raise a probity concern, and was unlikely to have changed the overall recommendations made by the independent expert adviser group and the LEED fund executive group to fund this project. Further, we sought advice from the Western Australian Chief Scientist, Lyn Beazley, who, having consulted with independent experts from the University of Western Australia and the Commonwealth Scientific and Industrial Research Organisation, advised that permission be given to relocate the wave energy station to Garden Island. The Department of Environment and Conservation, having completed an assessment of the relocation proposal, also informed Minister Collier and me that it is satisfied that a relocated project would still meet the original project objectives and probity requirements. Taking into consideration their recommendations, the Minister for Energy and I have approved the relocation of the project from Albany to Garden Island.

The contractual conditions placed on the company when the original LEED funding announcement was made in February remain unchanged. Carnegie Corporation is still required to match every dollar of government investment with \$3 from elsewhere, leading to a direct total investment of \$50 million in low-emissions electricity generation in WA. The government's investment also gives the company a platform to explore the benefits of a larger-scale 50-megawatt power station, which would have the potential to save 240 000 tonnes of carbon dioxide emissions a year. The Liberal-National government remains committed to the development of renewable energy supplies in WA and to the national target of 20 per cent renewable energy by 2020.

Consideration of the statement made an order of the day for the next sitting, on motion by **Hon Ed Dermer**.

LEGISLATIVE COUNCIL — ADDITIONAL SITTING WEEK

Statement by Leader of the House

HON NORMAN MOORE (Mining and Pastoral — Leader of the House) [11.06 am]: Members may be aware that the Legislative Assembly has decided to sit for an extra week this year. It has chosen the week of 24, 25 and 26 November. It is the government's intention that the Legislative Council also sit for an extra week this year; the question is which extra week. It could be the week that I have just read out, 24, 25 and 26 November, or it could be the first three days of December, 1, 2 or 3 December. There are some arguments for having it in December because it means that the Assembly can deal with some legislation, which would then come to us as a matter of course, and we can deal with it after it has dealt with it. However, there is a logistical issue for that

week, which is that this chamber is about to be refurbished and it would be necessary for us to sit in the Assembly chamber, if that was the week we chose to sit.

I mention it today to ask members to give some thought to which is the least inconvenient of those two weeks, and to let me know either today or between now and next Tuesday if they have a particular preference one way or the other, because I would not want an extra sitting to severely impact on arrangements that members may have already made. I do not have a particular preference one way or the other, so I am interested to hear members' views; if they could come and see me before next Tuesday to discuss those matters.

HON SUE ELLERY (South Metropolitan — Leader of the Opposition) [11.08 am] — by leave: I want to put on record that the Leader of the House approached me about this last night, and I appreciate the invitation he has given us to consider which week is convenient. I will let him know in due course.

Ordered that consideration of the statement made an order of the day for the next sitting.

PAPERS TABLED

Papers were tabled and ordered to lie upon the table of the house.

KIMBERLEY LIQUEFIED NATURAL GAS PRECINCT

Motion

Resumed from 14 October on the following motion moved by Hon Jon Ford —

- (1) That this house expresses its concern at the comments made by the Premier to the Committee for Economic Development Australia conference on Tuesday, 3 March 2009 in which he referred to a proposed LNG precinct to the north of Broome and stated —

... we are proceeding in developing an LNG precinct to the north of Broome. That's not the spectacular part of the Kimberley coast, it's flat tableland, no people living within probably 30 or 40 kilometres of the area ... That's important, we're trying to do that by negotiation, the timetable is the end of this month. If we can't do it by negotiation, the State will resume the land. I'll do that reluctantly, but we will do it. We will not hold up economic development and we will not deny the people of the Kimberley—and particularly the Aboriginal people—the opportunity from some economic independence and some economic security.
- (2) That this house calls on the Premier to —
 - (a) explain how he can claim to be negotiating in good faith when he put on public record that if he does not get a negotiated outcome, he will resume the land to develop an LNG precinct to the north of Broome; and
 - (b) explain why he is presenting a veiled threat to Indigenous people in respect of this matter and whether this is a sign of things to come.

HON JON FORD (Mining and Pastoral) [11.09 am]: Yesterday I was making a number of points about the Premier's penchant for shooting from the hip and in doing so tending to alienate constituents. Whether he is trying to help or guide them is difficult to know. Often his approach comes across as arrogant or threatening. We have seen a number of examples of that. A particular example mentioned in the motion is his statement that James Price Point is "not the spectacular part of the Kimberley coast, it's flat tableland, no people living within probably 30 or 40 kilometres of the area". I gave another example of his position on the Burrup Peninsula. Members will remember the early debate on the Burrup rock art, when, not as the Premier but as just the member for Cottesloe who thought he was heading into retirement, he felt that upon reflection, he should have done more to protect the Burrup. Now that he is the Premier he has a different position about development there, as one would expect a Premier to have.

He turned the Oakajee port project from a fully privately funded project to one that now involves taxpayers' money, thus exposing WA taxpayers to the liabilities associated with such a large project. Much earlier, as Leader of the Opposition, the now Premier talked about building a canal from the Kimberley down into the southern part of the state, without any thought for the real costs and financial exposure to WA taxpayers. Ultimately, it was one of the major reasons for his party's electoral defeat at the time.

The Premier seems to like, above all things, to get his way, as Premiers do. If he does not like the way things are going, he tries to intimidate people.

Hon Ljiljanna Ravlich: He's a bully.

Hon JON FORD: We saw an example of that yesterday with the retail trading hours debate. After debate in the chamber he said, "I don't care; I'll use the existing legislation to change a number of areas in the Perth environs

to tourist precincts so that trading hours can be extended.” However, he has since found out that not only can he not do it without the permission of Parliament, but also his partners in government, the Nationals, will not support that move. It shows a Premier who is not really switched on to what is going on around him and who is very, very reactive to local commentary. His approach tells me that he is a person who does not think strategically for the long term. What is important to him today is not necessarily important to him the next day, even though the same issues might be involved. As I said yesterday about the Kimberley LNG precinct, his first and unequivocal choice was to establish a precinct at North Head—I will go into that in some detail a bit later. Then all of a sudden James Price Point became the primary site. Even now, while the Premier is declaring that James Price Point is unequivocally where the gas hub will go, the project proponents—the people with the money—have not made up their minds where that project will be located. It is true that we can make it into a gas precinct and put a big fence around it, but if it is not used as a gas precinct, it is just another big block of land.

The second part of the motion calls on the Premier to explain how he can claim to be negotiating in good faith when he put on the public record that, if an outcome cannot be negotiated, he will resume the land to develop an LNG precinct north of Broome. That contradicts his remark, “I won’t let anything stand in the way of the economic development and independence of Aboriginal people.” That seems to be the sort of fair statement we would expect the Premier of this state to make, particularly in the Kimberley, where the majority of residents are of Aboriginal descent. However, as it happens, the local Indigenous people, who at the time were involved in five, six or seven years of negotiation, were suddenly being pushed out of the scene—the same people he was talking about when he said he did not want to stand in the way of their economic development. He is sending mixed messages. I am not the only one who has noticed it. People in the Kimberley also have noticed, as has the business community. He reminds me of a Scottish terrier chasing a ball in the backyard, racing from one place to another. The dog might be focused on the ball but it does not want to put the ball down somewhere; it wants to grab hold of it wherever it might land.

Hon Jock Ferguson: It would not be just a Scottish terrier.

Hon JON FORD: Not just a Scottish terrier.

That leads me to ask: what is the definition of good faith when used in terms of negotiating in good faith or good faith bargaining. The good old *Macquarie Dictionary*, which we use in this house, defines good faith as —

1. Honesty of purpose or sincerity of declaration: *to act in good faith.*
2. Expectation of such qualities in others: *to take a job in good faith.*

Both definitions are relevant to what I am talking about. We cannot apply a definition of honesty of purpose or sincerity of declaration if on the one hand we say, “I want to pick you up and help you”, but on the other hand say, “I will take away your land if you don’t let me do that.” That is not good faith; it is threatening. It is not negotiating. That is what we have heard from the Premier in this case. He kept on threatening until the commonwealth stepped in, particularly Minister Garrett, who told the Premier that if he wanted to go down the path of cutting out the Aboriginal people—the same people the Premier said he was trying to look after but whom he wanted to knock out of the negotiations—he would use the federal act to block the Premier’s actions. There is an example of that in the chronology of events. The Premier was not acting in good faith. He should have said, “I’m interested in pushing this development along. I understand that the majority of these Aboriginal people are interested in getting this development up and going. We might have some difference of opinion about how that economic development and partnership should go, but I will work with them to make sure we have a win-win situation.” That is good faith bargaining. We can disagree provided both parties are up-front about their motivation, and that is about qualifying where we stand. That is about leadership and partnership. That is not what we have seen in this case.

I would like to take members through the gas hub time line by quoting various newspaper articles that have been published on this issue since the Premier was elected as the leader of this state. On Thursday, 16 October 2008, *The Australian Financial Review* published an article titled “Barnett nominates the Kimberley gas site”. It states —

West Australian Premier Colin Barnett has ended years of uncertainty by nominating a preferred site for a gas processing precinct in the state’s environmentally fragile Kimberley region. The move could spark investments worth tens of billions of dollars.

That sounded fair enough standing alone and without the benefit of hindsight. It sounded pretty good. It goes on to state —

Mr Barnett yesterday released a government report that identified four potential sites for gas processing on the Kimberley coast, to be used by companies including Woodside, BHP Billiton, Inpex and ConocoPhillips.

That seems fair enough. The reality is that those four sites have been there for ages. At that stage the four sites had been agreed to by the Kimberley Land Council and negotiations had been proceeding along those lines. Not

long after this article was published, one of those sites, the Gordon Bay site, was knocked out by the traditional owners. It went on —

But he said he favoured North Head, which is on an Aboriginal reserve about 120 kilometres north of Broome and is known as a whale migration area.

There is a contradiction in the way the article is phrased and the way it is talking about the Premier. At that stage the Premier had not ended years of uncertainty. At that stage no-one could say that the move would spark investments worth tens of millions of dollars, because over the years it had been reduced to four sites, and it had nothing to do with the Premier. That is where the negotiations were at that stage. Out of those four sites, he nominated North Head. A businessman would be thinking, “That’s not too bad. It’s come down to four sites but I already know about that and we are going to move ahead with North Head. At least we can start working on that as the government is backing North Head.” Then the article states —

The state would compulsorily acquire the 1000-hectare site and pay compensation to its traditional owners.

There we go again. He was trying to add certainty by saying that the government will compulsorily acquire the 1 000-hectare site. He must have been thinking that it was a case of can do, can do, can do. He was an action man and the government was going to compulsorily acquire this 1 000-hectare site and that was where the gas processing precinct would be located. Then he made his normal claims, as the article states —

... the environment would not be compromised and he was confident the liquefied natural gas (LNG) industry would operate to high standards.

The article gave the normal background and then states —

Mr Barnett blamed the former Labor government for moving too slowly in selecting a location and for granting traditional owners the power of veto over site selection.

The fact is that the Premier got to those four sites because of the negotiated outcome. That is the cost we pay when we want to involve local people and empower them. The insinuation is that the only thing that was holding it up was the government processes. As we know, that is not true, because the project proponents had not made up their minds where they wanted to put their money and develop their project. Then it states —

He said he hoped a quick government decision in choosing a final site after the 28-day public comment period could lead to Japanese company Inpex revisiting its decision to process gas from its Browse basin field in Darwin instead of WA.

It did not. It turned out not to be a quick government decision. The Premier went on to say —

“It’s an indictment on the previous government that in eight years it could not select a site for developments to allow the growth of WA.”

We have to remember that we are at North Head. He said that the previous Labor government did not do the job and took too long. A quick decision was taken by the government that encouraged another major player back into the field. The article continues —

Woodside chief executive Don Voelte said the release of the report would allow the company to better compare the advantages of processing gas in the Kimberley or piping it to Woodside’s existing facilities on the Burrup Peninsula.

In the article is the hint of what is going on. It is very clear that Woodside’s Don Voelte, the boss, was saying that the one thing it does is allow the company to make some comparisons. It is still making the comparisons. It is not really about location; it is more about the existing infrastructure and where people want to maximise the benefit for their dollar, which is quite reasonable.

On 19 December 2008, a couple of months later, the federal Minister for the Environment, Heritage and the Arts stepped in. An article in the same paper, *The Australian Financial Review*, on 19 December 2008 is entitled “Garrett warns WA on processing hub” and states —

Federal Environment Minister Peter Garrett has warned West Australian Premier Colin Barnett that he risks delays to major projects if he ignores cooperative procedures for selecting a site for a mining processing hub in the Kimberley region and compulsorily acquires a site instead.

This is a shot across the bow. During that period the Premier was going around beating his chest and saying, where anybody could hear him, that he was going to acquire the land. We are still talking about North Head. He must have North Head; he had to acquire the land. This is too important for Aboriginal people, the same people from whom he is saying he will acquire the land. The article goes on to state —

Earlier this year, the Rudd government and the then state Labor government agreed to undertake a joint assessment of the entire Kimberley region to plan for a common-user liquefied natural gas hub to serve the massive Browse Basin.

But Mr Barnett has been dismissive of the process and argued that he would compulsorily acquire a site if necessary to allow the hub to proceed. He has argued it is important after the embarrassment of Inpex deciding to move to Darwin to establish processing facilities.

...

Mr Garrett yesterday sought to remind Mr Barnett that the assessment process involved a “significant engagement of all the stakeholders which should be strongly supported and maintained” to ensure the site selection process had credibility.

That is a very important thing. That is why we enter into good faith bargaining. We have to enter into good faith bargaining because we want to make sure that all stakeholders have ownership in the end. One of the things I learnt from working with the fishing industry was that the people in that industry had diverse attitudes. Provided they were made to feel that they were part of the process, it was amazing what they would cop when decisions resulted in a reduction in their income or the ability to grow their businesses. We had to make sure that they felt that they were part of the process. That is exactly what was happening in the north. I remember it very well because people involved in the Kimberley Land Council were saying to me, “Well, they can get stuffed. If they’re going to try to cut us out of the process, we’ll join opponents to the hub to make sure that this process doesn’t take place for 10 to 15 years.” That should have sounded alarm bells to the Premier. From the sound of it, it did. His reaction was, “Stuff you; I’ll compulsorily acquire the land.” On the other hand, Garrett was saying, “Make sure that you get ownership from all the stakeholders.”

The PRESIDENT: I think the member means that that was somebody’s interpretation of what was said, rather than their words.

Hon JON FORD: It was my interpretation of what was said. It is from a conversational perspective, and it was stuff all.

That was the first time that Garrett publicly warned the Premier about where he is going. It is sad from this state’s perspective, because it is really our business. We need to remain in control of these processes because it is the little lever that we have to extract a benefit for all Western Australians.

In the end, inevitably what happens out of these processes is that if the benefit for the state is not argued up-front, by the time the project reaches fruition, the bulk of the money goes to Canberra.

A few days later, on 22 December 2008, an article in *The West Australian* was titled “Barnett refuses to rule out North Head gas hub”. This, of course, was the start of the government’s backdown on North Head. This is from a government that is all about “Go get ‘em”, action and certainty. The article states —

Colin Barnett has revealed he is still considering North Head as a site for the State’s first LNG precinct, in a move that put him at odds with WA’s environment watchdog which warned it could pose unmanageable environmental risks and force the closure of nearby Aboriginal communities.

On the face of it the Premier is still backing North Head, but now one of his agencies is saying to him, “We don’t know; this can’t be in the interest of Western Australian’s from an environmental perspective and it could force the closure of local Aboriginal communities.” There are in the North Head area not only a number of small populous communities, but also lots of families. We know that the Premier did not care about that because he said it would go ahead even if he has to compulsorily acquire the land. He is still saying that it will be environmentally done.

Hon Ljiljanna Ravlich: They haven’t got anything to prove that, have they?

Hon JON FORD: No, and I will demonstrate that further. The article also states —

In what was expected to be a major blow to Mr Barnett’s preferred site of North Head, the EPA released advice warning that the location, 125km north of Broome, would also interfere with a humpback whale breeding ground.

The same article states —

Broome Shire Council president Graeme Campbell said the council had passed a motion declaring it was opposed to the LNG hub being built on the coastline within its boundaries.

We are starting to see growing opposition to the gas hub—this important economic development. The shire has reacted to concerns within its community. Indigenous people are concerned because they have a fear of being struck out of the negotiating process. However, the Premier continues to champion this project even though the Department of Environment and Conservation has warned him of the dire consequences. It was not so long ago

that the Minister for Environment announced protection for a breeding area for humpback whales that is further up the coast. It shows the significance of this area.

I repeat that I still agree that the hub should be on the site that is proposed, depending on the federal environmental assessment. These things need to be carefully managed because we cannot isolate any group. It is very important that with these developments people not only get the chance to participate in the negotiations but also are part of these negotiations.

On Christmas Eve, 24 December 2008, an article in *The West Australian* titled, “Barnett backs down on LNG processing site” stated —

Colin Barnett has bowed to environmental and technical concerns over plans for an LNG processing hub in the Kimberley, announcing his first choice for the location of the industrial precinct had been abandoned in favour of his second preference at James Price Point.

Here we have the Premier—“Mr Do It”, “Mr I-Make-the-Decisions”, “Mr Action Man”— saying, “I got it wrong”, even though two days earlier he was still advocating North Head. A couple of issues arise. Where is the good faith in this process? How can we argue good faith or genuine intention? On top of the threats to compulsorily acquire land, the Premier is also saying, “We’re not going to do it here.” If we take that back a month or so, imagine if he had started the process to compulsorily acquire the land and the transfer of liability of risk to the Western Australian taxpayer only to find that the site was not suitable. Members should remember that we still do not have a project. I have spoken to one of the project proponents about this; that is, the reason that we cannot talk about the actual project is because we do not have a project. That is the danger of talking about comparisons between this project and the LNG plant at Burrup Peninsula and others in the Kimberley. One that has been flashed around involves Qatar; this has very little to do with LNG but plenty to do with other gas. All this misinformation is going out there, and it is making people feel uncertain about their future and about what the heck is going on.

There was only a couple of days between the Premier promoting North Head and his announcement that James Price Point was now the preferred location. At the same time, the Premier also revealed that the commonwealth government had appointed former Australian Electoral Commissioner Bill Gray as a mediator to work with the state government, industry and Aboriginal groups in a bid to reach a negotiated agreement on acquiring the land. What a state of affairs it is when the commonwealth government has to appoint a mediator to work with the state of Western Australia! It shows that the commonwealth government wants the project to go ahead and can see the potential benefits to the community. Despite all the Premier’s talk and bluster about pushing the project along and not allowing anything—particularly not Aboriginal people—to stand in the way of economic development, the commonwealth government has found it necessary to appoint a mediator to assist the process to ensure that the project goes ahead. The government set a time frame; the mediator was given a three-month deadline, after which time the state government would begin processes to acquire the land compulsorily. Here we are again; back to threats. The state government was going to acquire the North Head land compulsorily, but it is not going to do that now. It will instead give the mediator three months to carry out good-faith bargaining, and if that does not work out, it will compulsorily acquire James Price Point.

There is no good-faith bargaining going on, but there are threats and intimidation. We now have the commonwealth government stepping in to mediate between the parties to try to make sure that stakeholders other than the state government have a say in what is going on. However, we still do not have a project; instead, we have more uncertainty. Why would anybody believe that James Price Point will be the final destination when only a few days prior to that announcement, North Head was the preferred location? Why would anybody believe that? At the rate we are going, we may come back to this house in March to discover that Anjo Peninsula is definitely the place. Despite all the Premier’s bluster, we still do not have any real certainty.

On 5 January 2009, an article appeared in *The West Australian* titled, “Barnett to push ahead with gas hub plan”. It states —

Colin Barnett has rejected calls to stop development of a gas processing hub in the Kimberley, saying the State Government’s preferred site at James Price Point was the best compromise between economic development and environmental concerns.

The best compromise? The word “compromise” is used in the same breath as the phrases “good faith bargaining” and “compulsorily acquiring land”. The article continues —

But the Premier said yesterday James Price Point, 60km north of Broome, was an ideal site because of its isolation.

This is the quote mentioned in the motion. The Premier stated —

“That peninsular area is some 200km long—it is basically flat tableland that simply comes to the coast,” he said.

“It’s an isolated site with no communities in the vicinity and I believe it would bring immense benefits to the Kimberley in terms of employment and small business opportunities in particular for the indigenous population of the area.

That is an interesting statement—“no communities in the vicinity”. If people actually spend any time in the Kimberley or, indeed, the north west in general, they will realise that people in the metropolitan area and people the north west have vastly different ideas about what “communities in the vicinity” might mean. People in Broome think of Derby as being just down the road—it is some 200 kilometres away—and that Fitzroy Valley is an easy half-day trip. They are in the “vicinity”. People in Newman think that Tom Price is just down the road; Jigalong is a bit under two hours away.

This area is less than an hour away from Broome and, as I said, it is one of the main recreational areas for the community of Broome. Perhaps it is lucky for the Premier that not many people in the Kimberley read *The West Australian*, apart from the classifieds, the real estate section and the car section!

Several members interjected.

Hon JON FORD: That is right; we call the Sunday paper “The Monday Times” up there!

I remember very well when this article came out, because people were saying to me—not without any sort of vigour—that Perth politicians did not know anything about the area, and that they would continue to go crabbing there or take their kids there on the weekend or their parents there when they came to visit.

The decision is politically unsound because it will alienate the local people at best; they will think that the government does not really know what is going on up there. There was no need to make that comment; it reveals an attitude of indifference towards the people of Broome. The Premier is essentially saying that he does not care what the people of Broome think about the area, and that it is just flat land without any communities around it. It would have been better to have made a statement to the effect that people could still go fishing at Withnell Bay, catch fish and have a good time with their kids even though there is an LNG plant overlooking the area. It would have been a more positive statement to say that people could still take their kids swimming on the beach near the LNG wharf, that it would still be an enjoyable experience, and that people on night shift could catch huge mulloway from the wharf when the boss was not looking! The Premier should not have told people that the parcel of land immediately to the north of Broome was not really worth much and that there were not many people in the vicinity. The article continues —

While I recognise there will be groups, particularly the environmental lobby, which will oppose any development anywhere, James Price Point is not that part of the coast that people identify as being the Kimberley. This is not the spectacular gorge country with waterfalls and the like.

There is a lot more to the Kimberley than spectacular gorge country. My favourite area is Fitzroy Valley, and I like it for completely different reasons; I like the river land, the fresh water and I particularly like the people. That is not to say that I do not like people from other areas! I have a lot of close friends in that area. All of the Kimberley is spectacular; that does not mean that I do not support development there, but one has to make a decent compromise and one has to sell the story to people about why it is necessary. The Premier nearly got it right, because he was selling the story about economic development and independence for Indigenous people with a view to getting them off welfare and reintegrating them into the community. Then he killed it all by saying that the land was no good so it did not matter that he would take it from the local people if he needed to, and that even though he had said it would be at North Head, it was now to be located at James Price Point.

Moving just a bit further on, the headline “WA ultimatum over gas plant” in the *Koori Mail* of Wednesday, 14 October gives members an idea of the reaction of people. It is a major story. It is a big article. This issue is now starting to reflect what I reckon the Premier thought was a pretty innocuous statement. This is what happens when he is unmeasured and unbalanced in his statements. The subtitle under that heading is “Reach an agreement or else, says Govt.” Even though the federal Minister for Environment, Heritage and the Arts, Minister Garrett, warned the Premier that he needed to talk genuinely to local stakeholders and needed to stop using the threats of compulsory acquisition, and even though the federal government appointed a mediator to mediate, the Premier continued to make those comments. He then got the reaction that he was inevitably going to get. The article in the *Koori Mail* states —

The West Australian Government has given traditional owners until the end of March to reach an agreement over its preferred site for an industrial gas precinct at James Price Point, 80km north of Broome on the west Kimberley coast.

WA Premier Colin Barnett announced in December that James Price Point was the Government’s preferred option, citing concern over a whale sanctuary as the reason for dismissing his own preference of North Head, near Beagle Bay.

However, there are serious cultural and environmental concerns for James Price Point, which has a joint native title claim and is also a haven for humpback whales.

Traditional owners say they will fight any move by the Government to secure the site by compulsory acquisition.

Mr Barnett said in December the final hurdle would be securing a consent agreement with the local traditional owners.

A consent agreement! I was tempted to look up a dictionary to see what the definition of consent is. I was sure that in the definition of “consent” the phrases “under duress” and “under threat” did not play a big role. In some circumstances if parties to contractual arrangements in commercial law can prove that they have been forced to sign something under duress, they can make a claim of unconscionable behaviour and have the contract disallowed.

There is a definition of “consent agreement” in the *Macquarie Dictionary*. It states that it is an agreement between employers and employees mutually agreed upon and ratified by an arbitration commission. The definition of a “consent award” is an award made by an industrial tribunal that results from agreement of the parties to the award rather than the findings of the tribunal. We could change the words there and say that a consent agreement is an arrangement between Indigenous people and the government mutually agreed upon and ratified by an arbitration commission.

Hon Ed Dermer: There are five different definitions for “consent” and at least a couple for “consent agreement”.

Hon JON FORD: The definition of “consensus” is a general agreement or concord; to give assent; to agree in sentiment and opinion; and to be in harmony. I wonder how that fits in with threatening to take away people’s land and naming them as a final hurdle to be dealt with. The article in the *Koori Mail* goes on —

In the event that an agreement is not reached, then the State will be prepared to proceed with compulsory acquisition of that site.

The article later on quotes Wayne Bergmann, the chief executive officer of the Kimberley Land Council, as follows —

We believe the Federal Government has become involved because they can see compulsory acquisition, as threatened by the WA Government, would be stealing Aboriginal land for the benefit of mining companies, ...

Too right! Why would they not think that? Bear in mind that the federal environment minister, Minister Garrett, had already warned the Premier that he needed to ensure all stakeholders felt involved in this process and that he needed to quit the threats. It is, therefore, not an unexpected result.

Again, in *The Australian Financial Review* of 11 March 2009, another article under the headline “Barnett hardens on land title” states —

West Australian Premier Colin Barnett has signalled he will take a hard-line approach in dealing with Aboriginal groups on native title claims.

...

Mr Barnett has angered indigenous groups by threatening to compulsorily acquire 1000 hectares of land on the Kimberley coast to build a liquefied natural gas ... processing hub unless traditional owners agree to a compensation deal by the end of this month.

The Kimberley Land Council has accused Mr Barnett of attempting to “steal” Aboriginal land in the pristine region and of putting mining company profits ahead of indigenous communities.

This situation has brought together for the first time in Australia a huge range of diverse language groups who have agreed that whichever site is decided upon, everybody within that negotiating group will benefit from the land, rather than just one group, as is the way things have been done in the past. Those groups have their collective head around this idea of good-faith bargaining. They have already agreed on four sites, although at this stage they have knocked out Gordon Bay because the traditional owners were concerned about damage to grass beds in the area.

The reality is that the Premier is on the nexus of a consent agreement but he is still bullying and threatening these people. The net result is that the whole project has now been put at risk. While all this argy-bargy has been going on in the media, Woodside has been trying to convince its project partners to go to the Kimberley and develop this resource. On top of all their concerns about maximising the economic benefit for their shareholders, Woodside now has concerns about attracting investment because investors, especially international ones, do not like lending their money to companies that are seen to be doing over local people, particularly Indigenous local

people. It is bad international politics and bad for business. Despite the federal government warning the Premier of this and despite putting in place a mediator—which is just unbelievable and an indictment of this government’s first year in office, but particularly of the Premier—the Premier is still going ahead with the threats. As a consequence of that, he now has the majority of these people offside, although they really want the project to go ahead. That is not bad for a few months’ work! This project, which was very much on the way forward, is now being threatened.

A few days later in *The West Australian* of Monday, 30 March 2009 the next story came out headed, “Barnett doubts Garrett will veto his choice for Kimberley LNG hub”. Now we see the conversation turning around; so what is the government doing? The commonwealth was saying that it would use its powers to ensure that these people were brought back into the negotiating process because the commonwealth wants the project to go ahead. The article reads —

Premier Colin Barnett has dismissed suggestions that Federal Environment Minister Peter Garrett will veto his preferred Kimberley location for a gas processing hub, saying there were few “unique” environmental issues at the site.

“The Commonwealth would have a role if there was a biodiversity issue at the site,” he said. “I would doubt there is a unique environmental issue at James Price Point and I would be surprised if the Commonwealth would want to overrule the State.”

Of course the commonwealth does not want to overrule the state; it wants the project to go ahead. It has warned the Premier again, and it has put a mediator in place. It seems that at this stage the Premier is in denial. All the messages are there for everybody concerned to see, but the Premier is still playing the hardline, hairy-chested view of the world.

Hon Phil Edman: Hairy-chested?

Hon Ken Travers: Are you implying that the Premier does not have a hairy chest? You seem to speak from knowledge.

The PRESIDENT: Order!

Hon JON FORD: That reflects the age difference between Hon Phil Edman and me. That was a very common term when I was a younger man, and I still use it.

Hon Ken Travers: Not that long ago!

Hon JON FORD: No, not that long ago.

Hon Ed Dermer: I am afraid that more hair on the chest seems to go with age.

Hon JON FORD: I must be careful, or I will start talking about flowers.

The PRESIDENT: Order! I think we will get back to James Price Point.

Hon JON FORD: We will—thank you, Mr President.

What we really see here is another thing that the Premier has not talked about or commented on. He just seems to have missed it altogether. He is ignoring the heritage values, and what is important to the local people. He has put an economic value on everything, and ignored one of the issues that is of most importance to Kimberley Aboriginal men and women—their culture and their heritage. Ignoring that is a dangerous way to go. It never came up before Mr Barnett stepped into this, because it was a case of good-faith bargaining. The local people did have the power of veto on particular sites, but they were not going to use that on all sites. They did it with a couple of sites, but they really wanted the project to go ahead. These are people who are sick and tired of being dependent on the government. It is like children being stuck at home living with their parents at the age of 30. They want to get out there and be independent, and make their own way in the world.

Hon Ken Travers: Not today!

Hon JON FORD: I should have this discussion with my own children!

These people really want to be economically independent for all right reasons. They are people who have been forced onto welfare dependency, and are looking for ways to get ahead. Over many years the taxpayers have put lots of money into Indigenous communities, but that still has not delivered those communities independence. It has made them more dependent on the government, and now it has developed to the stage at which welfare comes attached to a whole plethora of rules. We can argue about that all day long, but what the people really want is to be no different from us, and to see economic independence, particularly for their children. These people are not just behind the project going ahead; they are pinning the future of their children on it. But still the Premier was out there threatening them, when they were on his side.

On Thursday, 23 April, an article appeared in the *Kimberley Echo*—a local paper in the area—headed, “Traditional owners agree on \$2b deal”. According to the article, Wayne Bergmann, the chief executive officer of the Kimberley Land Council, representing the majority of traditional owners in negotiations for a deal from handing over their land, stated —

... the in-principle agreement was subject to detailed heritage assessments on the land around Price’s Point—about 60km north of Broome—to be carried out by the KLC and traditional owners, Federal and State environmental approvals and the creation of an Indigenous Land Use Agreement.

He said a final agreement with traditional owners would not be signed before the end of the year.

“Traditional owners have put the highest value on sustaining our cultural heritage and the integrity of our environment, while also taking responsibility for developing opportunities to improve the economic and social conditions of Kimberley Aboriginal people,” ...

That is a great statement from someone whom history will remember as a great Aboriginal leader in that area. That is the positive part of that newspaper article. Disappointingly, straight underneath that statement, the next paragraphs reads —

Throughout the negotiation process Premier Colin Barnett had threatened to compulsorily acquire the Price’s Point site if an agreement could not be reached, but thanked traditional owners after last week’s vote.

What a shocker that is. It is a disgrace. This is a positive story about the development from the perspective of the traditional owners; however, because of the ongoing confrontation developing between the Premier and the locals, the commentary states that he has threatened to compulsorily acquire the site, and then the paragraph finishes by saying that the Premier has thanked the traditional owners. That is a pretty hollow thanks.

Not long after that, we saw the great pictures of the Premier and the KLC leader, Wayne Bergmann, local people and traditional owners at James Price Point. An article by Robert Taylor in *The West Australian* of 28 April 2009, entitled “Gas hub deal signed, the rest comes down to trust”, describes that moment. It reads —

James Price Point is not the kind of place you’d get to and immediately think, what a great spot for a gas processing plant.

That, members may remember, was my comment when I first went there, eating oysters off the rocks and having a beer.

Hon Ken Baston: Is that why there’s no oysters left?

Hon JON FORD: Just wait until the tide is a bit lower, and then go and have a better look. The article continues —

It’s not the nondescript piece of scrubby Kimberley coastline we’ve been led to believe but a magnificent pristine curved beach set against a dramatic backdrop of red rock cliff 60km north of Broome.

OK, there’s one of these around every headland along the Kimberley coast but that won’t make it any easier to sell as the best location for a gas hub when the pictures are beamed around the world.

That is very important, because it is a good description of the place. We want to attract international investment, and we want all the people who identify themselves as stakeholders to agree. We want the government to be seen to be in partnership. Why do we want that? Because it is about selling a message. It is a difficult story to sell, particularly in that location, as is the case with all parties agreeing.

Debate adjourned, pursuant to standing orders.

COMMITTEE REPORTS — CONSIDERATION

Committee

The Chairman of Committees (Hon Matt Benson-Lidholm) in the chair.

*Standing Committee on Estimates and Financial Operations — Eighteenth Report —
“Budget of the Office of the Auditor General” — Motion*

Resumed from 24 September on the following motion moved by Hon Giz Watson —

That the report be noted.

Hon LJILJANNA RAVLICH: I welcome the opportunity to continue my remarks on the sad saga that is affecting the Office of the Auditor General, a saga that Western Australians should be very alarmed about. The imposition of the three per cent efficiency dividend on the Auditor General has made it very difficult for him and

his office to continue the level of auditing required across government agencies. Members would agree that the Auditor General does an outstanding job, not only in auditing the finances of all government agencies, but also in undertaking a range of examinations across public sector departments. The work that he does in both those areas is outstanding. It certainly assists us to do our job better. I truly believe that of all the reports which are produced by different government agencies and which are paid for with taxpayers' money, the quality of the reports of the Auditor General and the sorts of issues that he chooses to look at are far superior to anything else that is produced across the public sector.

There is no doubt that the Auditor General has many challenges. One of the great things about the work that he does is the follow-up work, by which we get the sense of whether there has been improvement by government agencies arising from the findings made by the Auditor General. It is not unusual for the Auditor General to undertake an examination into a particular area within a government agency and then to come back to that same agency two years down the track to review whether the agency has implemented his recommendations.

I want to go quickly through some of the examinations that the Auditor General is currently undertaking, which goes to the importance of the work of the Auditor General and his officers and the value that his work brings to the operations of government and the workings of the Westminster system. For example, the Auditor General is looking at the administration of grants to publicly funded organisations. As members know, funding allocated to grants is growing, particularly if we take into consideration the royalties for regions grants. Some questions have been asked about how that money is allocated and whether there are sufficient accountability measures wrapped around the allocation of royalties for regions grants. It is very important that accountability measures be in place. The Auditor General will be looking at the administration of grants to publicly funded organisations and whether those grants provided by agencies have appropriate accountability conditions, whether public sector organisations adequately assess grant recipients' ability to meet funding conditions, whether grant recipients have been properly accountable for expenditure of the grants from public sector agencies and so on and so forth. The Standing Committee on Estimates and Financial Operations is considering the role of development commissions. There is no doubt that agencies such as development commissions have a very important and growing role in the distribution of a range of grants. We need to ensure that as they go about their task they understand the requirements placed on them. We also need to ensure that these grants are administered in such a way that there is no favouritism and through a proper process, that the acquittal of money is documented and so on and so forth. That will be a very, very important report.

There are many very important Auditor General reports. In fact, yesterday a very important report about community health care was tabled. That report looked at three questions: is there a clear vision for and strategic approach to the provision of care by community mental health teams; are community mental health team services available and accessible; and are the services delivered by mental health teams effective? I have to say that, from a cursory look at that report yesterday, it appears this is an area where much more work is needed.

It is really concerning that the Auditor General has already put on public record that the imposition of the three per cent efficiency dividend and the cut to the Auditor General's budget will directly impact on his ability and the ability of his office to do the job as it should be done. I find it incredible that, in this day and age, this government that went to the last election on such a strong position on accountability, openness and transparency should make a decision that the budget of the Auditor General should be cut by three per cent. It was reported that there was a public stoush between the government and the Office of the Auditor General. It was probably not so much of a stoush, but certainly the Auditor General placed on the public record his comments about the impact that the imposition of the three per cent efficiency cut would have on his office. He pleaded almost with the Treasurer to provide an exemption to his office because of the very important work that it does. Of course, that was rejected.

The Auditor General appeared before a public hearing of the Standing Committee on Estimates and Financial Operations on Monday, 29 June 2009. I put to the Auditor General that I noticed that he will be making savings by reducing the financial audit coverage and the costs associated with that. I asked him whether he would be reducing the non-essential performance examinations and the audit support. I asked whether, in making those reductions, he thought that there would be less accountability within the activities of government agencies. In his response to me Mr Murphy stated that, specifically, they had great difficulty reducing the number of financial audits because it is a legislative requirement under the Financial Management Act 2006; therefore, that was probably not negotiable. He said that the financial audits comprise some 70 to 75 per cent of his office's audit activity and his office was required, of course, by legislation to do that in accordance with auditing standards. It is difficult to do less than what is required. He said that one of the issues for discussion with the Treasurer was the prospect using a provision in the legislation to not do some of the audits. I think it would be very dangerous indeed to allow an exemption for any agency. That probably would not have gone down well with the Treasurer. The consequence of all of that is that Mr Murphy will have no other choice, so to speak, than to reduce the number of performance examinations that are conducted across government agencies. I have to say that that is very concerning. Western Australians should be concerned that there will be less scrutiny into government

agencies and less information will be made available to the public on some of the structural and administrative weaknesses in those agencies. It does not seem right to me that funding for the Office of the Auditor General is appropriated by the Treasurer. The allocation of the budget for the Office of the Auditor General should be appropriated by the Parliament. The establishment of the audit committee, which is being negotiated by all parties concerned, will be a step forward. If it is established, the Auditor General will be able to put in a bid, if we like, to the audit committee for the sum of money he or she requires to do the job properly. Therefore, the money should be directly appropriated by the Parliament. The same applies to the Information Commissioner.

The Office of the Auditor General is not a huge office, but it consists of people who have a high level of expertise in audit functions and in undertaking examination reports. Many of the people who work in the Office of the Auditor General have been there for a very long time. They have great corporate knowledge and they understand clearly what the job requires of them. One thing I certainly would not like to see—I am sure no-one else would like to see it either—is the impact of the three per cent efficiency dividend further cutting resources and capacity from the Office of the Auditor General. I think that what we are seeing in other departments with the three per cent efficiency dividend is perhaps the thin end of the wedge of cuts this government intends to apply. If any additional cuts are made to the budget of the Auditor General, quite clearly that office simply will not be able to do the job it does so well.

I welcome the report. The committee did a good job in getting to the heart of the issue.

Question put and passed.

*Standing Committee on Estimates and Financial Operations — Twentieth Report —
“Royalties for Regions’ Policy”*

Resumed from 13 May.

Motion

Hon GIZ WATSON: I move —

That the report be noted.

This report, concluded in May this year, is on the committee’s inquiry into a number of matters in relation to the royalties for regions policy, as it was then. That policy was taken to the state election and was of interest to the Parliament. The committee recognised that no formal legislation was available to consider but we did consider that it was worth looking at whether we could gain a clear understanding of the policy. The terms of reference of the inquiry were—

- a) to establish a clear understanding of the “Royalty for Regions” policy;
- b) how the policy will operate and be administered;
- c) what the Department of Treasury and Finance has done with respect to any modelling or cost-benefit analysis of the policy;
- d) the implications of the policy, including but not limited to:
 - the possible impacts of the policy on the State’s AAA credit rating;
 - the possible impacts of the policy on the State’s budget; and
 - the potential operational impact of the policy on government agencies.
- e) any other relevant matter, including but not limited to:
 - the ability of the government to adjust the policy in response to changing financial circumstances.

The committee advertised for submissions and received a number of written submissions and we wrote to some key stakeholders. A list of those is provided in appendix 1 of the report. We received seven submissions and held a number of public hearings in March this year. They too are listed in the appendix.

By way of background, following the state election on 6 September 2008, the new Liberal-National government decided to pursue a royalties for regions policy as promoted during the election campaign. Royalties for regions was endorsed by cabinet on 13 October 2008. The claimed intent of royalties for regions was to build the capacity of regions with additional funding. It requires 25 per cent of all mining and petroleum royalty payments to the state to be set aside each year in a special fund for investment into regional Western Australia infrastructure community projects and services. The report states —

- 2.3 The stated aim of the RFR funding is to support and maintain strong and vibrant regions through improved infrastructure and headworks, across-government strategic regional and

community services projects, and the provision of contestable grant funding for the community to access.

- 2.4 Planned expenditure for regional projects and services will not be accounted for as RFR funding but all additional expenditure for those projects and services will be funded under RFR.

...

Funding will be invested in rural and regional WA based around six policy objectives:

- building capacity in communities;
- retaining benefits in local communities;
- improving services to achieve equality with metropolitan communities;
- attaining sustainability;
- expanding opportunity; and
- growing prosperity.

- 2.6 In conjunction with the above, the central principles underpinning the overall RFR are that:
- strategic projects in regional WA are a priority;
 - local decision making in regional areas is fundamental; and
 - State Department administration and processes should provide for and support decision making in regional areas.
- 2.7 There is a strong emphasis on local priority setting and decision making in RFR, to best ensure government service delivery will effectively address regional need.

We then looked at the rationale for the policy. To investigate that, we had a hearing with the Parliamentary Secretary to the Minister for Regional Development, who explained to the committee the origins of royalties for regions. In responding to the clarity of the policy, we made the following comments on page 5 of the report —

- 2.10 The Committee supports the intent of RFR of maintaining vibrant regional communities and the fair allocation of the State's resources to those regions.
- 2.11 The Committee notes the Government's stated rationale and aims for RFR. The Committee understands the broad thrust of RFR but has been unable to develop a clear understanding of RFR as no details have been provided on how the Policy will be realised, the legislative framework, the administration, and the implementation of RFR. The Committee notes that RFR is still in the inception stage and believes it is essential that this detail become evident early in the progress of implementation.

With the passage of time, we now have a clearer idea of this issue, especially with the legislation that was introduced into the Council yesterday.

The second term of reference related to how the policy will operate and be administered. We spent some time seeking information from a number of sources, including the Under Treasurer, the Department of Local Government and Regional Development and the parliamentary secretary. The committee's comments on how the policy will operate and be administered were set out on page 12 of the report. I should give a precursor to this section by quoting the following section of the report —

The stated primary objective of the Country Local Government Fund ... is to address infrastructure backlogs across the country local government sector. The CLGF will provide tied funding for infrastructure provision and renewal directly to local government and regional organisations of councils. The funding will be provided to all local governments within the nine regions.

- 3.17 The Director General of DLGRD advised the Committee on how the fund will work:

Ms Mathews: The fund will work in this way. Funds will be allocated in accordance with a particular formula in year one to each individual local government, and then over years two, three and four a proportion of that funding will go out to regional organisations of councils to encourage collaboration at a regional level.

- 3.18 Funds from the CLGF are distributed through an allocation model based on WA Local Government Grants Commission horizontal equalisation, and road needs assessments and population caps.

- 3.19 The purpose of horizontal equalisation is to ensure that every local government in the State has the ability to function, by reasonable effort, at a standard not lower than the average standard of other local governments in the State. The WALGGC calculates the amount of funding (or equalisation requirement) of each local government authority taking into account that certain local government authorities are disadvantaged in their ability to raise revenue or provide a service by factors such as locations, population dispersion and climate. The WALGGC has developed a range of disability factors, which are applied to the standards. The disability allowances are added to the expenditure standards to reflect local circumstances impacting on the cost of local government operations.

I hope everyone is following this very closely because it is reasonably complicated. I found it complicated at the time. It is even more complicated now that I am reading it again. I continue —

- 3.20 The DLGRG advised that population caps and road needs assessment have been added to the initial allocation model as it was considered too narrow. The addition of these two additional components was considered to make it a more comprehensive and equitable model.

The committee's comment on this area of funding was —

- 3.21 The Committee notes, however, that the addition of the population caps component distorts the horizontal equalisation process. The Committee is not certain if this is favourable or not as it received no evidence to support the benefit of the caps.
- 3.22 It will be for the local governments and regional organisations of councils to determine what to spend the funding on, however, spending will be tied to expenditure against asset classes according to the Local Government Accounting Manual. Local governments will be required to provide agreement in writing that they will expend funds for the purpose intended in addition to acceptance of reporting and acquittal requirements.
- 3.23 A total of \$400 million over four years has been allocated to the Fund. The first \$100 million is allocated in the 2008-09 financial year and is to be shared between the 110 regional local governments.

We illustrated the application of the CLGF in tabular form. I cannot do justice to a table but I draw members' attention to page 13 of the report where that comparison is made. The report continued —

- 3.25 The Committee was advised that the reason for the allocations to regional groups of councils was so that any new infrastructure would have regional credibility.

Dr Berry: The comment I was thinking of was: In terms of the sustainability, from year 2, year 3 and year 4, a portion of the country local government fund will be allocated through regional groups of local government, and that was to be for new infrastructure. The rationale there was that, for local governments building any new infrastructure, it would have to have regional credibility and be recognised as being a need across their region, rather than just something that the local government would want. All new infrastructure potentially creates a burden, but the regional credibility meant that there could be some regional ownership of the support for it.

Committee Comment

- 3.26 It is of concern to the Committee that there appears to be no ability to strategically manage the spending of funds across a region.
- 3.27 The Committee notes that RFR promotes local decision making by empowering local governments to determine how to spend RFR funding. Local decision making will ensure that the CLGF is directed to local infrastructure priorities. However, the Committee is unsure if this process will ensure funding is spent on projects that are sustainable.

There was an exchange between Hon Ken Travers and Dr Berry on this matter, which I will bring to the attention of members. The report states —

Hon KEN TRAVERS: Where in this scheme and the guidelines to this scheme does that ensure the sustainability? For instance, you could send the money to a collection of regional local governments, and if they just say, "All right; we've got two million. We'll all take 500 000 each and you go away and work out what your project is and we'll work out what our project is and we'll agree on that", is there anything to stop that occurring in the guidelines?

Dr Berry, the manager for the regional policy unit in the Department of Local Government and Regional Government replied —

I do not believe there is in the guidelines. The intent is that they would use it for new projects and operate similar to the regional road groups, in the sense that regional road groups used by Main Roads were allocating regional road money within the regions. Any one council would not get money in every year of the allocation, but there would be some process by which they would agree that council A might get funds in year 2 and council B would get it in year 1 and so on.

Hon KEN TRAVERS: *That is my point. Even with regional roads, there are sometimes arguments that it is a case of your turn, so there is no attempt to look at the sustainability of the whole region, but it is your turn to get the \$2 million or the \$1 million, and there is not that. What I am asking is where are the guidelines that will ensure that the money is going to the long-term sustainability of the region, as opposed to continuing to support the current unsustainability?*

Dr Berry replied —

I use the analogy of the regional road groups because I guess that is how, to some extent, I have personally presented it to local governments in terms of how we see it working. We have put out guidelines for the country local government funds for year one, and we are working further on guidelines for year two, which will cover the regional aspect. The points the member is making will be covered in the future guidelines.

Mr Rosair replied —

I think it is also important to reiterate that the model for royalties for regions is about local decision-making and having the local experts embedded in their plans, not only in the local government fund but also in the regional grants fund through the regional development commissions. It is about local decision-making, part of their local priorities and part of their local strategic plans. There is an element and onus on the local communities and local governments to be sustainable under that model.

Hon Ken Travers then said —

I would have thought you would still need to have some mechanism to ensure that when they make their local decisions, it is still with the goal in mind of long-term sustainability, and having a mechanism to ensure that. That is what I am trying to ascertain.

The report includes a further comment from Mr Rosair as follows —

I suppose that later on, during Jennifer's presentation, we will talk about the governance and reporting of the entire royalties for regions program, and about measuring the impact of these decisions, the sustainability of these decisions, and the social impact and benefits that are achieved, and that is part of our reporting and governance across the whole of royalties for regions.

Questions were raised about the challenge of coordinating local expectations with regional objectives, particularly in terms of the sustainability criteria and what guidelines would be in place to ensure that.

On page 16 the committee notes that —

... the stated primary objective of the CLGF is to address infrastructure backlogs across the country local government sector. The Committee is of the view that it is important to have a clear idea of what constitutes the backlog and a mechanism in place to ensure that the backlog is being addressed. The Committee has not been able to ascertain what action the DLGRD is taking to ensure this.

That was in relation to that aspect of the committee inquiry.

The committee then looked at the regional community services fund and heard a submission from Department of Local Government and Regional Development that the regional community services fund will support priority services that have shown their effectiveness in enhancing the quality of life for residents in regional areas and providing access to government services and infrastructure. The regional community services fund has been established to support established programs and two new election commitments—for example, the Country Age Pension Fuel Card and the BushChange housing grant. Funding will be allocated to the relevant state government agency, with skills to establish, implement, administer, govern and manage the project. The committee asked the Department of Local Government and Regional Development for details on how this particular fund would be administered and it was advised as follows —

Essentially all funding in the Regional Community Services Fund has been allocated to election commitments on new and existing service programs. The fund will be administered in the same way as all other funding within the Royalties for Regions program. The funding is subject to normal DTF and cabinet approval processes with the delivery agency preparing an EERC submission, sending it to cabinet for noting and/or approval, establishing an MOU with Department of Local Government and Regional Development and negotiation drawdowns before commencement of the project. The Department of Local Government and Regional Development will monitor cash flows in consultation with the delivery agency according to the signed MOU.

The committee went on to look at the strategic major regional projects and the regional grants scheme and on these particular aspects it is reported at page 21 that —

The Committee notes that each RDC will receive an equal amount of funding under the Regional Grants Scheme regardless of the identified needs for that region.

That was an interesting observation.

The next part of our inquiry was on regional development commissions. The committee noted that —

As well as administering the fund, the RDCs will play an important role in setting future regional direction and establishing regional priorities.

On the role of the function of the regional development commissions in royalties for regions, the Department of Local Government and Regional Development submitted the following —

Regional Development Commissions are a local presence in regional communities and play a role in coordinating government agencies to work closely together, identifying regional issues and promoting development in the regions.

They stand as a crucial instrument through which the Royalties for Regions policy can be delivered. In light of their current roles the Regional Development Commissions are envisaged to undertake the following:

- *Providing a shop front for Royalties for Regions*
- *Assisting in developing priorities for target areas, for example Bush change Housing Grants Scheme*
- *Assisting in developing networks to provide leverage of funds, for example, the Northern Towns Development Funds*
- *Forming relationships with Community Resource Centre*
- *Providing a conduit to support decision making and develop initiatives within communities*
- *Utilising their local presence in rolling out other Royalties for Regions initiatives.*

The committee's comment was as follows —

The Committee notes the evidence given that the RDCs will have an expanded role. The extent to which this role has expanded in practise will become evident as RFR evolves.

I guess that in the time that has elapsed since the tabling of this report in May we have been gaining a better idea of that.

The committee then considered the administration of the royalties for regions fund and made inquiries of the Under Treasurer in this regard. We looked at the question of the administration of these funds and we were advised by the minister in the following terms —

As the Royalties for Regions represents new activity above the current activities of the Department of Local Government and Regional Development, additional resources are required to implement the programs. While every effort is being made to utilise appropriate agencies to deliver Royalties for Regions, it is likely there will be an increase of FTEs to administer the Royalties for Regions Fund within the Department of Local Government and Regional Development and other implementing agencies. The increase will be determined by a number of factors which include:

- the recent announcement of the Department of Regional Development and Lands;*
- the administration of the Royalties for Regions Act and development of the Royalties for Regions Trust;*
- the support needed to enable agencies to plan and implement projects; and*
- appropriate level of reporting and branding requirements.*

The committee's comment on this issue was as follows —

The Committee believes that this should be monitored and queries how many of the new FTEs will be based in the regions. The cost of administering RFR needs to be factored into its overall cost, despite the administration of RFR being centrally located in the metropolitan area.

In the area of governance and accountability the committee was interested in a number of factors. The Department of Local Government and Regional Development advised the committee that it is establishing a governance framework for royalties for regions, which will outline principles, roles and responsibilities and support mechanisms for the administration of the fund. The governance framework will be finalised to coincide with the Royalties for Regions Bill. Clearly, we now have more information on that with the introduction of the bill into Parliament.

The committee noted that the government's framework for each sub-fund will be different. The committee noted the following comments by the Under Treasurer on this issue —

... hence the need for different governance arrangements depending on the nature of the fund and how the draw-down pattern is anticipated and indeed how the application to the funds actually occurs, and how they get approved and authorised and so on.

The committee noted that a common reporting framework is being established to determine the economic, environmental and social outcomes of various activities under royalties for regions.

The Minister for Regional Development advised the committee by way of correspondence that discussions are currently being held between the Australian Bureau of Statistics, the Department of Treasury and Finance and the Department of Local Government and Regional Development to measure and assess the effect of investment in Royalties for Regions projects and benefits derived. The report states, at page 25 —

3.63 The framework to administer the fund under the new legislation will be determined by the following factors:

the appointment of the Director General for Regional Development and Lands;

- the administration of the Royalties for Regions Act; and
- the development of the West Australian Regional Development Trust.

3.64 Similarly, the performance indicators that will be used for RFR are still being developed.

I know that this has been a subject of debate in the other place, particularly in respect of the performance indicators. The report continues —

The Minister for regional development advised:

The performance indicators to be used will be determined in relation to the target audience, project/program characteristics, relevance and priority of information. Discussions are being held with the Department of Treasury and Finance and the Australian Bureau of Statistics to determine the indicators to be considered and to ensure the information can be benchmarked and monitored over a period of time. The Department of Local Government and Regional Development is developing an evaluation framework as the mechanism for measurement.

The Department of Local Government and Regional Development has developed a number of draft indicators that may be utilised to evaluate the Royalties for Regions Program. These will be reviewed and further refined as related variables and data sources are acquired. The Department is currently undertaking a pilot study to evaluate the social and economic impacts of projects with the Royalties for Regions program.

3.65 The Committee was interested in ascertaining how the benefits of the Policy will be measured. The Minister for Regional Development advised:

The outcomes and benefits of the various projects and schemes under RFR will be measured through the reporting framework and laid out in agreements with funding agencies. Key evaluation questions are being formulated, and form the basis of data collection for evaluation.

An interim template has been produced and discussions are currently being held with funding agencies on its application. The Department is in the process of developing a model for measuring the social impact of the Royalties for Regions funding which goes beyond objective cost benefit analysis. The Department is also in discussion with the Australian Bureau of Statistics to develop baseline data for future measurement.

Committee Comment

- 3.66 The Committee notes that the administration framework, key performance indicators (KPIs) and reporting framework for RFR are currently being developed.
- 3.67 The Committee notes that a significant amount of funding has already been allocated under RFR without these accountability measures being in place.

To digress slightly from the report, this was a question that certainly arose for me in respect of the speed with which the initial royalties for regions funds were distributed without the frameworks having been fully put in place. It seems to me that if there was an acceptance of the need for clear performance indicators and governance and accountability measures to be expressed in legislation as they appropriately should be, it would have arguably been prudent to wait for those measures to be put in place before allowing any additional money to flow through. As far as I am concerned, if we do not think we need legislation, we do not need legislation; however, if we think we need it, it would be prudent to wait until all the legislative guidelines are in place before making allocations. That is part of the reason the committee was interested in initiating an inquiry to gain some clarity on this aspect, in the absence of legislation. I was certainly interested in using the committee's time to try to make those matters clear. I return to page 26 of the report —

- 3.68 It is important that the outcomes of RFR can be measured against the stated aims of the Policy. Further, that the issues outlined at paragraphs 2.8 and 2.9 above, as the reasons for RFR, are being addressed. The KPIs and the reporting framework which are currently being developed must be sufficient, so that the outcomes may be accurately measured. The Committee will remain vigilant on this matter

Committee Observation

- 3.69 The Committee notes that substantial funding has already been allocated under RFR prior to the completion of the legislative and administrative framework to govern its operation. The Committee does not believe that this is best practice and would have expected the implementation of RFR to occur after the framework had been finalised.
- 3.70 It is of concern to the Committee that the hurry to commence implementation of RFR may have not allowed sufficient consideration and planning of the allocation of funds in order to ensure the aims of RFR are fully met.

4 TERM OF REFERENCE C — WHAT THE DEPARTMENT OF TREASURY AND FINANCE HAS DONE WITH RESPECT TO ANY MODELING OR COST-BENEFIT ANALYSIS OF THE POLICY

- 4.1 The Committee asked the Minister for Regional Development if it was the Government's intention to carry out a cost-benefit analysis of RFR and also of particular programs that are to be funded or proposed to be funded under RFR. The Minister for Regional Development responded as follows:

Election commitments are being implemented and are subject to existing Cabinet and Economic and Expenditure Reform Committee (EERC) deliberative process. All new projects are developed in line with existing government approval processes including cost benefit analysis and are subject to Department of Treasury and Finance scrutiny as part of that process. Agencies also have the opportunity to provide comment through both the Cabinet and EERC.

- 4.2 The Under Treasurer advised the Committee that the DTF has not undertaken a cost-benefit analysis of the RFR Policy or Fund. The DTF was advised of the Cabinet decision to adopt the Policy and were directed to implement it.

I have had communicated to me the cabinet decisions of 19 October. They go to the amounts to be set aside. The implementation and intention of the programs will be established by the relevant minister and his department.

- 4.3 The Under Treasurer added that it is unlikely that the RFR will be subject to ex-post evaluation:

If I might add, it would be a normal part of the process, as a minimum, for the implementation of a large suite of expenditures like this to go to some form of ex-post evaluation, at the least to ensure that the expenditures and the policies were implemented in such a way as were consistent with the original intent.

Committee Comment

- 4.4 The Committee notes that no cost-benefit analysis was undertaken on the overall Policy.

- 4.5 The Committee is of the view that the initiatives and programs to be implemented as part of RFR require a cost-benefit analysis. Where decisions are still to be made on how funding is to be allocated, cost-benefit analysis should be undertaken. Such analysis will assist in ensuring that these programs when implemented will be consistent with the aims of RFR.
- 4.6 The Committee is of the view that there should be ongoing evaluation of benefits of the programs and initiatives under RFR to ensure it is achieving its stated aims.

I am sure that there will be broad interest in that as well.

In respect of term of reference d), “implications of the policy”, the committee looked at the possible impacts of the policy on the state’s AAA credit rating. I will not go through all the information in the report with regard to how the credit rating is established, but the committee made a number of observations. The report states on page 29 —

- 5.7 The Committee notes that the Treasurer, Hon Troy Buswell MLA, has stated that losing the rating would have a significant impact on business confidence in WA and increase the Government’s borrowing costs.
- 5.8 The Committee asked Mr Marney, Under Treasurer, DTF, what it would mean if the State’s credit rating were to be downgraded.

The Under Treasurer provided that advice. The report states, on page 30 —

- 5.10 The Committee wrote to the Treasurer and asked what strategy is the Government undertaking to ensure that the State’s AAA credit rating is maintained? The Treasurer responded as follows:

It is not possible to provide answers to your questions at this stage. The Committee will be able to obtain information relating to these questions through the Budget papers when they are tabled in Parliament.

We have had the opportunity to see the tabled budget papers, and I am not sure that they shed any more light. Clearly the economic situation in this state has once again changed, and this is part of the challenge.

Sitting suspended from 1.00 to 2.00 pm

Hon GIZ WATSON: I will continue my remarks about the possible impact of the royalties for regions policy on the state’s AAA credit rating.

The committee heard evidence from the Department of Local Government and Regional Development about that matter. That department advised the committee that the amount allocated to the royalties for regions program is subject to retaining the state’s AAA credit rating. Its submission stated —

The exact amount may vary from year to year depending on the royalty revenue collected. The aim of funding allocated to Royalties for Regions is to preserve the State’s AAA credit rating. The Government will play a part in the recalibration of the State’s finances to ensure that the State remains strong; cutbacks will be reflected in this year’s budget.

In correspondence with the Treasurer, the committee asked what strategy the government had undertaken to ensure that the state’s AAA credit rating was maintained. The Treasurer’s response, in part, was —

It is not possible to provide answers to your questions at this stage. The Committee will be able to obtain information relating to these questions through the Budget papers when they are tabled in Parliament.

I am not sure that we have fully obtained the answers to the questions yet, but, to be fair, it is a very difficult question to answer because it is a moving matter that is not solely related to any particular funding program; it is related to a whole lot of factors. Nevertheless, the committee’s comment was —

The Committee acknowledges that the Government has stated that RFR will be adjusted if the State’s AAA credit rating is at risk. The Committee supports this approach. The Committee notes the Government’s commitment to maintain the AAA credit rating and believes the Government will need to have addressed this in the 2009-10 State Budget to meet their stated intent. The Committee will remain vigilant on this matter.

We then addressed the issue of possible impact of the royalties for regions program on the state budget, and again asked questions of the Under Treasurer and the Treasurer about that. It is interesting to note at this point that one of the submissions we received from a senior lecturer in economics at the University of Western Australia—Dr Michael McLure—was particularly interested in this question of the possible impact of the royalties for regions program on the state budget. The committee stated —

The Committee notes the comments of Dr Michael McLure, Senior Lecturer, Economics, University of Western Australia, that as the State's budget is currently not reported on a geographical basis it is difficult to measure what the fiscal impact of the Policy is and what the Policy has achieved over time:

Perhaps that should read "what the policy will achieve over time", rather than "has achieved". The committee quoted the following part of Dr McLure submission in its report —

At this stage, information is not publicly available to enable the decomposition of the State accounts into component geographically defined accounts, or even to identify the direction of net fiscal transfers within the State. While royalties may suggest a partial fiscal transfer from the regions to Perth, State taxes are mainly collected in Perth and the cost of service provision in regions is typically higher than in the metropolitan area. The geographic direction of net fiscal transfers within WA as a result of State Government activity simply remains uncertain. Consequently, the proposed new budget papers should include 'Perth' and 'regional' accounts for a number of years immediately prior to the introduction of the 'royalties for regions' program.

That is, as two separate accounts. Dr McLure's submission continued —

As the 'royalties for regions' program represents a major reallocation of State resources within WA, special 'Perth' and 'regional' accounts should also be extended beyond the budget year (2009-10) and across the forward estimate period too. The resulting mini time-series would not only reveal the immediate net redistributive effect of the 'royalties for regions' program, it would also assist informed discussion of the State Government's general net fiscal transfer between Perth and the regions, or the regions and Perth, before and after the implemental [sic] of the 'royalties for regions' program.

That posed an interesting question, because it went to the heart of how budget information is presented, and whether, with a policy intention of transferring more money to the regions, it was going to be trackable. Dr McLure suggested that one way of doing that was to structure the budget differently. I do not think the Under Treasurer would necessarily think that that was an easy task, and in fact Dr McLure himself indicated that it was not necessarily an easy thing to do, but that it would then indicate exactly how that fiscal transfer was occurring before and after the implementation of the royalties for regions funding. The committee went on to make the following comments —

- 5.20 The Committee notes that the policy decisions of the Government, including RFR have impacted on the increase in expenditure in the State budget and that RFR is creating an added challenge in a difficult financial climate.
- 5.21 As the State budget is not reported by geographical regions, the Committee has not been able to determine how much of the RFR funding is new funding for the regions and how much of the RFR funding is simply a rebranding of existing funding as funding for the regions. It is, therefore, difficult to measure what the real impact of RFR is on the State budget.
- 5.22 The Committee notes that it is too early to determine what the impact of RFR will be on the State's budget.
- 5.23 The Committee believes there will need to be greater transparency in the reporting of funding to the regions for the public to be able to monitor the additional expenditure in the regions.
- 5.24 The Committee will remain vigilant on these matters.

The committee also made some inquiry into the potential operational impact of the policy on government agencies. The Department of Local Government and Regional Development advised the committee —

... that they will liaise with government agencies responsible for implementing the RFR projects to monitor expenditure and cash flows. The DLGRD acknowledged that beyond this, the Policy may have a wider impact on government agencies but did not provide any further comment on what this impact would be.

The committee's comment was —

The Committee notes that it is too early to determine what the operational impact of RFR will be on government agencies. The Committee will remain vigilant on this matter.

The issue there really revolved around the fact that, with a lot of government departments and agencies, it is very hard to make that distinction between how much of the activity of a department that has its head office in Perth is ultimately servicing a region and how much of its budget expenditure is supporting, directing or implementing the agency's work when it is spread across the whole state. I support royalties going to the regions, but I think it creates some novel challenges for how the accounting will be done so that we can understand what exactly the impact will be and how to keep the process transparent. The committee found in this inquiry that it really is not

clear how to tease that apart. Obviously, when we debate the legislation in this place, it will be interesting to look at this aspect as well.

The committee then looked at other relevant matters. We determined that one of those matters was the ability of the government to adjust the policy in response to changing financial circumstances. We were advised at the time by the Department of Local Government and Regional Development that a memorandum of understanding would be established with departments and agencies responsible for delivering royalties for regions and that contained in this MOU would be specific requirements concerning expenditure that would enable records of cash flow for all royalties for regions strategic projects currently approved.

The committee also touched on the question of environmental sustainability. At page 34 of the report, the committee makes the comment —

It was not evident to the Committee how RFR addresses environmental issues. There is no specific mention of environmental sustainability in any of the information the Committee obtained on RFR.

We asked the minister when he appeared before the committee whether royalties for regions included consideration of long-term sustainable development, including environmental sustainability. As outlined in the report, the minister advised the committee as follows —

Royalties for Regions is provided to enable regional communities to shape their future locally and plan for longer-term sustainable development so that they can build stronger, vibrant local communities. To be sustainable is to develop and implement economic, social and environmental sustainability strategies.

Progress reported and leave granted to sit again, pursuant to standing orders.

STATUTES (REPEALS AND MINOR AMENDMENTS) BILL 2009

Third Reading

Bill read a third time, on motion by **Hon Michael Mischin (Parliamentary Secretary)**, and transmitted to the Assembly.

GAS SUPPLY (GAS QUALITY SPECIFICATIONS) BILL 2009

Second Reading

Resumed from 14 October.

HON ROBIN CHAPPLE (Mining and Pastoral) [2.14 pm]: One of the issues I touched on in the debate yesterday was a quizzical question to the minister about whether renewable energy certificates would be purchased by BHP Billiton Ltd for its Macedon development. To that extent, I was interested in the level of CO₂ emissions associated with that development. After doing a bit of research overnight, I found it quite amazing that we do not have an approved project, yet we are debating in this chamber the Gas Supply (Gas Quality Specifications) Bill 2009 for a project that has not been approved. I am not sure whether the minister is aware that the project has not been approved and has not received any Environmental Protection Authority approval, or any other approval, yet we are dealing with legislation that ascribes a set of outcomes and conditions to a project that, in essence, from a legislative perspective does not exist. I hope that the minister will respond to my questions when he replies to the second reading debate.

Another matter I raised yesterday was resource security. Yesterday I made a brief comment about Jeroen van der Veer, the chief executive of Royal Dutch Shell. I was referring to resource security and the retention of domestic gas for the use for domestic services and for industry. I will go back to the email sent by the chief executive. I will quote some of the issues that Jeroen van der Veer raised in an email to the company's staff on 22 January 2008. He said —

... soaring population growth and rapid economic development meant that, “easily accessible supplies of oil and gas probably will no longer keep up with demand.”

With conventional supplies inadequate, there would be no choice but to add other sources of energy, ...

...

Van der Veer outlined two scenarios for the world's energy future.

The first scenario is called “Scramble”.

That is what I think we are doing in Western Australia at this time —

“Nations rush to secure energy resources for themselves, fearing that energy security is a zero-sum game, with clear winners and losers,” van der Veer wrote.

“The use of local coal and homegrown biofuels increases fast. Policymakers pay little attention to curbing energy consumption—until supplies run short.

“Likewise, despite much rhetoric, greenhouse gas emissions are not seriously addressed until major shocks trigger political reactions. Since these responses are overdue, they are severe and lead to energy price spikes and volatility.”

The second scenario he talked about was “Blueprints”, under which he sees international policy cooperation leading to harmonisation of efficiency standards and taxes, a convergence of policies on emissions trading and local initiatives to improve environmental performance on buildings. Van der Veer continued —

“Cap-and-trade mechanisms that put a price on industrial CO₂ emissions gain international acceptance,” Van der Veer said.

“Rising CO₂ prices in turn accelerate innovation, spawning breakthroughs. A growing number of cars are powered by electricity and hydrogen, while industrial facilities are fitted with technology to capture CO₂ and store it underground.”

That email he sent to his corporation outlined the problem that faces us almost immediately.

I now refer to a recent paper by Brian Fleay entitled “Natural Gas: ‘Magic Pudding’ or Depleting Resource: Lessons in Western Australia from 2008”. I think it is important to give the chamber some idea of what our reserves are and of the viability of retaining our gas for domestic purposes. The paper states —

The North West Shelf Joint Venture gas fields begin gas production decline about 2020. However, mandated supply of domestic gas under the NWSJV State Agreement Act 1979 will be used up by 2015 at current consumption rates. This hub supplies 70 percent of the states domestic gas.

Therefore, by 2015 that gas will no longer be available for domestic use. The paper continues —

At the Varanus Island hub only one gas field (John Brookes) will be left supplying domestic gas in 2011, and it will begin decline about 2015. Few people are aware of this. *The operator, Apache, does have three nearby gas fields for development to partly offset this decline, but they should also begin decline about 2025.*

Woodside Energy’s Pluto LNG project due for completion in 2010 has 15 percent of reserves allocated for domestic consumption ...

That is not a statutory requirement; it is simply an agreement. The paper also states —

Woodside hopes to find another gas field big enough to construct a second LNG train, but has not yet succeeded.

The Gorgon Joint Venture, with Chevron as operator proposes completing the Gorgon field project ... in late 2014 with three LNG trains and 12 percent of reserves committed to domestic consumption at a total cost of \$43 billion. This includes removing the 12-14 percent CO₂ from the gas and storing it in a deep geological formation.

The Greater Gorgon Jansz field will follow under terms yet to be decided, development assumed in 2020 ... Jansz and remaining Greater Gorgon fields are in deep water offshore. Remaining fields after Jansz have reserves below 100 Bcm and will require high-risk floating platforms anchored to the seabed by cables at high-risk from cyclones and tsunamis.

The future for domestic gas in Western Australia is not looking good. It does not look good for both our domestic use and our commercial use. I encourage the minister, as over the next three years he develops his plans for the retention of domestic gas within the state, to look not only at the sorts of agreements we are establishing with companies under this legislation, but also well beyond his political term and into the future of this state. If we are not careful, given the decline of the geopolitical reserves in the international arena, we could find ourselves being forced, nay, almost blackmailed in the future to sell our reserves overseas to fix up a declining international market for the very sake of the benefits for Western Australia.

HON MAX TRENORDEN (Agricultural) [2.25 pm]: I will start my contribution to this debate on an unusual point and put on the record my appreciation of Hon Alan Carpenter, who was Premier of this state for a period of time. I think we are always a little too harsh on people who hold that position. I raise this matter because Hon Alan Carpenter was the person who significantly raised the idea of reserving gas in our gas fields for Western Australians. I also take the view that whoever is Premier is my Premier; I am a Western Australian and therefore whoever takes the role of Premier is my Premier, and I have respect for anyone who fills that position. I put on record my respect for Hon Alan Carpenter and I hope that things go well for him into the future.

To come to the 15 per cent reserves outlined in the Gas Supply (Gas Quality Specifications) Bill 2009, I tell the minister that I really appreciated the briefing that I received from his people. I really enjoyed it and I found it

interesting. I would have liked to spend more time with them in fact, but it was more about chewing the fat over the industry issues than the specifics of this bill.

I have a strong interest in this gas supply bill and I say now that the National Party supports the bill. It is all very well to reserve 15 per cent of a particular gas stock for the state, but that does not get that gas to the people of Western Australia—pipelines do. This bill is all about pipelines. Even though this bill is not about preserving a proportion of the pipeline, it deals with issues for Western Australians that I have an interest in and it allows for that to occur for some time into the future. That is why I am an enthusiastic supporter of the gas supply bill.

A new gas field will come into production, feed into a pipeline and drop the grade of the gas specification over a number of years. It is very simple. Even though there is an argument that a reduction in the gas specification to meet a lower specification lowers the quality of the gas, on the other hand that gas will supply a range of competitors and increase the range of people participating in the gas industry and in the two specified pipelines, which, in my and the National Party's view, is very significant and very much appreciated.

This bill will change the gas specifications. In some ways one could argue that it is a fairly draconian bill because it overrides contracts and a whole raft of previous practices to put a new regime in place. But as I say, minister, we support that regime and the intention of that regime and we look forward to it developing and maturing over time. This bill will allow people to interface and work out what that drop in the gas specification over time will mean for their operations and to determine the imposition that it will put on industry and on residents—that is, Mr and Mrs Smith down the road. Therefore, the gas supply bill allows for the replacement of domestic equipment and for industry to negotiate a position to ensure its operations will continue, given the slowly deteriorating energy value in the gas coming down the line. Even though that deterioration will be small, there is obviously very sensitive technology that will be affected by even small changes in the quality of that gas.

I am afraid I was out of the chamber doing other things yesterday, but I am sure that we have heard about the 37, 39, and 35.1 processes, so I will not go through all of that. I am sure that some other member of the house has spoken about it. My interest is that this bill will increase the capacity of the pipelines; there will be more looping and more activity on the pipelines to make sure that more gas comes through. This is one of my passions. I am very concerned about security, not just for energy, because we really are talking about baseline security for Western Australia. As we saw with the Varanus Island incident, if energy does not arrive, there are significant problems. I read with interest the minister's press release of a few days ago on that issue. I congratulate him for the effort. I do not totally comprehend it, but over a little period of time I will. The question of security is important, because it is not just about industry getting gas so that it can produce or about Mrs Jones getting gas so that she can cook tea; it is about life itself. If modern society does not have energy, and security of that energy, it is in trouble. Part of the security of that energy involves price, not merely supply, and it is also a question of consistency with both those factors. Over the years I have had a great interest in this area, and will continue to do so. I thank the previous minister for giving me the opportunity, along with Mick Murray, the member for Collie-Preston, to travel the length and breadth of Western Australia looking at access to bottled gas and other related issues. Many Western Australians feel cheated, because they read about Japan, America, China, Korea and Taiwan getting our gas, but they cannot get it. It is significant to them that they cannot get access to their own gas from Western Australia.

It is important that we think this process through. If we go back a few years, Shell was having a shot at taking over Woodside. Many members of Parliament and many Australians fought that takeover, and the federal government eventually held it off. I would argue that this is not just about the sovereignty of Australia and its assets, but also about access to that energy that is abundant in the north west and other places. There is significant gas in the south west, for example, but technology cannot release it at the moment. In some places we still pay \$400 for a 25-litre cylinder of gas. In my electorate, for example, people still pay more than \$200 for that gas. Somebody else is paying significantly less for such gas. The public view is that the people of China, Japan and the other countries I mentioned are getting our gas cheaper than Western Australians are. For political reasons and security reasons—not just national security, but in the whole context of security—we really need to be thinking about making sure that the people of Western Australia have access to that gas. This legislation helps that.

A few days ago at the Toodyay show I was speaking to the owner of a significant trucking company in Western Australia, who for five years has been using natural gas to move his vehicles. If I told you what he told me, Mr Deputy President (Hon Jon Ford), he would come in here and shoot me, so I will not do that. He does not want me to give away his commercial advantages. The efficient fuel for the transport industry, the fishing industry, the mining industry and the agricultural industry is diesel. When we start applying the liabilities of diesel to our industries, it becomes significant. There are variations in price and in the availability of product. There is also a question of where that will go. That is set against the question of those industries using natural gas. If they could have a long-term stable contract for energy, the consumers, the state, the environment and all those other people would gain. There is capacity in this bill, even though it is on the margin, for the state to think further ahead

about how we secure the advantage for Western Australians and for Western Australian assets. I cannot stress enough the importance of the argument for having that. Western Australians feel that they do not have access to their own asset. They feel that they are at a disadvantage compared with other people who are using their assets to their advantage. I am not saying that is factual; I am just saying that that is the perception of many Western Australians. The minister and I have talked about this regularly. I hope that somewhere along the line we can think through how we can make sure that our industries are more efficient and that people can get constant and efficient access to a fuel that will give them security in all those areas of finance, lifestyle and so on.

I do not ever claim to be an expert in these matters, but one of the arguments is that when we turn to hydrogen, gas will be used during an interim stage. If we have a state with useful infrastructure that allows access to gas, it could be a very substantial step into the future when hydrogen becomes a more useable fuel than it currently is. Numerous Western Australian transport companies are using natural gas to move their trucks, but they have a difficulty with our legislation because it does not allow enough cab length for a gas tank. They need another metre on the length of a truck to make sure it can carry enough gas, because natural gas has a lower octane value than diesel, so more is needed to go the same distance.

There are questions about the balance of trade and a whole raft of issues, and it would be argued that we should be heavily encouraging people to move to a Western Australian native energy source. I could raise any number of those areas here, but I do not intend to do so, because the last time I deliberately wandered off course, Mr Deputy President, you were in the chair, so I will not do it to you today. I will keep more directly to the bill, but I will emphasise the fact that this bill does move the state forward. It gives emerging gas fields access to the pipeline, which is useful for our state. Some time in the future we need to take the step and bring Western Australians closer to that gas, to those fields and to those companies.

Members may recall that Woodside was very appreciative at the time of the effort that many Australians put in to save its bacon as a company. In my view, it should be quid pro quo. If we spoke to Woodside and other companies, they would understand the political reason for keeping the local population happy. I read a press release from Shell that perturbed me. Shell announced that it would set up a floating platform on which it would process gas from one of its operations and that it would not have to pay any taxes to the state. That means Western Australia will not get any money from that operation. I was hardly delighted to read that press release. It is our asset. The floating platform will process gas in international waters and therefore taxes will be paid only to the federal government. We do not need Shell or any other company to tell us it is good that they are not paying taxes. We want them to pay taxes and to pay their fair share of royalties. More than that, we want Western Australians to have reasonable access to their own asset. I will not say any more about that.

I could talk about some of the provisions that are listed in the bill. However, as a tail-end speaker in this debate, and not having heard the debate yesterday, I assume that other members have already done that. Members can read the explanatory memorandum. When I was a new member of Parliament, Hon Hendy Cowan said in the other place that it took the Legislative Assembly two weeks to pass a bill that allowed people to buy more than two bottles of beer from a liquor store on a Sunday but it took just three hours to pass Sir Charles Court's gas proposals. This bill will be a bit like that; I do not anticipate that there will be a lot of debate on it. This is a very important and significant bill for the state, and the National Party will support it.

HON ED DERMER (North Metropolitan) [2.42 pm]: I am very pleased to rise in support of the Gas Supply (Gas Quality Specifications) Bill 2009. I was interested to note the comments of Hon Max Trenorden. I join the member in acknowledging the quality of the work performed by Hon Alan Carpenter when he served as the Minister for State Development, which has direct relevance to the bill that we are considering today. I do not claim to have any particular expertise in the contractual or technical complexity of the gas supply. However, I was very interested to listen to the contributions of members on the bill. They have certainly enhanced my knowledge of the matter. Many years ago I studied organic chemistry. It is very clear that there is great variety in the chemical composition of different gas molecules that have a utility in providing energy resources. I have every confidence in the Minister for Energy's reassurances in his second reading speech that the purpose of this bill, which is to extend the range of specifications for acceptable gas to go into the pipelines, will enhance the supply of gas. I have absolute confidence also in the judgement of my colleague Hon Kate Doust. She has applied herself with enormous energy and diligence to her responsibility as the opposition's lead speaker on this bill. Based on her judgement, and that of other members in the chamber, I am very pleased to support this bill.

I note in the minister's second reading speech that the purpose of the bill is to enable gas producers to supply gas into gas transmission pipelines at a broader specification than is currently permitted. This will facilitate the development of a greater range of gas fields to supply the domestic market, leading to increased competition and enhanced security of supply through a greater diversity of gas resources. That sounds like eminent good sense. Obviously contractual adjustments need to be made and adjustments need to be made to the appliances used by Western Australians. It appears from the bill, the explanatory memorandum and the minister's second reading speech that the appropriate amount of forethought has been given to what is required to make those adjustments.

Further in the minister's second reading speech it states —

Part 3—Modifying gas contracts: Regulations under part 3 of the bill will modify gas contracts. For the scheme to work, almost every gas contract must be modified to override provisions that might otherwise restrict the flow of broader specification gas ...

The minister goes on to give an example. A lot of work is involved in achieving this enhancement of our energy security by enhancing our gas supply. The minister, in concluding his second reading speech, stated —

To conclude, this bill will introduce a new scheme for the gas industry. It will facilitate the development of new gas fields, providing greater security of supply and increased competition in the supply of gas. I refer members to the explanatory memorandum for greater detail ...

The explanatory memorandum is a worthy document and I recommend that members read it. As the minister says, the explanatory memorandum explains in greater detail how the scheme will operate. Once again, I recommend that document to members.

When we consider the need to enhance resource security, it is important to understand that gas is one component in the overall set of resources that provide us with the energy we need. Gas is intimately linked with the electricity supply that we use on a daily basis. Obviously, gas is the ultimate source from which we derive a large proportion of the energy that we convert to electricity. It is very important to not only ensure a secure supply of energy resources, but also understand that gas is a finite resource. Notwithstanding the great generosity with which Western Australia has been blessed with this resource compared with the case in other parts of the world, it remains a finite resource. We need to consider all energy resources as finite and precious commodities that must be used with care, no matter what their volume may be. We must look to the future and ensure that we use our resources with care. We need to turn our mind to the other side of the energy equation and make sure that we use energy efficiently. We must make decisions today that will ensure that energy will not be wasted and that is used with care in the future. I would like members to think about their daily lives and the households in which they live, and particularly about how their homes are designed and how they could be designed much more effectively to achieve a greater efficiency in the use of energy. That is an opportunity for us to further conserve the important and limited resources that we have for our energy supply. I would like to recommend to the Western Australian government that we start at the very beginning when we are planning for the homes of Western Australians. This will, of course, become an even more important consideration in the future as the population of our state increases.

I have had the good fortune of meeting on a number of occasions Professor Garry Baverstock. Garry Baverstock is the Adjunct Associate Professor of Energy Studies at Murdoch University. He is a very clear-sighted and intelligent man. He has applied a great deal of his professional life to the challenge of designing homes to achieve the very best energy efficiency. He has shown how it is possible to use a minimal amount of energy in homes without compromising the quality of life of the people who live in those homes. It is very appropriate that we consider both sides of the equation this afternoon—that is, the need to enhance our supply of energy, and the need to ensure that that energy is used efficiently and not wasted.

I would also like to recommend to the government the platform of the Western Australian branch of the Australian Labor Party. The Labor Party is very generous at heart. We always have at our heart the welfare of the people of Western Australia. I am very pleased to recommend this platform to the government, and to suggest to the government that it may wish to attend to the suggestions contained in that platform, with a view to improving the lives of Western Australians. I am sure that the lives of Western Australians would be best improved by a change of government at the next election, but we probably have a number of years to wait until that occasion arises. Therefore, I would be very pleased if the government would seize the initiative that I am suggesting to it today and adopt a number of items in our platform to ensure that our plentiful, although limited, and in that sense scarce, energy resources are used to best effect.

There are two parts to what I am recommending to the government today. The design of the house—the architecture—provides many opportunities to achieve maximum energy efficiency without compromising the level of comfort. However, the architect who is designing a home is confined from the very beginning of the design and building process by the orientation of the block of land on which that home is to be built. The Labor Party policy that I have recommended to the government is very thorough. It points to the need to consider both the layout of the blocks on which the homes are to be built, and the design of those homes. It states, in part —

Labor is committed to ensuring that new buildings meet minimum standards regarding insulation and thermal efficiency, appropriate solar orientation and other energy efficient measures designed to reduce wasteful and unproductive energy use.

That deals with the design of buildings. It goes on to state —

Labor will require energy efficient design principles and building practices in the construction of all Government building works, including schools and public housing. Labor will also adopt mandated energy efficiency standards for government owned or leased offices.

That deals with the need to ensure that not only in our homes, but also in other buildings—in all aspects of our lives—energy is not wasted but is used with maximum efficiency.

Of course, before we get to the building stage, we need to deal with the issue of planning. The platform goes on to state —

Labor recognises the paramount importance of planning in partnership with the Commonwealth and Local Government. Labor understands the importance of ensuring that all planning processes are fully sustainable and conducted transparently, through step by step, meaningful engagement with the community.

Obviously it is important that planning achieves the maximum energy efficiency possible. However, it is also important to ensure that planning meets the needs of the community for which it has been designed. It is important that there is consultation throughout the community, and also with the other tiers of government in our system—the commonwealth government, and local government.

Reading further from the platform —

Labor is committed to the reduction of the environmental impact of urban areas by encouraging change in energy consumption and water use, at both individual and community levels, through mechanisms such as solar-orientated suburban layout and house placement, water capture and recycling and energy efficient building measures.

I will repeat that —

...through mechanisms such as solar-orientated suburban layout and house placement, water capture and recycling and energy efficient building measures.

Obviously, the selection of the materials with which the building is to be constructed is also an important consideration to make sure that we make the very best use of our available energy and there is no waste.

As I understand the science of solar orientation, it is about aligning the house on the block in such a way as to take full advantage of the natural energy from the sun as it traverses across the sky. Of course, the sun does not actually traverse across the sky, but that is the perception that we have. It is about ensuring that the house is oriented on the block in such a way as to achieve the maximum level of comfort with the least expenditure of energy. This planning and foresight is very important, and this planning and foresight is what I hope the Barnett government and its appropriate ministers and administrators will take up so that Western Australians will not need to wait until they gain the benefit of the election of a Labor government approximately three years hence. If homes were situated in such a way that all the living areas were oriented to the north, this would ensure that not only the energy efficiency of those homes, but also the level of comfort, was maximised to the greatest extent possible.

When we look at the issue of energy from an overall state point of view, we need to look at both sides of the equation—supply, which is the main focus of the bill before us, and consumption—to ensure that the maximum benefit is achieved with the minimum expenditure of energy. Energy efficiency is particularly important when we consider the personal budgets of individual Western Australians and their families. In my view, the Labor Party's reason for being is to ensure that people in Western Australia, and in other parts of the country, who have not been blessed with high incomes are given the opportunity to improve their lives and to enjoy the level of comfort that we all aspire to. It is an important part of any household budget to ensure that those appliances that provide comfort and entertainment richness to people's lives are used in a sustainable way. I am very concerned about the high cost of electricity energy for the people of Western Australia. This further highlights the need to ensure that homes and other buildings are designed in such a way that they minimise energy use without compromising the level of comfort. That gets back to the great debt that we owe to people like Professor Garry Baverstock who have applied so much of their intellectual capacity to ensuring that homes are designed and built to achieve maximum energy efficiency. I include in that, of course, the people who have worked so hard in the Western Australian Labor Party's policy committees to achieve the sensible policy to which I have just referred. I stand in earnest hope that ministers opposite will take advantage of the wisdom generated in the Labor Party policy development process and ensure that that policy is implemented without delay so that future planning for homes and other buildings can be conducted with a clear eye to achieving the most efficient use of our energy resource.

Interestingly, it is both plentiful and scarce. At face value it might sound like a curious sentence when I say that our energy resource is both plentiful and scarce, but it is. Although our energy resource is plentiful, it is very important that we make sure that it is not wasted, and that energy efficiency is always seen as an important goal.

Our gas supply is an important part of our repertoire of energy resources. The reason it is scarce although plentiful is, of course, because it is finite. We should be planning buildings and planning the allocation of land for buildings with an eye to the future, because, of course, once a building is built it is very difficult to realign its solar orientation. We need to have the foresight to plan for future needs both in terms of the energy supply and also the other important side of the equation—that is, ensuring that energy, once supplied, is used with the utmost efficiency. I hope that we will see enhanced diligence by ministers opposite, because they are here until the next election. I am absolutely confident that once the —

Hon Simon O'Brien: I am hopeful it will only be the deposit; we hope to be here a good deal longer than that.

Hon ED DERMER: We are doing our best to ensure that Western Australians come to understand that we can do the job much better.

Hon Simon O'Brien: Does the member think they got it wrong at the last election?

Hon ED DERMER: I of course respect their judgement. Hon Simon O'Brien, my focus is on the next election rather than the last one.

Hon Simon O'Brien: You'd better have a word with Sally there!

Hon ED DERMER: It gives me enormous confidence when I look at a person of the diligence, capacity and clear-sighted understanding of Hon Kate Doust, because I know that she will proceed as a minister after the next election —

Hon Simon O'Brien: Is she joining the clergy or a convent or something?

Hon ED DERMER: — to ensure that the sensible policies about energy supply that I am referring to today are pursued to ensure that Western Australia has not only the best possible energy supply, but also the most efficient energy use. Hon Kate Doust, Hon Sue Ellery and the other Labor ministers—who I hope will be in cabinet soon—will ensure that planning by responsible ministers in all fields achieves that end.

HON JON FORD (Mining and Pastoral) [3.03 pm]: I am very happy to speak to the Gas Supply (Gas Quality Specifications) Bill 2009. I congratulate the government on bringing the bill to the house. It is interesting that when I get to my feet, I try to develop a way of introducing myself into the debate. Somebody actually stuck a report on my desk; I think it was Hon Ed Dermer. The report is entitled “Natural Gas: ‘Magic Pudding’ or Depleting Resource: Lessons in Western Australia from 2008”.

Hon Ed Dermer: It is actually a report provided by Hon Robin Chapple.

Hon JON FORD: It is interesting where one's mind muses to. A few months ago I went to Norman Lindsay's place—he wrote *The Magic Pudding*. It was the result of a dare between him and one of his mates —

Hon Max Trenorden: Member, that report may not be as well written!

Hon JON FORD: It probably is not. But Norman Lindsay's mate said, “The only thing you have to do to attract kids to a book is talk about fairies.” Norman said, “No, that's not right; you just talk about food.” That is how he wrote the book. The concept is interesting because *The Magic Pudding* is about “no matter what you take out of the magic pudding, it could turn into any flavour you want and it will always regenerate.” In his contribution to the debate, Hon Robin Chapple made some interesting comments about protecting supply. In actual fact, he rebutted the notion that it protects supply. I disagree with that. This bill is not perfect but it is a good step in the right direction. It opens up a heap of other sources that have not been exploited and allows those to be exploited, which takes the pressure off high-quality reserves. In its concept, it is pretty good. Hon Robin Chapple made some comments that I agree with. They are hard for the minister to comment on, but I would like him to give us an indication in his reply that many of the aspects and controls will be covered by the regulations. In a moment I will give the minister an indication of what I am particularly interested in.

Going back to Hon Robin Chapple's comments, it is interesting that on the one hand we say we should protect supply and on the other we say that it is not really a very good gas; it is still a greenhouse gas and we need to look at alternative sources. Hon Robin Chapple, over time in this place, to me personally and in the general community has said that we should not be putting gas plants on Barrow Island, we should not be putting gas plants in the Burrup Peninsula and, now, we should not be putting gas plants further north, around the Kimberley. Gas plays an important transitional role. We might not be happy about how long that transition takes, but it is an important energy. This adds more to that energy source and gives us a longer time to deal with the issues that we all face as a state and, indeed, as a world.

Hon Max Trenorden talked about the perception of Western Australians. People see gas as going all around the world but not in Western Australia. We are not quite sure whether that is true. I know that is particularly felt in Karratha. Woodside has been involved at the commissioning stage in not only domestic gas—which is what we are now talking about—but also liquefied natural gas trains. The frustration felt by people in Karratha is that we

were once at the centre of the biggest gas development in the world and, even to this day, we do not have reticulated gas. There is a commercial reality in that. Basically, the infrastructure that we need to reticulate gas is not going to be paid for by a commercial entity. Perhaps the royalties for regions fund could assist people.

Hon Max Trenorden: I will talk to the member some time over the recess about technology around that.

Hon JON FORD: I am going to talk about technology development and how rapidly it can change, in a moment. I agree. At the moment there is frustration north and south.

The other frustration, of course, is how much we pay for gas and liquefied petroleum gas, compared with natural gas and methane. There are two different types of gas and two similar, but different, processes for obtaining them, and of course the delivery modes are different, which all adds to the cost. Buying LPG in small bottles is comparable with going to Bunnings and buying five screws in a little plastic cup, in that we end up paying more for the packaging and the processing leading to the final product. The Gas Supply (Gas Quality Specifications) Bill 2009 attempts to make the most of gas reserves.

One of my concerns about this bill that has arisen during the debate is that when we talk about broadening the specification, there seems to be an assumption that it will always result in a lower calorific value, although the Minister for Energy has indicated that that might not be the case. That leads me to the question of what will happen in a market-driven economy and what will be the end effect on consumers. I am concerned about how we will manage the frequency of the change of specification, which will have an impact on suppliers and end users. The debate has covered people's ability to upgrade their gas appliances and the compensation to be awarded if there is a stuff-up in the specification somewhere along the line and appliances are damaged, but a lot of issues need to be covered by regulation. I congratulate the minister on the explanatory memorandum—it is a good document—but I would like the minister to provide some response, either in his second reading reply or in committee, on the specific concerns I am now raising.

We need to consider what the effects of the change in the frequency of specification will be and what the causes of that could be in the future. We must remember that this is a market-driven economy, so we need to protect the investments by end users and suppliers in that market economy. Hon Max Trenorden talked about future developments in technology. There have been a couple of examples of the massive effect that developments in technology can have on the market and economies. Western Australia has been a great beneficiary of two examples of changes in technology. The first is iron ore. We all know about the iron ore boom and the huge rush for resource commodities that was particularly focused on Western Australia. At the beginning of the boom, Japan developed technology that suddenly meant that high-grade ore was not needed at mines like Mt Tom Price and Mt Whaleback. That opened up a whole heap of reserves that everybody knew about but had not been able to exploit—Yandicoogina being one—and there was a huge demand for low-grade iron ore. It is easy to get to and easy to grab out of the ground, and a lot of the transport infrastructure is already in place. In Western Australia there is local debate about junior miners wanting access to the majors' infrastructure because they want to keep their costs down and transfer the ore out and on to the ports.

But at the same time that that was developing and we were all rubbing our hands together and thinking it was going to be great for the state, suddenly companies were saying that the demand for high-grade ore had just dropped away. They had to seriously consider how they could sustain their workforces in the hope that demand would rise, but at the same time they had to seriously consider closing the big mines such as Mt Whaleback, Pannawonica and Mt Tom Price—not so much Paraburdoo because it produces a lower grade of iron ore that is used to blend with the high grade produced from Mt Tom Price to bring its specification down, which demonstrates how high grade the Mt Tom Price ore is. That is an example of how development in technology meant that low-grade iron ore could be worked with, and it had a huge impact on the world economy, and particularly the economy of Western Australia. Fortunately, China came on to the scene as an emerging economy and superpower and saved the bacon of the high-grade ore industry. Suddenly, Western Australia had reaped a double benefit, in that both sides of the iron ore resource boom could take off. We have all seen what that sudden growth in the demand for high-grade iron ore and low-grade iron ore has done for this state. One advantage of this bill is that it will enable things such as that to happen.

Another advantage of this bill is what it will do for the liquefied natural gas industry. People have known about LNG for a long time, but it comes with two problems. The problem facing Western Australia was that if an LNG plant was built here, the LNG then had to be transported to the customers. How is it possible to transport LNG from Western Australia to customers on the other side of the world; and, how is it possible to develop a refrigerator of the size that can produce commercially viable LNG in one of the hottest places in the world using existing technology, which, at that time, was water-cooled plants?

Hon Ed Dermer: It was an extraordinary challenge.

Hon JON FORD: It was an extraordinary challenge because of materials issues. The Pilbara did not have a large enough supply of fresh water, so seawater had to be used, which had to be cooled down because of its elevated

temperature, because one of the most corrosive things for standard stainless steel is a saline environment with an elevated temperature; it eats stainless steel, similar to acid.

There were a number of technical issues to overcome, but at the same time the company involved decided to have a go at constructing an air cool plant—another interesting thing; an air cool plant in one of the hottest places in the world. The company overcame that problem and it worked well and truly above specification, and it is now a model used around the world in all sorts of environments. There was also the development of new materials and duplex steels, which, whilst expensive, overcame the issue of elevated temperatures in saline solutions.

Those technological advances allowed a whole heap of offshore developments to occur, and then there was the development of very, very economical LNG transportation, overcoming the logistical problems. Those big ships we see are projects in their own right; they cost over \$1 billion, but without them we could not exploit that resource and reap the rewards for the benefit of all Australians, and maybe, eventually, even the world, because it will assist in people ceasing to use highly polluting gases.

When we talk about broadening the specification of the combination of gases going into the pipeline, if we have a massive technological change, how will that affect not the domestic users in the common household, but large end users such as aluminium producers or plastics development companies? How will it affect the price of fertilisers or other synthetics created out of gas that are developed further down the coast in Geraldton, or in Kalgoorlie, or down in the south west region or in the Perth surrounds? What will happen if they want a different mix of gases, providing a greater market demand for a particular specification that is not complementary to the domestic user or businesses, or indeed producers at the other end? What mechanism does the minister envisage will be in place to deal with disputes? That is one problem that might arise. From what I can understand from reading the explanatory memorandum, that will be dealt with under the regulations and through the authority, but I will be interested to hear the minister's comments on what will happen in the future.

Hon Max Trenorden talked about hydrogen. Members might not know that all sorts of things can be sent down a pipeline. Unwanted things such as hydrates, which we try to avoid, and liquids can be sent down pipelines. If there are high rates of gas flow, they can be suspended and then exploited at the other end by extracting the liquids. Does the minister envisage that sort of development, and how will that be controlled? Is there a possibility that in the future we could increase the level of liquefied petroleum gas sent down a pipeline to a plant that extracts LPG for reticulation for different commercial uses? How will we protect the investments of other people who have been lured by this bill into developing gas fields with certain specifications that fit in nicely under the proposed specifications, but then the market demands of the gas line cause the specifications to change so that their gas is less viable and they face a loss in the returns on their investment that they envisaged when they first went into business? How might that issue be resolved?

Those are the issues that I would like to hear a response about from the minister. I would like a bit of detail on the compensation scheme for small-end domestic users. How will people on welfare, who generally live in state housing and are at the lower end of the socioeconomic scale, know what to do with their little gas heater that they have had for years? How will that situation be managed and how will it be communicated to them? That is very important for a lot of people. What will happen if there is a stuff-up in the specification? How will that be managed? When the specification is broadened, the risk profile is raised, but not substantially; it would depend on the specification. As I have said, it is much more worthwhile going down this track because the overall benefit to the state will be significant, provided that the risks are managed well. It would be great if the minister could respond to those couple of points. If I am not completely convinced of the argument, I might raise the issue during the third reading stage. Again, I congratulate the government for introducing this bill. I look forward to the minister's response.

HON LJILJANNA RAVLICH (East Metropolitan) [3.24 pm]: I support the Gas Supply (Gas Quality Specifications) Bill 2009. In preparing for my contribution to the second reading debate, I found this area absolutely fascinating. I have developed a very strong interest in gas. I never realised how complex this area is. I congratulate the minister for bringing this legislation to Parliament in a timely way. I know that he takes credit for it; however, successive governments have been working on this bill for quite some time. One need look only at the record to recognise that resolutions to some of the issues surrounding this bill have been in the making for a long time indeed.

The bill will do four very important things. First, it seeks to increase the security of gas supply in Western Australia. It was not so long ago that the vulnerability of the state's gas supply was demonstrated. In 2008 there were two significant gas supply disruptions that impacted on Western Australia's energy supplies. In January an electrical fault at the North West Shelf Venture's Karratha gas plant resulted in a production shutdown. In June 2008 there was an explosion at the Varanus Island gas plant. Both those events demonstrated how vulnerable the state's energy supplies are. Not only were consumers directly impacted on by these events, but also business was impacted upon. I am not sure that there has been a definitive explanation of why that second event happened,

because different people have different views about why things happen. Although there has been an inquiry, the simple fact is that there were so many complexities involved that it has been difficult to pinpoint the one exact thing that led to the event. Nevertheless, that demonstrated that the community needs to place utmost importance on the security of gas supply in this state, because we know that without that security, we are very vulnerable.

The bill also attempts to increase competition in the price of gas. At the moment it would be fair to say that there are only a limited number of competitors in this area. It is a highly specialised area. A lot of resources and a large amount of up-front investment are required, whether that be in exploration, capital raising or development. There is no doubt in my mind that it is a difficult market to get into; hence, that is probably why there are only a limited number of players in this area. However, what we want and need to do if gas prices are to be reduced not only for consumers, but also for the production end of town is ensure that there are more competitors so that there are reasonable pricing arrangements for gas, whether that be for consumer or industry consumption. That is a good outcome to strive for.

The bill also encourages innovation in the gas industry, and that is a good thing. I was very interested to hear Hon Jon Ford's comment about what happened in the mining industry. Hon Jon Ford said that once low-grade ore was able to be converted to a better quality of ore due to innovation, it increased the demand for low-grade ore and, in fact, reduced initially the demand for high-grade ore, and so one had to be traded off for the other. It was lucky that China came along so there was enough demand for all grades of ore, and therefore the situation was saved. We have to ask ourselves: What would occur in the event, for example, that the same thing applied to the gas industry? What would happen if China or Japan were not coming forward to in fact take all the high-grade gas, provided that there was a differential between that and low-grade gas such as in the Macedon gas field? What would happen if all the gas produced could not be absorbed in the international market? That could have quite a negative impact rather than a positive impact. It is very interesting and there is no doubt that innovation is very important to the gas industry. However, there are always many threats to any industry sector and although innovation can be seen as an opportunity, I guess the point that my learned colleague Hon Jon Ford was making is that it can also be a threat. Therefore, innovation can be a double-edged sword.

The Gas Supply (Gas Quality Specifications) Bill 2009 attempts to enable gas producers to choose the most efficient method of developing gas fields. These are all very good objectives and I think that the industry would welcome them. I know that the industry has been very supportive of them and in fact has been encouraging the government to bring this legislation to Parliament as a matter of priority. These changes will in fact enable a project, such as BHP's Macedon gas project, to come on stream as a new entrant to the gas market and become a player, if we like. Of course, the Macedon field has not been able to be developed because the grade of the gas, as I understand it, is such that it is not acceptable with the current infrastructure and pipelines because of its fairly low grade. I will comment on the likely impact this will have on the state because the Macedon gas field off the Western Australian coast will now be a potential player in the domestic gas market. I understand that this field could lead to an additional 150 million terajoules being supplied daily to the market, which would have an enormous impact. One would think that if that much gas was supplied to the market, we may in fact, if we were really, really lucky, have some reduction in the price of domestic gas, but that probably is being a bit too optimistic. Nevertheless, that is about 20 per cent of the state's daily gas demand. I will refer to a report from *The Australian* of 12 October 2007 that I want to put on the public record because it demonstrates the potential of what could now happen if we pass this legislation, and what would not have been able to occur in the event that the government did not proceed to put this legislation through Parliament. Therefore, the gas supply bill is very, very important because I think it will not only increase the amount of available gas to the community, but also impact on the second objective of this bill—namely, to increase competition in the pricing of gas. I think it will also lead to greater innovation in the gas industry and there is no doubt that somewhere along the line the Macedon gas project may in fact do some downstream processing of its gas because it will end up being able to put higher quality gas, provided that the technology is available, into the pipelines. It may well in fact also achieve that but I do not know whether it will. The article stated —

Macedon is a reservoir estimated to contain 1.2 trillion cubic feet of gas located about 50km north of Exmouth.

It has been blocked from supplying customers in Western Australia because it does not meet the tight specifications for delivery into the Dampier-to-Bunbury pipeline system.

These were designed in the 1980s to cater for gas from the North West Shelf gas project.

This week, a report by state and federal government officials to ministerial councils on petroleum resources and energy recommended the WA Government change its gas delivery standards to bring them into line with the national standard.

The joint working group, headed by Jim Limerick, the chief of WA's Department of Industry and Resources, also recommended that the specifications for the Dampier-to-Bunbury pipeline be broadened to match the new specification.

And so on and so forth. Just by way of finishing off on this issue, the article also stated —

Macedon was discovered in 1992 ... Its gas is classified as dry, meaning it contains no condensate or liquefied petroleum gas. The result is that Macedon gas has too low a heating value to meet WA specifications.

I think that is part of the key, because we will now change the specification so that Macedon will be able to comply within the specification framework and in doing that this now becomes a very viable reserve of gas that will be of benefit to the community and to the industry in general. The article continues —

In practical terms, the lower the heating value of gas, the greater volume has to be shipped to produce a given energy content of a gas supply contract. This results in less pipeline capacity being available to ship lower volumes of higher heating value gas, creating the potential for less profitable transportation returns to pipeline operators.

I think that is the key reason why we need to get these specifications right because there are all sorts of contractual arrangements between the suppliers and buyers of gas et cetera. When we take a detailed look at the bill before us, we see a very complex piece of legislation. In a sense it is complex to the extent that probably the greatest part of the complexity will be contained in the regulations and even further still probably in the contracts drawn up between the suppliers and the purchasers of the gas. This is a very technical issue. I guess from my point of view, we will look at those regulations very carefully. I think it is fair to say that this is a bill that provides a framework and the devil will be in the detail, which, in fact, will be in the regulations.

I was interested to note that very little of the gas produced in Western Australia is for domestic consumption. In preparing for this speech, I came across a submission from the Australian Petroleum Production and Exploration Association Ltd to the Gas Supply Emergency Management Review Committee about gas supply security in Western Australia that was dated May 2009, so it is very current. Page 4 of that report states —

Gas consumption is dominated by industrial usage (58 per cent) and power generation (29 per cent). Five large customers—Alcoa, Alinta, BHP Billiton, Burrup Fertilisers and Verve Energy—account for approximately 90 per cent of WA gas consumption. Residential usage accounts for just 4 per cent of the WA gas market.

When I came across this information, I thought it was very interesting because when we look at the price hikes in gas, it is very hard to work out why consumers have been hit so much, given that they consume only four per cent of available gas in this state. I refer here to a newspaper article dated 25 June 2009, which was just before the budget. It states that the average household pays about \$390 a year for gas, according to Alinta's figures, and the new tariff will increase that amount by \$1.70 a week to about \$480. That seems to be a pretty big hike. Unless I am missing something, I am wondering how we get that hike. Western Australia produces all this gas and only four per cent is used by households, yet they seem to have this enormous price increase for gas.

I ask the minister to do this in good faith. Can he provide for the Parliament the costing model that led to the increase from \$390 a year for gas, at an average of \$1.70 a week, to \$480 a year? I want to get a sense of what figures were used to derive that \$90 a year differential, or in some cases \$100. I think it is a reasonable question to ask. As a part of this debate, we want to make sure that the changes, which the minister is proposing will be made through this legislation, will not only benefit the industry sector in this state, but also directly benefit the domestic consumers of gas in Western Australia. I want to make sure that there is no cross-subsidisation with householders bearing the brunt of additional costs for gas while the industry sector may not be doing its share of the heavy lifting in that regard. I am just putting that on the table because I am seeking from the minister some assurances that there is no cross-subsidisation by consumers to producers. I would need to be convinced by the minister putting the funding model or the costing model on the table as a part of his contribution in response to this debate.

Money was set aside in the budget for the Gas Security and Supply Committee.

Debate interrupted, pursuant to standing orders.

[Continued on page 8132.]

Sitting suspended from 3.45 to 4.00 pm

QUESTIONS WITHOUT NOTICE

LEGISLATIVE COUNCIL — LEGISLATIVE PROGRAM

1002. Hon SUE ELLERY to the Leader of the House:

- (1) Has the government developed a list of the priority legislation that it requires to be passed by the Legislative Council before the end of 2009?
- (2) If yes, has that list been provided to any party; and, if so, to which party?

- (3) Will the Leader of the House provide that list to all parties in the Legislative Council?
 (4) If yes, when?

Hon NORMAN MOORE replied:

- (1)-(4) A definitive list has not been completed. The Legislation Standing Committee of Cabinet looks at legislative matters and will be meeting on Monday week after the Bunbury Regional Parliament to finalise the requirements for the last three weeks of sitting. The government considers it desirable to pass a significant amount of legislation this year. As soon as that list is available, it will be made available to all parties. It has not been made available to any other party. I make the point that the passage of just one bill in two weeks as part of the productivity of this house would not see us complete the government's program by the end of the year.

KUNUNURRA CHILDREN'S HOSTEL

1003. Hon SUE ELLERY to the parliamentary secretary representing the Minister for Housing and Works:

I refer to the public reports about the children in Kununurra who have no safe place to go to at night. Are there any plans to build a Halls Creek type hostel for children in Kununurra; and, if not, why not?

Hon HELEN MORTON replied:

I thank the honourable member for some notice of this question. The Department of Housing advises that it does not have any plans to build a hostel for children in Kununurra.

ELECTRICITY — AVERAGE RESIDENTIAL BILL, WILLAGEE

1004. Hon KATE DOUST to the Minister for Energy:

What was the average residential electricity bill issued by Synergy in Willagee for each of the following months —

- (a) July 2008;
- (b) August 2008;
- (c) September 2008;
- (d) July 2009;
- (e) August 2009; and
- (f) September 2009?

Hon PETER COLLIER replied:

I thank the honourable member for some notice of this question. I have signed off on the other information that the member requested and will follow up on that.

The average residential electricity bill issued by Synergy in Willagee for each of the following months was —

- (a) For July 2008, it was \$126.28.
- (b) For August 2008, it was \$113. However, only a small number of customers were billed during August in Willagee, thus the average may not be meaningful as it is based on too small a sample. Most residents in Willagee are on a billing cycle, which results in fewer accounts being sent out in August.
- (c) For September 2008, it was \$122.32.
- (d) For July 2009, it was \$141.31.
- (e) For August 2009, it was \$130.90. However, only a small number of customers were billed during August in Willagee, thus the average may not be meaningful as it is based on too small a sample. Most residents in Willagee are on a billing cycle, which results in fewer accounts being sent out in August.
- (f) For September 2009, it was \$165.75. I imagine that that is around a 26.5 per cent increase to reflect the tariff increase.

BOORABBIN NATIONAL PARK FIRE — REVIEWS AND RECOMMENDATIONS

1005. Hon SALLY TALBOT to the Minister for Environment:

I refer to the minister's answer to question 988 regarding the Boorabbin National Park fire.

- (1) Can the minister separately list the title reviews undertaken to which she referred yesterday—the dates and purpose of each and the authors of those reviews?
- (2) Will these reviews be made public?
- (3) What recommendations remain unfulfilled and how is it proposed that they will be progressed?
- (4) What measures have been taken to improve radio communications by Department of Environment and Conservation firefighters?
- (5) What measures have been taken to ensure incident managers have the requisite competencies ?

Hon DONNA FARAGHER replied:

I thank the member for some notice of this question. ‘

- (1) The reviews have been: GHD Fire Development Chronology, June 2008; GHD Operational Review, July 2008; findings and actions from inquiries conducted by the Department of Environment and Conservation into the Boorabbin fire—28 December 2007 to 8 January—2008, July 2009; DEC Post Incident Analysis Goldfields Fire “The Boorabbin Fire”, August 2009; and Response by the Department of Environment and Conservation to “Goldfields Fire 13” and “Boorabbin Fire Operational Review”, July 2008 prepared by GHD, October 2008.
- (2) Yes, at the appropriate time, taking into account the coronial inquest.
- (3) As advised yesterday, the majority of the recommendations have been implemented in the GHD operational review; however, the release of further content in relation to that review is scheduled to occur after the report by the coroner.
- (4) DEC is enhancing the skills and competency of key incident management staff in communications. DEC is developing primary communications plans across its nine regions. These plans are being developed in consultation with other key emergency services support agencies. DEC has implemented satellite and cellular mobile communication systems.
- (5) DEC, Fire and Emergency Services Authority and WA Police now conduct a major incident management course for incident controllers.

DEPARTMENT FOR CHILD PROTECTION — KUNUNURRA

1006. Hon ALYSSA HAYDEN to the Minister for Child Protection:

Can the minister provide information on what the Department for Child Protection has available for children in Kununurra?

Hon ROBYN McSWEENEY replied:

I thank the Hon Alyssa Hayden for the question. There has been an 89 per cent increase in the budget allocation to the Kimberley over the past two years totalling about \$5 million and enabling the employment of an additional 63 full-time equivalents. This includes 10 child protection workers in Kununurra working standard office hours, with a seven-day week, after-hours roster. The department provides a 24-hour statewide crisis care service, which is located in Perth. When people call the department after hours, the call bounces back to an officer who is on-call in the Kimberley.

A Youth Outreach program has commenced in Kununurra to address the ongoing concerns of street-present young people at night. I will be going there to patrol the streets with the youth mentors, who work three nights a week from 9.00 pm to 1.00 am. This diversionary program supports young people to make safe decisions and encourages them off the street.

The department currently chairs the steering committee of the newly established youth hub, based at the Kununurra Youth Centre, which also services surrounding communities. A youth meeting place lounge has been established at the youth centre and operates twice a week.

The department recently introduced the parent support program in Kununurra that works with parents of children identified as not attending school or who are left unsupervised on the streets. Similar programs operate in Fitzroy Crossing, Halls Creek and Broome.

The local police and the department’s district office have a good working relationship and frequently work together to solve individual children’s circumstances. Kununurra has an existing four-bedroom group home that regularly houses up to six children aged from zero to five years. The department is currently implementing plans for a new four-bedroom group home in Kununurra and an additional new four-bedroom group home in Wyndham, which may positively impact on the services in Kununurra.

It is clear that more needs to be done. As I said, I will be going there later this month, or early next month, to see for myself what we can do in Kununurra. We have certainly made a good start and the department and other agencies are working cooperatively.

DALYELLUP WASTE RESIDUE DISPOSAL FACILITY

1007. Hon GIZ WATSON to the Minister for Environment:

I refer to the minister's response to question without notice 958.

- (1) Are there sites reported under the Contaminated Sites Act 2003 in 2007 and 2008 that have not yet been classified?
- (2) If yes to (1), how many?
- (3) Does the Department of Environment and Conservation's delay of over two years in classifying the Dalyellup site breach the department's obligations under section 14(1) of the Contaminated Sites Act 2003?
- (4) If yes to (3), what are the consequences of this?
- (5) If no to (3), why not?
- (6) If no to (3), how can the department justify a delay of over two years when Millennium Inorganic Chemicals has admitted that dioxins and furans are present, posing potential environmental and health risks to the community of Dalyellup?
- (7) Has the department received the information from the Radiological Council required to classify the site that was requested in 2008?
- (8) If yes to (7), what was the advice from the Radiological Council?
- (9) If no to (7), why not?

Hon DONNA FARAGHER replied:

I thank the member for some notice of the question.

- (1) Yes.
- (2) As at 1 October 2009, there were 1 194 sites reported since the Contaminated Sites Act 2003 commenced listing as awaiting classification.
- (3) Yes. The act requires that sites are classified within 45 days of being reported to the chief executive officer or, where particular circumstances make it difficult to classify the site within 45 days, such longer time as the CEO decides is necessary. In response to the period of grace provided for in the act, 1 656 reports of contaminated sites were received by the Department of Environment and Conservation in the four-month period between March and June 2007. While DEC has classified 99 per cent of the sites reported after 1 July 2007 within the 45-day time frame, there remains a backlog from the large number of reports received during the period of grace. These are being assessed and classified on a priority basis in relation to the risk to health and the environment. I have, however, spoken to the director general of the department and requested the department to work through the remaining sites as a priority and report to me at regular intervals on its progress.
- (4) DEC's prioritisation of the outstanding sites for classification ensures that sites that pose the greatest potential risk to humans' health or the environment are dealt with first. However, Millennium Inorganic Chemicals is currently required to undertake groundwater monitoring as a requirement of conditions of its Environmental Protection Act licence. DEC is reviewing the groundwater monitoring results to determine what further action, if any, is required to address any groundwater contamination issues.
- (5) Not applicable.
- (6) As advised in my response to part (6) of question without notice 958, the site contains radiological materials, and therefore DEC sought advice from the Radiological Council in July 2008. DEC followed up with the council in July and September 2009 and, following receipt of this advice, classified the site as "possibly contaminated—investigation required" on 9 October 2009. DEC has revised its procedures and established a system to trigger follow-up of external agencies when advice has not been received within an eight-week period.
- (7) Yes. DEC received the advice on 30 September 2009.
- (8) DEC has advised me that the Radiological Council has advised that, while levels at the operating ponds are higher, the radiation dose at the site boundary does not exceed the limit of radiation exposure for the general public as per "Industry Guideline—Reporting of Radiologically Contaminated Site Naturally

Occurring Radioactive Material”. Monitoring above the rehabilitated southern pond has also demonstrated that the remediation measures have successfully reduced radiation levels to below the limit of radiation exposure to the public. The council has further advised that the levels identified at the site boundary are comparable with background levels for the Swan coastal plain and Darling scarp areas. Based on the available information, and taking into account advice received from the council, the site is considered suitable for its current use as a treated waste disposal facility, provided public access to the site is restricted and groundwater and radiation monitoring continues.

I table a copy of the advice from the Radiological Council as well as the Contaminated Sites Act 2003 “Basic Summary of Records”.

- (9) Not applicable.

[See paper 1425.]

DEPARTMENT OF TRANSPORT — PRIVATISATION OF FUNCTIONS

1008. Hon KEN TRAVERS to the Minister for Transport:

- (1) Can the minister confirm that the Department of Transport is either currently examining or has determined to privatise or contract out functions of the department?
- (2) If yes to (1), which functions or sections of the department are involved?
- (3) When does the government expect to advise staff of the decision?
- (4) Will the minister guarantee that a public sector comparator will be developed before any final decision is made?
- (5) Will the minister guarantee that he will table the public sector comparator after any decision is made?
- (6) If no to (1), can the minister guarantee that no decision to contract out or privatise any function will be taken during this financial year; and, if not, why not?

The PRESIDENT: Order! Is this a question without notice—a six-part question without notice?

Hon Ken Travers: Yes, six parts.

Hon SIMON O’BRIEN replied:

- (1)-(6) I would like to thank the member for his six-part question without notice, which he has presumably committed to memory as well. The matters that are raised by the member are ones that I am quite happy to discuss. At any time there might be somewhere within a department—particularly one that is being reorganised or reconfigured after the disaster of the last government and what happened to the Department of Transport—all sorts of new ideas being worked up as possibilities to be explored. Those possibilities might be being worked up through staff members in various locations, through various parts of management, and, indeed, through interdepartmental processes. The honourable member’s question in fact I think related only to the examination of potential privatisations within the Department of Transport. I am quite happy for the government, whether it be officers in the department, or whether it be the government at a political level, to consider whether we might be able to offer better services to the public through ways that as yet are not being utilised. For example, shortly the member will see that we are doing a lot more—we are going to be doing a whole lot more—in the licensing area, which of course is something that the previous government completely and utterly failed to come to grips with in dealing with the requirements of the twenty-first century. On another occasion no doubt we will debate that.

This question is one that we have to approach carefully, because clearly the motivation for asking it is to cause trouble and to start rumours and concern among staff. What I would say to the member is that morale among Department of Transport staff is very strong at the moment. It is certainly stronger than it has been for a very long time. That is because they know that they have a government that has a lot more faith in them than the previous government had. I do not want to see that being undermined by the sort of white ants who seem to think that that is the role of an opposition. With all that in mind, it is not my intention, and in fact I have not asked, for any search to be undertaken of ways in which we can outsource functions with a view to getting rid of people’s jobs. I want to make that absolutely clear. If the honourable member should allege such a thing, it would be a false allegation.

Finally, in relation to the member’s very detailed question, which clearly I think has a malicious intent lurking behind it, and which clearly was asked by someone who I am sure is quite happy to misrepresent whatever is put forward in government, I want to have the opportunity to see this six-part question—this loaded six-part question—in writing at least, so I invite the member to put the question on notice.

NATUREBANK PROGRAM

1009. Hon LJILJANNA RAVLICH to the Minister for Environment:

I refer to the Naturebank program announced on Thursday, 8 October.

- (1) What due diligence was undertaken to ensure readiness under this program?
- (2) What due diligence was undertaken at Kurrajong, identified as the first site for potential visitor accommodation, to make it ready for release?
- (3) Will the minister table the due diligence report; and, if not, why not?
- (4) Was an environmental impact assessment undertaken for the site at Kurrajong?
- (5) If yes to (4), will the minister table that assessment; and, if not, why not?

Hon DONNA FARAGHER replied:

I thank the member for some notice of the question. Before I answer it, I note that I was pleased to hear Hon Ljiljanna Ravlich make some quite positive remarks about this initiative last week.

Hon Ljiljanna Ravlich: That's because it started in 2002.

Hon DONNA FARAGHER: It is a pity it did not rub off on her colleague Hon Sally Talbot, who was very negative about a very positive initiative. That is a problem for the two of them.

Hon Ljiljanna Ravlich: We don't have a problem.

Hon DONNA FARAGHER: The member should not get upset; I said it was good to see Hon Ljiljanna Ravlich being very supportive.

- (1) For new sites, due diligence includes compatibility with management plans, rare flora and fauna surveys, heritage assessments, native title clearances and groundwater studies.
- (2) Kurrajong is a previously disturbed campsite. Aboriginal heritage and native title clearances were given in 2004 by the Purnululu Park Council, which includes representatives of the native title claimants.
- (3) Not applicable. The proposed Kurrajong site is consistent with the Purnululu National Park management plan, which is a statutory plan for the park under the Conservation and Land Management Act 1984, and has been used as a camping ground since 1987.
- (4)-(5) No. However, the Purnululu National Park management plan provides for a campsite at Kurrajong with a water supply, toilets and camping ground. When proposals are received, normal environmental and cultural assessments will apply to ensure there are no significant impacts from the proposal.

SHEEP — LIVE EXPORT AND DOMESTIC PROCESSING — ACIL TASMAN REPORT

1010. Hon LYNN MacLAREN to the minister representing the Minister for Agriculture and Food:

- (1) Is the minister aware of the recently released ACIL Tasman report of September 2009, in which it is revealed that a sheep processed domestically is worth 20 per cent more to the Australian economy than a sheep exported live?
- (2) Is the minister aware of the ACIL Tasman report of March 2009, in which it was determined that sheep meat exports are four times more valuable to the Australian economy than live sheep exports, and that in 2008 Australia exported \$1.5 billion worth of sheep meat and only \$341 million worth of live sheep?
- (3) How will the minister address the weakening of economic resilience in rural communities in light of recent trends in Western Australian agriculture that have seen an increase in live exports at the expense of the local meat processing industry?
- (4) Is it a requirement under Australian legislation that animals in Australian abattoirs are to be stunned prior to slaughter so that the animal is ensured a rapid death without unnecessary suffering?
- (5) Will the minister report to Parliament how many of the five million Australian sheep, cattle and goats sent to slaughter houses in the Middle East last year were stunned prior to slaughter?

Hon ROBYN McSWEENEY replied:

I thank the honourable member for the question.

- (1) Yes, but I would like to point out that the Western Australian sheep industry is structured quite differently from the industry in the rest of Australia. The value of Western Australian sheep livestock exports in 2008-09 was reported as \$260 million, while the value of sheep and lamb processed in Western Australia was \$236 million. The value of sheep livestock exports significantly exceeds the

value of domestically processed sheep in Western Australia. The livestock export sector in Western Australia also supports 1 500 jobs for Western Australians, which is very important.

- (2) Yes, but again it can be misleading to use whole-of-Australia averages and assume that this is the case in Western Australia. Western Australia has approximately 75 per cent of the sheep livestock export market due to its proximity to the Middle East. This provides a comparative advantage over other states more distant from these markets. It also produces a major economic benefit to local farmers, as livestock export trade sale prices underpin sheep prices generally in Western Australia. These are currently at record levels.
- (3) The agricultural industries of Western Australia are in fact very resilient. They use world-class production systems and have enjoyed excellent global prices in recent years. There are, overall, strong upward trends in economic returns from sheep meat, livestock export and wheat production in this state. It is my intention to support the sheep industry and other agricultural industries by providing a suitable market, an industry-led operating environment, access to quality research and development advances and by reducing red tape for agricultural developments of significance. I refute the assertion that there is a weakening of resilience in the agricultural regions. Furthermore, it is not the government's intention to directly manipulate markets or industry as proposed by the ACIL Tasman report.
- (4) Australian legislation requires animals to be stunned prior to slaughter. There are approved arrangements for religious slaughter that allow small numbers of animals to be killed without stunning. There is none of these arrangements in Western Australia.
- (5) In general, halal killing procedures practised in the Middle East do not involve stunning prior to slaughter. It is not a simple matter to transfer Australian standards and practices overseas into sovereign countries. I am aware of significant efforts being made by LiveCorp, Meat and Livestock Australia and the federal government to continually improve the welfare of exported livestock. These improvements include upgrades to slaughtering facilities in receiving countries, low-stress animal handling training, improved receiving facilities and provision of technology such as improved slaughtering crates for cattle. The Australian government and other involved agencies, including the Western Australian government, will strive to continually improve animal welfare in receiving countries.

RECREATIONAL FISHING LICENCES — ROCK LOBSTER-MARRON-ABALONE

1011. Hon JON FORD to the Minister for Fisheries:

I refer the minister to his response to question without notice 916 in relation to umbrella licences in the years 2005, 2006, 2007 and 2008.

- (1) How many surveys were carried out and what methodology was used?
- (2) What information was sought from the survey?
- (3) What was the frequency of the survey for each year?

Hon NORMAN MOORE replied:

I thank the member for some notice of the question.

- (1) Holders of umbrella licences were surveyed in each of the years 2005, 2006, 2007, 2008 and 2009. Umbrella licence holders must be surveyed in addition to the specific licence holders for every non-field-based survey completed to ensure that the full extent of fishing for a species or a category is sampled. Therefore, umbrella licence holders have been part of all rock lobster mail surveys; rock lobster phone diary surveys; abalone statewide phone diary surveys; marron annual recall phone surveys; plus any other annual recall survey or phone diary survey completed.
- (2) All surveys seek information on the level of catch and effort from the licensed fishers. This information is requested at either an annual, seasonal or daily level depending upon the survey method being used. It should be noted that the fact umbrella licence holders may first have to be asked if they undertook, or intended to undertake, any fishing related to the specific licence category of interest adds to the cost and complexity of each of these surveys.
- (3) The frequency of surveys for umbrella licence holders is the same as for each of the surveys of the specific licence categories.

WICKEPIN, DUMBLEYUNG AND CRANBROOK POLICE STATIONS

1012. Hon MATT BENSON-LIDHOLM to the minister representing the Minister for Police:

I refer to the commitment made in December 2008 to reopen the Wickepin, Dumbleyung and Cranbrook Police Stations.

- (1) Have these stations been reopened; and, if yes, what is the staffing level at each?
- (2) If no to (1), what is the time frame for reopening each of these three stations and what is the proposed staffing level at each?

Hon PETER COLLIER replied:

I thank the member for some notice of the question.

- (1) Wickiepin, Dumbleyung and Cranbrook Police Stations have been reopened with interim service delivery in place prior to permanent staffing. Western Australia Police advises that due to operational sensitivities, specific information relating to staffing levels of individual police stations is not released.
- (2) See (1).

NATURAL RESOURCE MANAGEMENT REVIEW

1013. Hon ROBIN CHAPPLE to the minister representing the Minister for Agriculture and Food:

I refer to the government's response to the natural resource management review.

- (1) In its response the state promised to table the Western Australian NRM policy in Parliament and release the policy to the public at the time the response was released. That has not occurred. When will the state deliver on its promise to table the policy in Parliament and release it to the public?
- (2) In its response the state promised to deliver a state NRM implementation strategy. When will the state NRM implementation strategy be released to the public?
- (3) In response to recommendation 3, the state described a policy it has adopted for defining state priorities in relation to NRM. What is the policy; how does it operate; and how does it define the state's priorities in relation to NRM?
- (4) How is the Natural Resource Management Ministerial Council determining allocation of the funding—that is, \$30 million—which was allocated to NRM in this year's budget? Please describe the decision-making process.
- (5) Please advise the progress of finalising the draft state NRM plan that was released in 2008.
- (6) Please advise how the state NRM plan will affect funding allocation decisions.
- (7) In response to recommendation 7, the state says that it supports community engagement in the process of planning NRM outcomes. Please describe the extent of community engagement in the process of planning the state NRM programs this year.

Hon ROBYN McSWEENEY replied:

I thank the honourable member for the question.

Hon Norman Moore: It's a very long answer. Have it incorporated.

Hon ROBYN McSWEENEY: No, it is not a very long answer.

- (1) The government will set out its policy, strategic direction and priorities for the natural resource management review in an NRM action plan for Western Australia.
- (2) The implementation strategy will be included in the NRM action plan for WA.
- (3) Please refer to answer (1).
- (4) The Natural Resource Management Council makes recommendation to cabinet based on state NRM priorities and advice from agencies and others through the NRM office. Cabinet allocates the funds.
- (5) Please refer to answer (1).
- (6) The NRM action plan for WA will explain the government's policy, strategic direction and priorities for NRM. The funding allocation process is explained in (4).
- (7) Arrangements for community engagement in the process of determining NRM investment priorities are being developed for future funding. The community has not been engaged in 2009-10 funding decisions so far because of the limited time available to engage the community and to ensure funds hit the ground in 2009-10.

POLICE FORENSIC OFFICERS — BUNBURY

1014. Hon ADELE FARINA to the minister representing the Minister for Police:

- (1) Is the minister aware that by the end of this year there will be only 1.5 full-time equivalent forensic officers servicing the whole of the south west region?

- (2) What action is the government taking to secure additional forensic officers for the south west region?
- (3) How many additional FTE forensic officers will be allocated to the south west region, and when will they be made available?
- (4) Is the minister aware of the growing difficulty experienced by the police superintendent of the south west district to attract and retain specialist police officers, such as detectives, inspectors and forensic officers, to Bunbury due to Bunbury being a non-tenure location and Government Regional Officers' Housing—GROH—not being provided?
- (5) Will the government provide funding for the annual rental costs for five houses in Bunbury to assist to attract and retain specialist police officer services in Bunbury?
- (6) If no to (5), why not?
- (7) If no to (5), what immediate action will the government take to address this specialist police officer staffing problem in Bunbury?

Hon PETER COLLIER replied:

I thank the honourable member for some notice of the question.

- (1) Yes.
- (2) The government is currently reviewing the issue of subsidised housing in Bunbury.
- (3) Western Australia Police currently have two forensic officer vacancies and are attempting to attract appropriately qualified officers to these positions.
- (4) Yes.
- (5)-(7) See response (2).

ELECTRICITY SUPPLY — HARSHIP UTILITY GRANT SCHEME

Question without Notice 969 — Answer Advice

HON PETER COLLIER (North Metropolitan — Minister for Energy) [4.34 pm]: I have the required information in answer to Hon Sue Ellery's question without notice 969 regarding the hardship utility grant scheme, asked on Tuesday, 13 October 2009, and I seek leave to have it incorporated into *Hansard*.

Leave granted.

[See paper 1426.]

The following material was incorporated —

1) Synergy does not receive HUGS applications. Synergy refers customers in financial hardship to a financial counsellor, who assesses the circumstances and aids the customer in making an application for a HUGS payment. The application is then sent to the Department of Child Protection (DCP), who assess the application and decide on whether the application is successful. DCP then sends Synergy a list of payments which are to be allocated to specific customer accounts. Therefore Synergy is only able to report on the amount of successful applications made under the HUGS, and the question of how many applications were received in total is best put to DCP. Synergy is however able to advise it received the following amount of payments in the months in question:

a. 248 payments to the value of \$55,052.59 in September 2008.

b. 233 payments to the value of \$78,168.88 in September 2009.

2) Synergy has apologised for a technological issue which resulted in the prepared answer to PQ 891 not being received by the Ministers Office. Synergy has resubmitted the answer in full to PQ 891.

Hugs Referrals			
Aug-08		Aug-09	
6018	3	6003	1
6019	3	6010	1
6020	1	6012	1
6023	1	6014	1
6024	1	6018	5
6025	4	6019	1
6026	2	6021	3
6027	3	6024	1

6030	9	6025	1
6031	2	6027	7
6036	2	6030	9
6037	1	6031	2
6052	1	6035	2
6053	2	6037	2
6054	3	6050	1
6055	2	6051	3
6056	9	6053	1
6059	2	6054	9
6060	2	6055	2
6061	13	6056	8
6062	2	6057	4
6064	3	6058	2
6065	7	6059	3
6066	4	6061	14
6069	3	6062	12
6076	2	6063	1
6082	1	6064	7
6084	1	6065	2
6101	2	6066	3
6107	3	6069	4
6108	2	6076	1
6109	3	6084	1
6110	8	6101	4
6111	11	6103	1
6112	8	6104	4
6147	1	6105	5
6148	2	6107	5
6152	1	6109	5
6153	1	6110	8
6157	2	6111	6
6160	1	6112	11
6163	7	6121	1
6164	2	6122	1
6167	2	6147	1
6168	5	6151	2
6169	2	6152	5
6170	3	6153	2
6172	1	6155	2
6174	2	6156	2
6175	1	6159	2
6210	8	6160	3
6215	1	6162	2
6225	3	6163	2
6230	5	6164	1
6237	2	6167	6
6258	4	6168	10

6280	7	6169	5
6285	1	6170	2
6306	1	6172	1
6312	1	6176	1
6315	4	6180	1
6317	2	6208	2
6324	2	6210	19
6330	4	6211	2
6335	1	6215	2
6395	2	6220	1
6410	2	6224	1
6432	1	6225	3
6530	4	6230	3
6608	1	6233	2
		6258	5
		6280	4
		6285	1
		6302	1
		6308	1
		6312	8
		6315	1
		6316	1
		6317	3
		6318	1
		6321	1
		6324	3
		6330	13
		6401	3
		6409	1
		6410	1
		6415	1
		6429	2
		6432	2
		6503	1
		6528	1
		6530	8
		6536	1
		6603	1
70	215	94	316

ELECTRICITY — AVERAGE RESIDENTIAL BILL, SAMSON

Question without Notice 971 — Answer Advice

HON PETER COLLIER (North Metropolitan — Minister for Energy) [4.34 pm]: I have the required information in answer to Hon Kate Doust's question without notice 971 regarding the average electricity bill in the suburb of Samson, asked on Tuesday, 13 October 2009, and I seek leave to have it incorporated into *Hansard*.

Leave granted.

[See paper 1427.]

The following material was incorporated —

a) \$170.40

b) \$0.00 * No customers were billed during the month of August in Samson. Most residents in Samson are on a billing cycle which results in few accounts being sent out in August.

c) \$167.93

d) \$178.66

e) \$154.75 * Only a small number of customers were billed during the month of August in Samson, thus the average may not be meaningful as it is based on too small a sample. Most residents in Samson are on a billing cycle which results in few accounts being sent out in August.

f) \$215.30.

GAS SUPPLY (GAS QUALITY SPECIFICATIONS) BILL 2009

Second Reading

Resumed from an earlier stage of the sitting.

HON LJILJANNA RAVLICH (East Metropolitan) [4.34 pm]: I welcome the opportunity to continue my remarks in respect of this bill. I made some comment in my earlier contribution to the second reading debate on the Gas Supply (Gas Quality Specifications) Bill 2009 about the regulations. There is no doubt that a lot of the detail of this legislation will be contained in the regulations. Having looked through the documentation, I also understand that some aspects of the regulations—for example, matters relating to changes to contractual arrangements between parties—will not be able to be made public because of commerciality and confidentiality agreements, but I do think the minister should be in a position to outline some of the broad parameters of the types of issues that may need to be amended if and when this legislation passes through Parliament.

Without doubt, the real changes to this legislation begin at part 2 of this bill. Part 2 deals with the issue of gas quality and the capacity of the gas transmission pipelines. There is no doubt that the control of the quality of gas and related matters is really central to the effective workings of this legislation. A whole range of issues have the capacity to perhaps become problematic, and I refer to issues regarding priority pipelines and dispute resolution. Often, when issues need to be resolved between parties who have entered into contractual agreements, unless there is clarity in the legislation, it is often left to the courts to deal with these matters, which process can become quite protracted and very, very expensive. The opposition wants some assurances that the appropriate checks and balances relating to dispute resolution are included in the legislation so that there is minimal risk of either party—or a number of parties—ending up in stand-up, knock-em-out, long and protracted legal battles in the Supreme Court, and possibly even the High Court of Australia. The opposition wants the minister to demonstrate some understanding of these matters, because we know that the minister takes a very keen interest in these things. I am certainly going to be very, very interested to drill down to some of the detail, minister, so that this house can be assured of the minister's technical knowledge and understanding of this legislation. I am sure that the minister, with his infinite ability and wisdom, will no doubt have mastered the technicalities.

Hon Peter Collier: There was ever so slight a smile there!

Hon Kate Doust: She's being very nice to you.

Hon LJILJANNA RAVLICH: I have been very, very charitable to the minister. He has a head as big as a watermelon and he thinks he knows everything, and, quite frankly, I want to put him to the test. There is nothing wrong with that! I am sure the President will want to hear this: there are a number of parts to this legislation that are very, very technical, and I have to say to the minister that because he has had some question about my ability, he has now forced me to question my own ability. I want the minister to be able to convince me that I am making the correct and right decisions on behalf of the people of this state. Therefore, the minister's technical expertise and knowledge of this legislation will be very, very important. I have to act in the best interests of the people whom I represent in this place, and I want to ensure that I do so. I will only be able to achieve that outcome with the minister's assistance. That is a fair enough call, is it not? This legislation will be of benefit to the state. I do not think anyone could disagree with its objects. It is probably long overdue in some respects, but it may well be that we are at a certain point in the evolution of the gas market, not only in Western Australia but also nationally and internationally, so we must now face new challenges. Many factors impact on the industry. For example, we know that there are many barriers to gas supply, and there are a range of ways to manage those issues. Time does not permit me to go into all those areas, but one of the barriers to gas supply is the question of gas quality. It has been on the public record for a number of years now that the Western Australian government should consider the costs and benefits of revising the Western Australian gas standards regulations to comply with national standards. Apart from achieving its four clearly stated objectives, there is probably a fifth objective

of this legislation. I anticipate that these specifications will be in accordance with an Australian standard. Will the standard contained in the bill now before the house bring state standards into line with the national standard?

Hon Peter Collier: It is the aim of the legislation to work towards a national standard. That will be done in consultation with industry and technical experts. Essentially, this will bring it to an Australian standard, because our standard in Western Australia at the moment is higher than the Australian standard.

Hon LJILJANNA RAVLICH: The minister will be able to explain to us where those gaps are, and the time frame within which he will be able to align the state standards with the national standards, so that we have a single national standard. There are some issues that concern me.

Hon Simon O'Brien: You would be looking forward to the committee stage, then.

Hon LJILJANNA RAVLICH: I am looking forward to the committee stage, because the detail of this legislation shows that there are some costs surrounding some of the issues. For example, some appliances manufactured before 1980 may be incompatible with some of the changes that are being made. We need to know the magnitude of that issue, because we may be talking about appliances in schools and hospitals as well as consumer appliances. We may be talking about many millions of dollars.

Hon Max Trenorden interjected.

Hon LJILJANNA RAVLICH: My learned friend, Hon Max Trenorden, has reliably informed me that we are talking about multi-million dollars. We do not want to see the minister bringing in legislation that will pass the costs back to communities, individuals and organisations. There should be no further cost impost on schools, hospitals and so forth; the government has done enough damage in that area. On behalf of those organisations, I want to drill down and have a look at the implications of this legislation. We are going to unpack this legislation bit by bit to determine what it really means for those groups and organisations. The minister may look at me from over there and —

Hon Peter Collier: No, your altruism is commendable.

Hon LJILJANNA RAVLICH: I thank the minister very much; that is very nice of him.

Hon Norman Moore: I'll get you a dictionary!

Hon LJILJANNA RAVLICH: The Leader of the House should not worry about it. I can speak English and I can read, so we are two-thirds of the way there!

Several members interjected.

Hon LJILJANNA RAVLICH: Is the minister saying to me that I should not raise these issues?

Hon Peter Collier: Which particular issue?

Hon LJILJANNA RAVLICH: All of them, but in particular the appliance issue which I have just raised and about which the minister has chosen to make adverse comments.

Hon Peter Collier: I did not; I said that I commend your altruism. You will find that with the appliance replacement scheme, there will be no cost; in fact, there will be a benefit because they will get a new appliance.

Hon LJILJANNA RAVLICH: In that case, the minister can provide me with the figures for that. I would be more than happy to see the modelling that shows how he will get to a position whereby it will not cost one school, one hospital or one family. If the minister provides me with the modelling, that will satisfy me. All too often he comes into this place and makes throwaway lines—"She'll be right", "There won't be any cost" and so on—but we know that he is telling falsehoods. It is totally unacceptable and I am not going to cop it, and neither will the people I represent. If the Leader of the House does not like me standing in this place and making a contribution because it interferes with his program, that is just too bad; that is my job and that is what I get paid for.

Several members interjected.

The PRESIDENT: Order! I am really keen to hear a bit about the bill. I think it says "gas" in the title.

Hon LJILJANNA RAVLICH: It does say "gas". Not only are we talking about gas appliances, but also a program is devoted to gas appliances. Can members imagine what impact this legislation will have on unemployed people, those on welfare or those who have hit hard times? These people, who will not be in a position to replace their gas appliances, will suddenly realise that they cannot boil their kettle to make a cup of coffee. Quite frankly, if that were to happen to me, I would be very disturbed because I love a cup of coffee in the morning. I think people have the right to know —

Hon Robyn McSweeney: Now this is not about gas, surely.

Hon LJILJANNA RAVLICH: It is about gas because people need gas to boil the kettle to make a cup of coffee, for goodness sake!

Several members interjected.

Hon LJILJANNA RAVLICH: This is serious, honourable Leader of the House, because there is a program devoted to the issue of appliances. A lot of people will want answers to the questions that I am asking. The minister has put on the public record that there will not be any cost and that, in fact, people will be better off. I have legitimately asked the minister to provide me with costings to show that they will be better off with their appliances. If he is telling me that he is going to deliver a new-for-old offer, so be it.

Hon Peter Collier: Did you read the explanatory memorandum?

Hon LJILJANNA RAVLICH: The minister will get the chance to explain. That is my concern. In principle, I think this bill is a good bill. It certainly seeks to do some very positive things. I think in the long run we will be —

Hon Simon O'Brien: How can you say that it's a good bill? You haven't read it!

Hon LJILJANNA RAVLICH: Of course I have read it.

Hon Peter Collier: Did you read the explanatory memorandum? Did you go to the briefing? It would have answered all your questions.

Hon LJILJANNA RAVLICH: I could not make it to the briefing.

Hon Peter Collier: I know you're too busy. I can't get over it.

The PRESIDENT: Order, members! We cannot make any progress if there are continuous interjections. I am sure that the member wants to get to the point, so I encourage her to do that.

Hon LJILJANNA RAVLICH: The point that I want to make is that I fully support the objects of this legislation. I think it is good legislation. Unfortunately, I have some reservations about how much will be covered in the regulations. The good thing is that at least we will be able to disallow the regulations if we do not find them satisfactory. But there are many, many unanswered questions about this legislation and I certainly look forward to the committee stage of this bill.

HON PHILIP GARDINER (Agricultural) [4.50 pm]: There is little that I need to add, as I do not intend to repeat many of the good comments I have heard made by other speakers. I took particular notice of comments on this bill by Hon Max Trenorden, and of a number of the comments by Hon Ljiljanna Ravlich. They referred mainly to the macro areas, and I propose to look at some of the micro areas—maybe not in great detail, but some aspects. It is a complex area. The strategic objective of this bill is to allow broader specification gas to flow from gas fields to consumer users in Western Australia. It is a bill for us—the consumers. However, all the current contracts that exist—there are a number—will be overridden by this bill. This is a typical example of large suppliers of a bulk commodity having to move the commodity. It is an interesting logistical exercise, and this bill aims to streamline that process in a way that adds efficiency, better delivery and more security to what exists for gas in this state.

The implication of this bill is that new gas sources can come into our system. It will give us security of supply because we will not be relying on one supplier of gas, and a number of gas suppliers will be coming into the area of logistic support, which is the pipeline that delivers the gas to where the users are. This bill has a mechanism to deal with the different qualities of gas, as has already been discussed. What is more, it deals with the implications for replacement of utilities for consumers who will be unable to process gas with the new specifications coming down this fixed cylindrical pipeline.

I wish to deal with the micro side—the practical side. As Hon Ljiljanna Ravlich said, big players are involved in this area. We have big gas producers, big players operating the pipelines and big end users, who in some cases use the gas before it is distributed. We have significant players who will be affected by the legislation and, more importantly, how we administer that law through the regulations. The contracts occur between each node. There is a contract between the gas supplier and the pipeline contractor. Then there is a contract between the pipeline and the recipients, close to the market. Then, of course, there is distribution between the recipients to the end consumers. A number of issues are relevant in a very crucial field because it is to do with energy.

I want to go through some aspects of this bill. I feel comfortable about this bill; it is a very well-crafted bill, notwithstanding that a lot of regulations are yet to be defined. It is much better having a bill with principles in it, in which the flexibilities can be taken into account through the regulations, or where the regulations can be modified in the future after being first set up to deal with the realities, which can never all be predicted.

The bill defines a gas contract as any contract which is there. Therefore, all the existing contracts will be overridden. The notes to this bill state —

These regulations will be the subject of further development in consultation with industry and on receipt of advice from a technical expert.

These contracts have to be amended because of the intermingling of gas; that is the basis for it. The implementation of this scheme should not result in loss or detriment to any of the parties of a contract. There are a lot of sensitivities with the big players, and I think that is one of the concerns that Hon Ljiljana Ravlich raised when she asked whether this bill would be sufficiently robust to deal with the inevitable disputes that will occur as the utilisation of this legislation comes into play.

Again, I think that in the drafting of this gas supply bill, the language takes into account a number of the difficulties that can occur.

Point of Order

Hon KATE DOUST: Mr President, you might remind members of the standing orders about reading newspapers in the chamber.

Hon Norman Moore: He's reading his speech not the newspaper!

Hon KATE DOUST: I was not referring to the member on his feet; I was referring to other members.

The PRESIDENT: If that applies to any member, I ask them to have a look at the standing orders and take note of them.

Debate Resumed

Hon PHILIP GARDINER: I think the language in this bill is very pertinent because it is a mix of language and law. For example, it says that if there is a new pipeline impact agreement or a pipeline impact agreement has been amended, it will not have effect for 18 months. That 18-month time frame is provided for in the bill because the consumer side will need to adapt to the different specification of the gas that will come down the pipeline. Therefore, the gas suppliers need to have time to alert the consumers to whom they are selling the gas to adapt to the new specifications as well. Of course, that 18-month provision can be overridden by the regulations and by the minister; therefore, elements in the bill, I think, are applied in a very practical way.

Another issue is: who really has the dominant position? As I read this bill, the dominant position is held by the pipeline operator, because if pipeline operators were getting gas that is outside the specifications, they could lodge an injunction with the gas supplier in the courts and stop the gas coming in. If the pipeline operators have any particular difficulty with the ways in which the gas comes into their pipelines, they have the whip hand; that is, the pipeline operators will have the power of the law on their side as a result of this bill and that, in my view, is where it needs to lie. The minister, of course, also has a number of powers in this bill because the 18-month period to allow for changes in the heat value of the gas that comes down the pipeline can be shortened if the implications for consumers will be negligible.

The resolution of disputes is also, I think, pretty well set out because the bill provides for an arbitrator and a technical adviser in cases in which any specifications that may be different from those agreed to can be worked out on a technical basis. Throughout this bill the modification of the gas contracts, the actual operation of the gas contracts and the general provisions make sense, to my mind, of a complex area involving large corporations. As Hon Ljiljana Ravlich said, we do not want to involve the courts unless we absolutely have to and I think this bill is robust enough to bring most of that into play in a sensible manner.

Another aspect I like about the Gas Supply (Gas Quality Specifications) Bill 2009, which I would like to see in every bill that comes through this house, is that there will be a review. This legislation will be reviewed by the minister in 10 years' time to see whether it is relevant or should be amended, and the review will be tabled in each house of Parliament. I must say that I would like every bill that we have in this house, be it a criminal, civil or any other form of bill, to have a review period so that we do not have bills resting on the shelf that are outdated, have gone beyond their usefulness or should simply be changed. I am very supportive of the bill and I am sure my National Party colleagues will be as well.

HON PETER COLLIER (North Metropolitan — Minister for Energy) [4.49 pm] —in reply: I thank honourable members for their contributions to this bill. I can see by the contributions that have been made to this bill that there is an enormous amount of interest in it because it goes a long way to ensuring that we as a government are doing all that we possibly can to ensure that we have gas supply and gas security in this state. I will go through the comments and questions of various members and the issues that they may have had with the bill. It is a good bill because it does something that is pragmatic and necessary.

Debate adjourned, pursuant to standing orders.

PAPER TABLED

By leave, a paper was tabled by **Hon Peter Collier (Minister for Energy)**.

CO-OPERATIVES BILL 2009*Assembly's Message*

Messages from the Assembly received and read notifying that it had agreed to the amendments made by the Council to the Co-operatives Bill 2009.

ADJOURNMENT OF THE HOUSE

HON NORMAN MOORE (Mining and Pastoral — Leader of the House) [5.02 pm]: I move —

That the house do now adjourn.

John Newby — Western Australian Fishing Industry Council — Adjournment Debate

HON JON FORD (Mining and Pastoral) [5.02 pm]: I rise this evening to talk about the subject of a couple of questions this week to the Minister for Fisheries on some matters around claims by the chairman of the Western Australian Fishing Industry Council, Mr Newby, and correspondence between the Minister for Fisheries and his office. In a conversation I had with Mr Newby, he told me that he had raised the matter first with a number of other people and he did not want to raise it with me. He did not want to politicise the issue because he did not think it was in the best interests of the relationship between the Department of Fisheries, the fishing industry, the minister's office and the minister. He sought to resolve the issue. I became aware of it only when I read about it in *The West Australian* some two weeks after the event.

Hon Norman Moore: So did I, as a matter of interest.

Hon JON FORD: Mr Newby told me that he was walking his dog along a beach when he had a phone call. He said that he was John Newby and the caller hung up. The phone indicated the minister's office number. He rang the number and said to the person who answered the phone that he was John Newby, that someone had phoned from the office and could the person check who it was. The response was that there was nobody at that number and that a check with the office showed that nobody had spoken to him. He said that somebody had because the number had registered on the phone. The person he spoke to said it would be either the minister or his chief of staff and it would be checked. He was then told the minister's chief of staff was not there. When he got home he found that his partner was fairly distressed. She played him a phone message that had been left while he was out walking the dog. He has not played the message to me.

Hon Norman Moore: I asked him to play it to me so that I could hear it, but he does not have it any more.

Hon JON FORD: He got the impression that he was being asked to resign. There could have been a communications issue. The way that he told the story to me and how he recalls it is that the minister wanted to address the WAFIC board of directors and to make some substantive changes, which included a change in the face of the Western Australian Fishing Industry Council, including some of the directors moving on and being replaced. He took that as the minister wanting him to go, and he was upset. But he was more upset by a message left on his phone by the minister's chief of staff. In his mind he had tried to contact the minister's office in response to a call he had received that had been cut short, so he did not know who had rung him. Subsequent to that he got a phone call from—I do not know the time line—Mr Stuart Smith, the chief executive officer of Fisheries, asking him to rescind his resignation because it would be bad for the industry at that time. His response was, "Why doesn't the minister ring me? He just needs to pick up the phone." He left the CEO with that message and he waited around for a message for about two weeks. In a subsequent conversation, nearly two weeks later, he said to Mr Stuart Smith, "Well, I haven't heard from the minister, so my resignation stands." Even at that point, he was not trying to cause trouble. In fact, he sent a notice of resignation to the members of the Western Australian Fishing Industry Council and someone sent the letter to the media. Even at that point, he was telling the media that he did not want to comment. But, for whatever reasons, he decided that he needed to respond to any inquiry made to him from Geraldton. I am not sure which arm of the media it was—the ABC, or whatever. I do not understand. The minister has told the house that he was unaware of those phone calls. He was certainly made aware of the phone call at the same time I was because he would have read the paper and someone in Media Monitors —

Hon Norman Moore: I got a copy from the media the day before it was published in the paper, and that is the first I heard about it.

Hon JON FORD: He must have known that Mr Newby was a distressed man, looking for —

Hon Norman Moore: Not at all. Until I got that letter, I did not have a clue that he was distressed. I didn't even know a phone call had been made.

Hon JON FORD: Did the minister ask the CEO of Fisheries to ring him?

Hon Norman Moore: They said he had been tapped on the shoulder and he was going to go, so I said, "How about asking him to stay on because it's only another month to the AGM?"

Hon JON FORD: He felt that he had been tapped on the shoulder by the minister.

Hon Norman Moore: Not by me; I can assure you of that.

Hon JON FORD: No, but that is what he felt.

Hon Norman Moore: Then that is not true. I did not have any involvement at all in any suggestion that he should go.

Hon JON FORD: I am glad it is not true. Mr Newby has been a major contributor to the fishing industry in Western Australia for a long time, particularly the rock lobster industry. As the minister is well aware, he has been pursuing changes in WAFIC and he has had some success. I am concerned because a lot of water passed under the bridge and there was a lot of communication through the minister's office before the minister intervened and rang him.

Hon Norman Moore: I was not aware there was a problem of this sort. As soon as I was aware, I rang him.

Hon JON FORD: So there is a problem with your office, especially if someone as close to the minister as his chief of staff —

Hon Norman Moore: You would know about chiefs of staff.

Hon JON FORD: I know all about chiefs of staff.

Hon Norman Moore: Of course you do.

Hon JON FORD: The issue I have is ongoing. But this is a shot across the minister's bow to sort out.

Hon Norman Moore: You are assuming that one person's version of events is correct and not the other. You need to understand that sometimes there are two sides to a story.

Hon JON FORD: I know that there are two sides to every story. I could have done the political thing and just attacked the minister.

Several members interjected.

The PRESIDENT: Order! We are nearing the end of what seems to have been a very long week. I know that some members are tired because of the late-night sittings. However, I ask members to be courteous and listen to members in silence.

Hon JON FORD: I see from the Leader of the House a growing trend to either dodge responsibility or —

Hon Norman Moore: In what respect are you making that comment?

Hon JON FORD: That is what I am hearing about his office. The minister says, "It wasn't me. I didn't know." This is a significant player in the industry, yet the minister was not even aware of what was going on or why it was happening. The minister should have been aware if the chairman of the Western Australian Fishing Industry Council was not at the annual general meeting and had handed in his letter of resignation.

Hon Norman Moore: I haven't seen the letter of resignation. It wasn't given to me.

Hon JON FORD: The minister is still going. The Leader of the House blamed us for filibustering. The government filibustered its own Criminal Code Amendment (Graffiti) Bill 2009 because the government did not adequately manage the business of the house. The government controls the house. The Leader of the House complained that we were filibustering. The government is in control of the house. Fishermen, and particularly rock lobster fishermen, are struggling. The Minister for Fisheries is responsible for them. The federal Minister for Agriculture, Fisheries and Forestry has offered the government a lifeline and explained how the issue can be resolved.

Hon Norman Moore: Do you know what the lifeline was? It was a commonwealth takeover. Do you agree with that?

Hon JON FORD: The minister has tried to turn it around by saying that the federal government collects the taxes. The federal Minister for Agriculture, Fisheries and Forestry is not responsible for the fishery; the Minister for Fisheries is. The Minister for Fisheries has tried to turn it around and is saying that it is the federal minister's responsibility. The Minister for Fisheries is responsible for it and for the business of the house. He is responsible also for the communications between his office and the fishing industry and for looking after the rock lobster industry. The government has the means and the legislation to do that.

Hon Norman Moore: Tell them about the advice that you got as the minister.

Hon JON FORD: Why does the minister not just do his job?

Hon Norman Moore: You're a fraud.

The PRESIDENT: Order! Let me make it clear. If the Leader of the House wants to make a statement, he will get the call. Everyone is aware that that will close the debate. Another member has indicated that he wants to speak. I am prepared to give Hon Jock Ferguson the call unless, of course, the Leader of the House —

Hon Norman Moore: I would like to get a chance to respond to that drivell.

Gorgon Project — Local Content — Adjournment Debate

HON JOCK FERGUSON (East Metropolitan) [5.12 pm]: I rise to address the issue of the Gorgon project. I addressed this matter on 22 September in a previous adjournment debate. Some of the issues I raised then related specifically to local content and to how much the Western Australian industry was likely to be involved in the project. During the course of that address, I mentioned that I had consulted with the industry. The major stakeholders were very concerned about how much work local industry, and particularly fabricators, would gain from the Gorgon project. In saying that, I would like to read into *Hansard* a copy of a news article from the *Western Australian Business News* of Thursday 24 September, which was published two days after I made my remarks in the house. It is headlined “Local industry will struggle to compete on big projects” and it states —

Politicians were wrong to claim the \$43 billion Gorgon LNG project alone would keep all the state’s workshops ticking over, leading engineers and contractors have warned.

In reality, most high-end LNG work would continue to be lost overseas due to Australia’s poor record of building the specialist skills base needed by the industry.

“We as an industry in Australia started way too late in developing oil and gas human capital,” Neptune Marine managing director Christian Lange said.

“So where are we going to get experienced people from? They’re going to have to come from overseas.”

Mr Lange was scathing of Premier Colin Barnett’s recent claim that Gorgon would keep Western Australia’s workshops busy for years.

“That is a fictional story, it’s out of the Brothers Grimm, because it’s simply not possible,” he said. “One we don’t have the expertise, two we can’t compete on price, and three all the major (project developers) will automatically default to the big international service companies for certain parts because they are lower risk.”

Most observers believe Gorgon will struggle to achieve better than 50 per cent local content, compared to more than 65 per cent for Woodside’s Train 4 LNG expansion at the North West Shelf.

Steve Jones, chief executive of oil and gas plant specialist Plexal Group, said companies providing services that could not be exported, such as site works or logistics, would clearly be the main beneficiaries of Gorgon.

“If you look at Gorgon, probably 75 per cent of it is going to be done overseas ... in countries which have spent the last 20 years increasing their skills,” he said.

“Certainly if you’re in ... (services) that can’t be exported offshore, you’re going to really enjoy the next 10 years. But if it can be exported offshore, I don’t see a huge amount of benefit coming into WA.”

John Sheridan, managing director of plant fabricator Ausclad Group, agreed that a significant portion of work would have to be performed locally.

“You can’t dig a hole for Gorgon in China,” he said.

But winning higher-end work would depend on LNG proponents’ commitment to award at least some of that work locally.

Ausclad is bidding for a share of the processing module fabrication work on the understanding that price would not be the only factor in the tender process.

“We wouldn’t bid it if we knew the decision was just going to be straight on price,” Mr Sheridan said.

“But there’s been encouragement for us to look at it because of Gorgon’s statements that they want part of it fabricated in Australia.”

All three men said that greater incentives, such as tax breaks, for technology research and trades-based training would help Australia better capitalise on emerging LNG opportunities.

Three industry experts have confirmed some of the things I said on 22 September in the adjournment debate. This government is flip-flopping around. It did not know what it was talking about when it said it would get 70 per cent local content, then it reduced it to 50 per cent. The government is relying completely on the work that must be done here, such as the construction, the man hours that go into construction, the civil works and the

earthworks. These things have to be done in Western Australia and cannot be done overseas. Again, this government has no vision in regard to local content. It does not really know what is going on. The thousands of jobs that the government, in particular the Premier, is talking about are jobs that will come naturally from the Gorgon project. They will not be the jobs that we should be pursuing in the fabrication industry, jobs, which most probably—I hope they will not—will go offshore to the detriment of the industry, the detriment of the economy and the detriment of the Western Australian community.

John Newby — Western Australian Fishing Industry Council — Adjournment Debate

HON SALLY TALBOT (South West) [5.18 pm]: I will make a few brief remarks because I know that there is at least one other member who wishes to speak in this debate. Before I refer to what I intend to speak about, I will make a couple of comments about the interjections we heard earlier in this debate from the Leader of the House. A member on this side raised a question about a considerable degree of distress that has been caused to somebody who has an association with the minister through an industry body. The minister, instead of taking responsibility, tried to suggest that there are two sides to every story. He tried to create the impression that there is a level playing field here. This is one of the big problems with this government.

I will put one point to the honourable member, because it may be something that has not occurred to him previously. This is not a level playing field. When a minister, or somebody purporting to speak for a minister, is putting a point or arguing with a member, it is not a level playing field. It is a question about the distribution of power in relationships. I am happy to have a longer conversation with the honourable member if it is something that he is interested in. When we have unequal power relationships at play, it is not a level playing field. It will be a refreshing day when we see government members, particularly ministers, take responsibility for the power that inevitably goes with their position. I will leave my comments there and move on to the issue I want to raise in this debate.

Naturebank Program — Minister for Environment's Comments — Adjournment Debate

Hon SALLY TALBOT: Earlier in question time the Minister for Environment, not exactly by way of interjection but as a preamble to a question with which some notice was given by Hon Ljiljanna Ravlich, welcomed what she saw as a positive attitude by Hon Ljiljanna Ravlich to this new Naturebank program. The minister indicated, by way of an aside, that I had been very negative about it. I want to clarify my attitude to the Naturebank program and perhaps point the minister to a misunderstanding that she has about the nature of my comments.

I made three comments in my response to the announcement of the Naturebank program on Thursday, 8 October. Firstly, why would we trust the government when it comes out with a suggestion to free up the arrangements for putting developments into national parks? Secondly, DEC is sitting on a huge black hole in its budget and it is looking for a way of making money. Is this just a way to put some much-needed funds into its coffers? The third point I made related to the fact that there was no detail in this announcement. We were being asked to take on trust the announcement by the Minister for Environment and the Minister for Tourism that we would see more tourist accommodation development in national parks. I think I was being entirely reasonable when I made those three points. I wanted to start by saying that.

In no way do I, in particular, or the Labor Party in general want to stand in the way of sustainable development. In fact, as Hon Ljiljanna Ravlich pointed out by way of interjection, the government's Naturebank program was started by us in about 2002. There is no way that I am not supportive of the basic premise and the underlying philosophy of the Naturebank program. On several occasions over the years I have visited the Nanga Brook campsite outside Dwellingup. It is a fantastic place. It is a great place to take kids. In fact, I first discovered it when my son went there twice in successive years on a school camp and I stayed there. It is a very fine, if not slightly dated, example of how that kind of development in very sensitive areas can work really well. More recently some friends of mine spent time at the eco development outside Broome, which I think disappeared in a cyclone a few years ago.

Hon Jon Ford: It's been rebuilt now.

Hon SALLY TALBOT: Yes, it has now been rebuilt. My friends had the most wonderful time there.

Hon Donna Faragher: Eco Beach.

Hon SALLY TALBOT: Yes, that is the one. I thank the minister. All the reports were that these people were very clued up on environmental sensitivity. My friends came back with absolutely glowing reports. It can be done superbly well.

My point was: why would we trust this government? It has had two great brainwaves in recent months. One was to rescue the economy of Hopetoun after BHP pulled out by building a bitumen road through Fitzgerald River National Park. That went down like a lead balloon. I do not think the Minister for Environment was even consulted by the Premier before he announced that. She has not publicly expressed any reservations about that

proposition, even though this is a dieback area. She must be worried about it. The second is the move by the Minister for Transport, presumably with the backing of the Minister for Environment, to drive a major highway through a pristine wetland. I am talking about the Beeliar wetlands and the government's proposal to extend Roe Highway. We found out only yesterday in question time in this place that this extensive survey on the highway that the government is spending millions of dollars carrying out in the south metropolitan area, the so-called community consultation, will not include a "no" option. What sort of community consultation is that? Talk about loading the questions! The community is being asked to involve itself in a consultation that does not enable it to say no. What a joke. That was my first question. Why would we trust the government and take this announcement at face value?

My second question is about the black hole in the middle of DEC's budget, which is getting larger by the day as far as we can make out. We will be able to tease this out in some detail when we eventually get to debate the Waste Avoidance and Resource Recovery Amendment Bill. I am concerned about departments being given a revenue stream that comes from activity that is basically antithetical to the core functions of those departments. As I have said, we will be able to tease this out in some detail when we talk about the government's plan to end the hypothecation to the waste account from the landfill levy.

What we have in this announcement is at least the possibility—I want to hear that it is not true—that DEC will be in charge of both the licensing and the regulation of leases in extremely vulnerable and sensitive environmental situations. DEC will not only be doing the regulating, but also it will be collecting the rents, at a time when it is desperately looking for money. There is a fundamental problem with that whole concept of program planning.

My third question is about the details. We do not really know who is going to do these assessments. There are some very fine examples in the world of world best practice principles. Not all my colleagues in the environment movement would agree with me, but I believe that the tourist development that is taking place in Yellowstone National Park in the United States of America provides us with an excellent example of world best practice principles.

What adds to my concern is the response from the Minister for Environment to the question asked today in question time by Hon Ljiljana Ravlich about Kurrajong, which is the first site that is to be developed under the Naturebank program. The question states, in part —

- (4) Was an environmental impact assessment undertaken for the site at Kurrajong?
- (5) If yes to (4), will the minister table that assessment; and, if not, why not?

The minister's response was that no environmental impact assessment has been undertaken for that site. I asked the government a week ago today—I think it was last Thursday—for details about how the Naturebank program is going to work, and I still am not getting answers to that

Hon Donna Faragher: Hello! I'm here!

Hon SALLY TALBOT: Mr President, perhaps you would remind the minister that she does not have the call; I do. The minister has plenty of chances to do this. This is part of the original point that I made. Ministers have a lot of power. Give me my 10 minutes here. What we have heard today is that no environmental impact assessment has been carried out for the Kurrajong site. I have to say that it is now one week after this program was announced, and not one of my concerns has been allayed. I assure the member that I am not the only person on this side of the house who has these concerns. I will wait to hear whether the minister has a response to that.

John Newby — Western Australian Fishing Industry Council — Adjournment Debate

HON NORMAN MOORE (Mining and Pastoral — Leader of the House) [5.28 pm]: I want to respond to a couple of matters raised by Hon Jon Ford. The first matter is in respect to Mr Newby. I called a meeting of the Western Australian Fishing Industry Council board, and other industry leaders, to discuss the serious issues concerning WAFIC—internal disputes; serious problems within that organisation. I also wanted to tell them what the government had in mind for WAFIC to become the peak body representing the total fishing industry, and how we would go about doing that. Ahead of the meeting, my chief of staff rang all the board members, and all those who would be coming to the meeting, to explain to them what the meeting was all about so that they would get it from the horse's mouth. He left a message on Mr Newby's phone. The message was to the effect that the meeting had two purposes—to talk about the renewal of WAFIC; and to talk about new funding arrangements, because if WAFIC did not want to be the peak body, we would need to look at different funding arrangements. Mr Newby interpreted that as a suggestion that he should resign from the chairmanship of WAFIC. That was his interpretation. That is not the interpretation of my chief of staff. I have not heard the message, so I do not know who is right and who is wrong. The bottom line is that they do not agree. However, my chief of staff is of the view that Mr Newby could have misunderstood him and taken that as a suggestion that as part of the renewal, he should stand down. I was not aware that my chief of staff had made those phone calls.

The next morning Mr Newby rang my office and left a message asking me to call him, which I did not get until about an hour before the meeting was due to be held. I determined not to call him because I thought he would be coming to the meeting. When the meeting began and Mr Newby was not there, I asked where he was, because he was the chairman. I was told that he was not coming and no further explanation was given. I assumed that he was sick or could not make it for some other reason. The meeting was held and it was a very productive meeting; the participants left the meeting understanding the circumstances and it was my impression that they had accepted the fact that the government was right, that we needed to make these sorts of changes, and that this was the way to go. It was a good meeting.

Some days later I was advised that Mr Newby had resigned as chairman of the Western Australian Fishing Industry Council; that was news to me. However, I was aware that some members of the WAFIC board were not satisfied that Mr Newby was continuing as chairman and, indeed, at least one of them had been to see him to ask him to not renominate. I will tell Hon Jon Ford that person's name behind the chair, so that he will understand what I am talking about.

Because I was not aware of the phone call that had been made by the chief of staff, I was not aware of the reasons for Mr Newby being upset, and I assumed that these other circumstances were the reasons for his decision to pull the pin. I asked Mr Smith, the CEO of the Department of Fisheries, whether he would be kind enough to ring Mr Newby to tell him that we would like him to stay on, because the annual general meeting was due in a month and it would be in the interests of WAFIC for him to stay on for that time. He could then make up his mind whether he wanted to renominate as chairman. Mr Smith advised me that Mr Newby had informed him that he would not reconsider his position and that, in fact, his resignation stood.

About a week later I was told by Robert Taylor that Mr Newby had sent a letter to members of the WAFIC board that had subsequently been made public, in which he made these allegations in respect of the phone call. When I received a request from *The West Australian* to explain the circumstances, I did so and it appeared in the newspaper. I tried to ring Mr Newby the next day but could not get him. I left a message and he rang me back the following day. We had a long discussion and I explained the situation to him. It was my understanding that he understood the position as I had expressed it. At his request, I have written to the acting chair of WAFIC, explaining the situation and apologising on behalf of our office for the fact that Mr Newby had misunderstood the message that had been left by the chief of staff.

What Mr Newby does from now on is his business; it has nothing to do with me. Yesterday I introduced legislation that will seek to change the way in which the fisheries industry is managed in Western Australia. It is my intention that WAFIC be the peak industry body so that I can have one source of advice on the fishing industry instead of half a dozen. As Hon Jon Ford would know, having been Minister for Fisheries, I currently get different advice from about half a dozen different groups. They leave the minister to make a decision, and in my view that is not appropriate. I want WAFIC to provide an industry point of view, and we will collect its funding from fishermen. We have said to WAFIC that if it wants us to continue down that path, it will need to lift its game so that I can be confident that on all occasions, the advice that it provides to me represents the views of the industry. That is the path we are heading down. I hope the outcome is that WAFIC will get its act together. Indeed, it has a new CEO, Anna Cronin, who I think is doing a very good job. It will decide on the structure of its board at its AGM, and I look forward to seeing some renewal of that organisation.

The former minister has criticised me on the issue of rock lobsters, and claims that I do not care about rock lobster fishermen. I do care, but I will say that I did not cause the puerulus problem, and I did not cause potential overfishing in the past. I have been Minister for Fisheries for only one year. I walked into a mess, and I am trying to fix it. The former minister is saying that I should somehow finance people out of the industry. I wrote to the federal Minister for Agriculture, Fisheries and Forestry to ask him whether he would look at exceptional circumstances provisions being applied to this industry, just as they are to other primary industries. He wrote back to say that he would not, that it is a different situation, but that if I wanted the federal government to take over the management of the rock lobster fishery in Western Australia, he would think about it. I would like to know what the former minister thinks about that proposal, because I have to say that it fleetingly crossed my mind to say, "Yes, and you can have it at lunchtime today; I'll give your phone number to all the rock lobster fishermen and they can ring you tonight to tell you all their problems". I can tell the member that he would give it back straightaway. If that is what the honourable member wants to do, he can tell me, but I have looked at whether we need a fisheries adjustment scheme for rock lobster, just as Mr Ford did. In 2007 he asked the Rock Lobster Industry Advisory Committee whether there should be a fisheries adjustment scheme for rock lobster. Its advice to Hon Jon Ford, which he obviously took, was that a FAS is not a viable option for bringing about economic reform in this industry. I have sought additional advice, because I am looking at ways and means of sorting this out. The latest advice I have is that it would cost existing fishermen about \$60 million to \$80 million to buy out the ones that want to get out, which they simply cannot afford. The state government cannot afford it either, and why should we anyway?

I also have advice that the lease market is very strong at the moment and has a healthy trade-in price for units. The Department of Fisheries has suggested that the buoyancy of the marketplace in respect of involvement in the rock lobster industry is such that a restructure is unnecessary at this time. As a former minister, Hon Jon Ford should sit down and actually take his job as a shadow minister more seriously. The honourable member has a motion on the notice paper about what we should do with the west coast demersal scalefish industry. The motion lists all the things we should do. I thought the list sounded familiar when I read it. It is all the things that were put in a document produced for the former Minister for Fisheries about what should happen to that fishery. We have already done nine out of 10 of them; they are already in place. He has put it on the notice paper now that we should do it! We have already done it! It has been in place since January this year.

Hon Jon Ford: Bring the debate on!

Hon NORMAN MOORE: I would love to, because I would love to go through every one of them and explain to the member what we have already done. The only thing we did not agree with in respect of Hon Jon Ford's package fundamentally was the four-month closure. The rest of the measures that were outlined in the document he put forward have been implemented, and he does not even know! That is the tragedy of it: he does not even know! He has a motion on the notice paper saying we should do these things. If he knew that we had already done them, he would not have put it on the notice paper. I will get the notice paper and read it all out to the member, if I have enough time. I suggest to members of the house who want to know about this matter that it is a very, very long motion. Page 6 of the notice paper lists from (a) down to (l) the things we should do. Ninety per cent of those things have already been done! They are already in place, because we accepted what the honourable member wanted to do in respect of all those matters, except the four-month closure. If he does his job more diligently, he will know what is going on in the industry instead of trotting in here with his half-baked propositions that are not based on any facts at all.

Some people have said the honourable member was a failed fisheries minister; I do not agree with that. However, the way he is going now, he is developing a very, very significant capacity to be a failed shadow minister.

Question put and passed.

House adjourned at 5.37 pm

QUESTIONS ON NOTICE

Questions and answers are as supplied to Hansard.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION — FUNDING FROM THIRD PARTIES

1187. Hon Robin Chapple to the Minister for Environment

In reference to funding or research data received by the Department of Environment and Conservation in budget years 2007 — 2008 and 2008 — 2009, -

- (1) How much funding has Department of Environment and Conservation received from third parties in the way of grants, gifts, in kind data and/or by way of environment offsets for the periods 2007-2008 and 2008-2009?
- (2) Of the funding set out under (1), which parties donated that funding, in what amounts, and in what form?
- (3) What percentage of the Department of Environment and Conservation income comes from third parties in respect of grants, gifts, in kind data and/or by way of environment offsets for the periods 2007-2008 and 2008-2009?

Hon DONNA FARAGHER replied:

- (1) The Department of Environment and Conservation (DEC) received \$35,883,694.13 in 2007-08 from third parties from grants, gifts and environmental offsets and \$25,700,453.82 in 2008-09 from grants and environmental offsets. No gifts were received in 2008-09. In respect to in kind data received, DEC is involved in numerous collaborations in scientific research and other programs with third parties, including with other State agencies, Australian Government agencies, universities and private sector organisations. It would be difficult and subjective to attribute a financial value to in kind data. DEC's 2007-08 Science Research Activity Report, published on DEC's website, illustrates the extent of collaborations and partnerships between DEC's Science Division and third parties. If the Member has a question in relation to any particular project, I would be happy to provide that information.
- (2) [See paper 1428.]
- (3) DEC's total income from all sources, including the appropriation from the Consolidated Account, was \$306,205,000 in 2007-08 and \$318,531,000 in 2008-09. Income from third parties from grants, gifts and environmental offsets amounted to 11.7% in 2007-08 and from grants and environmental offsets amounted to 8.1% in 2008-09.

CHILDREN IN CARE — STATISTICS

1206. Hon Sue Ellery to the Minister for Child Protection

- (1) How many children were under the care of the Department of Child Protection (DCP) during the month of August 2009 by district?
- (2) How many of these were placed in non-Government group facilities?
- (3) How many in placements with DCP foster carers, by relative and non relative carer?
- (4) How many in placements with non-Government organisation foster carers, by relative and non relative carers?
- (5) With reference to children under the care of the DCP, how many allegations of child abuse were reported in the month of August 2009?
- (6) What was the category breakdown of these allegations, -
 - (a) sexual;
 - (b) physical;
 - (c) emotional;
 - (d) psychological; and
 - (e) neglect?
- (7) How many foster carers were actively caring for children in Western Australia during the month of August 2009?

Hon ROBYN McSWEENEY replied:

- (1) As at the 31 August 2009 there were 3203 children in care. The district breakdown is as follows:

Armadale — 339
 Cannington — 258
 Fremantle — 218
 Joondalup — 220
 Midland — 231
 Mirrabooka — 291
 Perth — 239
 Rockingham — 164
 Goldfields — 110
 Great Southern — 112
 Kimberley (East) — 119
 Kimberley (West) — 124
 Murchison — 111
 Peel — 136
 Pilbara — 100
 South West — 188
 Wheatbelt — 215
 Accommodation and Care Services — 28

- (2) 88
- (3) 1190 with relatives and 1000 were with non relatives.
- (4) 267 were in funded foster care. Non-government agencies are contracted for general carers not relative carers.
- (5) The number of allegations remains steady over the past three years with 176 in 2008-09, 161 in 2007-08 and 181 in 2006-07.

For the month of August 2009, there were 10 notifications (that is, involving 10 children) relating to 8 separate allegations. Of the 8 allegations:

- 1 is alleged physical abuse by a parent,
- 1 is substantiated physical abuse by persons unknown,
- 2 are alleged physical and sexual abuse by a departmental carer,
- 1 are alleged sexual abuse by the son of a departmental carer,
- 1 is alleged sexual abuse by a parent,
- 1 is alleged sexual abuse, physical and emotional abuse by a departmental carer, and
- 1 is alleged sexual abuse by persons unknown.

For the month of August 2008, there were 12 notifications. However, this cannot be compared directly with the August 2009 figures, as the 10 notifications are interim and are likely to increase as workers record cases on the system.

- (6) (a) 7 (b) 3 (c) 0 (d) 0 (e) 0.
- (7) As at 31 August there were 1259 Departmental foster carer households with children placed. This does not include non-government agency foster placements. It should be noted that a foster carer household may have one or more registered carers.

CHILDREN IN CARE — "ASSESSMENTS OF CONCERN"

1208. Hon Sue Ellery to the Minister for Child Protection

- (1) As at 31 August 2009, what was the number of new Assessments of Concern for a Child recorded during that month by district?
- (2) As at 31 August 2009, what was the number of new Assessments of Concern for Child investigations recorded during the month?
- (3) As at 31 August 2009, what was the number of children in care for more than 20 days with no planning recorded?
- (4) As at 31 August 2009, what was the number of investigations open for more than 30 days but less than 90 days?
- (5) As at 31 August 2009, what was the number of investigations open for more than 90 days?
- (6) As at 31 August 2009, what were the number of open investigations?
- (7) As at 31 August 2009, what was the number of unallocated cases not assigned to a case worker, by district?

Hon ROBYN McSWEENEY replied:

- (1) Armadale — 122
Cannington — 60
Fremantle — 66
Joondalup — 60
Midland — 81
Mirrabooka — 61
Perth — 47
Rockingham — 66
Goldfields — 49
Great Southern — 37
Kimberley (East) — 53
Kimberley (West) — 39
Murchison — 41
Peel — 63
Pilbara — 55
South West — 46
Wheatbelt — 42

Other Total: Non-district units such as Fostering and Adoptions Services, Crisis Care, Therapeutic intervention Services and Head Office — 55

- (2) 1043
- (3) As at 31 August 2009, there were 119 children in care for more than 20 days with no planning recorded. In August 2008 there were 368 and in August 2007 there were 349 children in care for more than 20 days with no planning recorded.
- (4) As at 31 August 2009, there were 242 investigations open for more than 30 days but less than 90 days. In August 2008 there were 314 and in August 2007 there were 346 investigations open for more than 30 days but less than 90 days.
- (5) As at 31 August 2009, there were 171 investigations open for more than 90 days. In August 2008 there were 529 and August 2007 there were 790 investigations open for more than 90 days.
- (6) As at 31 August 2009, there were 644 open investigations. In August 2008 there were 1032 and August 2007 there were 1394 open investigations.
- (7) As at 31 August 2009, there were 499 monitored cases. In August 2008 there were 1226 monitored cases. The term "Unallocated" has been replaced by "Monitored" to more accurately reflect practice. When a case is placed on the "Monitored List" a senior officer is nominated as the Liaison Officer who has responsibility to respond to any risk issues that emerge during this period. This means that cases are not unattended, as the previous terminology suggested.

The breakdown by districts is as follows:

- Armadale — 74
- Cannington — 11
- Fremantle — 18
- Joondalup — 12
- Midland — 54
- Mirrabooka — 19
- Perth — 18
- Rockingham — 10
- Goldfields — 29
- Great Southern — 33
- Kimberley (East) — 56
- Kimberley (West) — 32
- Murchison — 47
- Peel — 16
- Pilbara — 20
- South West — 14
- Wheatbelt — 36

As at 31 August 2008, the districts reported the following monitored cases:

- Armadale — 70

Cannington — 70
 Fremantle — 81
 Joondalup — 51
 Midland — 58
 Mirrabooka — 166
 Perth — 76
 Rockingham — 41
 Goldfields — 65
 Great Southern — 73
 Kimberley (East) — 62
 Kimberley (West) — 98
 Murchison — 106
 Peel — 36
 Pilbara — 34
 South West — 51
 Wheatbelt — 88

Data for questions one through to six, is reported from the September snapshot of the client database taken 7 September 2009. Comparative data for 2008 is taken from the September snapshot 2008, while 2007 data is taken from the September snapshot 2007.

Data for question seven is taken from the September Executive Report 2009. Comparative data is taken from the September Executive Report 2008.

FOSTER CARERS — CATEGORIES

1210. Hon Sue Ellery to the Minister for Child Protection

- (1) During the month of August 2009, what was the total number of registered carers with four or more children placed with them by district?
- (2) Of those carers listed in (1), how many were relative carers and how many were non-relative carers?
- (3) During the month of August 2009, what was the total number of interim carers with four or more children placed with them by district?
- (4) Of those carers listed in (3), how many were relative carers and how many were non-relative carers?
- (5) During the month of August 2009, how many carers had an interim registration for more than 90 days?
- (6) Of those carers listed in (5), how many were relative carers and how many were non-relative carers?
- (7) During the month of August 2009, how many carers had a 'carer record screening' overdue or not recorded by district?
- (8) Of those carers listed in (7), how many were relative carers and how many were non-relative carers?
- (9) During the month of August 2009, how many carers had overdue 'carer reviews' by district?
- (10) Of those carers listed in (9), how many were relative carers and how many were non-relative carers?

Hon ROBYN McSWEENEY replied:

- (1) 108 registered carers as at 31 August 2009:
 - Armadale — 11
 - Cannington — 6
 - Fremantle — 1
 - Joondalup — 8
 - Midland — 7
 - Mirrabooka — 11
 - Perth — 5
 - Rockingham — 6
 - Goldfields — 1
 - Great Southern — 2
 - Kimberley (East) — 4
 - Kimberley (West) — 3
 - Murchison — 4
 - Peel — 6
 - Pilbara — 4
 - South West — 4
 - Wheatbelt — 12
 - Accommodation and Care Services — 13

- (2) 34 were relative carers, and 74 were non relative carers.
- (3) 8 interim carers as at 31 August 2009:
 Armadale — 1
 Cannington — 1
 Joondalup — 1
 Rockingham — 1
 Great Southern — 1
 Kimberley (East) — 2
 Pilbara — 1
- (4) All 8 were relative carers.
- (5) 197
- (6) 190 were relative carers, and 7 were non relative carers.
- (7) 403 carers with children placed as at 31 August 2009. At 31 August 2008 there were 580 carers with children placed with “carer record screening” overdue or not recorded.
 Armadale — 44
 Cannington — 54
 Fremantle — 43
 Joondalup — 10
 Midland — 11
 Mirrabooka — 37
 Perth — 15
 Rockingham — 6
 Goldfields — 39
 Great Southern — 14
 Kimberley (East) — 26
 Kimberley (West) — 30
 Murchison — 12
 Peel — 17
 Pilbara — 8
 South West — 21
 Wheatbelt — 11
 Accommodation and Care Services — 5
- (8) 284 were relative carers, and 119 were non relative carers.
- (9) 743 carers as at 31 August 2009:
 Armadale — 65
 Cannington — 81
 Fremantle — 53
 Joondalup — 34
 Midland — 71
 Mirrabooka — 74
 Perth — 42
 Rockingham — 15
 Goldfields — 55
 Great Southern — 18
 Kimberley (East) — 39
 Kimberley (West) — 52
 Murchison — 42
 Peel — 9
 Pilbara — 15
 South West — 25
 Wheatbelt — 28
 Accommodation and Care Services — 25
- (10) 533 were relative carers, and 210 were non relative carers.

RESPONSIBLE PARENTING AGREEMENTS — STATISTICS

1219. Hon Sue Ellery to the Minister for Child Protection

- (1) How many Responsible Parenting Agreements have the Department for Child Protection implemented to date?

- (2) How many parents approached to enter into a Responsible Parenting Agreement, refused to enter into a Responsible Parenting Agreement?
- (3) How many Responsible Parenting Agreements included an agreement for the parents to, -
 - (a) take part in counselling or parenting skills training;
 - (b) take reasonable steps to ensure their child attends school;
 - (c) take reasonable steps to ensure their child avoids contact with particular people or places; and
 - (d) undertake other measures?
- (4) How many juveniles, whose parents agreed to a Responsible Parenting Agreements have, -
 - (a) improved their attendance at school; and
 - (b) re-offended since the Agreement was made?

Hon ROBYN McSWEENEY replied:

- (1)-(2) For the period 1 April to 31 August 2009, the Department for Child Protection assisted approximately 230 families with parenting skills, on a voluntarily basis. In general, the origin of referrals are approximately 42 per cent from the Department for Child Protection, 39 per cent from the Department of Education and Training, 2 per cent from the Department of Corrective Services and the remaining 17 per cent come from a range of other government agencies including the Department of Health, Disability Services Commission and some non-government organisations.

Under the Parental Support and Responsibility Act 2008, a Responsible Parenting Agreement must be attempted before a Responsible Parenting Order are very specific. In the majority of cases referred from within the Department for Child Protection in which the parents did not engage, an agreement was not pursued because the best interests of the child were met through a different arrangement with the parents. Parent who were referred from the Department for Education and did not engage were not pursued as the majority of these concerned school non-attendance.

To date, no responsible Parenting Agreements or Orders have been implemented by Chief Executive Officers (CEO's) of the Department for Child Protection, the Department for Education or the Department for Corrective Services under the Act. I am advised that the CEO, Department for Child Protection is convening a meeting between these CEO's in the immediate future to review the opportunities and processes to apply the provisions of the Act when parent are not otherwise being engaged.

- (3)-(4) Not applicable.
-