

GASCOYNE WATER INQUIRY — REFERRAL TO PUBLIC ACCOUNTS COMMITTEE

Motion

MR F.M. LOGAN (Cockburn) [4.01 pm]: I move —

That this house expresses its concern with the issues relating to governance of the publicly funded Gascoyne Water Co-operative and the inheritor of government assets, Gascoyne Water Asset Mutual Co-operative Ltd, and ask that the Public Accounts Committee investigate and report.

This motion relates to the trading activities of Gascoyne Water Co-operative Ltd and Gascoyne Water Asset Mutual Co-operative Ltd, a company directly related to GWC. From here on in, I will refer to them as GWC and GWAMCO. Gascoyne Water Co-operative was established as an operating body in 2001. It manages the business of water and irrigation in the Carnarvon vegetable and fruit-growing basin. Assets were transferred from government ownership—previously all of it was in government ownership—to Gascoyne Water Asset Mutual Co-operative Ltd in 2004. GWAMCO is the separate organisation that owns and manages the assets of the irrigation system that make up GWC. GWC and GWAMCO still rely on public funding for their existence and operation. GWC is entitled to a funding stream of \$17 million over 15 years up to 2017, and that funding declines in each of the out years. Currently, GWC is funded by the government to the tune of approximately \$700 000 annually; hence the indication that this matter should be referred to the Public Accounts Committee, because previously all of its assets were in government hands and it is effectively still funded by government.

Most growers in the Carnarvon basin have historically drawn their water from the basin A aquifer under the Gascoyne River. Those growers installed their irrigation systems and pumps at their own expense. They have been and still are regulated by the Department of Water. Historically, the growers have been allocated 70 000 kilolitres at no cost; effectively, they draw water from the river for free on the basis that they provide their own irrigation and pumping systems. With the establishment of GWC and GWAMCO, all growers within the basin were encouraged to back up their allocation from basin A by purchasing water quantities from water supplied by the cooperative. Effectively, the growers in basin A draw their water from the river at their own expense, and GWAMCO sells water provided from other sources to those growers. With the establishment of GWC and GWAMCO whereby the growers look after their own water supplies, the growers were encouraged to keep the companies operating by having a mix of water—that is, taking water from the river and also purchasing it from GWC. All growers, who are all members of GWC, are charged fixed costs of between \$1 900 and \$3 000 per annum—I know that some are charged \$2 700—for metering and maintenance of the assets within the GWAMCO irrigation system, not their personal irrigation system. All growers are levied with a fixed charge of anywhere between \$1 900 and \$3 000 per annum.

With respect to the water allocations provided by GWC, not all growers took up the minimum allocation of five megalitres, or 5 000 kilolitres, proposed by GWC either to use as an emergency backup whereby growers could simply have access to that water to use as a mix between the water they took from the river and the water they took from GWC, or to trade that water allocation if someone wanted to buy it from them. The minimum block that they were offered was five megalitres, or 5 000 kilolitres. Quite a number of the growers opted to continue drawing from the river allocation without purchasing the GWC water allocations. Going into the hot season of 2009–10, growers were advised by the Department of Water not to overdraw their river allocation. GWC was also advised not to allow basin A to be overdrawn as the resource statement for basin A provided by DOW painted a horrendous picture because the flow through the underground basins had not been there for a significant period and those aquifers were simply continuing to be drawn on. The capacity of those aquifers was being depleted. Nevertheless, despite the warnings, certain growers continue to blatantly draw down on their basin A allocations. This over-pumping has damaged not only their own bores, but also the bores of their neighbours on the river and has caused significant disputes between growers in Carnarvon.

Mr V.A. Catania interjected.

Mr F.M. LOGAN: The member will have an opportunity to stand and speak later.

This over-pumping has damaged not only their own bores, but also their neighbours' bores. This has led to some significant disputes between neighbours and growers. Some of the growers who have over-pumped are board members of GWC and GWAMCO. They have over-pumped in a very blatant manner, confident that the minister will not act against them for breach of licence. I will quote from an article in the *Northern Guardian* of Wednesday, 2 December 2009. It states that Gascoyne Water Asset Mutual Co-operative chairman, Darryl Butcher, who is a grape and banana grower, labelled his ability to waive any fines for overdrawing a win for commonsense. He said that since the minister's pledge, he had gone over his limit and felt confident that he would not be fined. The chairman of GWAMCO said in the *Northern Guardian* that he was confident that the government was not going to fine him because of water overdrawing. When I say it was blatantly done, it was blatantly done.

GWAMCO went on to congratulate the member for North West, who interjected on me a minute ago, and the Minister for Water for considering in Parliament the waiving of any fines. This was outlined in a press release dated 27 November 2009; it read —

The GWAMCO and GWC Boards are grateful of the Ministers prompt response to this matter and sincerely thank the Minister and Vince Catania on their prompt action.

That prompt action was the consideration of waiving any fines on the overdraft of the monthly water allocation for the month of November 2009. That was from a press release from GWAMCO itself.

When I asked the minister whether he had followed up on any prosecutions of, or fines to, those people who had overdrawn, the minister indicated during estimates this year—the minister would remember this because I specifically asked him that question—that the Department of Water was still closely monitoring the situation. There have not been any fines, nor have any punishments been meted out by the minister, for overdrawing water. The minister has effectively dismissed the matter by saying that the department is still monitoring the situation—by that, I presumed that the department referred to the basins themselves. The member for North West and the boards themselves were successful in lobbying the minister to not apply fines for overdrawing, even though the overdrawing was blatantly done and the situation was blatantly told to the media.

In April, despite the evidence of blatant overdrawing, the minister declared drought in the Gascoyne, which, of course, severely limited the basin A growers' access to the river water. GWC, through its relationship with the Water Corporation and the Department of Water, has access to 8.6 gigalitres of water from bores surrounding Carnarvon. It pays the Water Corporation for five gigalitres of this allocation, and then onells it to growers. Of the 8.6 gigalitres, 3.6 gigalitres is allocated to GWC free of charge to be provided to growers as emergency water should a drought be declared. I come back to what I said a minute ago: the minister made a statement to the house declaring a drought. The growers who relied solely on basin A for water—I refer to those who paid their fixed fee, but did not take their water allocation when it was offered to them because originally they sourced their water from the river—went to GWC to seek access to the emergency water. They were told by GWC that it was not available. When they asked board members and the CEO why the water was not available, they were informed that it had been sold. The 3.6 gigalitres of water had been onsold to many of the large growers in Carnarvon in three offerings in 2004, 2006 and 2008. Many of those growers who took up the water allocations did so in the belief that they were buying the five gigalitres that GWC bought from the Water Corporation. They did not know that they were also buying the 3.6 gigalitres, which was the emergency water that should have been made available to all growers regardless of the allocations they had taken from GWC, should a drought be declared. When the drought was declared, they went to GWC and asked whether they could have their water because they could not draw down as much as they needed from basin A and their crops were now in peril. The growers said that they would even pay for that water at a higher cost than the cost of the normal water allocation from GWC. They were told that they could not have the water because it was not available: GWC had no more; it had sold it.

The selling of that water was done without the knowledge of the growers in the basin. These growers were members of GWC, but they were not aware; the water was sold behind their backs in such a way that they could not influence the decision regarding the selling of that water. That means that many growers now face dire consequences. They are unable to access their full allocation from basin A, and with no water available from the Gascoyne Water Co-operative, they face writing off their crops. Should that occur, it will impact on the availability of fruit and vegetables here in Perth, and definitely will impact on prices we pay for fruit and vegetables from the Carnarvon Basin.

This brings us to the question of what has been happening on the board of GWC and GWAMCO. Why has this been happening? Why have growers not been able to influence the board and have their voices heard at the board level to ensure that they are not placed in the dire situation they currently face? In relation to that dire consequence, it must be said that GWC, the minister, DOW and the Water Corporation have been working to get access to other water—coincidentally 3.6 gigalitres—from other bore fields that growers have been told may be available for this hot season from November–December into January–February. That water may be available should the piping be connected. If it is not available for one reason or another, I am advised that a lot of crops will be destroyed. I am hoping, and I am sure the minister is hoping, that connection to the water source is made available in time for those growers.

This brings us back to the issue of what has been happening on the GWC board. Why were many of the growers unaware that the 3.6 gigalitres of emergency water had been sold behind their backs? Why were they not advised that the free allocation of 3.6 gigalitres was onsold to other growers, therefore creating a windfall gain for GWC at the expense of the government? Why have the growers not been able to get full explanations from their board members about what is going on or about the decisions of the board? Whenever growers try to influence the board or gain a decision from it, they have been blocked by board members who have been voting, many times

en bloc, using proxies from growers in and around Carnarvon. Allegations have been made that some board members have turned up with 20 signed proxy votes. Allegations have also been made that many of the growers, some with limited English or no English at all, were encouraged to sign over a proxy without really knowing the consequences of what they were doing or the final intent of those proxy voting slips.

If we look at the GWC, the turnover of staff has been almost complete in the organisation; that is, virtually all of its staff members have been turned over in the last couple of years—some in a fairly hostile manner. The GWC website includes a list of the previous board members; that is, the webpage is not up to date. The last newsletter on the website is dated 2008 and the last document was uploaded to the website in 2008. The website includes the previous members of the GWAMCO board. The website simply has not been maintained to, again, stifle the flow of information to growers—be that in a deliberate or an incompetent manner.

In Carnarvon, growers face a very serious situation because their livelihood and their ability to operate and to access water in an open and transparent manner requires the board to be open, accountable and accessible to its grower members, yet it is not. By no stretch of the imagination can the board be said to be open and accountable. I would say that about both GWAMCO and GWC.

Mr V.A. Catania: Member, have you met with the chairman or the board of either of those organisations?

Mr F.M. LOGAN: I am making allegations on behalf of growers who have provided me with a lot of information. The member has heard that —

Mr V.A. Catania: I am just asking: have you put these questions to the board?

Mr F.M. LOGAN: Regardless—that is irrelevant. The issue is that some people's livelihoods are going down the drain. That is the issue I am putting to the house and my motion is addressed to the minister. I know that the member for North West has a local interest, but I am putting this issue before the minister and before the house because it is a serious one.

I believe that the way in which this issue can be resolved for the benefit of everybody is for the matters I have highlighted today to be referred to the Public Accounts Committee, which has oversight of, and can investigate, organisations that expend public moneys. Although this is a private organisation, it nevertheless survives only because of the allocation and expenditure of public moneys. The Public Accounts Committee can investigate what has been going on; why there has been the overdraw on basin A; why the access to the new water source of 3.6 gegalitres has taken the time that it has and the GWC decisions in terms of the 3.6 gegalitres of emergency water that should have been made available to all growers, but that has, in my view, been misallocated on the basis it was on sold without the full approval or knowledge of grower members; and the manner in which the board operates, including its use of a proxy voting system, accounting practices, staff turnover and morale, and its administrative ability, which is exemplified, I think, by simply turning on the computer to look at the GWC and GWAMCO websites. I believe all those things and more should be investigated by the Public Accounts Committee. The committee can report to the house about what exactly has occurred in Carnarvon—the fruit bowl of Western Australia—and can also make recommendations to the minister for the improvement of the operating of GWC and GWAMCO—the asset-owning organisation of the growers' cooperative in the region.

Members must remember that all these assets were once publicly owned. They were owned and operated by the Water Corporation and regulated by the Department of Water and its predecessors. Those assets were handed over to a growers' cooperative in the area so that it could take some responsibility for the operation and maintenance of its key source of livelihood—that is, water. That handover was proposed by the Liberal Court government and followed through by the Labor government. We all agreed that it was a good move to hand over these public assets for their efficient, open and transparent operation on behalf of the growers in Carnarvon.

Over the past six years, and particularly in the past two or three years, significant problems have occurred. The experiment to hand over these assets to the growers' cooperative has been a good one; nevertheless, significant problems have also arisen—significant problems that threaten the growers' existence and their livelihood. I think it is appropriate, right and proper—given that these were government-owned assets and that it was the decision of this house to hand them to a cooperative while still funding that cooperative with public moneys—for the Public Accounts Committee to run a ruler over these organisations to determine whether they are operating appropriately, openly and transparently, and in accordance with the prior objectives of their existence; that is, at the time those boards were set up. They are the reasons I believe this matter should be referred to the Public Accounts Committee. I think that committee is the right and proper place in which to raise this issue.

If, however, the government chooses not to support this motion—if it chooses to vote against it, which I think would be very, very irresponsible—these issues will not simply go away. These issues will continue to be raised in this house via questions without notice. They will be raised with the Auditor General. They could possibly be raised with the Corruption and Crime Commission, although I am not too sure whether the CCC has jurisdiction.

Nevertheless, these issues will not go away because they go to the livelihood of growers in Carnarvon who are absolutely at the end of their tether over water allocation and what is happening in Carnarvon.

I hope the government supports the referral of this motion to the Public Accounts Committee. As I have said, if that support is not forthcoming, the opposition will raise the matter again and again with the minister in this Parliament until there is some openness and transparency about what is going on in the boards of the Gascoyne Water Co-operative and the Gascoyne Water Asset Mutual Co-operative.

MR M.P. MURRAY (Collie–Preston) [4.28 pm]: I would like also to add to the debate on this motion. I went to Carnarvon, not for water issues but for agricultural issues. However, the issue that has become the main area of concern for growers in that area is that of water and how it is being distributed. Allegations were made about some people having infrastructure built at the cost of others and about how grants were being handed out willy-nilly with no reports needed on the outcomes, even though there may have been grants for trials. There are many, many concerns. However, as the previous speaker mentioned, the area of main concern comes back to the administration of the committee. People were adamant that meetings had been held despite no notification by letter. They also claimed the minutes of meetings were not correct. I will say again that these are allegations, because sometimes, as we all know, personalities can get in the way. However, these people certainly convinced me there was a major problem up in Carnarvon. I came back and reported that to the shadow Minister for Water, the member for Cockburn. We talked and since then he has been up there, and he got the same impression—that there is something structurally wrong with the system up there. The main call that I got was that they wanted an open and independent inquiry so that all the air could be cleared about a system that could be put in place that people could be happy with and work towards. On top of that, they were very concerned about the royalties for regions program, which may disadvantage the existing growers in that area. They felt that competition was being brought in at a very low cost, and they could not match that. In particular, one grower had bought two properties at more than \$1 million each. He then turned around and said that there may be grants for some station owners to be direct competitors and also have water rights in that area at very little cost. Although we all know that competition is something that we must face up to, it should not be unfair competition. Competition should be equal, so that if some areas are to be called plantations or growers' areas, they should be put out for tender on an equal basis, and the water should be tendered also. There are very, very many concerns in this region. What struck me the most was that the people who spoke to us were what I would call rusted-on Liberal–National Party supporters; some were previous members, and some have certainly dropped their memberships due to what is happening up there. It really struck home with me that we need this inquiry. We need an open, honest and independent inquiry.

I call on the Minister for Water to get up there very quickly, because some of the problems they are talking about may send some of these long-term growers broke. That means that they will exit the industry and others will come in and probably suffer the same fate if the basic workings are not straightened out. It is very sad to see that this has been allowed to happen over the past few years, and certainly some of the people were concerned about why the bore fields had not been hooked up earlier to drought-proof their properties, why they were paying for water that they were not getting, and why others had access to that water and the overdraw. They were being told that they were not using their water so their quotas would be reduced; however, they could not use the water because it was salty. The overdraw at the other end had allowed salt to encroach into the field. As we know, the region is quite fragile and certainly relies on yearly rains to replenish the underground water basin in the riverbed. There needs to be an open, honest and frank inquiry into this.

Mr V.A. Catania: Member, I will ask you the same question I asked the member for Cockburn: did you meet with the GWC or GWAMCO boards to discuss these issues that you're raising today?

Mr M.P. MURRAY: It is not up to me to do that. I think the local member should be doing those sorts of things, not people who are going up to have a look around. The local member would be absolutely bombarded with the problems associated with the allocation of water, now and into the future—absolutely bombarded. There is also a station owner from more than 100 kilometres out of Carnarvon who put his ill-health down to the treatment that had been dished out to him because of his attempts to keep water on his station and to have access to it. It affected his health immensely, and his wife has been left to carry the can. They are wonderful, salt of the earth people who are just trying to make a living, but they are being absolutely frustrated by the system, while their neighbours were given grants of nearly \$1 million to develop a rotary spraying system that is now defunct. It is not being used, but they never had to report back, and no report has been handed on to other people who may want to utilise that type of system. They are the issues that are out there. Again, it cannot all be picked up in a couple of days, but when one has been in this place for a while, one is able to work it out when something is not right with the structure. That is what it all comes back to. I am not pointing the finger at any particular people, but when the structure is starting to fall down and the people are starting to attack each other—people who were

previously friends—we know that the system is falling apart. I will finish by telling the minister that we need an independent, open and frank inquiry.

DR G.G. JACOBS (Eyre — Minister for Water) [4.35 pm]: I thank the Acting Speaker for the opportunity to respond to this very important motion and I thank members opposite and the shadow Minister for Water for raising this very important issue.

I will take some time, if I may, to just go back into a bit of history, and also talk about what checks and balances there are at present in managing this very important resource in the Gascoyne region. As the member has said, we are essentially looking at an alluvial aquifer under the Gascoyne River. At the lower end it is called basin A. Of course there are other basins further along the upper reaches of the river—basins B to L. I suppose the major concern is about the total resource, but particularly focusing on the management of basin A. As the member for Balcatta will understand, the very important issue of the sustainability of basin A has been an issue for some time. Scientific work has been done around the sustainability of that basin and how much water can actually be drawn. The member rightly talked about an allocation from that basin, and it is the management of the basin that is of particular concern, partly because of the drying conditions. Scientists such as Rob Hammond and people within the Department of Water are very clear about the fact that if we overdraw from that basin, there will be a significant ingress of salt water, and once we do that, we will in fact be out of business. If basin A is put out of business, it will no longer be an available resource, and it is an important resource in the food bowl regions of the Gascoyne and Carnarvon.

It is with that scenario in mind that structures have been set up, and I will go through a bit of the history of both GWC and GWAMCO. In June 2003, the government approved the transfer of the government-owned Carnarvon Irrigation Scheme to a set of local grower cooperatives—the Gascoyne Water Co-operative Ltd and the Gascoyne Water Asset Mutual Co-operative Ltd. The order to transfer the assets took effect on 2 December 2005, and was published in the *Government Gazette* in May 2006. The Economic Regulation Authority granted GWC an operating licence in June 2003, and the assets were transferred to GWAMCO in 2005. Essentially, the assets were Water Corporation assets, and they were actually transferred to GWAMCO. What we have in GWC is an allocation organisation and service provider. The Gascoyne Water Asset Mutual Co-operative is the asset manager and owner. I refer to the *Hansard* of the member for Balcatta as the Minister Assisting the Minister for Water Resources. In doing so, I am not being political. I want to recount the history of this matter and paint a picture about the asset management transfer. The *Hansard* of 11 October 2005 reads —

On 27 October 2004 Hon Judy Edwards, MLA, Minister for the Environment, tabled a water services licensing transfer order for Carnarvon. In November 2004, disallowance motions against the transfer order were put by Hon Norman Moore, MLC; Hon Robin Chapple, MLC; and Mr Rod Sweetman, MLA. Hence, on 25 November 2004 Hon Ljiljana Ravlich, MLC, advised on behalf of the Minister for the Environment that the transfer order would not proceed until there had been a further period of consultation with the interested parties. It is understood that the disallowance motions were due to concerns raised by a number of growers about the operations of the Gascoyne Water Co-operative. Most of the concerns appeared to not relate directly to the transfer of assets; however, the process gave the growers an opportunity to highlight these issues.

During the second half of September 2005 the Department of Environment completed a telephone survey of members of the Gascoyne Water Co-operative. A credible 68 per cent response rate was achieved, with 108 out of 158 members completing the survey. The survey results clearly indicate that there is majority support for the transfer and that water allocation and water charges were the main areas of concern for members.

...

Based on the level of support that this comprehensive survey has demonstrated for the transfer order, I am pleased to table the Water Services Licensing Transfer Order (Carnarvon) 2005 and the notice of places where the schedule to the transfer order will be exhibited.

When the asset was under the auspices of the Water Corporation, similar to many other areas—this happens today—there was the concept of a community service obligation payment. It was previously received by the Water Corporation and transferred to the GWC. The first payment to the GWC was made in the 2003–04 financial year. The amount was to decrease over time with a final payment being made in the 2017–2018 financial year. I think the member for Cockburn said 2015. The operating subsidy that was previously received by the Water Corporation was transferred to GWC. In July 2003 the operating subsidy adjusted for inflation was approximately \$1.163 million. It has decreased over time. In 2010–11 it will be \$771 000, and that figure will continue to decrease until 2017. When the member for Cockburn moved this motion expressing concern about the governance of the publicly-funded Gascoyne Water Co-operative, he might have had questions about the

misappropriation or misuse of funds. Although it is publicly funded in the form of what were CSOs, and what is now a subsidy to GWC, there is no suggestion from my information—I have researched this thoroughly—that the process is not open and accountable and not done by the book.

In the 2007–08 financial year, the CSO received by GWC was \$843 000. The total 2008 income for both cooperatives was \$3.817 million. The CSO represented about 22 per cent of the total income for the cooperatives. GWC holds the Economic Regulation Authority's licence as the water service provider. The ERA's water services licence holders are audited by the ERA. The ERA requires asset management and operational performance audits to be carried out regularly. They are reported to me as the Minister for Water. No issues of significance were raised in the most recent audit, which was carried out in 2007. The next ERA report is due on my desk in the next six weeks.

Mr F.M. Logan: There may be issues in that report.

Dr G.G. JACOBS: I will wait for the report.

Mr F.M. Logan: I will tell you about one of the issues in case it is not in the report. An AGM has not been held in more than 12 months. That is in breach of the Co-operatives Act 2009 and its entire constitution.

Dr G.G. JACOBS: GWC is the water services licence holder. It is a cooperative operation. It is audited. It is required to have asset management operational performance. I have received advice that the report is due in six weeks.

The cooperatives have a complaints process under the articles of the association of members. They can raise concerns —

Mr F.M. Logan: — which they have done, but the system doesn't work.

Dr G.G. JACOBS: If appropriate, the Department of Water would be a mediator in any of these processes. To date no complaints have been lodged. There is a complaints process. The Department of Water would be happy to serve as a mediator—I hope the member for Cockburn thinks that it would be objective and fair—and request assistance as required from the ERA. It is interesting that to date no complaints have been lodged.

Mr F.M. Logan: But, minister, you would concur that you're aware of the issues that I have raised.

Dr G.G. JACOBS: Yes, if I may say to the member —

Mr F.M. Logan: You are aware, aren't you?

Dr G.G. JACOBS: I am not blind enough and I am not kidding myself that in fact in the past there have been some issues. However, I must also say that in the past couple of years—not because I have been standing here—there has been significant work in reform; essentially, if we like, tidying up and things have been reformed and made better.

Mr F.M. Logan: But minister, you are aware, aren't you, of the specific issues that I've raised—you personally?

Dr G.G. JACOBS: Yes. I must say that there have been some concerns. For instance, I think that there is good evidence from the financial point of view that from both GWC and GWAMCO there are significant moneys in the kitty, if we like. Therefore, in fact there are no issues that both organisations are essentially going broke.

Mr F.M. Logan: That may well be challengeable in that some allegations have been made. The decisions over the cost of the new piping could actually send them broke, but they are only allegations. What I am putting to you, minister, is these issues over access to water, particularly access to the emergency water, which was sold without the knowledge of the growers—you are aware of that, aren't you?

Dr G.G. JACOBS: I am aware of that. I have to say to the member for Cockburn that we are going back in history. In about 2007 there were some issues with five gegalitres, of which there was essentially some overdraw of about 3.5 gegalitres. There are certainly some issues in that. However, I think these people have got their act together. There are always some concerns when allocations get tight.

I will address some of the issues with the drawing of basin A in these drying times. The upper allocation limit for a lot of these growers is 10 000 kilolitres. There were some very extenuating circumstances in November that the member talked about. The growers brought that to me and I took the view on a case-by-case basis—it was not *carte blanche*; I was not going to do it forever—that during November, and December, in exceptionally hot circumstances I would not issue any infringements. That did not mean that I did not want the growers to come in under, but I did not think that it was appropriate under those particular circumstances, case by case, that I should come down on them with a fine.

Mr F.M. Logan: But you know what that has led to, minister. Let me tell you what it's led to. It has led to some growers overdrawing beyond their licence allocation and not being fined, and others who have remained

absolutely strict within their allocations then going to GWC looking for their emergency water allocations and finding it sold. It has therefore put their entire business at risk. That is what this led to. Do not get me wrong; I am not actually having a go at you about it. What I am saying is that this whole situation and the decision making by the board need to be examined properly and by the Public Accounts Committee.

Dr G.G. JACOBS: This becomes a whole management issue about basin A as distinct from basins B to L. The commercial realities of this, for people in the house, is that essentially growers in basin A can pump directly from the alluvial aquifer underneath the lower Gascoyne River, and other than the cost of infrastructure to do the pumping, the water is essentially free. When that allocation is over-allocated or, as the member said and rightly so, when we get to a situation like that in April, there are some guidelines. They include the 10 000 kilolitres, plus the caveat of having no more than 1 000 milligrams of salt a litre. Once we get to saline levels above that, it sets off alarm bells and we say that people cannot draw any further water. If everybody were to keep drawing water at that point, we would have irreversible ingress of saline and everybody will be out of business.

Therefore, in November I told growers that I wanted them to come in under their limit but that because of the extenuating circumstances of the very hot spell, I would not come down on them with the \$500 fine or whatever it was. However, that did not mean that because they were overdrawn that they could continue to overdraw the water indefinitely. I am not talking about a huge number of people. Understandably, yes, we could say that I sent the wrong message.

Mr V.A. Catania: I think you're talking about only three or four growers actually who went over their allocation in November and I think about, perhaps, even 11 in total in December when it really ramped up.

Dr G.G. JACOBS: Yes.

Mr F.M. Logan: The member would know; he lobbied you on their behalf!

Dr G.G. JACOBS: Lots of people lobby me and they lobby the member for Cockburn —

Mr F.M. Logan: Not to go to the minister and ask to waive a fine. I would tell them to go away!

Dr G.G. JACOBS: The people of Spearwood lobbied the member about infill sewerage and he lobbied me and we listened to what we needed to do.

I will step back from this for a moment. I understand that it is actually about the management of the resource—namely, basin A and the other basins, B to L. We know that, of course, if we run out of basin A water, we have to take it from basins B to L and that, in fact, there is a cost for that water, which is about 35c a kilolitre. Of course, human nature being what it is—this is not a criticism of anyone—people will pump water out of basin A until they cannot anymore because after that they will need to go to another water source that will probably cost about 35c a kilolitre. That is still, in relative terms, fairly cheap water, but it is more expensive than paying zero. That has been an issue that I have grappled with for a while and tried to deal with. Maybe we should look at how we can manage the resource differently because there are commercial drivers not to use basins B to L, so instead people pump water from basin A until it has absolutely had it.

Mr F.M. Logan: I am not having a go at the minister about it. The reason I have called for a referral to PAC is that it is not within the minister's capacity to fix. This is a private organisation. I know that the minister says that he is looking at it, but he can't do a thing about it. It is a private organisation; you can't intervene. This is a separate private organisation, hence the reason for the referral to PAC. That is the reason that I'm not having a go at you about it. You're explaining it to the house as if you are managing it, but you're not managing it because you can't.

Dr G.G. JACOBS: I will get to some of the mechanical issues relating to GWC and GWAMCO in a minute because the member for Collie—Preston called for me to get to Carnarvon immediately. I have been to the area quite a few times and I intend to go there very soon because we are looking at the review and amendment of the entitlements of basin A annual allocation entitlements for 2010 for the Carnarvon horticultural district. All the groundwater licences in basin A expire on 31 December this year. It is certainly opportune to look at basin A in totality with all the other basins as an allocation regime that we may amend. Some of the issues the member described are concerns about the pressures we have on basin A and the commercial drivers to access basin A. Some of the work, I quite openly say to the house, is about looking at the management of basin A in the totality of the lower Gascoyne catchment.

Mr M.P. Murray: Does that not mean it is time for a totally independent look at what is going on?

Dr G.G. JACOBS: I will deal with some of the operational matters that the members for Collie—Preston and Cockburn have talked about regarding proxy voting and those sorts of issues that indicate that perhaps the process at GWC is not open and accountable.

Mr F.M. Logan: It is not, and you know that. People have communicated with you for a long time about this issue, including very recently.

Dr G.G. JACOBS: I will conclude on the issue of the management of the basin. There are the issues that have driven some of the concerns that members opposite have talked about, particularly when the pressure is on because of dry weather. It is important to review the annual allocation of the Carnarvon horticultural district, and I will do that very soon. Very soon I will release some of the information about that review.

The member for Cockburn has raised issues about governance relating to the oversubscription of water and the delivery of water during drought periods. These management issues can be addressed in some of the recommendations of the review into the allocation processes for the totality of the Gascoyne basin.

Mr F.M. Logan: That will deal only with the allocation of or access to water for the corporations; it does not deal with the issues that I have raised about the operations of those cooperatives.

Dr G.G. JACOBS: The member raised concerns about the use of proxy votes at the annual general meetings of GWC and GWAMCO. That matter can be dealt with by the cooperatives as a requirement under the Co-operatives Act. There are guidelines in the Co-operatives Act for GWC and GWAMCO to deal with some of the operational issues.

Mr F.M. Logan: They can't. The constitution of those boards is registered under the act; that is the relationship between the act and the boards. The members of the boards have tried to address these issues within the guidelines of the constitution but have been unable to do so because certain members of the board stack the proxy votes, which it has been alleged have been gained in very dubious circumstances.

Dr G.G. JACOBS: Under the Co-operatives Act there is a complaints process.

Mr F.M. Logan: I have just explained to you why that does not work.

Dr G.G. JACOBS: There is a complaints process. When members opposite toured Carnarvon, did they get across this issue or just talk to one or two people about these complaints? Did they research the issue? Historically, there needs to be some tidying up. The administrative costs for these organisations have reduced significantly over time and produced a good service to the growers as well as lower charges.

Mr F.M. Logan: Are you going to address the issue of selling the 3.6 gigalitres of emergency water? You are aware of that, aren't you?

Dr G.G. JACOBS: That is a historical event that occurred before I was the minister.

Mr F.M. Logan: It did not. This is a letter to you from the former Liberal member for the area, which you received in July this year asking you to address this matter but which still affects the growers today.

Dr G.G. JACOBS: That is about the fact that the over-allocation of basin A —

Mr F.M. Logan: No; it is talking about the 3.6 gigalitres of water that was sold behind the growers' backs.

Dr G.G. JACOBS: That was talking about the 3.5 gigalitres over and above the five gigalitres.

Mr F.M. Logan: Correct.

Dr G.G. JACOBS: Okay. It has been shown that the consumptive pool does not allow for the 3.5 gigalitres.

Mr F.M. Logan: No. They have access to that 8.6 gigalitres, five of which they sell and 3.6 of which they get allocated for free for emergency drought relief. They went to get the water for the drought emergency and found that it had been sold.

Dr G.G. JACOBS: Well, there is no water, for a start.

Mr F.M. Logan: The water was there from the other basins but it had been sold.

Dr G.G. JACOBS: Which other basin was that?

Mr F.M. Logan: The B to L basins. The water was there. The Water Corporation already had the water but it had taken it and sold it. That was free water that should never have been sold.

Dr G.G. JACOBS: Hang on; water from basin A was essentially free —

Mr F.M. Logan: I am not talking about the water from basin A.

Dr G.G. JACOBS: Basins B to L contain water that is provided at 35c a kilolitre.

Mr F.M. Logan: This is water outside that.

Dr G.G. JACOBS: It was not free and, in fact, could be sold to any user for 35c.

Mr F.M. Logan: Go back and check, minister.

Dr G.G. JACOBS: The 3.5 or 3.6 gegalitres that the member for Cockburn is referring to from basins B to L comes from those basins and not from basin A. The member is suggesting that there was extra water from basin A and that someone flogged it off to a large grower at the expense of the smaller growers. The 3.6 gegalitres is part of the basins B to L allocation, which would have cost 35c a kilolitre for the member, for me or for anyone else.

Mr F.M. Logan: I know that, minister; I have said it two or three times. Don't misconstrue what I am saying to you. Of course I know that. The growers are saying that that water was and has been available since the corporation was set up for growers to use during drought periods. When they went to access that water, they found that it had been sold.

Dr G.G. JACOBS: I will not go through that process again. Maybe we can discuss this matter with the member for Cockburn to try to clear it up. I think he and I are on the same page. That resource of water would be available under normal climatic conditions. Obviously there are stresses, but for the member to suggest as he did in his speech that the 3.5 or 3.6 gegalitres of water was flogged off to larger growers at the expense of smaller growers who never had a say in it is not a valid argument.

Mr F.M. Logan: Why?

Dr G.G. JACOBS: Because what the member is saying about flogging off 3.5 gegalitres —

Mr F.M. Logan: Of emergency water.

Dr G.G. JACOBS: Hang on; at 35c —

Mr V.A. Catania interjected.

Mr F.M. Logan: The growers; open your ears.

Dr G.G. JACOBS: I appreciate what the member for Cockburn is saying, and the organisation must be accountable, but my argument is that there are many checks and balances already in existence, one of which is that in 2004 and 2006 the Department of Water played a role in assisting with complaints from members about the initial disbursement of scheme water allocations to properties by GWC. The member might say that that is not a balanced organisation, but I would say that the Department of Water—I have spoken about it many times since I have been in this job—is the controller, regulator, and strategic policy setter in water, and that is its job. I encourage it to do that job, and it has assisted in dealing with complaints from members about the initial disbursement of the scheme water allocations.

The Department of Water is aware that GWAMCO has been working with the Department of Agriculture and Food in drilling production bores for its northern bore field, which will provide another source of water, if members like, for the Gascoyne food basin during a drought. It has the potential to provide around about 2.5 to three gegalitres of water, and the Department of Water will provide assistance to the cooperative in drilling and initially proving up the production bores. This is a resource that we are developing, and the Department of Water is involved in that process with the Department of Agriculture and Food, to assist in bringing on an extra component of water—the member might have seen it up there.

Mr F.M. Logan: Yes, and the growers are saying that they hope it gets there before the hot season—they hope that water comes on.

Dr G.G. JACOBS: The expectation is that that will occur.

Mr F.M. Logan: Can the minister just clear one thing up for me? The Water Corporation supplies 8.6 gegalitres of water to GWC; are you saying to the house that none of that water is available as emergency water for the purposes of drought relief—or access in case of drought—even at cost?

Dr G.G. JACOBS: Look, no, I am not saying that; I am saying that water will be available at cost—well, there will be a cost. When I was last up there not such a long time ago—a number of months—some significant work had been done by the Water Corporation to prove up some of the bore fields in basins B to L to get, if members like, an added component of resource from that.

Mr F.M. Logan: Yes, I understand that, but I am talking about within the current component—the 8.6 gegalitres that Water Corp sells to GWC. I have been advised, and you have been advised, that a proportion of that would be available to all growers if a drought was announced. Are you saying that that is not the case?

Dr G.G. JACOBS: I am not saying that is not the case, no.

Mr F.M. Logan: What is the case then? These growers will be left with no water.

Dr G.G. JACOBS: The management of the resource is a challenge, but let us not scaremonger.

Mr F.M. Logan: I am just trying to find out for those growers where they stand, legally.

Dr G.G. JACOBS: Let us not scaremonger here. We have allocated basin A; at this point there will be no more draw from that—essentially, it is at its limit. Basins B to L have the resource available, and, surely, yes, in drought circumstances we will provide a component of that water.

Mr F.M. Logan: But it is not you, minister—I am not having a go at you—it is GWC. Your role in all of this, as minister responsible for Water Corp, is to supply the water to GWC. I am asking about your understanding of the problem—you are aware of it—of that proportion of water supplied by Water Corp to GWC and the 8.6 gigalitres that should have been available to growers after you declared the drought and no further access at basin A. When the growers went to GWC to get that water, it had all gone—it had not disappeared, it had just been sold—so what the hell were they paying for?

Dr G.G. JACOBS: When the member says it was all gone, some of the water had been used.

Mr F.M. Logan: It had been onsold to other growers, and it shouldn't have been; not the water itself had gone, but the allocation had gone.

Dr G.G. JACOBS: Yes, that allocation has been disbursed.

Mr F.M. Logan: Sold.

Dr G.G. JACOBS: Okay. But there are, obviously, demands on that in a situation of a drying climate.

Mr F.M. Logan: Well, a drought!

Dr G.G. JACOBS: We are trying to add to that consumptive pool in basins B to L by proving up and getting a little more out of the basins we have, and also developing the northern Gascoyne bore field into the future so that we can drought-proof the region.

Mr F.M. Logan: All of which is great, minister, and I am not criticising you for it. I am just saying that the problem is such that it should be referred to the Public Accounts Committee.

Dr G.G. JACOBS: I, as Minister for Water, need to be confident that those organisations and cooperatives can manage the resource, and we, obviously, have input through the Department of Water.

Mr F.M. Logan: And you are confident, are you? Are you confident in them?

Dr G.G. JACOBS: There has been significant improvement and reform.

Mr F.M. Logan: Are you confident, minister, in their operations?

Dr G.G. JACOBS: I could suggest nothing to the member that would suggest that there are concerns about governance of the funds and governance of public funding.

Mr F.M. Logan: We are not talking about that; we're talking about allocation of water.

Dr G.G. JACOBS: There is nothing to suggest that, because GWAMCO inherited this government asset, it is not being managed properly.

Mr F.M. Logan: That is exactly what I am putting to you, and I have provided you and this house with facts. If you're saying to this house that you have full and absolute confidence in both those boards, say so.

Dr G.G. JACOBS: There has been no indication given to me or no complaints process gone through that would suggest that there is a significant issue with the management by GWC and GWAMCO, and nothing from the Department of Water suggests that there has been any mismanagement.

Mr F.M. Logan: Minister, the person who wrote this letter to you in July is a director of one of the boards and a former Liberal member. He has outlined very clearly to you his concerns about the board, and he is a director of it—surely you take that seriously!

Dr G.G. JACOBS: He refers to the three gigalitres, and we have talked about that. His concerns are about operational issues and matters to do with GWC and GWAMCO. I suggest that the member read the GWAMCO annual report about the Gascoyne water irrigating future, and the Economic Regulation Authority report of 2007.

Mr F.M. Logan: From four years ago!

Dr G.G. JACOBS: If there are any concerns, I will see them in the next six weeks, when the ERA reports to me about administrative and operational matters.

Mr F.M. Logan: So are these complaints from the director of the board to you rubbish?

Dr G.G. JACOBS: They are not rubbish —

Mr F.M. Logan: You haven't even addressed any of them!

Dr G.G. JACOBS: — but they are issues that I believe that I, as Minister for Water, do not need to micromanage.

Mr F.M. Logan: I am not asking you to.

Dr G.G. JACOBS: The advice I have from the Department of Water and the ERA suggests that there is not a significant issue here that requires in-depth investigation, and we already have checks and balances that indicate we have not got a major issue in the arrangements and management.

Mr F.M. Logan: Name them. What are the checks and balances?

Dr G.G. JACOBS: The Department of Water.

Mr F.M. Logan: It has no power to investigate.

Dr G.G. JACOBS: The ERA.

Mr F.M. Logan: From a report in 2007.

Dr G.G. JACOBS: The independent audited reports of GWAMCO and the independent audited reports of GWC —

Mr F.M. Logan: So their own audited reports are the ones that you rely on.

Dr G.G. JACOBS: There is the ability for people to make complaints under the Co-operatives Act, of which I have not seen any in a process —

Mr F.M. Logan: You have got a complaint from a director.

Dr G.G. JACOBS: Essentially from —

Mr F.M. Logan: A director.

Dr G.G. JACOBS: No; to be fair, we have to look at all aspects of this.

Mr F.M. Logan: That is correct.

Dr G.G. JACOBS: Looking at all the evidence I have, there are some issues that have been dealt with in the past. We understand that there has been some tidying up in the management in GWC and GWAMCO, but I would suggest to the member that there are not sufficient symptoms here to indicate that we have a major, major problem.

Mr F.M. Logan: You have got a major problem. If, minister, you cannot see it, it is going to bite you really hard.

Dr G.G. JACOBS: Essentially, we have enough checks and balances in those areas that I have talked about—the Department of Water, the Co-operatives Act and the ERA. It is not about essentially witch-hunting on the basis of one particular complaint when the member went to Carnarvon. He did not talk to GWAMCO and GWC.

Mr F.M. Logan: Have you talked to the growers who have made these complaints?

Dr G.G. JACOBS: I have talked to the growers often. The last time I talked to the growers it was about the agreement on the Gascoyne irrigation pipeline project.

Mr F.M. Logan: So all these issues that I have raised are of such insignificance that they do not warrant investigation.

Dr G.G. JACOBS: I have been in rooms full of growers in an open discussion. There was some discussion particularly about GIPP, which is a new project, as the member would understand, of about \$20 million to build a new pipeline. There are contributions from the state government, the federal government and GWAMCO itself. The members and the growers themselves did not knock me down and say that there is a major, major problem and that I have to help them. There has not been one complaint under the Co-operatives Act complaints process.

Mr F.M. Logan: You would not know if there was any. Why would you know? Since when have you been the Minister for Commerce?

Dr G.G. JACOBS: As far as allocation and management are concerned, yes, there are some issues and there have been some issues of over-allocation on basin A.

Mr F.M. Logan: There has been the issue of 3.6 gigalitres of water which you acknowledge should have been there and which was sold without the involvement of members of the cooperative.

Dr G.G. JACOBS: I am happy to deal with these problems when they are real. Are they symptoms of a systemic problem here? There were problems that, yes, did exist in the past and there were some issues that needed to be tidied up. This has now essentially been tidied up and there are not major issues here.

Mr F.M. Logan: When you get a complaint in writing from a director of one of the companies involved, outlining very clearly what the problems are, and you dismiss it, you, as minister, unfortunately, deserve to go. If you cannot recognise danger when it is glowing in front of you, you deserve to go.

Dr G.G. JACOBS: My letter to Mr Sweetman reads —

Thank you for your letter dated 13 July 2010 —

Mr F.M. Logan: I am trying to help you.

Dr G.G. JACOBS: Does the member have a copy of my reply?

Mr F.M. Logan: No. I do not get access to everything. Just go ahead.

Dr G.G. JACOBS: I will go ahead. I thought the member might have gleaned that when he went to Carnarvon.

Mr F.M. Logan: Did you dismiss his problems as well?

Dr G.G. JACOBS: The letter reads —

I can reassure you that the Department Water (DoW) is working closely with all parties to develop solutions for potential water supply issues during this drought period.

We have been through some of those issues. It refers to the groundwater management strategy “Managing groundwater resources of the lower Gascoyne River (Carnarvon) WA (2004)”. I suggest to the member, without breaching any confidentiality, that there is an issue that we need to address in the whole review and amendment of the allocation in the Gascoyne. The letter further reads —

The majority of the issues raised in your letter were discussed during a meeting between the DoW, Water Corporation and water cooperatives —

They are GWC and GWAMCO —

to identify solutions to these short-term drought issues. The strategies being implemented to deliver relief were communicated to the broader industry at a public meeting attended by 150 people that evening.

This outlined broadly the industries water needs ... and how they would be met ... from Basin A, ~8.6GL from the Water Corporation and ~1GL from the GWAMCO northern borefield).

In fact, we will only get a little more out of the basin B-L bore field. It continues —

At the meetings the water cooperatives also indicated that all growers’ needs would be met.

I take on board what the member is saying and I appreciate what he is bringing to me, but we have to look at this in a balanced way. We do not basically want a knee-jerk reaction and say that all is terrible and all is wrong and that it has got to go to committee.

Mr F.M. Logan: I have not said that at all. Minister, as you know, all I have done is to bring to your attention the fact that a private organisation, which is actually publicly funded and supplied with water from your organisation, has misallocated water, does not hold its EGMs as it should, has website administration that is out of date and out of control and has a horrendous turnover of staff. Those are the operations of its entire organisation. And you say there is nothing wrong.

Dr G.G. JACOBS: These are operational matters. These do not indicate a systemic flaw, if the member gets my meaning.

Several members interjected.

The ACTING SPEAKER: Members!

Dr G.G. JACOBS: I have only seven minutes in which to finish. I would like to give the member the courtesy of telling him basically how and what I responded to some of these concerns expressed by Mr Sweetman. My letter continues —

I understand from your letter that a number of grower members may be concerned or have complaints about the water cooperatives operation in regard to pricing and meeting their contracts. It is important that these grower members utilise the water cooperatives’ —

I have been through this —

complaint resolution process.

The member might say that it does not work, but if it indicates a systemic flaw in the system, why is this process not coming through with some complaints?

Mr F.M. Logan: It has even been raised with you. The issue of stacking the meetings with proxies has been raised with you as well. You know this, minister.

Dr G.G. JACOBS: The letter continues —

This process is detailed under the Economic Regulation Authority operating licence.

When I say that there are checks and balances, that is just my way of saying that there are processes to attend to some of the concerns that the member has raised. It continues —

Under this process the DoW can be involved in finding a resolution, through a mediation role, if necessary.

People just need to ask us.

Mr F.M. Logan: If people don't want it, then what?

Dr G.G. JACOBS: The Department of Water would have to be fair, balanced and accountable in carrying out its role, surely.

Mr F.M. Logan: And if people don't want it, what do they do?

Dr G.G. JACOBS: The other option —

Mr F.M. Logan: The other option is to go to court.

Dr G.G. JACOBS: No. The letter continues —

The other option, particularly around the pricing and drought water, is for a change to be made to the water cooperatives' articles of association or rules, —

And that is possible —

as they are now referred to under the Cooperatives Legislation.

Mr F.M. Logan: Those rules have been changed by the current board and have been challenged, but these growers continually get outvoted because of the use of proxies.

Dr G.G. JACOBS: It continues —

As a Board Member of Gascoyne Water Co-operative I would appreciate you pursuing this option.

If there are bugs in this thing, I am keen to work them out to get this thing absolutely ideal. I suggest that a lot of these are operational matters. There are existing processes that I have gone through, and I will not go through them again. I am happy to work with the member to deal with some of those issues. As I have said, I will probably go up there next week to look at the bigger issue about the management of the whole Gascoyne groundwater source. I put the argument that I do not think it is necessary or appropriate to refer this matter to a committee.

Mr M.P. Murray interjected.

Dr G.G. JACOBS: I would be as open and honest as I have been with members today. I will not support this motion to refer the matter to the Public Accounts Committee because I believe that there are checks and balances in the system, as I have described, to make this management operationally effective.

MR V.A. CATANIA (North West) [5.32 pm]: It has been interesting to listen to the debate, particularly the comments of members opposite. It is good to know that they finally made it up to Carnarvon and had a look around.

Mr F.M. Logan interjected.

Mr V.A. CATANIA: I let the member speak; he can now listen to me.

I will tell members what has happened in the past. On 15 July this year, after I got back from Karratha and as I was about to jump on the plane to go back to Carnarvon, who did I happen to see while I was sitting at the airport? I happened to see the members of the Gascoyne Water Co-operative Ltd board. They had just been to a Water Corporation conference in Bunbury. We got on the plane and rocked up to Carnarvon and we saw the member for Cockburn as he was about to catch the plane back to Perth. I asked the guys whether the shadow Minister for Water had a meeting with the chairman of either of the boards or with the chief executive officer,

who happened to be with me. They said that they did not know anything about the shadow minister's visit to Carnarvon. I want to know whom the shadow minister met with. If he did not meet with the boards of GWC or Gascoyne Water Asset Mutual Co-operative Ltd, whom did he meet with? He has raised these concerns. I worked for the water minister in 2003 when we dealt with a lot of the issues relating to the ratification of the Gascoyne Water Co-operative board. The same concerns that exist now existed then.

All the growers are not always going to be happy; there will always be a percentage of growers who are not happy. I think the minister read some of the comments of the former Minister for Water Resources, the member for Balcatta, who has spoken in this place about the surveys that were done to make sure that everybody had an opportunity to vote on the way that the water cooperative should operate. Even then, 53 per cent agreed, 20 per cent preferred something else and 18 per cent did not like what was happening. There will always be a percentage of growers who do not believe that what is happening is right, and that has been the case from 2001 until now. As I have said, there will always be some people who are not happy with the process, and obviously those are the people the member tackled when he came to Carnarvon. I would have thought that, as the member has raised some serious allegations in this place, he would have at least shown the boards of GWAMCO and GWC the courtesy of sitting down with them and raising the issues that he has raised in this place today. But he has not. He has not had the decency to do that because he is a lazy member.

Mr F.M. Logan: You're the local member; have they been raised with you?

Mr V.A. CATANIA: The member for Cockburn has been very lazy in the way in which he has approached the situation. He should have taken these issues to the boards of GWC or GWAMCO, or at least told those organisations that he was going to Carnarvon to discuss water issues.

Mr F.M. Logan: Have these issues been raised with you?

Mr V.A. CATANIA: I think the member for Cockburn ought to tell the truth in this place.

Mr F.M. Logan: No, you won't answer that, will you?

Mr V.A. CATANIA: Ask it again.

Mr F.M. Logan: Have these issues been raised with you?

Mr V.A. CATANIA: Some of these issues have been raised. I have brought these issues to the boards of GWC and GWAMCO and have gone through their processes. I am satisfied with the way in which they have conducted their elections. It is interesting that the member has raised the issue of the proxies.

Mr F.M. Logan interjected.

Mr V.A. CATANIA: The member for Cockburn should let me speak; he has had his two seconds.

Several members interjected.

Mr V.A. CATANIA: It is important, as he is a lazy member, that he get his facts straight in this place. He has talked about proxies. The person he mentioned in the house, the former Liberal member for Ningaloo, has written to him about proxies. He is one of nine board members; I do not see any of the other board members complaining about what has occurred. There are all sorts of personalities involved in these types of issues in these towns. Perhaps the person who wrote to the member also had a heap of proxies in an attempt to trump his opponent in the election. I have gone through the constitution, which clearly states that people are able to do that. It is well within the realms of the constitution of GWC and GWAMCO. That is one concern that the member raised.

Mr F.M. Logan: So you've heard about people going around and getting all the proxy votes, and it doesn't worry you; you think that's all okay?

Mr V.A. CATANIA: I am saying that I am happy with the way in which the election has been conducted in that it was in line with the constitution.

Mr F.M. Logan: So you don't support an investigation at all?

Mr V.A. CATANIA: The member for Cockburn should let me finish. He has misled the house on several occasions, and I want to clarify some of the issues that he has raised. As I have said, I would have thought that he would have given some time to meet with the boards of GWC and GWAMCO if he made the effort to go to Carnarvon to discuss water issues. He clearly did not. Obviously, the member for Collie-Preston did not do that either. To recap, there will always be a percentage of people who are not happy with the existing system.

The member for Cockburn spoke about the allocation of water and how some growers went over their water allocations. The board came to me last year because Carnarvon was experiencing a bit of a heatwave that lasted two or three months. They came to me and asked me if I could represent them and ask the Minister for Water whether it would be possible to —

Mr F.M. Logan: Waive their fines.

Mr V.A. CATANIA: — not fine people if they go over the allocation.

Mr F.M. Logan: Yes; waive their fines.

Mr V.A. CATANIA: When we talk about people going over their allocation, the allocation of 10 000 litres is there. They are not talking about going to 20 000 litres; they are talking about going over by 100 litres and up to 500 litres, so we are not talking about a huge amount of water. No-one is going way over the top and no-one is being irresponsible in the way in which they are managing their water. As the member highlighted, it is important that, in a heatwave, Carnarvon growers are able to manage their crops. We will feel the implications here in Perth; it is important to maintain the horticultural districts and the plantations to ensure that they can supply the market here.

The member talked about the 3.6 gigalitres that is there for drought relief.

Mr F.M. Logan: What do you have licences for? Why do you bother even setting limits?

Mr V.A. CATANIA: The member for Cockburn can listen and get some facts straight. I am here to help him and tell him about the drought situation.

Mr F.M. Logan: Don't help me, help your constituents. Do them a favour, apart from waiving fines! How about representing all of them instead of talking to the minister to help some people who have broken the law.

Mr V.A. CATANIA: I think the member has come into this place and misled the house on several occasions, so I am trying to tell him that some growers in Carnarvon, like the former member of this place who was mentioned, do not have their facts straight. The former Minister for Water Resources, the member for Balcatta, might stand and verify my remarks. The allocation given to GWC to operate the plantations is five gigalitres. There are emergency situations in which it can get 3.6 gigalitres. GWC has the right to charge for that water to manage the allocation of 3.6 gigalitres that is available when a drought is declared, as happened in April this year. The GWC can onsell that water to make sure that everyone has the opportunity to purchase water, and everyone has had the opportunity to purchase that water.

Mr F.M. Logan: Are you saying that that 3.6 gigalitres, when the drought was declared, was accessible to everybody?

Mr V.A. CATANIA: It is accessible to everyone.

Mr F.M. Logan: Was it accessible to everyone when the drought was declared? Is that what you are saying to the house?

Mr V.A. CATANIA: Everyone had the opportunity to claim. They are able to claim some of that water allocation, not on a permanent basis, but during the period of drought.

Mr F.M. Logan: Was it available to those growers when the drought was declared?

Mr V.A. CATANIA: Absolutely.

Mr F.M. Logan: No, it wasn't. That's the whole issue here today! It had gone! You know that and I know that. It had gone.

Mr V.A. CATANIA: The member is wrong. The 3.6 gigalitres was put out there for purchase at 35c on a temporary basis.

Mr F.M. Logan: You're either misleading this house, or you don't know.

Mr V.A. CATANIA: The member for Cockburn is a lazy member and he is a joke.

Mr F.M. Logan: All that water was sold in three tranches.

Mr V.A. CATANIA: Five gigalitres had been allocated and 3.6 gigalitres was available for emergency in times of drought, which was declared in April this year. GWC went out to the growers and said that they were able to purchase this water for emergency purposes on a temporary basis, and people have. Some people, including the man that the member quoted in this house, were given that opportunity to purchase water but rejected it. The member for Cockburn should get his facts straight before he comes into this place.

GWC has asked the Department of Water for another 3.6 gigalitres, and the department is in the process of assessing whether the aquifer can actually take that amount of water. The agreement with the Department of Water is for five gigalitres and 3.6 gigalitres for emergency periods, and GWC has applied for a further 3.6 gigalitres. I think the member for Cockburn has to get his facts straight.

The member also talked about governments and pipelines. He says that I have not done anything about this issue. I had many conversations with the previous Minister for Water Resources, the member for Balcatta, and lobbied him on various occasions on the water situation in the Gascoyne, particularly in Carnarvon. I also lobbied the former Minister for Agriculture and Food, Hon Kim Chance. I asked him a question in the other place on 20 November 2007 about the pipeline, the impact it would have and how important it was to Carnarvon to have the system upgraded. If we are talking about assets being transferred, I believe that when the assets were transferred from the Water Corporation to GWC, the government of the day got a very good deal because it was ageing infrastructure. It has now reached a critical point at which GWC has to upgrade the pipes because it is obviously very old infrastructure. I will quote in part the question I asked on 20 November 2007 —

I refer to a pledge by Kevin Rudd —

The one who was backstabbed —

to invest \$6.6 million to fund 50 per cent of the cost of the Gascoyne irrigation pipeline project.

- (1) Will the minister confirm that the Western Australian government and Gascoyne Water Co-operative will contribute the other 50 per cent to fully fund a high-pressure irrigation water delivery system across the Carnarvon irrigation area if a Rudd Labor government is elected on 24 November 2007?

Hon Kim Chance replied in part —

- (1)–(4) The Carpenter government welcomes the pledge by Kevin Rudd to help fund the cost of the Gascoyne irrigation pipeline project should he be elected the next Prime Minister of Australia this Saturday. The project is one that the Carpenter government supports.

The previous government actually started this important process of upgrading the irrigation system. He continued —

It involves the design and construction of a high-pressure irrigation water delivery system, together with systems that would allow the growers and cooperative to manage the trading of, accounting for and reporting of water usage. This project will not only manage water available to growers more efficiently; it will help ensure that the Gascoyne irrigation area is further protected from negative impacts that have affected irrigation areas in other parts of Australia.

There we go. The previous government was very supportive of a \$20 million project going to GWC to ensure that we can have —

Mr M.P. Murray: With all the discrepancies around the place, why are you frightened of an inquiry?

Mr V.A. CATANIA: It is not about being frightened. When the member came to Carnarvon perhaps he met with only one person who gave the impression that there is an issue. I am not disagreeing that those people are aggrieved, but I am saying that there is a percentage who will always be aggrieved and have been aggrieved throughout this whole process of transferring this infrastructure from the Water Corporation to GWC. The majority of growers in Carnarvon are very supportive of GWC and GWAMCO, and of the upgrade of the pipeline infrastructure, which will be delivered by the royalties for regions scheme. Unfortunately, the money that the previous government had in the budget was not enough to complete the project. The funds are now there and I believe that the government is working through those issues with GWC and GWAMCO to ensure that they can deliver a high-speed irrigation system, which is much needed.

Mr F.M. Logan: So those growers who could not get access to the 3.6 gigalitres of water are all wrong.

Mr V.A. CATANIA: The member should bring specific cases.

Mr F.M. Logan: I've just told you! What do you think I'm doing here today?

Mr V.A. CATANIA: What I have done —

Mr F.M. Logan: This is a private organisation! You're not in charge of it! How many more times do I have to tell you?

Several members interjected.

The ACTING SPEAKER (Mr J.M. Francis): Members, I would hate for anyone to accuse me of not providing the same level of protection to the member for North West as I do for the other members, so I ask you to tone it down a little, and you, too, minister.

Mr V.A. CATANIA: All I can say is that I have gone back and spoken to the chairman and the CEO of the organisations and I have asked those questions and they have come back to me. Everyone has had the opportunity to access that 3.6 gigalitres.

[Member's time extended.]

Mr F.M. Logan: So, member, when a director of the board raises it, you think he's wrong!

Mr V.A. CATANIA: I think there are a lot of personality issues that the member has been brought into, rather than having some facts put on the table. Like the member said today, he is doing his job as a shadow minister but he has to have the right facts when he comes into this place. The member has to know exactly what water is available. I have just told the member what the allocation was.

Mr F.M. Logan: I have put these facts on the table and you're saying they're wrong.

Mr V.A. CATANIA: Perhaps I can clarify some of the member's concerns about the 3.6 gegalitres. In the past, more than two years ago, the previous executive was actually approving people who had bought their plantation, such as the former member Rod Sweetman, just with the basin A allocation. In the past if that basin A allocation had run out, water would be given to them over and above the five gegalitres that was allocated by the Department of Water so there was a history, a wink and a nod, in that organisation of supplying people who had run out of their allocation with more water. A new board came in two years ago and looked at all the issues of over-allocation in Carnarvon. The board has pegged that over-allocation right back to ensure that it meets the Department of Water's guidelines to use only five gegalitres of water. The past practice of the board and the CEO of the organisation was to over-allocate water by 3.6 gegalitres. Therefore, there has been a perception in town, which obviously the former Liberal member has, and unfortunately perception becomes reality sometimes. In this case some person was saying that that 3.6 gegalitres of water for emergency times should be given to those people who need it without paying for it.

Mr F.M. Logan: No; they want to buy it! They would like to buy it.

Mr V.A. CATANIA: I have explained that, but I am saying that there has been this past practice in GWC to give out that 3.6 gegalitres. It has gone over its five gegalitres of allocated water when there has not been a drought period and accessed that 3.6 gegalitres, so it has been using 8.6 gegalitres of water—3.6 gegalitres over the allocated amount. That happened in the past and that is why there is this perceived idea that there is 8.6 gegalitres of water, which the member said today —

Mr F.M. Logan: That is right; member you've just confirmed everything that I've said! That is exactly what I said.

Mr V.A. CATANIA: No, the member did not.

Mr F.M. Logan: That is exactly what I said.

Mr V.A. CATANIA: I think the member needs to go through *Hansard* and read it.

Mr F.M. Logan: That 3.6 gegalitres was allocated in three tranches and it was sold to people. Those people who did not take it up, believing that that water was there for emergency use, when they went to get it, even to buy it, like Mr Sweetman, found that it had gone, but they weren't told about it.

Mr V.A. CATANIA: I think the member will find that Mr Sweetman was offered the chance to purchase water.

However, going on, the past practice was to use that emergency water—3.6 gegalitres. That was before the new board came in to rectify a lot of these areas of concern. The board has moved on the previous CEO and there have been staff changes because there had to be a culture shift to rectify some of the issues of water overuse that I have told the house about today. There have also been changes to the amount of money, which the Minister for Water brought up —

Mr F.M. Logan: All these issues have been raised by growers with the board and when any attempt was made to try to rectify the situation, the board closed them down with the use of proxy votes.

Mr V.A. CATANIA: Like I said, the governance of GWC and GWAMCO has improved dramatically over the past two years. They have gone from an operating overhead of \$2 million to less than \$1 million now. They have reduced the cost of water by 10 per cent, improved efficiencies to their members and they are working on a very, very important project to upgrade infrastructure, which is desperately needed. As I said, I think the taxpayers of the day had a bloody good win over the shift of infrastructure from the Water Corporation to GWC.

I think I have answered quite a few of the member for Cockburn's issues in this place today. As I said, I think it is important that when members go to Carnarvon—I encourage everyone to go to Carnarvon—that they speak to the board, the chairman and the executive officer, and go to a board meeting. Members should not go on hearsay and mislead the house. The member for Cockburn has made quite serious allegations in this house and they are not factual. That is why —

Mr F.M. Logan: They are serious allegations and that's the reason why I've raised them!

Mr V.A. CATANIA: However, they are serious allegations from one person who does not have his facts right! The member has come into this house with the wrong facts! The member does not even know what the water allocation of Carnarvon is! He does not know the allocation and he does not know the history.

Mr F.M. Logan: The very people that you've listened to are the ones whose fines you got waived! That's what has happened. The very people that you say we should go listen to are the very people you approached the minister about and got their fines waived.

Dr G.G. Jacobs interjected.

Mr F.M. Logan: And you agreed to it!

Mr V.A. CATANIA: The whole point is that the board members came to me with a concern and I raised that.

Mr F.M. Logan: And who were the ones who got fined? They did! They were the ones. Not all of them, but some of them—the ones that were in the paper—and who waived their fines? He did!

Mr V.A. CATANIA: I think that the member for Cockburn has to get his facts right.

Mr F.M. Logan: So everyone's wrong—the media's wrong, Rod Sweetman's wrong! Everyone's wrong but you two!

Mr V.A. CATANIA: I put on the record that I believe Rod Sweetman is wrong and I believe that he has been mischievous in providing the member with incorrect information. However, as I said, the member for Cockburn cannot come into this place and make these accusations based on hearsay without any factual information.

I hope that answers some of the issues that have been raised in this place today. I think that GWC and GWAMCO's current board, which has been in place for two years, has made enormous efforts to improve its governance and service delivery to the growers of Carnarvon. Not everyone is happy. Members opposite have their own party; not everyone is happy in that party. Everyone has their issues.

Mr M.P. Murray: Just a quick one because you're running out of time, what about the issue of water outside the actual Carnarvon plantation area? Out on the stations there are some major problems so I would like to hear a quick comment on that, please.

Mr V.A. CATANIA: I am glad that the member brought that up because —

Mr M.P. Murray: I believe there are major problems there as well!

Mr V.A. CATANIA: The member brought up a station that is about 130 kilometres outside Carnarvon—namely, Uringa station. The former Minister for Water, the member for Balcatta, knows that station well. I have probably been working for the past four years to get that issue resolved. I do not think that the member has all the facts because if he had all the facts then he probably would not have brought it up. Unfortunately, Richard Brown had a stroke. There probably can be some correlation between what he received in the mail and the effect on his health and it is very sad. I think that the whole circumstance has been very sad. I believe that what he is trying to do is good. He probably has the freshest water in the whole of the Gascoyne at his station.

Members talked about pastoral stations being able to diversify. It is important that pastoral stations have the opportunity to diversify. They will not grow bananas, stone fruit or anything like that; they are looking at ways in which they can diversify but also assist in providing feed for their cattle and sheep. The member must get the facts right. Many growers are not threatened by pastoralists being able to diversify and agree that that the pastoral industry, particularly in the Gascoyne, is suffering from the effects of a major drought.

Mr M.P. Murray: Would you agree that that station alone warrants an inquiry into the water issues in the area, regardless of the other issues that have been raised today?

Mr V.A. CATANIA: Perhaps the member for Balcatta can shed some light on this. I raised that situation with him on several occasions and got nowhere. Perhaps the member for Collie-Preston should have a discussion with the member for Balcatta and he can enlighten the member on some of the issues.

Mr J.C. Kobelke: What situation do you want bring to my attention?

Mr V.A. CATANIA: I refer to Uringa station and Jim and Richard Brown, who had many meetings with the member for Balcatta and his staff when the member was the Minister for Water.

Mr J.C. Kobelke: I must have Alzheimer's because I cannot think of any occasions. You might have met with me once.

Mr V.A. CATANIA: I met once with the then minister and probably 10 times with his staff.

Mr M.P. Murray: You are the member. What are you going to do about it?

Mr V.A. CATANIA: A big win for the pastoral industry is to enable it to diversify. A big win for the growers of Carnarvon is getting an upgrade to the irrigation system. That is a marvellous win. Thanks to royalties for regions the state government is delivering that, which the member's federal counterparts are assisting to deliver. If members opposite have concerns, why are their federal counterparts assisting the project and why have they funded it? They probably would not listen to the member for Collie–Preston anyway. Members opposite must get the facts right. The member for Cockburn has misled the house. The member for Collie–Preston is a good, hardworking member but he must get the facts right. Both members have misled the house and do not fully understand what happens in the horticultural area of Carnarvon. It is a very important area and the royalties for regions funding will ensure that the turnover of the industry can grow from \$90 million to well over \$100 million in years to come.

MR F.M. LOGAN (Cockburn) [6.02 pm] — in reply: The issue that I have brought to the attention of the house is the governance of the Gascoyne Water Co-operative Ltd and the Gascoyne Water Asset Mutual Co-operative Ltd. For some reason, the Minister for Water's defence of the issue—I say that it was a defence because it certainly felt like a defence—sounded as though he could intervene to resolve these issues that are internal to GWAMCO and GWC and that he could call on the Department of Water to mediate and help resolve some of these issues. I pointed out to the minister in the explanation of the issues involved that he cannot do that. I was not having a go at the Minister for Water; I was pointing out to him and to the house that these governance issues are so serious that they are required to be referred to the Public Accounts Committee. I was not arguing that the minister should try to fix the problems, because he cannot fix the problems. The cooperatives are run under their own constitutions and under the auspices of the Co-operatives Act. The minister cannot intervene to resolve these internal issues of those organisations and I was not asking the minister to do that. It is beyond me why the minister put up such a strident defence of the organisations when he is neither a member nor a director of the organisations and he is very unsure of the internal operations of the organisations. There is nothing to defend. It is not the minister's organisation; it belongs to the growers of Carnarvon. The reason I made the link to the Public Accounts Committee is that GWAMCO and GWC are the owners and operators of assets that originally belonged to the government and they will continue to receive a stream of public funding until 2017. GWAMCO and GWC purchase from the government the water that they onsell to their own cooperative members. It is for those reasons, given their interrelationship with the government, that it is appropriate to refer these matters of governance to the Public Accounts Committee. That is the appropriate body for it to be referred to. I did not ask the minister to try to fix the problems because he cannot. I simply put it to the house that we, as a collective, should refer this matter for further examination. Whatever recommendations come out of that process can be picked up by the Gascoyne Water Co-operative and GWAMCO, and if they reject the recommendations, they reject them. However, at least the issues of the expenditure of public moneys would have been examined carefully and in detail to ensure that they were expended properly. That is what I put to the house.

Mr V.A. Catania: I don't disagree with what you are saying, but the point is that what you said to be able to get to that point is incorrect. Without you meeting with the board and discussing these issues to get the correct information, what you are saying is incorrect. That is my point. If there was anything untoward, I would fully support referring the matter to the Public Accounts Committee.

Mr F.M. LOGAN: The member for North West has put his point of view about how things operate up there. A very large number of the member's own constituents challenge that view. I have brought those issues to the house. The member can either take them seriously or he cannot. I do not believe he is taking them seriously. He is saying there are other points of view, and there probably are. If there are other points of view that are different from the view I have expressed to the house, let us examine them and get to the bottom of this continuous string of allegations that have been made about the governance of the operations of GWAMCO. It is not just anyone who has made these allegations; the director of one of the boards has made the allegations. It is not Joe Blow who is aggrieved about his water allocation; it is the director of one of the companies I am referring to.

Dr G.G. Jacobs: Are these serious representative, systemic indications of a major flaw or are we just picking at the edges from one person who has made a complaint and who is disaffected for some reason? I do not know. If they are not, it is not reasonable to expect this to go through the committee process.

Mr F.M. LOGAN: We have met with a significant number of growers and the minister was written to by not anyone, but by a director of one of the companies.

Dr G.G. Jacobs: I answered his question.

Mr F.M. LOGAN: It is not matter of what the minister answered. If the minister does not regard that as serious, I put it to the minister that it is a dereliction of his duty. If he just dismisses it, that is fine, because the issue will come up again. If these allegations that the minister has just dismissed are proven to be correct, the minister will bear the responsibility.

Dr G.G. Jacobs: I have indicated to you that there are processes available and they have not been used.

Mr F.M. LOGAN: Rather than the minister bearing the responsibility and saying, “Don’t worry about this because there’s nothing in it”, I put it to the house—not to the minister, but to the house —

Dr G.G. Jacobs: Checks and balances are available—the Co-operatives Act, the ERA, the Department of Water and the complaints processes. Have they been explored? Have you really explored them by looking at them in a balanced way?

Mr F.M. LOGAN: I do not know how many times I have to go over this. All those things have been explored and the minister has been told that they have been explored. The rules of the constitution have been changed and the growers have tried to challenge them, but they have been overridden because it is alleged that people walk into those meetings with handfuls of proxy votes. How they have gathered those proxy votes is questionable. I am not saying whether these allegations are true or not true. I do not know. These are allegations that have been raised with me, raised with the member for North West and raised with the minister. They are serious issues. Given the fact that serious issues have been raised about an organisation that receives a significant amount of public funding, these allegations need to be dealt with seriously. I do not believe that the minister has responded in a very serious way to these serious allegations.

The way in which we can get to the bottom of this matter is by a referral to the Public Accounts Committee. As I said to the minister before, if the minister does not want to do that, and if the house votes against that, that is fine. So be it. I have brought this issue to the house. This is a very serious issue. It goes to the governance of these organisations, which receive public funding and which own former public assets. If the house thinks, no, this is just tittle-tattle from a couple of disenchanted growers, so be it. But the issue is not going to go away. It will be raised with the minister again when he goes to Carnarvon. It will continue to be raised with the member for North West. What the minister should do is cross his fingers and hope that these allegations are not true. I say that because, if these allegations are true, this matter will come back to the minister, because he stood in this place and he just dismissed them. It will all come back to the minister. What I am putting to the minister is that he should not let it all come back to him. The minister does not need to take full responsibility for this matter. The minister should flick it off to the Public Accounts Committee and see whether the allegations are true or not true. If the minister cannot politically see that, fine. It will be his head on the plate if these allegations are true. That is all I am putting to this house. If the minister knows better, that is up to him.

I think the issues stack up in terms of that 3.6 gegalitres of water that the member for North West talked about. I have said that. It is 8.6 gegalitres in total, five of which GWC has to buy from the Water Corporation and then onsell to the growers. Only 3.6 gegalitres of water is available—it is not available for free—to be sold, particularly in case of emergency when a drought has been declared. When those growers went back to get access to that water, they believed that that water was not available to them. They had been told that it was not available to them. Even when they offered to pay premium prices for that water, it was not available to them. That in itself is a governance issue.

But it goes beyond that, because allegations have been made about the way in which the meetings have been held, the inability to get access to the minutes, the inability to find out about the decisions, the way proxy votes have been used, and the fact that the cooperatives board has warned GWC to have its annual general meeting, because it is outside its own constitution. There is also the fact that the website has not been updated since 2008. When we hear all that, we can say only that there are a lot of matters here that are very serious.

If the minister cannot see that, that is fine. I will say it again. The minister can cross his fingers and hope that everything is okay and it will all go away. But, if everything is not okay, the minister will wear the responsibility for that. I am putting this to the house for the minister’s own sake. The minister does not need to take charge of this issue. The minister should just flick this matter off to the Public Accounts Committee, get it to investigate the way in which these boards are run, look at the governance of these operations, and report back to Parliament. If GWAMCO does not want to pick up the recommendations from PAC, that is up to it. We cannot force it to pick them up. But if recommendations are made that will improve its operations, everyone will win. The minister will win, the board will win, and the growers, who are the most important people in this equation, will win. That is what I am putting to the minister. If the minister makes the decision to not take this matter to PAC, he had better keep his fingers crossed.

Question put and a division taken with the following result —

Extract from *Hansard*
[ASSEMBLY - Wednesday, 8 September 2010]
p6177b-6197a
Mr Fran Logan; Mr Mick Murray; Dr Graham Jacobs; Mr Vincent Catania

Ayes (21)

Ms L.L. Baker
Ms A.S. Carles
Mr R.H. Cook
Ms J.M. Freeman
Mr W.J. Johnston
Mr J.C. Kobelke

Mr F.M. Logan
Mr M. McGowan
Mrs C.A. Martin
Mr M.P. Murray
Mr A.P. O’Gorman
Mr P. Papalia

Ms M.M. Quirk
Mr E.S. Ripper
Mrs M.H. Roberts
Ms R. Saffioti
Mr T.G. Stephens
Mr C.J. Tallentire

Mr P.C. Tinley
Mr P.B. Watson
Mr D.A. Templeman (*Teller*)

Noes (24)

Mr P. Abetz
Mr F.A. Alban
Mr T.R. Buswell
Mr V.A. Catania
Mr M.J. Cowper
Mr J.H.D. Day

Mr J.M. Francis
Mr B.J. Grylls
Dr K.D. Hames
Mrs L.M. Harvey
Mr A.P. Jacob
Dr G.G. Jacobs

Mr R.F. Johnson
Mr A. Krsticevic
Mr W.R. Marmion
Mr P.T. Miles
Ms A.R. Mitchell
Dr M.D. Nahan

Mr C.C. Porter
Mr D.T. Redman
Mr A.J. Simpson
Mr M.W. Sutherland
Mr T.K. Waldron
Mr J.E. McGrath (*Teller*)

Pairs

Mr B.S. Wyatt
Mr J.N. Hyde
Mr J.R. Quigley

Mr I.M. Britza
Mr C.J. Barnett
Mr G.M. Castrilli

Question thus negatived.