

**PETROLEUM PRODUCTS PRICING AMENDMENT BILL 2000**

*Second Reading*

Resumed from an earlier stage.

**HON MARK NEVILL** (Mining and Pastoral) [4.41 pm]: I support the Bill. There are four components of effective competition in wholesale petrol retailing. Those components are outlined clearly in the report of the Select Committee on Petroleum Products Pricing in Western Australia. The first component is price transparency; that is, a terminal gate price that discloses a base price, excise component, goods and services tax component, and transport and distribution costs to the public and to resellers on a daily basis. The second component is access to terminals, provided that dangerous goods legislation, health, environmental and Australian Standards safety conditions are met. The third component is price monitoring and public reporting on the wholesale price of fuel. Those three components are in the Bill.

What is missing from the Bill is the 50 per cent legislation. In my view, the Bill requires amendment to ensure that we have a scheme that will work. That amendment for the 50 per cent legislation will outlaw the 100 per cent tie arrangements in supply and franchise agreements to make it lawful for retailers to purchase fuel from other than their primary supplier.

The proposed amendments to this Bill provide for those three components. However, to bring about effective change, we must ensure that the 50 per cent rule is included in this legislation. That is the only way we will get competition in country areas and bring about cheaper fuel and less volatility in prices. One of the problems with the petroleum industry is the extreme volatility in prices, which bewilders people, and the irrationality in prices, where often fuel is more expensive closer to the terminal than it is at a distance from the terminal. In Esperance, the price of fuel is higher than it is in Kalgoorlie, yet the fuel is shipped into Esperance and is then taken up to Kalgoorlie. We have all these anomalies which do not make sense, and the volatility causes a lot of problems.

Hon J.A. Scott: Do they offload it in Esperance so they can get it directly to Kalgoorlie?

Hon MARK NEVILL: It is sent by rail to Kalgoorlie. The major oil companies have put it to us that they will be at all sorts of competitive disadvantage if this 50 per cent law is introduced. They have suggested that it will result in the end of franchising and many other things. I am not sure that is necessarily bad. BP Australia Ltd has also advised us in the Press that the Kwinana refinery may close. BP has said that its Kwinana refinery is the FJ Holden of oil refineries. However, this morning I looked at BP's web site, which states with regard to the Kwinana refinery -

Kwinana, with a capacity of 138,000 barrels of crude oil a day, is Western Australia's only oil refinery.

It supplies most of Western Australia's fuel needs, and employs almost 500 people.

BP's investment program in improved technology and environmental controls has led to Kwinana becoming one of the region's most modern refineries.

It is a major exporter of lubricants to South East Asia, and regularly exports petrol to New Zealand.

That puts paid to any suggestion that the Kwinana refinery is out of date. The Kwinana refinery may not make the margins that BP would like, and refining is a low margin activity; BP sold its refinery in Hawaii because it failed to make much money out of it. However, I do not think a major oil company like BP can look at one refinery in isolation. It makes money out of franchising and producing oil. A refinery is only one part of the chain, and costs can be shifted around.

The Australian Competition and Consumer Commission has said that a 50 per cent rule will have no drastic effects on oil company investment. This matter has been the subjects of much debate at the national level. The Senate Economic References Committee inquired into various petrol matters in its deliberations on the Fair Prices and Better Access for All (Petroleum Bill) 1999. If that Bill were passed by the Federal Parliament, it would provide service station operators nationally with the right to shop around for up to 50 per cent of their fuel. Professor Allan Fels, the head of the ACCC, said in evidence to that inquiry on 15 March 2000 that he thought one of the effects of the 50:50 rule would be that it would put a little more pressure on the oil companies to give a good deal to their franchisees, and then the franchisees would not all be running off to get supplies from other sources.

If the suppliers were giving their service station operators the best available wholesale price, there would be no need for those operators to source their fuel from other areas. The 50:50 rule would allow them to get fuel from those other operators in order to introduce competition. In the smaller country areas, if people cannot source fuel from other suppliers, we will continue to have discrimination against independent service station operators. One supplier who operates a service station in West Kalgoorlie charges 110¢ a litre for petrol. He then sells it to a Caltex operator in Boulder for 110¢ a litre, who retails it at about 113.5¢ a litre. The Ampol service station over

the road gets fuel from the same company for 114¢ a litre and has to retail it at 117.5¢. All of that fuel comes from the same distributor, but with a mark up, and the independent is clearly discriminated against by the pricing policy of that distributor. That is why we need a 50:50 rule in the Bill.

Hon Derrick Tomlinson: Where would the retailer go when there is only one wholesaler? You are talking about the second largest city outside the metropolitan area. Take, for example, Mt Barker or Mingenew where there is one fuel supplier. Where does the retailer then go?

Hon MARK NEVILL: Is the member talking about a supplier from Geraldton?

Hon Derrick Tomlinson: Any town.

Hon MARK NEVILL: I think there is more than one supplier in Geraldton.

Hon Derrick Tomlinson: You would have them drag their fuel down from Geraldton?

Hon MARK NEVILL: I know there is more than one in Esperance; there is Caltex, BP and Shell.

Hon Derrick Tomlinson: You are talking about the larger towns; what about the smaller towns? There are many more small towns in regional Western Australia than there are larger ones such as those you are referring to.

Hon MARK NEVILL: If there is that option, it should be available and the retailers should not be made to pay a premium simply because they are independent.

Hon Derrick Tomlinson: That does not solve the problem of creating competition by a 50:50 system where there is only one source.

The PRESIDENT: Order!

Hon MARK NEVILL: It may not; however, in towns where there is more than one source, it would help to produce a much more competitive environment.

Hon Tom Stephens: It would be cheaper for them to truck it in from another place, if they can get competition.

Hon MARK NEVILL: All the problems in small towns will not be solved with this Bill. In some small towns the fuel outlets have such a low turnover that they must have a fairly high mark-up. Recently I made some public comments about the store in Wiluna that is leased by the Aboriginal community to a trucking company in Perth. I think the trucking company has been in a financially difficult situation for some time; there is hardly any toilet paper in the store. The fuel is dropped off from drums to an underground tank in thousand litre lots; for a start that is a breach of the Dangerous Goods (Transport) Act. I think the company's credit has disappeared. However, the police in Wiluna are considering putting in their own bowsers, as they cannot get a regular supply from the store. That will make the store less viable and if there are three or four separate fuel tanks around the area, the price must go up because they cannot get a return on their investment if their fuel is low. This Bill will not get rid of those problems. However, hopefully, if the Government has four legs to this regulation, it may result in only one or two service stations in those smaller towns, but at least there will be competitive pressures to keep the price of fuel down. The price of diesel in Wiluna when I went there, if one could get it, was \$1.40 a litre.

I have an amendment on the Supplementary Notice Paper to address the 50:50 rule and I will be moving that amendment in committee. The argument for the 50:50 rule is strong and the Government should be standing up to the threats of the oil companies. The Government should not baulk at making this amendment just because the oil companies say they will close down the refinery. This amendment will ensure that once and for all we bring in a regime that increases competition in order to keep our fuel prices low.

**HON J.A. SCOTT** (South Metropolitan) [4.53 pm]: The Greens (WA) find themselves in a difficult position with this Bill. We are concerned about the effect of the fast-rising fuel prices on regional communities, particularly those that have not had a very good season this year. Many regional areas are struggling economically. We, therefore, agree with a system that brings some accountability into the marketing arrangements of petroleum products. We would like that system to be extended to other products and a similar attitude taken to a range of areas where large monopolistic organisations are able to control markets to the extent they can fix prices.

We support the Bill but are concerned that it has been rushed through the Parliament, I would say for electoral purposes as much as anything. The Bill does not deal with the fundamentals of the problem in this State, which has little to do with the pricing mechanisms currently in place and the lack of power of small fuel retailers and a large amount to do with the simple law of supply and demand. The fuel crisis has been a long time coming. We have gone through about a decade of extremely low world oil prices at about \$11 a barrel. During that time there has been a lack of investment in refining capacity around the world. Since the steep rise in the United States

economy, in particular, and the gradual climb out of recession by the Asian economy, we have come to a situation where not enough petroleum products have been produced to meet the market requirements. It is interesting, now that the refineries have moved into top capacity, that they are still struggling to provide the amount of fuel needed to supply the market.

Hon Mark Nevill: I think some of the discounting that has happened in this State is because Kwinana over-supplies.

Hon J.A. SCOTT: I am talking about world parity pricing and so on, that applies to a world situation rather than a Western Australian situation. We are obviously linked to world prices. The subsequent taxation rises are a direct link to those price rises, particularly with the goods and services tax being based on a percentage. Therefore, the lack of investment has caused this rise. I understand it will be some three years before that refining capacity will be able to meet the demand, unless there are downturns in economies, which might well occur because of the high oil prices.

My concern with this type of Bill is that it is fiddling with a small part of the system rather than dealing with the demand and supply side of the equation. In other words, the best way in which to reduce the price of oil is either to reduce the demand or increase the supply. As there can be no increase in supply in the next three years, we should be working on the demand side. That becomes imperative when we look 10 or 20 years into the future because there will be a constantly rising world demand for fuel. The trend line for demand is constantly going upwards. We have come to the zenith of supply and in the future we will have increasing prices for world oil whether we like it or not. It is a shame we have not moved further. I know people are not seeking instant relief in some areas, but we are really avoiding the main issue. I believe we are putting our heads in the sand by hoping that this legislation will achieve what it sets out to do. I believe that in the long term it will have the opposite effect. The pity with this legislation is that it does not contain a provision for the examination of alternative strategies to deal with current prices.

One of the issues dealt with in the Bill is an alternative fuel; that is, liquefied petroleum gas. I understand that today LPG prices went up further to 68.9¢ a litre. The price has jumped from 38.9¢ in less than a month. This increase is completely and utterly unjustified. The oil companies are able to get that price because LPG is tied to the world parity price for oil on the false assumption that the LPG we get in Western Australia is a by-product of petroleum, when in fact it is not. The vast majority of LPG in this State comes from natural gas, and that natural gas has been at a pretty constant price for around a decade. Perhaps the minister can inform me how we can break that linkage between the world parity price for oil and the price for LPG that is produced from natural gas. If the producers want to put up the price of that LPG which is a by-product of petroleum, that may be fair, because clearly the world oil price has risen, but it is not fair to do that when the majority of our LPG comes from natural gas. I would like a provision in the legislation dealing with that issue.

If we are to tackle the supply and demand situation, we must throw out a challenge to the oil companies and reduce our reliance on liquid hydrocarbons. If we were to move a large part of our economy over to LPG or CNG, we would be helping to achieve that aim, and that would be the way to push down the price of oil - not by artificial means. We are neglecting the proper way to do this. This Bill deals with petroleum products; I understand compressed natural gas is dealt with under different legislation. This Bill has not dealt with compressed natural gas, but we should have looked at CNG because that is the fuel we should be using in this State. I do not know whether members are aware, but LPG has a much lower octane rating than petrol and it produces about two-thirds of the power, whereas compressed natural gas does not lose that octane rating compared with petrol. I understand the octane rating of CNG may even be slightly higher than that of petroleum. If we were really looking for cheap alternatives, we should be moving towards and trying to base our economy on CNG or natural gas.

If we developed the infrastructure and the technology to use CNG, we would be doing a great deal for the whole community, particularly farming communities. Farmers could access CNG for their tractors and heavy trucks, because we have been told that Advanced Engine Components Ltd has contracts with a number of major trucking companies - MACK and Fiat - which are conglomerates for a number of other motor companies, and it will be producing compressed natural gas engines for those conglomerates. Today the price of compressed natural gas to households is significantly lower than the price of either LPG or diesel.

If we are to get serious about dealing with this crisis that is the direction we should take, because with this legislation we are fiddling around the edges. I am not saying that this is not a small, short-term lever on the major oil companies to encourage them to clean up their act, but I am concerned as to whether the Bill can really tie these companies down. My understanding is that rather than have money change hands, the fuel companies operate on a sort of barter system. In Western Australia, BP supplies Caltex and others with fuel from the refinery here; in the other States, the reverse is true and Caltex supplies BP. I understand this is done in order to avoid taxation, which is a matter the Federal Government should be having a good look at. If we were to charge

the oil companies taxation for bartering, perhaps the price of fuel and LPG would go up even more. At the end of the day, the best way to get fuel prices down is to reduce demand. I am concerned that the companies that barter for fuel can very easily collude to artificially fix prices, not simply to avoid taxation but to distort the picture so that this legislation is not able to tie them to a fair price.

Schedule 1 of the Bill contains a list of exclusions from the definition of "petroleum product". If I were a farmer, this would be rather worrying, because the schedule lists a number of products such as anhydrous ammonia fertiliser, ammonium sulphate, ammonium phosphate fertiliser, chemical fertilisers, nitrates, phosphates, potash and urea - all of which are used by the farming community. A whole raft of chemical fertilisers are used by the farming community, as well as a whole lot of synthetic resins, rubbers, industrial and organic chemicals, and so on. It would be a reasonably simple matter for those companies that have those items excluded from this Bill simply to pick up money they would be losing on fuel products by increasing the cost of those other products. How will the Government deal with those companies which simply transfer the amount lost from petroleum onto other products, thereby not making any change to the overall economy but in effect maintaining their status quo? As I have pointed out, some of the major users of petroleum are also major users of those products.

A number of amendments on the Supplementary Notice Paper propose, in particular, to create the ability to buy a proportion of fuel from other than the major franchise suppliers. I understand that the Leader of the Opposition will probably be moving to suspend standing orders at the end of this debate to allow those amendments to be debated because otherwise they could not be passed. The people pushing the 50 per cent rule are correct because that would really give this Bill teeth. The Premier is wrong in bowing to the pressure of BP because it is quite clear that we have but one refinery in the State and the total amount of those products will remain a constant.

My concern is that if the long period of low oil prices has prevented investment in infrastructure for refining, maybe the same thing will happen again. I am concerned that there should be a very close look at what effect this Bill might have; in fact, there should be a review to ensure that the passage of this Bill does not result in a lack of investment in modern refining technologies which would help reduce the overall price.

I reiterate that we should be doing many things if we want to deal with the fuel price crisis from which we are supposedly suffering. As some members have correctly pointed out, other countries are paying much higher prices than we are, but it is also correct to say that our nation is far more reliant on energy because of its vast distances and the types of industries which currently dominate its economy. Until the nation changes its focus on industry and develops new types of industries, the price of energy will be a critical factor for the Australian economy.

We can take many other actions with urban design, public transport and infrastructure. Although that is not being dealt with in this Bill, I put on record that I believe those sorts of changes will result in improvements in our handling of fuel prices. Although I will be supporting the Bill, I have no confidence that in the medium to long term it will be at all beneficial; it may in fact have the reverse effect of what we are trying to achieve. It is very important that we follow up this Bill with measures that really deal with the issues of bringing into play alternative fuels and reducing our wasted areas of fuel usage, such as single-car use in the metropolitan areas. The Prime Minister's measure of spending on roads the extra windfall from the goods and services tax on fuel is wrong. If we want to help country people, we should be reducing our urban use of fuel in the private car.

**HON N.F. MOORE** (Mining and Pastoral - Leader of the House) [5.16 pm]: I thank members for their contribution to this debate. Much of the debate was about what is not in the Bill and what members thought should be in the Bill. As members are clearly aware, this Bill is in response to the report of the Select Committee on Petroleum Products Pricing in Western Australia. The Government has made the decision it must bring forward to this House those amendments to legislation that are based upon many of the recommendations of the committee. We have not determined at this time to proceed with all the recommendations of the committee. I will go into that aspect in a moment.

The Leader of the Opposition will be moving to suspend standing orders shortly, as I understand it, to try to have his amendments on the Supplementary Notice Paper apply to an Act that is not before the House. It will be an interesting exercise. I indicate to him in advance that the Government will not be supporting that suspension of standing orders. However, we will hear what he has to say when he puts his point of view.

Hon Norm Kelly has suggested we are doing this in a hurry. There is no question about that. The select committee report has come in and the Government has made a decision to respond to it as quickly as possible; in fact, the Government has been criticised in some quarters for not being quick enough. Some people have promoted the idea in the community that simply by having a select committee report, suddenly the price of petrol will come down, ignoring the fact that reports of this nature need to be considered carefully by Governments and that to produce legislation takes some time. The legislation is not being hurried in the sense that some people

say it has been. The select committee spent a lot of time and energy researching the issues surrounding the price of petrol. A lot of work has been done on the issue. The question really comes down to what people's philosophical views are about price control and whether they will be fair about why the price of petrol is high at the present time. Fundamentally, the price is high because of world prices. I remember that not many years ago - probably about three - I went to a conference in Norway to talk to oil and gas producers to encourage them to come to Western Australia. I had to explain to them that I realised it was not a good time because the price of oil was so low. From memory I think it was between \$15 and \$18 a barrel. Trying to encourage investment and exploration in Western Australia was hard because the price was low. Hon Jim Scott referred to that aspect, and he was right. The price of oil suddenly went over US\$35 a barrel, which put enormous pressure on the price of petrol around the world. Nobody likes high prices, but we are fortunate to have relatively low petrol prices when compared with those found in other Organisation for Economic Cooperation and Development countries. That should be remembered by those who argue that the State Government is responsible for the current high price of petrol.

Hon Norm Kelly asked why we had not introduced a proclamation clause. Specifying a date was not considered necessary for the Bill as most of its provisions will require an administrative decision by the prices commissioner - for example, declaration of terminals, maximum wholesale price fixing and regulation making. Dates are normally inserted to allow agencies time to prepare for new legislation. By virtue of the Interpretation Act, these amendments will come into operation 28 days after royal assent anyway.

Hon Norm Kelly: I realise that. When making regulations, a proclamation date is normally included. This one seems unusual.

Hon N.F. MOORE: That is the explanation. It is not being done, as suggested by the member, so that the Government cannot proceed with this measure. It has every intention to proceed.

Hon Jim Scott accused the Government of introducing this Bill for electoral purposes. We are told the Government is not going far enough, so it is negative electorally for the Government. Why the member should think that way is beyond me. The Opposition seems to see an electoral purpose for the measure, as it argues that we are not doing the right thing and are not going the whole way.

The member raised some interesting questions on world parity pricing and liquefied petroleum gas. I will have those matters looked at. The Government has taken some action in respect of encouraging the use of LPG in motor vehicles, and we will continue in that regard.

Returning to the 50:50 rule, I found it fascinating that *The West Australian* carried a headline this morning "Court 'cave-in' on petrol" because the Premier took notice of a letter from BP. The letter, which has been seen by many people, is from a major oil producer to the Premier. I now quote a couple of points to demonstrate the issues which need to be considered. The letter reads -

Our concerns are:-

The implications of this Bill are profound for both BP and Western Australia.

If enacted, it would destabilise the franchising industry and make it unviable for BP (and others) to franchise. As BP under Federal law is largely confined to operating under this framework, BP would be forced out of marketing. And if this were to happen, this would lead to the closure of Kwinana refinery because we do not operate refineries without a marketing outlet.

In other words, BP would be forced to exit WA and close the refinery.

Any Government that ignored those comments would take a significant risk. I thought that the people who work for BP would be nervous about a Government which took a precipitous action which could see the closure of a refinery in Western Australia. For *The West Australian* to say it is a "cave-in" because we take into account the issues raised by BP is irresponsible. Hon Mark Nevill said that there is no way that BP would close down its refinery, but that is a matter of opinion. The company said it would, and the member said it would not. The Government must be responsible with such remarks made by a company of the magnitude of BP. To ignore them would be grossly irresponsible. I am sure the employees of the BP refinery would say to their former union leaders that they want the Government to assess that threat carefully before people are thrown out of their jobs. It is an important issue. The Government has made the decision not to proceed down that path of retail price fixing. We are not an interventionist Government in that sense. It would take a lot of hard persuasion for the Government to go down the path of fixing retail petrol prices, or any other price for that matter.

In respect of the 50:50 question, the Government is concerned about the attitude of BP as expressed in the letter just quoted, and the impact the 50:50 rule would have on contracts already in place. However, the Government is prepared to consider these issues once the effect of this Bill has been felt. We take the view that we are

bringing in legislation which is effectively about making the price of petrol more transparent. We want to see how well it works. In the event that down the track we feel the need to take further action, the 50:50 rule would be contemplated at that time. The Labor Party back in 1991 was preparing to go down that path and legislate in this way. However, it was talked out of it by the oil companies at the time. This proposition has been around, and caused a lot of concern, for a long time. Once the impact of this Bill has been felt in the petrol market, the Government is prepared to consider whether further action is necessary.

I thank members for their support of the Bill, which is proposed for a good purpose. We are concerned about the price of petrol in Western Australia, particularly the differential between city and country prices. However, it is very unfair for people to criticise the State Government for this situation, as it is a very small player in the overall scheme of things concerning the price of petrol at our bowlers. This legislation is an attempt to make various parts of the cycle transparent, from wholesale through to retail, so people know who is making money from the end price of a litre of petrol. I commend the Bill to the House.

Question put and passed.

Bill read a second time.

*Suspension of Standing Orders*

**HON TOM STEPHENS** (Mining and Pastoral - Leader of the Opposition) [5.28 pm]: I move, without notice -

That standing orders be suspended so far as would enable the Committee of the Whole House on the Petroleum Products Pricing Amendment Bill 2000 to consider and, if desired, adopt as part of the Bill any amendment that would amend the Petroleum Retailers Rights and Liabilities Act 1982.

Essentially, this is the only motion that will provide the House with the opportunity to ensure that the Bill before us can have its deficiencies rectified. The motion provides the capacity to amend the legislation so that franchisees have the opportunity to acquire 50 per cent of their supplies from fuel sources other than their contracted supplier. I refer to new contracts entered into after the passage of this legislation. Those retail outlets could then have a chance to access cheaper fuel.

In this debate I am unable to canvass the amendments. However, in flagging this motion during the second reading debate I referred to the reasons for moving it. I know the lie of the land; I can have this motion carried only if someone on the other side of the House will join with members on this side to create 18 members. That will open up the opportunity for the people of rural and country Western Australia to have access to a regime that will protect their interests better than that which is currently on offer from the Government.

I commend to National Party members that they support this motion. If National Party members continue to turn their backs on country Western Australians they run a grave risk of getting a poor result at the coming state election. I also commend it to Liberal Party members from rural areas, who will appreciate the need to support this motion. I hope against hope, even at this late stage of the sitting, that after four years of doing enormous damage to the lives of country people of Western Australia, they will do the right thing for once and vote with the Opposition to achieve this suspension of standing orders. I commend the motion to the House.

**HON N.F. MOORE** (Mining and Pastoral - Leader of the House) [5.32 pm]: In summing up the second reading debate of the Bill I indicated to the House that the Government would not support the member's motion and I explained why. The Government is concerned about some of the ramifications of the 50:50 rule. It will be considered much more in the future. It has been considered by previous Labor Governments and rejected. I outlined to the House a letter written by a major international company to our Premier advising that if a 50:50 rule were made mandatory, it would close the BP refinery in Kwinana. That suggestion by BP deserves to be considered thoroughly. Although the Leader of the Opposition rants and raves about the need for the coalition to support rural Western Australia in reducing fuel prices, where are members whose constituents may be employees of the BP refinery at Kwinana? Has the Leader of the Opposition taken into account their concerns on this matter?

The Government is not ruling out the 50:50 option altogether. It has introduced legislation that it believes will create transparency in the marketplace, and it will be monitored. If it becomes apparent that we must take further action, the Government has in place a process to ensure we embark on that action. That is the responsible thing to do, although it is probably the least politically sensible thing to do. If we could say we had reduced the price of petrol by so many cents a litre, that would be politically beneficial. However, we must be responsible about these things. As Andrew Mensaros used to say, Oppositions can afford to be a little bit irresponsible. I regret that many people on the opposition side are often very irresponsible.

Hon Tom Stephens: You are showing irresponsibility towards the people of your electorate.

Hon N.F. MOORE: No I am not. I have an obligation to ensure that law making in this State is properly considered. Unfortunately, the Leader of the Opposition has a reputation for rushing off to the Press, screaming his head off and grabbing simple electoral points.

Hon Tom Stephens: It was your Bill in 1992.

The PRESIDENT: Order! We are not here to debate proposed amendments. As has been pointed out, this is a very narrow debate and comments should be made through the Chair.

Hon N.F. MOORE: I gather that the Leader of the Opposition has been advised that the Opposition's amendments on the Supplementary Notice Paper are out of order. To my knowledge that ruling has not yet been made. However, I indicate to the House that the Government will not support the intent of his motion. If the motion to suspend standing orders is lost, we will go into Committee and a ruling will be made concerning those amendments. I look forward to that occurring so that we will know whether the amendments are out of order.

**HON NORM KELLY** (East Metropolitan) [5.35 pm]: The Australian Democrats often find themselves frustrated by the limitations on the scope of amendments that can be moved. The Democrats respect the standing orders that apply to those limitations. However, on this occasion, major legislation, which has wide ranging ramifications, was introduced a week ago and we will probably pass it through all stages in the next 24 hours. There is good argument to say that the suspension of standing orders should be allowed to accommodate a wider ranging debate. This debate is not about what is right or wrong; it is about allowing a wider debate than that which we have had, in order to explore other issues such as the 50:50 issue. The House will decide whether to accept the amendments. In his response to the second reading debate, I do not think the minister answered my question about why the Government has not included legislation to reflect that recommendation of the select committee. The only argument the Government has provided so far about the 50:50 issue is that it has received a threatening letter from BP.

Hon N.F. Moore: That is not all I said. It is something that is being considered.

Hon NORM KELLY: It is a serious threat. I am not judging whether it is an idle threat or a realistic threat. However, a threat to close the BP refinery is a serious matter. As I said earlier, this legislation should not be considered in haste; it should be carefully examined. However, if the Government were serious about the 50:50 legislation and about undertaking thorough research on whether it should be included, it could elect to return for a day in two weeks after doing its homework. It has been six weeks since the report was tabled, yet the Government has not produced what I consider to be a decent response. In the interests of all concerned, support of this motion will allow a slightly wider ranging debate to entertain these issues and to allow the House to decide whether the amendments should be included in the Bill.

**HON J.A. SCOTT** (South Metropolitan) [5.38pm]: Like Hon Norm Kelly, I agree that this proposal is important because it would provide more impetus to the legislation. It not only is important in that respect, but also, in the fuel industry at least, it would go some way towards addressing the weak anti-monopoly laws in Australia, let alone Western Australia. If we had stronger laws to control these monopolistic situations, we would probably not need to be here today to put this Bill through. Some of the first steps in that regard are contained in these amendments, for which the suspension of standing orders is sought to allow these amendments to go forward. I believe this is an important moment and it sets a precedent for many other areas of this type of control by major corporations. I will be supporting the motion.

Question put and division taken with the following result -

**Extract from *Hansard***  
[COUNCIL - Thursday, 23 November 2000]  
p3667b-3673a

Hon Mark Nevill; Hon Jim Scott; Hon Norman Moore; Mr Tom Stephens; Hon Norm Kelly

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Ayes (13)

Hon J.A. Cowdell	Hon Helen Hodgson	Hon J.A. Scott	Hon Bob Thomas ( <i>Teller</i> )
Hon Cheryl Davenport	Hon Norm Kelly	Hon Christine Sharp	
Hon E.R.J. Dermer	Hon Mark Nevill	Hon Tom Stephens	
Hon G.T. Giffard	Hon Ljiljanna Ravlich	Hon Giz Watson	

Noes (12)

Hon M.J. Criddle	Hon Max Evans	Hon N.F. Moore	Hon W.N. Stretch
Hon Dexter Davies	Hon Peter Foss	Hon M.D. Nixon	Hon Derrick Tomlinson
Hon B.K. Donaldson	Hon Barry House	Hon B.M. Scott	Hon Muriel Patterson ( <i>Teller</i> )

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Pairs

Hon Ken Travers	Hon Ray Halligan
Hon Kim Chance	Hon Greg Smith
Hon N.D. Griffiths	Hon Simon O'Brien
Hon Tom Helm	Hon Murray Montgomery

The PRESIDENT: Order! Because the motion did not achieve an absolute majority, it is therefore not carried.