

GRIFFIN COAL

Statement

HON COL HOLT (South West) [9.59 pm]: I want to briefly express some concerns that have been relayed to me by the people of Collie in the South West. They have some ongoing concerns with Griffin Coal and the administration of that company. Members of the community and employees of that company want some certainty about what is happening with that company. I know that it is a private company but my concerns will be expressed from the point of view of how the community is feeling. It wants some certainty about what will happen with Griffin Coal sooner rather than later. It has been in administration since January 2010. At the time everyone in WA expressed a great deal of concern, centred around things such as—from the government's viewpoint—the state's energy capacity and ensuring that we had a continual supply of coal. There was huge concern about what it meant for the Griffin Coal employees and their families who have made their homes in the South West and in Collie. It impacted on the Collie community as well as the local government and all those service industries that support the coal industry in Collie. They were the main concerns at the time.

On 15 May a report showed that Griffin Coal's debts total at least \$700 million. Other reports have indicated that the figure is perhaps even higher than that. I noticed in the report that about \$9 million is owed to employees for things such as holiday pay and entitlements. It will be good to see some certainty that those employees will get the benefits that are owed to them.

As the administrators have pointed out throughout the whole process, it is a complex business to sort out. This may well be one of the reasons those administrators have received some criticism in the past for their lack of transparency and failure to reveal any new financial data or costs and cash flow figures as they were asked to at the creditors meeting on 16 April. I guess that same complexity is one of reasons the time line for the sale of Griffin keeps slipping out and shifting. It was reported on 22 April that the sale could occur in June. On 15 May another article suggested that the administrators expected to have a short list of buyers by early August, with the aim of selling the company by October 2010. It looks to me as if that certainty that we were searching for for Griffin Coal employees and the community is a little way off yet.

It has been reported that 80 to 100 buyers—both international and local companies—are interested in Griffin Coal, which I was quite surprised about. I have been approached by a buyer who is interested in it. I guess that buyer will have to wait, like all the others, to get on that short list of potential buyers to look at the Griffin company more closely. The sale will then give some certainty to the employees and the community of Collie.

In conclusion, I encourage the administrators of Griffin Coal—obviously, it is a private entity and it has a number of debtors and creditors to worry about, along with the daily operation of mining coal and delivering coal to a variety of clients—to expedite any concerns it has and move ahead with the process of identifying a buyer for Griffin Coal so those employees can look at getting that \$9 million in entitlements that is owed to them and the Collie community can know that a part of the industry that makes Collie a vibrant place has a certain future.