

COAL-FIRED POWER STATIONS — PREMIER COAL

**582. Dr D.J. HONEY to the Minister for Energy:**

I refer to the reported coal shortage, the government-owned coal-fired power stations in Collie and the potential that we may need to import coal from the eastern states because of that. Can the minister explain the long-term reason for Premier Coal's failure to fulfil its contractual obligations to provide coal, and what has the minister done as the Minister for Energy; Minister for Mines and Petroleum to address the problems that clearly extend far beyond the Collie mine incident of 16 August?

**Mr W.J. JOHNSTON replied:**

I will answer this question, but I will point out to the member that his question is structurally wrong. If he looks at standing order 75, he will see that it says —

Questions may be asked of —

- (1) Ministers regarding matters under the Minister's administrative responsibility;

The member asked me what the problems are at Premier Coal. Premier Coal is a privately owned company. It is not in any way controlled or influenced by the Minister for Energy, and I have no powers either as Minister for Mines and Petroleum or Minister for Energy to intervene in the operations of the coalmine. Let me assure the member that I have taken plenty of legal advice on that question. I make it clear to the member that the government of Western Australia does not operate any coalmines. Although I am aware of some of the challenges for Premier Coal—because Premier Coal has told me—I have no authority or power to operate the Premier Coal coalmine. I cannot do that. There is absolutely no authority that I have to intervene in the operations. Interestingly, I have emergency powers to control liquid fuels and gas, but there is no equivalent power for the operations of the coalmine. Even if we declared a state of emergency, we would not have powers to intervene with the operations of the coalmine.

I make it clear that some confusion was generated by Paul Murray at *The West Australian* that somehow this is about government behaviour. I want to make it clear that that is simply a misunderstanding of what has occurred. Premier Coal and Synergy have a commercial relationship, with Premier Coal to provide a certain amount of coal to Synergy. The way it works is that there is a floor and a ceiling to the amount of coal that is to be provided, and prior to the start of the year, Synergy can tell Premier Coal how much coal it needs within those two limits. Unfortunately, Premier Coal has not been able to provide the contracted volumes of coal to Synergy. Whether I like it or not, there is no authority for the Minister for Energy to change the behaviour of the privately operated, independently run Premier coalmine. I would love to have some authority to change its behaviour, but I do not. The same was true when Hon Dr Mike Nahan was the Minister for Energy. The member would remember, I am sure, that he said that the two coalmines should merge. In the same way as that never occurred, because he had no authority to make those two coalmines merge, I do not have any authority to operate the coalmine at Collie. There is nothing the government of Western Australia can do about the operation of the coalmine. Also, I want to go on further. There is this silly comment by Paul Murray in *The West Australian* that somehow this is about renewable energy. The opposite is true. This is about the unreliability of the supply of coal. The member made a comment in *The West Australian*, using Paul Murray's opinion piece as the basis for his opinion piece. The member said —

... Synergy had already experimented with shutting down the Collie coal power stations during the spring of last year.

That is not correct. The Australian Energy Market Operator turns on and off the power stations. I have made this comment 100 times. The Collie coal-fired power station could not fit into the energy system for six weeks last year because coal-fired power stations are not flexible, and, at this time of the year, we get so much energy from people's rooftop solar that we literally cannot get that massive coal-fired power station into the system. Last year, we did not choose to experiment not turning on the station for six weeks; it was not turned on for six weeks because it was not needed.

I want to finish on this, and I am sure that I will get a very interesting supplementary question! At the time, the Premier and I went down to speak to the workforce first and then announce the closure of Muja stage 6. We then went down again to face the workforce, talk to it and then announce the closure of the Collie power station and Muja D—the point being we fronted the workforce first. I made the point that we are going to need coal until we do not and, at the moment, we need coal. Therefore, I am bitterly disappointed that Premier Coal is not providing the contracted tonnes to Synergy. But I also point out that Griffin Coal is not providing the contracted tonnes to either the privately owned Bluewaters power station or the privately owned Worsley Alumina refinery; therefore, Premier is not the only one that is not delivering on its contractual obligations.