

KWINANA INDUSTRIAL AREA, AIR QUALITY ISSUES

Grievance

MR C.J. BARNETT (Cottesloe - Leader of the Opposition) [9.37 am]: My grievance is to the Minister for the Environment. I imagine that the Minister for the Environment is probably thinking that it is a bit unfair that I would raise with her something about energy. The reason I am directing this grievance to the Minister for the Environment is that I am really asking her what her position is on a major environmental issue - that is, air quality above Perth - and particularly on the impact of the Kwinana industrial area on the neighbouring communities of Hope Valley and Wattleup and on the air quality of the broad southern corridor. Kwinana is our most important industrial area; there is no doubt about that. However, an air quality issue has gradually developed over the past 40 years in Kwinana. As urban growth has continued in the southern corridor, that problem has become more acute. The previous coalition Government recognised the problems, in particular for Hope Valley and Wattleup, and started a very difficult process of essentially relocating and closing down communities. That is very hard to do and will probably take a generation to ultimately achieve. However, there is a public health issue. In the past couple of days it has emerged publicly that the energy policy of this State is a complete failure. That is not the main point of my grievance. This State is going back 40 years to import oil and burn it in Kwinana for power generation. Economically, it is a backward step. For a State with well over 100 years of proven gas and coal reserves to be reverting to importing 25 000 tonnes of oil at approximately \$800 a tonne is economically absolutely incompetent.

I could have an argument, as I did on ABC radio this morning, with the Minister for Energy about gas pipelines and the like. However, the point I raise today is the environmental impact. A decision was made late in the term of the previous Government, when I was the Minister for Energy, to proceed with new combined cycle gas-powered generation at Kwinana. That decision was followed through by this Government, and the Cockburn 1 plant, at a cost of some \$250 million, is now operating. That is clean, efficient power generation using natural gas - that is great - and there are prospects to expand that. Part of that decision, from a government policy point of view, was that that would not only add to power generation on the south west grid, but also the burning of coal in Kwinana would cease. Our coal is relatively clean. Coal still forms the major fuel for power generation on the south west grid. It accounts for in excess of 60 per cent of generation, and it will have an ongoing permanent role. However, coal produces high levels of emissions compared with natural gas. It is logical for the long-term issue of air quality to ensure that coal burning for power generation is not located in the urban area. Coal has a permanent future, but it needs to be based essentially around Collie, where there is not such a congregation of population and there is not the environmental impact.

In fact, it was an environmental condition in the approval process that coal burning would stop in Kwinana in 2003 when the new gas-powered generation unit came on stream. The new gas plant is operating, and that is good, but what I find tragic is that, as a consequence of the incompetence of the Minister for Energy, coal will continue to be burnt in the old Kwinana power plant and, indeed, about \$5 million will be spent on that Kwinana plant to reconvert some of it so that it can go back to burning oil. I do not blame the Minister for the Environment for that; I blame the Minister for Energy.

Let us look at it. Apart from bad economic and bad power generation management, there is a significant environmental impact when gas is burnt instead of coal for power generation. Gas produces about half the emissions, particularly greenhouse gas emissions, than does coal; coal produces twice the number of emissions than does gas. Burning oil produces 25 per cent more emissions than are produced from burning natural gas. Therefore, we will be contributing more to greenhouse gas emissions. In addition, with some of the industrial development in the area, we will be adding to pollutants of greater concern, particularly nitric oxides and sulfur oxides.

I relate this to an earlier decision of this Government, of which it is probably very proud, to scale up the HIs melt project in Kwinana. However, the HIs melt project of Hamersley Iron Pty Ltd and Rio Tinto Ltd is a result of their processing obligations under state agreement Acts for mining iron ore. It was always envisaged that iron ore processing would take place in the Pilbara, or perhaps, as a compromise, in the mid west. I believe this Government made a very short-sighted decision when it agreed to put the HIs melt project into Kwinana. I will tell the House why. The HIs melt project in Kwinana uses huge amounts of power and massive amounts of water. Yes, the water may be recycled, but one could argue that that water should be recycled and used broadly across the urban area. It is a huge drain on energy and water resources. However, the HIs melt project will produce some 1 500 tonnes of emissions a year.

I mention that because this Government is at pains to justify, in part, its southern rail project on the basis that it will improve the environment. This Government and the Minister for Planning and Infrastructure argue that the rail link will save 96 tonnes of emissions. That is why I have raised this grievance with the Minister for the Environment. The rail project may save 96 tonnes of emissions, but the HIs melt project alone puts 1 500 tonnes

of emissions into that area. That swamps by a factor of 15 000 per cent the impact of the railway. Coupled with that, coal continues to be burnt, and now oil will be burnt in Kwinana.

Perhaps I addressed this grievance to the minister a little unfairly. However, I want to know where the Minister for the Environment is on the big issues; and in this case, on the big issue of air quality over Kwinana and the southern suburbs.

DR J.M. EDWARDS (Maylands - Minister for the Environment) [9.44 am]: I thank the member for the grievance. I will start first of all by talking about air quality, and air quality in the Kwinana area. When we came to government, we undertook a review of that buffer, and we looked at air quality in the area. The results were very interesting. We were informed that sulfur dioxide levels are very low. Even in the worst case scenario, if every licensed industry in that area was emitting at the levels for which they are licensed, we could still manage the sulfur dioxide issues. Therefore, sulfur dioxide is really not a problem in that airshed.

A lot of work has been going on in the Kwinana area. For instance, we have been able to attract money from industry for it to work with us and undertake a further study to look at air quality in the area. Coincidentally, just yesterday, 30 June, the Department of Environment released the results of stage 1 of the Kwinana industrial airshed gap emissions study - I repeat, "gap emissions". Although the previous Government talked a lot about what it was doing for air quality, when we looked at it we became aware that there were gaps. It did not know about certain things. Therefore, yesterday we released stage 1 of the study commissioned by the department that looks at the adequacy of current emissions monitoring in the Kwinana airshed. I am informed - it is in the media release - that stage 1 of the study looked at typical emissions monitoring requirements of 30 Kwinana facilities. The good news is that the studies have shown that management of emissions is similar to, and in some cases more detailed and better than, that in other Australian jurisdictions.

In stage 1 we looked at what the gaps might be. In stage 2 we will determine whether the emissions monitoring requirements in Kwinana industries' licences and the ambient monitoring programs currently in place are appropriate. As part of this second stage we are looking at substances called air toxics. We have new money to do air toxic studies, and we are working in conjunction with industries to drill into air quality issues to see whether there is an air toxic issue; and, if there is, to get on top of it.

The news so far on air quality in that area is that vast improvements have been made. All Governments can take credit for that. It started some time ago. Industry has been very cooperative. Air quality in that area is not presenting us cause for concern. However, we will continue to look at the issue in more detail. The air toxic study is also getting some national attention because of what we are doing in that area.

I will turn to comments that the Leader of the Opposition made about the Kwinana power station. Obviously, Western Power's strong preference is to use gas as the primary source of fuel at the Kwinana power station. However, equally, it is constrained in getting its gas from the privatised Dampier to Bunbury natural gas pipeline.

Mr A.D. McRae: Who did that?

Dr J.M. EDWARDS: Yes, who did that? I do not think it happened since we have been in government.

Mr C.J. Barnett: It does not matter who owns the pipeline.

Dr J.M. EDWARDS: If people are going to start apportioning blame, they need to look over their shoulders and look backwards.

Mr C.J. Barnett: Can you just confirm that the environmental condition attached to the building of the Cockburn plant was to stop the burning of coal?

Dr J.M. EDWARDS: Technically, it is an environmental commitment that was contained in what was put on the table when the approval process was gone through. Yes, I can confirm that.

Mr C.J. Barnett: I think you will find that it is a licence condition.

Dr J.M. EDWARDS: No, I do not think it is a licence condition. The ministerial approval that was given for Cockburn 2 had attached to it a document that listed commitments made by the proponent. One of those commitments, which clearly it has not been able to meet, was that the burning of coal would cease on 30 June 2004.

Western Power has been in discussions with the Department of Environment for about a month, I believe. Certainly, it has been in discussions with the Environmental Protection Authority service unit of the department over the past fortnight or so. In fact, the EPA will look at this issue today. We have been informed by Western Power that it is facing constraints in its gas supply. For those reasons, it is looking at the reinstatement of oil and is looking at coal.

However, I need to point out that the site is licensed to burn gas, coal and low sulfur fuel oil, as distinct from the heavier and higher sulfur fuel oil that was used in the past. The EPA will look at that today. Although I cannot pre-empt its discussions, I assume that the recommendation will probably be made that conditions be altered so that Western Power can continue to do what it is doing to make sure that it gets power into Western Australian households and to Western Australians.

Mr C.J. Barnett: We haven't burnt oil for 40 years.

Dr J.M. EDWARDS: I think the Leader of the Opposition is out of touch. It is not oil; it is a different type of oil.

Mr C.J. Barnett: It is oil.

Mr A.D. McRae interjected.

Dr J.M. EDWARDS: It is a different type of oil; it is a low-sulfur fuel oil. Clearly Western Power does not want to burn that as its first preference. Western Power wants gas. This whole system has been changed to harness the gas that we have.

Withdrawal of Remark

Mrs C.L. EDWARDES: The member for Riverton referred to the Leader of the Opposition in unparliamentary terms.

The SPEAKER: I am sure that if the member said something unparliamentary, he will withdraw it. I was listening to the minister. If he said the word "foolish", he should withdraw it.

Mr A.D. McRAE: I did not know that the word "fool" was unparliamentary, but if the Speaker advises that it is, I will withdraw it.

Debate Resumed

Dr J.M. EDWARDS: It is important that Western Power can go about its business. Of course gas is its preferred fuel. However, under these circumstances Western Power has identified that it may have some difficulty getting hold of gas. I could go over the reasons for that in great depth, but I do not know whether it is worth repeating those arguments. I conclude on this note: the Government takes air quality very seriously. We have just instituted a buy-back program for wood heaters in certain local government areas of the city to look at the effect of wood heaters on winter emissions and on air quality problems. There is no doubt that in certain suburbs, for example, around the member for Kingsley's electorate, wood heaters significantly contribute to air quality problems during winter.

Another major contributor to poor air quality is our love affair with the car. Western Australia has a very high car ownership rate per capita. Each year motorists drive their vehicles huge numbers of kilometres, and that rate has been increasing. That is due in part to the fantastic beaches we have and because people want to live north and south along the coastline. The southern railway will help with that issue. It will help people get out of their cars and onto public transport. That will improve the air quality. The old-fashioned view of air quality of people who are not up to date is to blame industry. The days of blaming industry have passed. If we want to tackle air quality, we must get out of our cars, get on our feet and on our bikes and examine our own personal behaviour.