

ELECTRICITY — COSTS

**1020. Mr I.M. BRITZA to the Minister for Energy:**

Can the minister update the house on the actions being taken by the Liberal–National government to reduce the cost of delivering electricity in Western Australia and to shield WA consumers from that cost?

**Dr M.D. NAHAN replied:**

That is a good question. We have had a major year of reform in the electricity industry—a very positive one. Let me go through some of those things. The first is Horizon Power, which is a very important state-owned firm. It is the poles-and-wire electricity firm outside the south west interconnected system.

**Mr W.J. Johnston** interjected.

**The SPEAKER:** Member for Cannington! Minister, we are running out of time. I want a short, concise answer through the Chair.

**Dr M.D. NAHAN:** We have done so much that it will be hard to keep the answer concise, but I will try.

Several members interjected.

**The SPEAKER:** Members!

**Dr M.D. NAHAN:** There has been major reform saving \$48 million this year alone and the reforms will move to \$100 million a year. Given that Horizon has no customers in Perth but most of its staff are based here, we have dispersed staff to the regions. It is now a regional business both in operations and staffing. We have also instructed the firm to focus on isolated systems and to adopt new technology, renewable energy and batteries for its many stand-alone systems. Western Australia, through Horizon and joint ventures, will have a world-leading focus on that activity.

Moving on to Synergy, we have merged the entities of Synergy and Verve Energy.

**Mr W.J. Johnston** interjected.

**The SPEAKER:** Member for Cannington!

**Dr M.D. NAHAN:** That is saving money and the true nature of the first tranche of savings will be highlighted—I urge the member for Cannington to look at this, although he might get upset—when the midyear review comes on —

**Mr W.J. Johnston** interjected.

**The SPEAKER:** Member for Cannington, I call you to order for the third time.

**Dr M.D. NAHAN:** When the midyear review is released, the member will see hundreds of millions of dollars of savings annually. Also, of course, we have put the businesses together and we are driving a great deal of efficiencies in the operation of the system. Also, Muja AB came on and saved Albany from outages. It also burnt a lot more coal, which kept people employed in Collie and kept the lights on in the whole region.

Western Power is the third-least costly poles-and-wire company in Australia. At the same time, it is meeting its pole replacement targets, something that the last government did not even recognise, but that we are meeting. There has been substantial investment, but the cost has also been kept down.

**Ms L.L. Baker** interjected.

**The SPEAKER:** Member for Maylands!

**Dr M.D. NAHAN:** The market review, which I expect to get a report from shortly, has had a collective decision from all the players in the industry recognising the need to correct fundamental errors committed to in Labor's disaggregation and the need to ditch that and move on to a system that actually works and does not impose excessive risk and cost to taxpayers and electricity consumers. We are getting on and fixing Labor's mess.