

GINDALBIE METALS LTD — ROYALTY CONCESSION

**691. Mr M.P. MURRAY to the Premier:**

I refer to the granting of royalty concessions to Gindalbie Metals Ltd earlier this year worth \$15 million and the difficulties currently being faced by Griffin Coal.

- (1) Will the Premier commit to providing similar assistance to Griffin Coal to ensure that vital jobs are not lost to Western Australians?
- (2) Given the summer peak energy season is almost upon us, what plans are in place to ensure consistency of supply to the south west grid if Griffin Coal is unable to provide coal to the Bluewaters power station?

**Mr C.J. BARNETT replied:**

- (1)–(2) No, we will not be giving royalty concessions to Griffin Coal or to Lanco Infratech, which is that project, or the other one known as Premier Coal, which is —

**Mr M.P. Murray:** Yancoal.

**Mr C.J. BARNETT:** Yancoal, yes.

Not to Lanco, not to Yancoal, not to Premier and not to Griffin. However, I acknowledge that the coal industry in Collie is in a highly unstable situation; there is no doubt about it. The state government is working closely with it and watching events very carefully. Some fundamental reform is needed within that industry, particularly relating to the ownership of the mines and the way in which that coal deposit is mined. I think the member for Collie–Preston would probably agree with me on that. They are primarily commercial matters. The state is ensuring that there will be no risk to power supplies, and we are confident of that. Both mines now have overseas ownership and each has expectations about what might happen with coal exports. The government has a desire for a stable coal supply and we are not inflexible on price. We also expect coal companies to negotiate in good faith with other coal consumers and prospective coal consumers such as Perdaman Industries, but there has been a reluctance to do that. These two companies are walking a tightrope at a high financial risk to themselves. It is a very unstable situation and the state government is doing the proper thing, but we are not going to get into business arrangements, as happened previously in this state's history.

Several members interjected.

**Mr C.J. BARNETT:** No, we are not. We are not going to do what the Labor government did in the 1980s, that is for sure.