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Recent Statements



Peter Collier
Minister for Energy; Training

Wed 26 August, 2009

State's energy future outlined

Portfolio: Energy

Energy Minister Peter Collier has outlined a strategy to ensure the reliability and security of Western Australia's future energy needs.

Speaking at the 9th Energy in Western Australia conference in Perth today, Mr Collier announced the development of a Strategic Energy Initiative to ensure a co-ordinated direction for the State's future.

"When the Liberal-National Government took office last year, we were left with an energy sector that was in tatters because of a totally flawed disaggregation process - a legacy left by the previous Labor government," he said.

"In the three years prior to disaggregation, Western Power Corporation achieved a total profit before tax result of almost \$1billion.

"When the Liberal-National Government took office last year, we were left with the reality that a subsidy of \$1.5billion would be required over three years to keep Verve Energy viable.

"In order to move the energy sector forward, we must address the failures of the previous Labor government and fix the fundamentals of reliability and energy security.

"Once we have the basics right, we can deliver a cleaner energy future through the development of renewable energy supplies and our commitment to the national target of 20 per cent renewable energy by 2020."

One of the first major steps of delivering reliability and fixing the energy sector is to stem the haemorrhaging of Verve Energy.

The Minister announced at today's conference that the Government would not remerge Verve and Synergy, following a review to identify the underlying causes of Verve Energy's financial position.

"However, significant changes to the market rules and Vesting Contract will be required," he said.

"The Government, on behalf of the taxpayers of Western Australia, cannot continue to subsidise Verve's losses.

"Similarly, it is unacceptable that the State's investment in Verve Energy has been significantly

eroded since disaggregation.

“While non cost-reflective tariffs have contributed significantly to Verve Energy’s financial position, the flawed design of the market and the Vesting Contract arrangements implemented by the former Labor government has had a major impact on Verve’s performance.

“The State Government wants to ensure a reliable and secure electricity supply for all Western Australians, a supply that is sustainable into the future.”

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