



# Media Release

## Senator Alan Eggleston

### Liberal Senator for Western Australia

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## Coalition Senators call for State Judicial Inquiry into handling of the Varanus explosion

3<sup>rd</sup> December 2008

The Coalition members of the Senate Economics Committee of which WA Senator Alan Eggleston is Deputy Chair has recommended a judicial inquiry into the State Government's response to the gas crisis that gripped Western Australia earlier this year.

As Deputy Chair of the Economics Committee, Senator Eggleston oversaw the submission of a dissenting report today by Coalition members after hearing evidence that condemned the Carpenter Government's response to the crisis.

"While the Committee's main report suggests the State Government's response was adequate, this was inconsistent with the evidence that was given throughout the inquiry,"

"Communities and businesses suffered, and they suffered badly,"

"This report highlights the urgent need for a contingency plan, to prevent a similar crisis occurring in the future."

The Dissenting report recommended that further investigation be undertaken in a number of areas:

*"As a result of this inquiry, Coalition Senators believe that in the public interest there is an imperative requirement that the following matters be the subject of further investigation to determine whether the management of the crisis by the Western Australian State government was negligent and that the question of compensation to injured parties should be considered ;*

1. **The absence of a Contingency Plan:** *Given that the consequences of the interruption of the gas supply to the South West were predictably severe, the failure of the State Government to have a contingency plan in place to deal with such an event and whether this amounts to negligence .*
2. **Minister Logan:** *Minister Logan's failure to develop a contingency plan in spite of his recognition of the desirability of having such a plan in place and whether this amounts to gross incompetence.*

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3. **Crisis Management:** *Whether the actual management of the crisis and the process under which gas was allocated to industry. Whether the reliance on a market forces model was in the public interest. Whether the State Government should have become more involved by the formal declaration of a state of emergency as is possible under state law.*
4. **Small the Medium Sized Enterprises:** *The apparent lack of concern for small to medium businesses who were forced to bid for gas through the Bulletin Board with no regard for their individual circumstances nor their importance to the wellbeing of local communities all of whom were thereby disadvantaged.*
5. **Use of Force Majeure:** *The termination of contracts under 'force majeure' clauses because of a lack of gas allegedly followed by energy suppliers seeking to re-negotiate contracts with clients at higher prices for periods of up to 3 years.*
6. **Increase Gas and Electricity Prices:** *The reasons for the general increases in gas and electricity prices which have occurred following the progressive restoration of the supply of gas.*
7. **Energy Security:** *The need for WA to reduce dependency for energy on the North West Shelf gas fields and the Dampier to Bunbury pipeline (which supplies the Perth Metropolitan area and the Bunbury Wellington region), in particular by diversifying sources of energy.*

“Clearly the State Government was not prepared to handle this predictable crisis which cost businesses billions of dollars, and a further full inquiry in WA is necessary to mitigate the impact of any similar disaster in the future.”

**Ends**