

EPIC ENERGY, INDEPENDENT GAS PIPELINES ACCESS REGULATOR, RULING

610. Mr R.N. SWEETMAN to the Minister for Energy:

I refer to the long-running dispute between the Independent Gas Pipelines Access Regulator and Epic Energy on the regulator's draft ruling of 21 June 2001.

- (1) Given that this dispute has been running for almost two years and that it is three-and-half years since Epic Energy filed its access arrangement, will the minister admit that the State's reputation as a safe place to invest is now being seriously compromised?
- (2) Given Epic's dire financial predicament as a result of the regulator's draft ruling, will the minister explain why the regulator has yet to implement instructions by the Supreme Court that the circumstances of the original sale, the purchase price paid and Epic's legitimate business interests be taken into consideration in determining the pipeline transportation tariff?
- (3) In the interests of future industrial development in this State, will the minister now intervene to ensure that this matter is resolved quickly?

Mr E.S. RIPPER replied:

- (1)-(3) That is a very interesting question from a representative of the party that got us right into this difficulty. Where would we be had we not had the unfortunate coincidence of the privatisation of the pipeline and the establishment of the gas pipelines access regulations by the former Minister for Energy, and the potential circumstances that his administration of those two matters created for people to make the sorts of allegations that the member for Ningaloo has now made? This is not the only example of an unfortunate interaction arising from the administration of the former Minister for Energy, the now Leader of the Opposition. With the goldfields gas pipeline an unfortunate interaction occurred between the state agreement negotiated by the minister and the independent gas regulation instituted by him. That, in itself, produced legal action. Therefore two of the most important pipeline regulatory matters in this State have been complicated by the way in which the former Minister for Energy dealt with issues related to those two matters.

The Government will act according to the law. The law of this State states that the Independent Gas Pipelines Access Regulator is independent of ministerial direction in the performance of his function. I will not succumb to suggestions, explicit or implicit, from the Opposition or from anyone else that this Government should behave like the former Minister for Energy. I will not succumb to suggestions that we should go to the regulator with a nudge-nudge, wink-wink approach in a, sleazy, behind-the-scenes political deal with a word between the minister and Epic and then a word between the minister and the regulator. That is the cowboy approach of members opposite.

This Government will abide by the law. Furthermore, this Government will abide by its agreements with the other States and the Commonwealth. Those agreements were signed by the previous Government. We have not only a law which states that the Independent Gas Pipelines Access Regulator is independent of ministerial direction, but also an agreement with the Commonwealth and every other State signed by that lot opposite to the effect that we will have that law and we will not change that law without the agreement of the other States and the Commonwealth. If the member for Ningaloo thinks I should intervene, what does he suggest I should do? Does he think I should break the law?

Mr C.J. Barnett: What do you think?

Mr E.S. RIPPER: Not the Leader of the Opposition; he is discredited on this issue. The member for Ningaloo asked the question. Does he think I should break the law?

Mr R.N. Sweetman: You are in this place to deal with unfinished business and it is up to you.

Mr E.S. RIPPER: He will not answer. Does he think I should change the law?

Mr C.J. Barnett: You can act.

Mr E.S. RIPPER: All members opposite can say is that I can act. There are two options: break the law or change the law. Which one does the member for Ningaloo want me to adopt? The member for Ningaloo can answer while he is in the Chamber.

Mr C.J. Barnett: Absolutely; two years of delay.

Mr E.S. RIPPER: Mr Speaker, members opposite cannot answer. They seek to make a bit of political capital from the issue when they are responsible for the mess that has resulted from this issue. I expect the Independent Gas Pipelines Access Regulator will present his decision. The Government will support him in his independent

approach and will not intervene to change his decision because it would be contrary to our law and contrary to our agreement with the other States and the Commonwealth.

Members should be wary of suggestions of Epic's financial difficulties - I will not characterise its financial situation; it is for it to say - that are solely related to the question of the regulator's decision. Unfortunately, Epic relied on the promotion of the Kingstream Steel Ltd project by the Leader of the Opposition when he was the Minister for Energy. Epic believed him when he said that Kingstream would happen at Oakajee. I ask the Minister for Planning and Infrastructure how much money we spent on Oakajee.

Ms A.J. MacTiernan: \$20 million.

Mr E.S. RIPPER: We spent \$20 million on a failed industrial site. How many millions of dollars were spent on a failed industrial project and by how much did the Leader of the Opposition mislead Epic when he was the Minister for Energy?