

Energy Minister Fran Logan under fire over \$9m gas deal

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ENERGY Minister Fran Logan acted inappropriately and incompetently in negotiating a \$9 million deal for emergency gas supplies, the Opposition said yesterday.

Opposition Leader Troy Buswell said a panicked Mr Logan had acted rashly in an attempt to avert a critical gas shortage after a January 2 shutdown at the North West Shelf gas plant operated by Woodside Petroleum - the supplier of approximately 75 per cent of the state's daily gas consumption.



UNDER FIRE: The State Opposition says Energy Minister Fran Logan acted inappropriately and incompetently in negotiating a \$9 million deal for emergency gas supplies.

He said there was no evidence Mr Logan's involvement in the negotiations to secure the gas was necessary, and he questioned the appropriateness of the minister's interference.

Responding to an exclusive story on the panic purchase in *The Australian* yesterday, Mr Buswell demanded that Mr Logan table all documents relating to the deal.

Documents obtained by *The Australian* reveal that Mr Logan personally called Burrup Fertilisers to secure the gas, and officials from Verve, the government-owned electricity utility, claim that during this conversation, the price was bumped up per gigajoule by about 30 per cent.

Burrup Fertilisers charged Verve \$35 a gigajoule for gas that it originally purchased for \$1.50 a gigajoule and which Verve most likely could have sourced elsewhere for about \$28 a gigajoule.

"There are questions that need to be answered by Fran Logan about his involvement in brokering this business deal between Burrup Fertilisers and Verve," Mr Buswell said.

"It's not the role of a minister of the Crown to be involved in brokering business deals between government agencies like Verve and Burrup Fertilisers, and there are questions that have to be asked: was Fran Logan involved in setting a price and what aspects of the deal was he involved in brokering?"

"I don't believe for one minute that all the minister did was pick the phone up, call Burrup Fertilisers to see if they had any gas and then call Verve and get them to work the deal out.

"It just seems that the minister has been involved, and some would argue inappropriately, in brokering this ... deal between Verve and Burrup Fertilisers."

Mr Logan told the ABC yesterday: "I gave them a contact of a person in Verve to talk to. I also contacted that person in Verve and said to them, 'I've been in contact with Burrup Fertilisers, they're willing to look at it but you're going to have to talk to them about the price'."

Mr Buswell said the event highlighted the fact the Government had yet to put in place protection for the state's gas flow.

"The broader issue here is that after seven years in power, what has the Labor Party done to make sure that the flow of gas, the provision of power into the southwest of Western Australia, is protected from these sorts of events?," he said.

"There's a very strong argument that Fran Logan and the Government have been negligent in not putting in place strategies to deal with events that disrupt the flow of gas."

A spokesman for Mr Logan said there were no documents relating to the deal to table in parliament as his only involvement was a telephone call to Burrup Fertilisers.