



Procedure and Privileges Committee

Report on a Person Adversely Referred to in the Legislative Assembly — Hon Gary Gray AO MP

**Report No. 5
June 2014**

Legislative Assembly
Parliament of Western Australia

Committee Members

Chair	Hon Michael Sutherland, MLA Speaker of the Legislative Assembly Member for Mount Lawley
Deputy Chair	Hon Michelle Roberts, MLA Member for Midland
Members	Mr Frank Alban, MLA Member for Swan Hills
	Ms Wendy Duncan, MLA Member for Kalgoorlie
	Mr John Quigley, MLA Member for Butler

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Hon Gary Gray AO MP*

Report No. 5

Presented by

Ms Wendy Duncan, MLA

Deputy Speaker of the Legislative Assembly

Laid on the Table of the Legislative Assembly on 12 June 2014

Report

The Speaker of the Legislative Assembly referred to the Procedure and Privileges Committee a letter from the Hon Gary Gray AO MP, seeking to use Standing Order 114 to respond to comments in the Economics and Industry Standing Committee report titled *The Economic Impact of Floating LNG on Western Australia*, which was tabled in the Legislative Assembly on 15 May 2014, and to related comments made in the Legislative Assembly on 15 May following tabling of the report.

The Committee has agreed to recommend the incorporation in *Hansard* of the appended response by the Hon Gary Gray AO MP.

In accordance with Standing Order 114, the Committee has not considered or judged the truth of any statements made in the Legislative Assembly or in the submission.

Recommendation

Your Committee recommends –

That a response by the Hon Gary Gray AO MP, in the terms specified in the Appendix to this report, be incorporated in *Hansard*.



Hon Michael Sutherland, MLA
Chairman of the Committee
12 June 2014

Appendix One

Response by the Hon Gary Gray AO MP

Agreed to by the Hon Gary Gray AO MP and the Procedure and Privileges Committee pursuant to Standing Order 114



**THE HON GARY GRAY AO MP
SHADOW MINISTER FOR RESOURCES
SHADOW MINISTER FOR NORTHERN AUSTRALIA
SHADOW SPECIAL MINISTER OF STATE**

PO BOX 6022
PARLIAMENT
HOUSE
CANBERRA ACT 2600

Ref. 2014145

The Hon Michael Sutherland MLA
The Speaker of the Legislative Assembly
Parliament House
PERTH WA 6000

Dear Speaker

I write seeking redress under Standing Order 114 for adverse comments made in a report produced by the Parliament of Western Australia Economics and Industry Standing Committee (the Committee) titled "The economic impact of floating LNG on Western Australia" (the Report), and related comments made during the tabling of the Report in the Legislative Assembly on Thursday 15 May 2014.

The adverse comments are drawn from untested submissions made by the Department of Mines and Petroleum (DMP) that characterise the conduct of the Commonwealth, and I as Minister, as flawed.

Comments made in the Report:

*"On 2 August 2013, then federal Minister, Hon Gary Gray MP, **unilaterally decided to approve the variation to the Retention Leases**, thus opening the way for Woodside to announce FLNG as its preferred development option. This unprecedented decision, which was made without fair and reasonable consideration of WA's position,.."*

Executive Summary, page iii.

The Report outlines the Committee's basis for coming to this conclusion in Chapter 2: Public administration of Australian offshore oil and gas activities. Further, the Committee made findings 6 to 13, and recommendations 4 and 5, on the basis of this conclusion.

Comments made in the Legislative Assembly:

Three members of the Legislative Assembly, and the Committee, referred to the decision to approve the variation to the Retention Leases and to me by name in their tabling comments on 15 May 2014. The Members were Mr Ian Charles Blayney MLA, Hon. Francis (Fran) Michael Logan MLA and Mr Jan Henrik Norberger MLA.

Mr Blayney repeated the conclusion reached in the Report by stating:

"The other issue of concern that the committee considered at length was the decision of the former minister Hon Gary Gray to unilaterally approve Woodside's wish to develop the Browse leases by means other than a gas plant onshore at James Price Point. This is dealt with in findings 6 to 13, and recommendations 4 and 5. This decision, we feel, was against the spirit of the joint authorities."

Mr Logan repeated the conclusion reached in the Report by stating:

"On 2 August 2013, the former federal Minister for Resources and Energy, Gary Gray, made a historic unilateral decision to approve a variation to the retention leases in the Browse Basin that now allows the development of Browse Basin gas offshore by FLNG."

Mr Norberger repeated the conclusion reached in the Report by stating:

"A key finding of the committee, which certainly had an impact on me, was the manner in which the then federal resources minister, Hon Gary Gray, went about changing these conditions on the commonwealth retention leases ...

Minister Gray, in the opinion of the committee, chose not to provide Western Australia a realistic time frame or an opportunity to understand the implications of Woodside's request or work constructively with the state to find a suitable outcome."

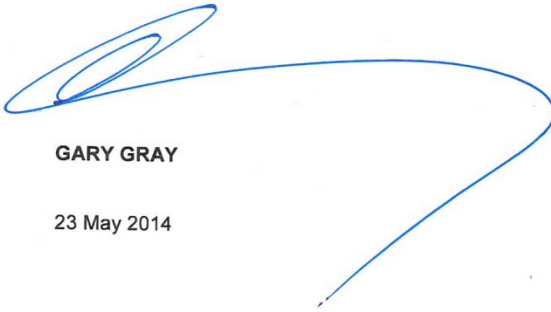
My complaint regarding the comments made about me in the Report and during the tabling speeches made in the Legislative Assembly relate to:

- (1) The fact that I, as the named former Minister, was not invited to respond to the evidence provided by the DMP;
- (2) The implication that the decision was made by a deficient process, or was not made within the proper jurisdiction of the Commonwealth; and
- (3) The possible inference that this decision was made independent of advice provided by the federal Department of Resources, Energy and Tourism.

In addition to seeking an opportunity to correct the public record under Standing Order 114 by incorporating an appropriate response in Hansard; I remain willing to give evidence in relation to this matter to the Economics and Industry Standing Committee at its earliest convenience.

I would be pleased to provide to the Committee with a full account of my decision and the process undertaken in coming to it. At all times I acted within the requirements of the Offshore Petroleum Greenhouse Gas Storage Act 2006 (Cth), with the advice of my Department, in the national interest, and with the utmost personal integrity.

Yours sincerely

A handwritten signature in blue ink, consisting of a large, sweeping loop that starts with a smaller, tighter loop on the left side and extends to the right before curving back down.

GARY GRAY

23 May 2014

Appendix Two

Committee's Functions and Powers

Legislative Assembly Standing Order No. 284 provides the following functions, powers and terms of reference to the Procedure and Privileges Committee —

Procedure and Privileges Committee

- 284.** (1) A Procedure and Privileges Committee will be appointed at the beginning of each Parliament to —
- (a) examine and report on the procedures of the Assembly; and
 - (b) examine and report on issues of privilege; and
 - (c) wherever necessary, confer with a similar committee of the Council.
- (2) Membership of the committee will consist of the Speaker and four other members as the Assembly appoints.
- (3) Standing Order 278 will apply except that where possible any report of the committee will be presented by the Deputy Speaker.
- (4) When consideration of a report from the committee is set down as an order of the day it will be considered using the consideration in detail procedure.