

Close look needed at WA's regulatory regime

Monday, 29 September 2008

INPEX's decision to site the Ichthys liquefied natural gas plant in Darwin has highlighted the impact Western Australia's approvals process has on the decision to develop major projects in the state.

The Association of Mining and Exploration Companies said the news was confirmation that WA's environmental and indigenous-affairs approval processes need urgent review.

WA's bureaucracy and red tape is believed to have been a key factor influencing Inpex's decision to abandon its original plan to site the plant on the Maret Islands off the Kimberley region for the more business-friendly climate of Darwin.

AMEC chief executive Justin Walawski appeared to share this view, saying the decision by Inpex to incur hundreds of millions of dollars of added expenses to build the plant in Darwin was also a vote of confidence in the policies of the Northern Territory government.



Justin Walawski, chief executive of AMEC

"Projects of this size are critical for the long-term economic future of states and territories. They fund critical infrastructure and long-term jobs for everyone and provide important economic and social opportunities for traditional owners," he added.

"When governments work hard to find the right balance between the environment, indigenous heritage and development, they will be rewarded with a strong local economy for many years."

The \$20 billion project is expected to provide a \$50 billion boost to the NT's economy over 20 years and create more than 2000 jobs during the peak of the project's four-year construction phase.

The Chamber of Commerce of Western Australia also expressed disappointment at the NT's victory, saying it highlights the need to streamline WA's "unwieldy planning and approvals processes" to promote the state as a preferred business destination.

"Today's decision should ring alarm bells for the new state government, and highlight the damage that excessive red and green tape is causing to the WA economy, and business and industry of all sizes," CCIWA executive director of industry policy, Trevor Lovelle, said.

Walawski noted that while it was disappointing to see WA's reputation suffer another blow, the project would still create much needed infrastructure and opportunity for everyone in northern Australia.

Federal Resources Minister Martin Ferguson, who jointly announced the Inpex decision today, said WA would still reap substantial benefits from the development, including production facilities offshore in the Browse Basin.

"What is important to me is that Australia gets more LNG projects built ? regardless of their location for the benefit of all Australians," he said.