



Colin Barnett

Premier (includes Federal-State Relations; Public Sector Management; Government Accountability); State Development

Tue 23 December, 2008

Liberal-National Government makes decision on LNG precinct

Portfolio: Premier, State Development

James Price Point, about 60 kilometres from Broome, has been chosen as the site for a liquefied natural gas (LNG) precinct in the Kimberley.

Premier and State Development Minister Colin Barnett said the exact location of the LNG precinct would be determined after full consideration of significant cultural, heritage and environmental values of the area and further technical feasibility studies.

The Premier made the announcement after a visit and inspection of the potential sites earlier this week and meetings with indigenous representatives, environmental groups and local government.

“After extensive consideration, James Price Point has been declared the location most likely to work best for the Kimberley community, for the environment, for industry and for Western Australia’s future economic development,” Mr Barnett said.

“This is a significant step forward; the site has still to undergo a full environmental impact assessment and more detailed technical and social impact studies, before a final approval is given.

“Nomination of James Price Point fulfils this Government’s commitment to urgently identify a site on the Kimberley coast to stimulate WA’s future growth.”

Since 2007, more than 40 possible Kimberley sites were considered and four sites, including James Price Point, were short-listed in October 2008.

The Premier said the Government will now focus its energy on working with traditional owners to secure land tenure over the site and completing social impact assessments to ensure that the project can deliver the benefits it promises, without compromising the special character of Broome and the wider Kimberley region.

“Our aim is to acquire the site by consent. This could include restoring rights equivalent to native title over the site at the cessation of LNG processing. Compulsory acquisition of the land remains an option,” Mr Barnett said.

“With respect to acquisition of the site area, the WA Government has agreed to a proposal by the Commonwealth to fund a facilitator to work with the key parties (WA Government, Woodside, indigenous interests and relevant Commonwealth agencies) towards a negotiated resolution to acquire the site.

“This process has a completion date of March 31, 2009, after which the State Government will begin land acquisition processes.

“WA appears to have lost one major project to Darwin because the previous Labor government could not make a decision to secure the \$15billion Inpex project. I do not intend to lose another.

“I am confident that the Woodside Joint Venture partners will choose to use the precinct

rather than pursue the option of piping gas 850 kilometres to the Burrup Peninsula, but ultimately that is a decision for industry.

"I am also hopeful that Inpex might reconsider a WA option, for either its Ichthys field or for future gas developments, provided we can provide certainty of tenure over the site."

Mr Barnett said the development could bring hundreds of jobs, millions of investment dollars and long-term economic diversification for Broome and the West Kimberley.

He said the James Price Point location provided a range of potential development sites along a 10km coastal strip and offered:

- flexibility in locating jetties and processing operations to meet heritage and environmental requirements
- ease of expansion for two, or more than two LNG processing operators should that be required during the life of the Browse basin gas field
- no settlement, homes or businesses within 20 kilometres of the proposed site

The area could easily accommodate a 1,000 to 2,000 hectare, buffered industrial estate, 300 to 400 kilometres from offshore gas producers in the Browse Basin. The Dampier Peninsula has a land area of 14,000 square kilometres.

The Dampier Peninsula coast from Broome to Cape Leveque is about 200 kilometres long - the equivalent of the distance between Perth and Bunbury.

The Browse Basin has proven reserves of 27.5 trillion cubic feet of gas (Tcf) and 600 million barrels of condensate. Gas reserves are estimated at 60 Tcf, making the area comparable to the North West Shelf in terms of prospectivity.

The site selection brings to a natural conclusion the work of the Northern Development Taskforce. Continuing consultation with interested parties will be led by the new Department of State Development which will come into being on January 1, 2009.

The Northern Development Taskforce started work on selecting a site for an LNG development in the Kimberley in June 2007. It has produced or commissioned at least 22 reports into environmental, indigenous and other issues surrounding the proposal.

There were also 243 written submissions on the site selection (shortlist) report plus 46 verbal submissions, a three day workshop in Broome in July and an Environmental Protection Authority report and other reports commissioned by the Commonwealth.

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