

In the balance: boom or environmental bust

Developments in areas of significant environmental value highlight the difficult decisions faced in WA, says

Andrew Burrell.

Western Australia's resources boom is not solely about record business investment, soaring government royalties and strong economic growth.

Both the state and federal governments are also performing an increasingly tricky balancing act by attempting to foster more industrial development and exports while protecting WA's fragile environment and its unique Aboriginal heritage.

In recent months, these issues have proven a thorn in the side of development plans of major companies including Chevron, Woodside Petroleum and Alcoa.

Two of WA's biggest planned liquefied natural gas (LNG) developments – Chevron's \$15 billion Gorgon plant on Barrow Island and Woodside Petroleum's \$5 billion Pluto project, on the nearby Burrup Peninsula – are mired in controversy over the impact on their surroundings in WA's remote north west.

The debate over the environment is muddled somewhat by the fact that LNG is considered to be a cleaner export fuel that could help reduce global greenhouse gas emissions.

Chevron's plan to build the Gorgon LNG plant on an A-class nature reserve has already met opposition from WA's Environmental Protection Authority, based upon what it considered to be a series of threats to Barrow Island's conservation values.

After an appeals process, a report has been sent to WA's Environment Minister, Mark McGowan, who is

expected to decide whether the project can proceed before the end of the year.

Chevron and others have been so successful at implementing effective quarantine programs on Barrow that the island is considered a prime example of what much of mainland Australia would have looked like before the arrival of Europeans.

Quarantine efforts over the years have stopped the introduction of feral animals and introduced plant species, allowing rare species such as the flatback turtle and the burrowing betong to flourish on the island.

But the EPA found the Gorgon plant posed a threat to the flatback turtle because of the effect of the

plant's artificial lights on nesting behaviour by adults and on orientation by new hatchlings.

This could reduce breeding success and recruitment with serious long-term impacts on population size, the EPA said.

The agency also claimed that Chevron would have difficulty maintaining its quarantine program given it would need to bring thousands of workers onto Barrow Island during the plant's construction phase. It also raised concerns about a planned dredging program that will affect a large area of the seabed during the construction of infrastructure.

Chevron disputes these findings, and has maintained it can address the EPA's concerns.

The company has lobbied the WA government in a bid to get approval as fast as possible so it can meet its shipping schedule for Japanese and US customers.

It has conceded that a final investment decision on Gorgon is unlikely this year and has been forced to look on as the cost of the Gorgon project has blown out from \$11 billion to at least \$15 billion, according to unofficial estimates.

Environmentalists have argued that Chevron must face the reality that the Gorgon project cannot go ahead if the plant stays on Barrow Island and that the company should build it on the mainland – a move the company says would be far too expensive.

The other LNG project facing

opposition and potential delays, Woodside's Pluto plant, on the Burrup Peninsula, seems unlikely to be scrapped altogether.

But the land area the project needs may be curtailed due to concerns over its impact on ancient Aboriginal rock art – some of which is several thousands years old.

Heritage activists and archaeologists have likened Woodside's plan to relocate or destroy some of the art to building a petrochemical plant next to Stonehenge or putting an oil well in the Great Barrier Reef.

They also claim the artworks that remain will be at serious risk of permanent damage from industrial emissions from the LNG plant.

Many were moved, destroyed or damaged during construction of Woodside's North-West Shelf project in the 1980s.

The influential World Monuments Fund has listed the Burrup rock art on its list of the world's 100 most-

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endangered heritage sites.

Federal Environment Minister Ian Campbell says it could be many months before he decides whether to add the rock art to the federal heritage list and he would seek public comment before deciding on the fate of the hundreds of engravings.

But he says he is confident that industry and the rock art can co-exist on the Burrup.

"It's an incredibly important decision to get right," he says.

"I believe very strongly that the economic benefits of development at the Burrup are in synergy with the environmental benefits of exporting natural gas to the northern hemisphere.

"Every tonne of gas from the clean green WA gas fields of the north-west, every tonne of that replacing a tonne of coal or oil, reduces your greenhouse gas emissions by 40 to 60 per cent.

"We have got to ensure that we do nothing to hamper the





development of that resource because of the massive economic and environmental benefit, and at the same time we have got to get a management plan for the heritage.’’

The WA Labor government has vigorously opposed the push to place the Burrup on the heritage list, claiming it would be an economic catastrophe not to allow further development there.

The government has already sunk more than \$180 million into developing infrastructure on the Burrup and maintains the cost of shifting future industrial developments to nearby sites would be prohibitive.

Woodside says the the cost of

relocating the Pluto plant would cause a cost blowout of \$500 million for a project that is already stretched to meet budget and production deadlines.

One company that has endured its share of controversy and emerged with a victory is Alcoa, which last month won state government approval for a \$1.5 billion-plus expansion of its Wagerup refinery, in WA’s south-west.

Premier Alan Carpenter said the approval contains world benchmark environmental controls, but the decision has angered local residents who claim emissions from the refinery have been damaging their health.

But for Alcoa, it was a bittersweet

victory.

After a long wait for approval, the rising cost of labour and materials will force a revision of the cost of the project before a final investment decision can be made.

Costs v benefits

■ The cost of the Gorgon project has blown out from \$11 billion to at least \$15 billion.

■ Environmentalists argue that Chevron must move the Gorgon plant from Barrow Island to the mainland.

■ The company argues that this would be too expensive.

