

Streamline plan for WA gas

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The Rudd government will use federal environment laws to force natural gas producers in the Browse Basin off Western Australia to develop and use one processing hub in a bid to speed up and improve

the development of the area.

In the new government's first major environmental intervention in the resources sector, Environment Minister Peter Garrett will today announce an agreement with the WA government to

subject the entire Kimberley region to an assessment under the Environment Protection and Biodiversity Conservation Act.

The aim of the assessment will be to plan for a common-user
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liquefied natural gas hub and associated activities in the region to service the massive Browse Basin, which is estimated to contain about one-third of Australia's offshore gas reserves.

The aim will be to avoid the piecemeal development seen already on the environmentally sensitive Burrup Peninsula, and follows a public outcry in WA last year at proposals by Woodside and others to produce LNG on the Kimberley coastline at several locations.

Japanese oil company Inpex has been developing plans to build a plant on the remote Maret Islands, off the Kimberley coast, while there has been speculation that the state government would push for a hub on the Dampier Peninsula, north of Broome.

If the single hub plan proceeds, it raises the spectre of a massive public sector infrastructure investment in significant parts of the project.

This is because there would be competitive risks involved in allowing individual producers or consortiums of producers to develop infrastructure in the hub – for example, port facilities, trains or roads – at the risk of blocking out others.

Sources conceded to the *AFR* that this may require government to make a major investment in these facilities to keep them available to all users, and Mr Garrett said yesterday such issues would be considered "further down the track".

He said federal Resources Minister Martin Ferguson had provided in-principle support for the agree-

ment with the WA government.

Industry sources said the success of the multi-user hub would depend on the governments being able to persuade individual producers that some did not have a competitive advantage over others, depending on the location, and that access issues were properly addressed.

The search for a site will not be confined to the Kimberley coast alone – it runs roughly from Broome in the south to Cape Londonderry in the north – but may extend into the Browse Basin itself and sites further south along the coastline. The advantage of hubs on the Kimberley coast to Browse Basin producers is clear: their only alternatives at present are to pump gas hundreds of kilometres north-east to Darwin or hundreds of kilometres south to the Burrup Peninsula.

Mr Garrett told the *AFR* last night the agreement between the two governments was a good example of what co-operative federalism could really achieve: a more robust and comprehensive examination of the range of issues raised by the development of the LNG resources in a "magnet region" like the Kimberley, which was attracting a range of other interests such as tourism.

He said the proposed process would allow all the industrial, environmental, scientific, conservation, local council, indigenous and economic development issues to be considered in one process to achieve a better outcome in a shorter time frame.

The proposal is that the assessment will short-list possible sites for

the processing hub by the middle of this year and determine the final site by year's end.

It builds on work already being undertaken by the WA government's Northern Development Taskforce, which has been examining how the development of the Browse Basin can be balanced with the environmental and heritage interests.

Once the site has been determined, according to the two governments' strategy, companies would be free to propose alternative, single-company sites. But they would have to endure a range of multiple bureaucratic hurdles to get the site approved, instead of simply locking into the approved site where they would know that all approval processes had been made.

The Wilderness Society's state coordinator in Western Australia, Peter Robertson, said he would prefer to see new LNG facilities located near existing developments south of the Kimberley, such as Karratha or Port Hedland.

"Conservation groups do not want to see a proliferation of heavy industry developments along the pristine Kimberley coastline," he said.

The chief executive of the Australian Petroleum Production and Exploration Association, Belinda Robinson, said it was critical industry was consulted.

"Whichever site or sites is chosen, it needs to meet the needs of industry and be attractive to industry as well as meeting the broader objectives of the government," she said.



A Woodside gas processing plant on the Burrup Peninsula.

Photo: ERIN JONASSON