

Gas giant threatens NT move over State delays

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The Japanese giant proposing a \$20 billion gas development in the Kimberley yesterday threatened to take its project to Darwin because of its increased frustrations at regulatory hold-ups in WA.

Having spent the past four years working towards a WA-based project, Inpex and its French joint venture partner Total said they had signed a project facilitation agreement with Northern Territory Chief Minister Paul Henderson.

The agreement will see the NT Government adopt a whole-of-government approach to fast-track the approvals process.

Although Inpex said it would prefer to develop its Ichthys liquefied natural gas project on Maret Island, off the Kimberley, it had to explore "all realistic options".

"The NT Government has demonstrated that Darwin offers an alternative site that could be developed within a reliable time frame," Inpex executive Jiro Okada said.

Mr Okada said he expected a decision on the final location for Ichthys later this year and said Inpex maintained a "good working relationship" with the WA Government.

But Inpex's surprise NT agreement will be a shock for the State Government and a potentially huge blow to WA's economy.

The massive development, tipped

to cost at least \$20 billion, would be Australia's biggest-ever single resource project, dwarfing Woodside Petroleum's \$12 billion Pluto LNG venture on the Burrup Peninsula.

Ichthys, a massive gasfield with an estimated 9.5 trillion cubic feet of gas, is in the Browse Basin off Broome. It is one of several big gasfields discovered in the basin and has prompted the Federal and State governments to declare the need for a single site on the Kimberley coastline to house the various projects' onshore facilities.

The governments' plan has the support of Woodside, which is also working towards developing its Browse gasfield.

Inpex wants to develop its onshore facilities on Maret Island but has seen delays with the granting of environmental and native title approvals.

Inpex had hoped to have all approvals in place by May for a final investment decision by the end of this year.

As well as regulatory hold-ups, Inpex' Maret Island proposal does not fit the joint-government push for a Kimberley-based Browse hub.

Mr Okada refused to comment further on Inpex's NT move.

But it prompted an immediate attack by State Opposition Leader Troy Buswell on the Government, which he accused of scaring away potential international investment.

He said losing the huge project to the NT would be a "major slap in the

face" for Premier Alan Carpenter.

"What it basically says is the Government of WA has dawdled, they have dragged their heels in relation to this project," Mr Buswell said.

"Quite clearly you have here a Government which is overseeing an environment for doing business which is becoming increasingly difficult and people will vote with their feet."

State Development Minister Eric Ripper said while Inpex had the right to consider alternative locations, he was confident the Kimberley would be chosen for the plant.

"We're confident that an LNG processing hub in the West Kimberley will turn out to be the best technical and commercial solution and also the best solution to meet environmental, heritage and native title considerations," Mr Ripper said.

"We think that would be better than any Darwin option from a commercial point of view."

Environmental Minister David Templeman yesterday announced a review of the watchdog's approval processes for major projects.

Mr Templeman said red tape needed to be slashed amid an unprecedented demand for project approvals.

The Environmental Protection Authority had 111 proposals under assessment and extra resources for the watchdog would be considered.



Shifting focus: Japanese company Inpex is looking at Darwin as an alternative site for its intended Kimberley LNG project.