

LNG hub depends on finding operator

Energy companies will not welcome the Government's plans for the Kimberley

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NONE of the Browse Basin LNG proponents will be allowed to operate a Kimberley LNG hub under the West Australian Government's proposed model.

The multi-billion-dollar privately funded hub is being considered as part of a strategy to avoid piecemeal industrial development on the Kimberley, which is strongly opposed by environmentalists.

Federal Environment Minister Peter Garrett yesterday joined WA's Deputy Premier, Eric Ripper, in travelling to Broome to discuss the hub proposal with indigenous representatives.

Mr Ripper told the ABC the hub would not proceed unless there was informed consent from the traditional owners in the Kimberley.

"But there's a large amount of gas there which is very important not only for the West Kimberley because of the economic benefits

it would bring, but for the state and for the nation," Mr Ripper said. "And arguably as the world grapples with climate change, use of Australian gas instead of Chinese coal is an advantage for dealing with climate change issues."

Mr Garrett said the federal Government had joined WA's assessment process for the LNG hub because it wanted to make sure "that we don't have ad-hoc intrusive or inappropriate development taking place in a region of great national and international beauty".

He said it was the commonwealth's preference that there should be an identification of a single user hub.

"I think... we all agree that it would be better for there to be one place where this processing was undertaken rather than a number of them," he said.

The ministers' visit to Broome

took place as it was confirmed that the new head of the Northern Development Taskforce, which is charged with developing the LNG hub concept, will be Stuart Smith, acting head of the Department of Industry and Resources. He replaces former DoIR head Jim Limerick, who retired last week.

The Government, however, is not putting a timeframe on selecting a site for the hub. A senior official said yesterday six sites were under consideration.

An assessment of them would take time and because of this the Government was not putting a deadline on when a decision on the hub site would be announced.

The Government is working towards a 2015 deadline for major projects to be up and running. These include expansions to iron ore operations in the Pilbara and LNG developments based on the Browse Basin

reservoirs.

In senior government circles, it is conceded that if the approvals processes that are involved with project development fail to meet the 2015 production deadline, WA would have missed the boat as far as taking long-term advantage of the commodities boom.

The idea of an independent LNG hub operator will be hard to sell to Browse LNG project proponents. Woodside has strongly supported the concept of the Kimberley but on the basis that it would be an operator.

It was not clear yesterday whether the state Government was considering a hub operator entirely independent of any of the participants in the Browse Basin or a stand-alone joint venture company that would have stakeholders drawn from Browse Basin gas owners.