

# Ducking for cover on LNG operator

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ON THE  
WESTERN FRONT



IN the scheme of things, governments that don't tell the electorate openly what is going on become defensive, and then they may be tempted to make statements that conceivably are untrue. So it is with the Western Australian Government.

Last week, *The Australian* published a story headlined "LNG hub depends on finding an operator".

This related to a study by the state Government's Northern Development Taskforce of a possible site for a liquefied natural gas hub servicing the Browse Basin gas fields — a proposal designed to halt piecemeal industrial development on the Kimberley coast, thus protecting the environment and some Aboriginal sensitivities.

The article said the Government preferred that the hub be operated independently of the Browse Basin participants.

At this point, your columnist will digress and report that on Thursday last week he was on his way to a lunch appointment in Perth's CBD.

As he walked through a city arcade he spied the distinctive frame of a senior government adviser actively involved in the LNG hub policy development process.

Now it is true that your correspondent had to pursue the adviser for some yards before he stopped and acknowledged the hail from someone the adviser has known as a reporter for many years, but your correspondent put it down to the fact that both of us are getting older and our hearing is not as acute as it once was.

A pleasant 10-minute conver-

sation ensued in which the adviser and your correspondent discussed in some detail where the Northern Development Taskforce was at, and previous misunderstandings by your correspondent concerning the hub selection process, which may be explained by the Government's lack of interaction with the media on the question.

The discussion went into some detail with the adviser volunteering, among other things, that the Government's "preferred position" was that the proposed hub be operated independently of the Browse participants. He said such an operating system would not be unique, as there were at least four LNG projects around the world structured this way (subsequently these have been identified from industry sources as Qatar, Indonesia, Trinidad and Egypt).

Just a reminder, this was an open conversation in a public place between a Government adviser and a reporter. It was not off-the-record or on-background or any other euphemism that may be used. The discussion ended cordially and your correspondent went off to his delayed lunch with nothing much more on his mind but how he might get the latest information on the Taskforce to the newspaper before deadline.

Which he did.

On Friday State Development Minister, Eric Ripper, issued a statement rejecting *The Australian's* report. "These assertions are simply not true," Mr Ripper said. "The state Government has never made such an assertion. The Government has not

determined a preferred model for the operation of the hub and we will be consulting extensively with industry as part of that decision-making process."

Which is perfectly true, but not what the story was about, as it concerned the Government's "preferred position", not what it said publicly — which is precious little in substance.

Not surprisingly, the concept of an independently operated hub does not sit easily with the fiercely competitive oil and gas companies active in the Browse. Woodside, the biggest corporate investor in the state, was terse and to the point.

"Woodside, as operator of the Browse LNG Development, supports the work being undertaken by the state and commonwealth governments to identify a location for an LNG processing hub on the Kimberley coast" a spokesman said. "Should a site be identified it will be considered, along with other development options, when the Browse Joint Venture selects a development location later this year.

"An onshore Kimberley LNG plant is a leading option, as is piping gas to the Burrup for processing. Woodside would not support its LNG production facilities within a Kimberley hub being operated by a third party.

"Should this scenario arise, it would rule out a Kimberley hub as a development option for the project." That's why your correspondent wrote the article in the first place.

Memo Eric Ripper: your media adviser has not returned calls from this correspondent for months. Thursday and Friday were no exception.