

Gas plant chief's threat to move to East Timor

Stephanie Peatling
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THE natural gas industry has made a last-minute call for compensation under an emissions trading scheme, as the Federal Government puts its finishing touches to the system.

The chief executive of Woodside, Don Voelte, threatened to put a multibillion-dollar liquefied natural gas plant on a ship in East Timorese waters, rather than Australian, unless the company was granted compensation.

The Government has so far been adamant that LNG would not be eligible for compensation, but Woodside has lobbied aggressively for a change.

Yesterday, the Minister for Industry, Kim Carr, hinted that the Government had listened to concerns raised by the industry since a green paper on the scheme was made public in July.

"I'm confident we can get through this without serious difficulties in terms of ensuring that we have a well-designed program that protects the Australian economy and at the same time protects our environment," he told Network Ten.

Mr Voelte has argued that LNG exporters should be considered in the same light as other exporters whose international competitors do not have to pay for a carbon trading scheme.

Mr Carr would not rule out changes to the compensation details that were announced in July. The final version of the scheme will be unveiled in a white paper in the next three weeks.