

WA govt chooses site for LNG precinct

December 23, 2008 - 6:31PM

The West Australian government is prepared to compulsorily take land for a liquefied natural gas (LNG) precinct, Premier Colin Barnett says.

A site, 60km north of Broome on the Dampier Peninsula, has been chosen as the location for a Kimberley LNG precinct, the West Australian government announced on Tuesday.

Premier Colin Barnett said a 10km strip of land at James Price Point offered a range of potential development sites that could provide facilities for gas producers in the Browse Basin, 300km to 400km offshore from the WA coast.

The decision follows a study by the WA government's Northern Development Taskforce, which was established in June last year and looked at 40 possible sites for the multi-billion dollar Kimberley precinct.

It arrived at four preferred sites, including the Dampier Peninsula locations of James Price Point and North Head, Anjo Peninsula, much further north near the WA-Northern Territory border, and Gourdon Bay, to the south of Broome.

Mr Barnett had favoured North Head, 140km north of Broome, which was the subject of an adverse environmental report last week.

He said while technical and economic considerations had favoured the choice of North Head, "a balance of factors" had led to the choice of James Price for the 1,000 to 2,000 hectare industrial estate.

"It was not determined solely on technical or engineering grounds, not determined solely by environmental issues and not determined solely by Aboriginal and cultural issues," Mr Barnett told reporters.

He reiterated the government was prepared to compulsorily acquire the land if an agreement could not be reached with Aboriginal groups, including the Kimberley Land Council, within three months.

He said he hoped assessments and negotiations with all parties could be completed within a year.

"There needs to be a full and detailed environmental assessment, there needs to be negotiations and hopefully agreement with indigenous people of the area," Mr Barnett said.

"With respect to indigenous issues it has been agreed by the state and commonwealth governments, there will be period of three months during which time we hope to reach a consent agreement with Aboriginal people for the government to acquire secure title over that site.

"The commonwealth will provide a mediator to work with the commonwealth, the state government and Aboriginal groups to try to resolve that issue.

"Hopefully that will succeed. In the event that it does not succeed then the state will be prepared to proceed with compulsory acquisition of that site.

"But I am optimistic that we can reach an agreement on that site."

Kimberley Land Council executive director Wayne Bergmann said the area's traditional owners had given instruction for the KLC to negotiate an in-principle agreement to move forward with the plans.

But, he said, there was a caveat that the interested parties must receive "good information" in order to make "an informed decision based on environmental, cultural and social impact studies".

And there was "a huge amount of risk" in Mr Barnett's threat to compulsorily acquire the land if no agreement could be reached, he said.

"That's where the tension is," Mr Bergmann said.

"If we aren't able to find a balance by end of March we could be heading for a major confrontation.

"Aboriginal people would prefer to have this negotiated.

"This is way bigger than the premier or any individuals. It will affect generations.

"It's got to be a fact-based decision taking into account the environmental and social impacts."

The Australian Conservation Foundation and a range of environmental groups condemned the government's move to establish the precinct.

The ACF said Mr Barnett may be getting ahead of himself, and should remember that it is the commonwealth government that will have the final say on the LNG site.

"Mr Barnett should remember that any LNG processing proposal for the Kimberley will be subject to approval by the Commonwealth Environment Minister under the Environment Protection and Biodiversity Conservation Act," ACF executive director Don Henry said.

Mr Barnett said he held out hope that the establishment of the precinct would help convince Japanese oil and giant Inpex to locate its refinery operations in WA, rather than build an 800km pipeline to a \$17 billion refinery in Darwin as it plans to do.

Federal Resources and Energy Minister Martin Ferguson said Mr Barnett's announcement was a welcome step forward at a time when investment was desperately needed to create jobs and generate export dollars.