

Australia government backs forced land buy for LNG

By Rob Taylor

CANBERRA, Dec 24 (Reuters) - Australia's government has backed the forced purchase of Aboriginal lands needed for an liquefied natural gas (LNG) plant in a sensitive region, underscoring its promise to boost national infrastructure as a shield against financial crisis.

Woodside Petroleum Ltd ([WPL.AX](#)) aims to build a large coastal LNG plant costing up to A\$20 billion in the environmentally fragile Kimberley area of Western Australia to liquify natural gas pumped from the Browse Basin, about 200 kilometres (125 miles) off the coast.

"We have to compete in a global market in a very tough economic situation to actually attract international investment and the Browse LNG province is very important to Australia's future in terms of the development of the LNG industry," Resources and Energy Minister Martin Ferguson told state radio.

The conservative Western Australia state government on Tuesday ended months of wrangling over the plant's location, saying it would be built at James Price Point, about 60 km (40 miles) north of the tourist town of Broome.

Traditional Aborigine land owners this month put the project in doubt after negotiations with Woodside over a A\$500 million compensation package broke down. The region is one of Australia's last great wilderness areas, environmentalists say.

"It's now our responsibility to make sure that through cooperation the West Australian and the Australian government will resolve any outstanding indigenous and outstanding environmental issues to make sure that the Browse LNG development can proceed sooner than later," Ferguson said.

State Premier Colin Barnett said he would not allow another major resource development to fall "on his watch" after Japanese-owned gas producer Inpex ([1605.T](#)) recently abandoned a bid to build a A\$15 billion Kimberley gas plant with French firm Total, moving the project to Darwin in the Northern Territory.

"These are the biggest projects in the land," he said.

Kimberley Land Council Chief Executive Wayne Bergmann, who represents indigenous owners, said the national government and state conservatives had aligned to place local Aborigines under enormous pressure to concede on hard-won land rights.

"It's sort of like negotiating with a gun to your head. These sorts of things and these sorts of processes happened in the old (colonial) days, when aboriginal people were marginalised and bulldozed for the sake of business," he said.

Government intervention removes a stumbling block for Australia's LNG industry, whose explosive growth in recent years has been hampered by a host of environmental and local government issues. The government's independent adviser this month called for reform of unnecessary regulations in the sector.

Under Australian laws for compulsory purchase of native lands, national government approval would be needed if negotiations conducted a state level fail to strike agreement.

But Prime Minister Kevin Rudd this month unveiled a A\$4.7 billion plan to back infrastructure development and would be unlikely to block a major development with unemployment rising and with his Labor government fighting to stave off recession.

Woodside signed a A\$35 billion deal with PetroChina in 2007 to sell up to 3 million tonnes of LNG a year from the Browse over 15 to 20 years. The Basin hold reserves of more than 50 trillion cubic feet, or a third of Australia's known offshore gas.

Australia's Greens, who hold balance of power in the upper house Senate, called on Rudd to override Ferguson's backing for compulsory acquisition of Kimberley land.

"When making the apology to Aboriginal Australians early this year, the Prime Minister said we should never repeat the mistakes of the past. His government is about to do just that," Greens Senator Rachel Siewert said.

"The federal government is adopting the Western Australian government's development-at-any-cost mentality," she said. (\$1=A\$1.47) (Editing by David Fox)