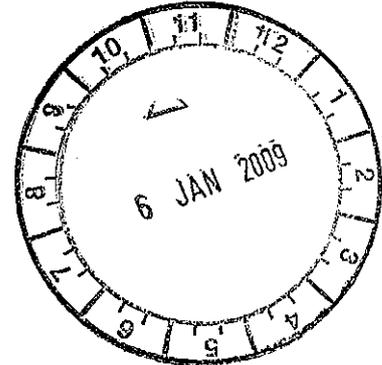




PUBLIC

Minister for Planning; Culture & the Arts
Government of Western Australia

Your Ref:
Our Ref: 33-01418



Hon Sheila Mills MLC
Chair
Legislative Council Standing Committee on Environment and Public Affairs
Parliament House
PERTH WA 6000

Dear Ms Mills

PETITION NO 16 – PROTECT KIMBERLEY COAST – LNG PROCESSING HUB

I refer to your letter dated 3 December 2008 addressed to the Minister for Environment, Hon Donna Faragher MLC, regarding LNG development in the Kimberley. The Minister for Environment has requested that I respond to you directly, under the terms of the Minister's authorisation to me to act on her behalf in exercising the Minister for Environment's powers and functions in certain circumstances.

I appreciate the petitioners' concerns regarding the protection of the Kimberley coastal environment. The State Government recognises the outstanding environmental and indigenous heritage values of the Kimberley region and is committed to ensuring these values are protected through the development of a Kimberley Science and Conservation Strategy to ensure the region's natural and cultural values are protected as the region fulfils its economic potential.

The Government is following a strategic approach to development of gas resources in the Browse Basin that is addressing environmental as well as social and economic issues.

The Government's Northern Development Taskforce (NDT) has undertaken a transparent site selection process involving a wide range of stakeholders and scientific studies to identify and short-list sites for potential development as an LNG precinct. This approach has been designed to ensure that LNG development is focussed into a single LNG precinct that is located away from areas of the highest environmental significance. The NDT's site selection report was released in October 2008 for public comment and to enable independent advice to be provided by the Environmental Protection Authority (EPA) as input to the selection of a

preferred site. The EPA's report was released on 19 December 2008, and copies of the EPA media release and report are attached.

In its conclusions, the EPA advised that it:

- strongly supports the concept of undertaking a strategic review of potential LNG processing sites in the Kimberley;
- strongly supports focussing development at a single site so that environmental impacts can be contained and operational efficiencies maximised in ways that will minimise environmental impacts;
- considers that the NDT site evaluation review was a rigorous, inclusive and public process that resulted in the clear identification of high level environmental risks and values based on the data, resources and time available.

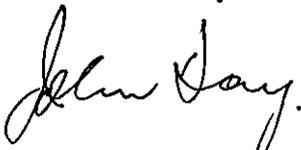
Of the four sites short-listed by the NDT, the EPA concluded that based on the available data, large scale industrial development was likely to be environmentally manageable at two sites, Gourdon Bay which the EPA considered to be least environmentally constrained, and James Price Point which was considered to be the least environmentally constrained site on the Dampier Peninsula.

The EPA considered that the other two sites, North Head and Anjo Peninsula, were not suitable for large scale industrial development.

The Premier, Hon Colin Barnett MLA, announced on 23 December 2008 that James Price Point has been chosen as the site for an LNG precinct in the Kimberley. This announcement marks the start of the second phase of the assessment, being a formal assessment of plans for an LNG precinct under the *WA Environmental Protection Act 1986* and the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999*.

I note that the petition also requests that the State Government nominate the Kimberley region for World Heritage listing. World Heritage nominations are the responsibility of the Australian Government, but would normally be undertaken with the involvement and support of the State Government. As part of the strategic approach to the Kimberley, the State Government is working with the Australian Government on its assessment of the region for heritage values. Any decision on National or World Heritage listing will await completion of that assessment.

Yours sincerely



Hon John Day MLA
MINISTER FOR PLANNING; CULTURE AND THE ARTS

24 DEC 2008

Att



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EPA Report 1306 - EPA advice on the proposed Kimberley LNG Precinct

Release Date: 19 December 2008

The Environmental Protection Authority has released early environmental advice on the Western Australian Government's site evaluation process for a multi-user liquefied natural gas processing precinct to process gas resources from the Browse Basin on the Kimberley coast.

EPA Chairman Paul Vogel said that, based on available data, of the four sites under consideration environmental risks and impacts are likely to be manageable at two sites, Gourdon Bay south of Broome and James Price Point north of Broome on the Dampier Peninsula.

"The other two sites, North Head and Anjo Peninsula are not considered suitable for large scale industrial development from an environmental point of view, Anjo peninsula also has wilderness values that would be threatened," Dr Vogel said.

'North Head has nearby settlements likely to be affected by emissions and whale calving and resting grounds immediately offshore.

'In formulating the report the EPA has taken into account advice on the size of precinct that may be needed as, once established, the site is likely to attract further large proposals in the future.

'For James Price Point the risk of future expansion being significantly constrained is likely to be low, at Gourdon Bay future expansion may be limited by the frontage available with direct access to deep water if the precinct is laid out with jetties south of Cape Latouche Treville.

'The EPA also strongly supports evaluation of the national heritage values of the Kimberley with a view to conserving and protecting significant, representative marine and terrestrial areas and determining opportunities for joint management between Government and traditional owners; it is important that this is done in parallel with the LNG precinct assessment process.

'There are also a number of important issues that have been raised through the site evaluation process and the public submissions period which are best addressed by other government agencies; issues in relation to the downstream planning and infrastructure needs of the precinct, pressures on

Government on Review (s16)

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Odour SER
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EIA Review of Processes**State of the Environment (SOE)****Natural Resource Management (NRM)**

- NRM Performance Evaluation
- Metadata Input Tool
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Peel-Harvey Water Quality Improvement Plan

the coastal environment from an influx of people and socio-economic impacts.'

The sites examined in the EPA's report have not been subject to formal environmental assessment. A formal environmental assessment of a strategic proposal will be undertaken to fulfil this requirement for whichever site is chosen. Future proposals which are brought forward and which fit within the assessed strategic proposal, known as derived proposals, will not generally be subject to further assessment by the EPA.

'Any additional developments requiring an increase in the overall footprint of an approved precinct would be subject to further comprehensive environmental assessment at the time, particularly in terms of cumulative impacts,' Dr Vogel said.

Reports under section 16 of the *Environmental Protection Act* are not subject to appeal. Report 1306 is available at www.epa.wa.gov.au.

Media contact: Charlie Maling, 6467 5415 or 0400 866 450

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Colin Barnett
Premier (includes Federal-State Relations;
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Accountability); State Development

Tue 23 December, 2008

Liberal-National Government makes decision on LNG precinct**Portfolio: Premier, State Development**

James Price Point, about 60 kilometres from Broome, has been chosen as the site for a liquefied natural gas (LNG) precinct in the Kimberley.

Premier and State Development Minister Colin Barnett said the exact location of the LNG precinct would be determined after full consideration of significant cultural, heritage and environmental values of the area and further technical feasibility studies.

The Premier made the announcement after a visit and inspection of the potential sites earlier this week and meetings with indigenous representatives, environmental groups and local government.

"After extensive consideration, James Price Point has been declared the location most likely to work best for the Kimberley community, for the environment, for industry and for Western Australia's future economic development," Mr Barnett said.

"This is a significant step forward; the site has still to undergo a full environmental impact assessment and more detailed technical and social impact studies, before a final approval is given.

"Nomination of James Price Point fulfils this Government's commitment to urgently identify a site on the Kimberley coast to stimulate WA's future growth."

Since 2007, more than 40 possible Kimberley sites were considered and four sites, including James Price Point, were short-listed in October 2008.

The Premier said the Government will now focus its energy on working with traditional owners to secure land tenure over the site and completing social impact assessments to ensure that the project can deliver the benefits it promises, without compromising the special character of Broome and the wider Kimberley region.

"Our aim is to acquire the site by consent. This could include restoring rights equivalent to native title over the site at the cessation of LNG

processing. Compulsory acquisition of the land remains an option," Mr Barnett said.

"With respect to acquisition of the site area, the WA Government has agreed to a proposal by the Commonwealth to fund a facilitator to work with the key parties (WA Government, Woodside, indigenous interests and relevant Commonwealth agencies) towards a negotiated resolution to acquire the site.

"This process has a completion date of March 31, 2009, after which the State Government will begin land acquisition processes.

"WA appears to have lost one major project to Darwin because the previous Labor government could not make a decision to secure the \$15 billion Inpex project. I do not intend to lose another.

"I am confident that the Woodside Joint Venture partners will choose to use the precinct rather than pursue the option of piping gas 850 kilometres to the Burrup Peninsula, but ultimately that is a decision for industry.

"I am also hopeful that Inpex might reconsider a WA option, for either its Ichthys field or for future gas developments, provided we can provide certainty of tenure over the site."

Mr Barnett said the development could bring hundreds of jobs, millions of investment dollars and long-term economic diversification for Broome and the West Kimberley.

He said the James Price Point location provided a range of potential development sites along a 10km coastal strip and offered:

- flexibility in locating jetties and processing operations to meet heritage and environmental requirements
- ease of expansion for two, or more than two LNG processing operators should that be required during the life of the Browse basin gas field
- no settlement, homes or businesses within 20 kilometres of the proposed site

The area could easily accommodate a 1,000 to 2,000 hectare, buffered industrial estate, 300 to 400 kilometres from offshore gas producers in the Browse Basin. The Dampier Peninsula has a land area of 14,000 square kilometres.

The Dampier Peninsula coast from Broome to Cape Leveque is about 200 kilometres long - the equivalent of the distance between Perth and Bunbury.

The Browse Basin has proven reserves of 27.5 trillion cubic feet of gas (Tcf) and 600 million barrels of condensate. Gas reserves are estimated at 60 Tcf, making the area comparable to the North West Shelf in terms of prospectivity.

The site selection brings to a natural conclusion the work of the Northern Development Taskforce. Continuing consultation with interested parties will be led by the new Department of State Development which will come into being on January 1, 2009.

The Northern Development Taskforce started work on selecting a site for an LNG development in the Kimberley in June 2007. It has produced or commissioned at least 22 reports into environmental, indigenous and other issues surrounding the proposal.

There were also 243 written submissions on the site selection (shortlist) report plus 46 verbal submissions, a three day workshop in Broome in July and an Environmental Protection Authority report and other reports commissioned by the Commonwealth.

Premier's office - 9222 9475

Page last revised:25 Mar 2008