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New attack lacks credibility

The DomGas Alliance says history is being conveniently rewritten in the latest attack by oil and gas producers on Western Australia's successful domestic gas reservation policy.

The latest unjustified claim is that Western Australia lost the Ichthys offshore gas project to Darwin because of the domestic gas reservation policy.

An Inpex official has told a Melbourne conference the decision was made because it was "not possible to comply" with the reservation policy.

This flies in the face of evidence previously given by Inpex to two parliamentary inquiries.

The 2011 Inquiry into Domestic Gas Prices by the WA Economics and Industry Standing Committee reported:

*"Importantly, Inpex confirmed that its decision to locate its Ichthys LNG processing plant in Darwin was not due to the Reservation Policy, but to a failure to gain approval to use the Maret Islands as the company's production site. Inpex advised the Committee that it had been prepared to negotiate an outcome surrounding the Reservation Policy and that, '...it was not a deal breaker at all in our consideration.'*ⁱ

Just two years later Inpex again told the Committee's inquiry into Floating LNG that land access, not domestic gas reservation, was the reason behind the Darwin decision:

*"For onshore developments there is one critical component, and that is land and access to land. In 2008 when we were looking at options of where to develop the Ichthys field, the closest onshore location suitable for LNG development was Darwin. That is a very simple fact. The fact is that today we would not be out to make a final investment decision on James Price Point because there is still no certainty over access to land for LNG projects. So that is a very simple answer..."*ⁱⁱ

DomGas Alliance Executive Matt Brown said the latest Inpex comments are misleading and should be corrected.

"It is a serious issue to mislead a Parliamentary committee," Mr Brown said.

"There is nothing to suggest Inpex was not being honest when it put on the record on two separate occasions that land access was the reason for its Darwin decision.

"To now pretend this is not the case simply highlights the desperation of the scare campaign being run by oil and gas producers against domestic gas reservations.

"Inpex have had no problem making multiple investment decisions in projects in Indonesia where a more stringent and less flexible gas reservation policy applies."

Mr Brown said oil and gas producers should be grateful for being given access to Western Australia's massive resources of natural gas.

"We never hear anything from the oil and gas producers about how they intend to help Western Australia build its industry and protect jobs," Mr Brown said.

"The reservation policy simply requires that just 15 per cent of our natural gas resources be marketed into the local economy at commercial rates to build our industry and create jobs across the State.

"There is a real opportunity for producers to ensure that any gas project goes beyond the jobs it creates by itself. They can do this by having the ethical and corporate policies in place to ensure that it is a priority to deliver gas into the domestic market."

For further comment contact Matt Brown on 0419 813 171.

ⁱ WA Economics and Industry Standing Committee, Inquiry into Domestic Gas Prices, Final Report, 2011, Page 83

ⁱⁱ WA Economics and Industry Standing Committee, Inquiry into the Economic Implications of Floating LNG, 2014, Transcript of evidence, 23/10/13, Page 5