Turnbull pressured to sign Pluto

Nigel Wilson, Energy writer | *October 12, 2007*

PRESSURE is mounting on federal Environment Minister Malcolm Turnbull to sign documents, before an election is called, allowing Woodside's $12 billion Pluto development to proceed.

That could be as early as today, if Prime Minister John Howard announces an election date.

The pressure intensified on Mr Turnbull yesterday when it was learned the ALP would not guarantee it would agree to Pluto being approved during the caretaker period as a new national government was being formed after the election.

Mr Turnbull has before him two documents, one relating to environmental clearances and the other covering issues relating to Aboriginal heritage.

Woodside has made it clear it cannot proceed with the development of Pluto unless both documents are signed.

The company's senior management has already expressed concern privately that each day's delay in gaining approvals is costing hundreds of thousands of dollars.

Woodside's board in July agreed to develop the Pluto LNG project "subject to receipt of final environmental and other regulatory approvals".

It has already spent almost $800 million on the project and has contractors standing by to begin construction work as soon as final approvals are granted.

The project is based on Woodside's Pluto and Xena gas fields, about 190km northwest of Karratha off Western Australia.

Its initial phase, scheduled to be operating late in 2010, will include a single liquefied natural gas production train with forecast production of 4.3 million tonnes a year connected by a 180km, 36-inch (91cm) offshore pipeline to a platform in 85m of water.

Woodside's board approved additional funding of up to $11.2 billion for the project on a 100 per cent basis - the biggest single investment by an Australian listed company.

At the time, Woodside said Pluto had been sanctioned subject to environmental and other regulatory approvals being obtained with acceptable conditions.

"Environmental approvals from the state and commonwealth governments are expected soon," its announcement said. "These approvals will need to be obtained by September 2007 to enable the agreed schedule with customers to be satisfied."

In August, West Australian Environment Minister David Templeman effectively gave the project the green light.

Woodside in July also noted heritage approvals had already been received.

Aboriginal groups and their supporters are objecting to Pluto's onshore facilities being located at a site on the Burrup Pennisula outside the boundaries of the existing North West Shelf gas project development.

The site, allocated to Woodside by the West Australian Government, contains examples of Aboriginal rock art - petroglyphs - that concerned groups claim should not be disturbed because they are an irreplaceable component of Aboriginal heritage dating back more than 30,000 years.

Woodside says that only about 150 petroglyphs will have to be moved to allow site construction and this total is minuscule compared with the thousands of petroglyphs on the Burrup.

The company maintains it is working with Aborigines on the preservation of the rock art to ensure the LNG plant could go ahead as planned.

Last month advertisements for the Friends of Australian Rock Art were placed in the Wentworth Courier newspaper, circulating in Mr Turnbull's Sydney electorate, urging voters to demand an inquiry into the heritage values of the West Australian rock art.

Under the convention covering caretaker governments, the Commonwealth solicitor-general will advise that public servants can authorise administrative decisions but that they cannot approve matters regarded as having policy implications.

ALP sources said yesterday that the documents before Mr Turnbull had not be sighted and therefore they could not say whether Pluto would be approved under the caretaker convention.

But because of the concern over Aboriginal heritage questions, it was likely a decision on this matter would have to wait until after the election result was known.