

Mr Speaker

Yesterday I was delighted to welcome the announcement by Chevron Australia that it proposes to develop its new natural gas (LNG) project on the northwest coast of WA. I now take the opportunity to explain to the House what this project will mean for Western Australia.

This \$multi billion investment in our State has the potential to provide employment and economic security during the development phase of the project, ^{and} its associated infrastructure and during its operations well into the future.

This is another great announcement for Western Australia which demonstrates confidence in our economy, our governance system and our people.

Chevron has stated that the project will provide a foundation to commercialise the Wheatstone resource.

Based on Chevron's 100 percent-owned Wheatstone natural gas discovery, approximately 150 km off the Pilbara coast, the project plans are initially for at least one 5 million-ton-per-annum LNG production train, with expansion capacity for additional production trains.

As Members of the House are aware, provision of domestic gas to the local market is a fundamental benefit which the WA Government is requiring from LNG developments in this region. Domestic gas supply is vital to the continued development of the WA economy and the on-going prosperity of all Western Australians.

The Company has already committed to partner with the Western Australian Government to achieve delivery of domestic gas to the local market.

There is potential for Wheatstone to provide a substantial domestic gas contribution as well as a strategic hub for future LNG expansion and possibly gas-to-liquids projects.

Consistent with our domestic gas policy, the WA Government will seek the equivalent of 15 per cent of the project's produced LNG to be available for the WA energy market, providing it is commercially viable.

Chevron will continue to work with the State on these matters. The Company recognises the desire of the State and Federal governments to plan for Australia's future energy needs and supports a flexible, market-based approach to the provision of domestic gas.

During the next 12 months, Chevron Australia will progress with scoping studies related to plant size, location, field appraisal, key project milestones and potential markets.

The State Government will work with Chevron and stakeholders to determine the most appropriate location for the proposed LNG plant.

As the Wheatstone gas fields are located in Commonwealth waters, royalties from the proposed development will not accrue to the Western Australian Government but to our Federal colleagues in Canberra.

It is incumbent on the Commonwealth Government to ensure that WA gets its fair share of the royalties from this and other major developments which choose our coast as a site for their development. We need this royalty share to help meet the associated requirements for ~~State in particular to help meet the associated requirements for~~ State funded infrastructure.

Once again the announcement of this project is great news for Western Australia. It will add to the growth dividend from the resources sector for all Western Australians – indeed for all Australians.