

Woodside chief ponders legal action over \$2.5b condensate grab

ROBERT TAYLOR

Woodside Petroleum chief Don Voelte suggested yesterday that the oil and gas giant could challenge the Federal Government's \$2.5 billion tax grab on North West Shelf light crude oil.

The Rudd Government removed the tax exemption on the North West Shelf's condensate production in Tuesday's Budget, claiming the six joint venturers had reaped windfall profits from sky-rocketing oil prices.

But Mr Voelte said Woodside had lived up to its commitments under the original financial arrangements with State and Federal Governments and was "considering its position" in light of Tuesday's tax slug.

"This is not a loophole which has been closed or a free ride which has come to an end. This is a negotiated fiscal arrangement which formed the basis of Australia's largest resource development," he said. "Govern-

ments have a responsibility to consult with industry on major issues such as this. On this occasion there was no consultation on changes to arrangements which we considered to be binding."

The West Australian also understands that the tax grab could force a rethink by the North West Shelf venturers on a proposed sixth gas train at the Burrup Peninsula.

Mr Voelte pointed out that the current taxation regime had prompted \$24 billion of investment and provided billions of dollars in royalties to the WA and Federal governments.

But Alan Carpenter dismissed concerns that scrapping the exemption would have an impact on the industry.

"The exemption has ended. It is up to them now to respond as to what impact that will have on their bottom line and their operations," the Pre-

mier said. "But if you look around the world at the energy market and the energy need and the price for energy, I would be very surprised if it has any impact on their operations."

But WA Liberal Senator Mathias Cormann said Mr Carpenter was more interested in defending the Federal Labor Government than standing up for WA. "The Federal Government is taking \$2.5 billion from WA and promising to give back \$100 million at some time in the future and Mr Carpenter is defending them," Senator Cormann said.

The Australian Petroleum Production and Exploration Association also attacked the decision, with chief Belinda Robinson saying she was surprised the Government had not consulted the industry beforehand.