

Gas plant explosion exposes State's vulnerability

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An explosion at a West Australian gas plant has exposed the State's dependence on a limited number of gas production sites, WA's peak business group says.

More than 150 people were evacuated yesterday after a pipeline ruptured and a fire started at Apache Corporation's gas processing plant at Varanus Island, near Karratha in the state's north.

The island, about 100km from the coast in WA's North West Shelf gas production area, handles approximately 30 per cent of the state's domestic natural gas requirements.

WA's Chamber of Commerce and Industry Chief Executive James Pearson said WA should not be relying on Apache and Woodside Petroleum in the North West Shelf hub for the overwhelming majority of its domestic gas supplies.

"The latest major disruption to Western Australia's domestic gas supplies has once again exposed the state's energy vulnerabilities as a result of its dependence on gas from a limited number of supply sources in the north-west," Mr Pearson said in a statement.

In January, WA gas supplies were severely affected when a fire shut down Woodside's Karratha gas plant for two days.

Mr Pearson called on the WA government to urgently develop a state energy policy, which would consider a range of energy sources including gas, coal, nuclear and renewable energy.

WA Premier Alan Carpenter admitted a more competitive domestic gas supply market could help, but said the market was currently more interested in exports of liquified natural gas (LNG).

Mr Carpenter played down the prospect of other gas plants outside the North West Shelf hub.

"If you've got 10 different gas plants down the coast, there's all this supportive infrastructure that goes with it," he said.

"It's the people of Western Australia that have to buy all that supportive infrastructure, which is why rationalising all that requirement makes a hell of a lot of sense."

Most of the gas produced by Apache and Woodside in the North West Shelf is fed to the domestic market by the Dampier to Bunbury pipeline.

Energy Minister Fran Logan today said the state government would not fund more gas pipelines.

But Mr Logan said the government could introduce policies to encourage companies to explore for more gas, adding that the South West and Mid West regions had the potential to provide alternative gas sources in the future.

"I wouldn't say we're vulnerable at all," Mr Logan said.

Liberal leader Troy Buswell has called for the introduction of a State energy plan in light of the second disruption to gas supplies in just six months.

"For the second time in six months WA families and businesses are staring down the barrel of an energy shortage because for the past seven years the State Government has failed to take a strategic approach to securing our energy supply," Mr Buswell said.

"Developing a WA State Energy Plan would provide leadership in the development of our energy sector in the supply and provision of energy for the domestic and export markets. It has been leadership that has been sorely lacking from this Government."

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