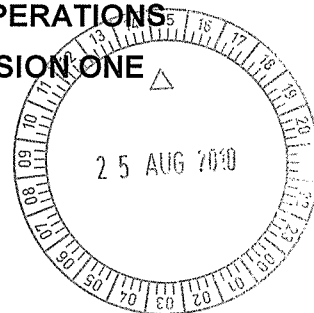


STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS
ONGOING BUDGET ESTIMATES HEARINGS 2010-11 – SESSION ONE
HELD ON FRIDAY, 16 JULY 2010
TRANSCRIPT OF EVIDENCE
SUPPLEMENTARY INFORMATION



HON KEN TRAVERS MLC ASKED –

Because you are coordinating the project from the State point of view, do you have a Gantt chart or something of that magnitude that lists all the key dates when different sign-offs are required to complete the project in the current timelines?

[Supplementary Information No A1]

Answer

There are three major deliverables remaining for the Browse LNG Precinct:

1. the Strategic Assessment Report to be approved by State and Commonwealth Ministers;
2. land access; and
3. the delivery of the Regional Benefits Agreement.

The following milestones are noted as per those three deliverables, however, it is important to note that although listed sequentially these are inter-related.

MILESTONE	PROPOSED COMPLETION	COMMENTS
Strategic Assessment Report		
EPA and DEWHA evaluate draft Strategic Assessment Report (SAR)	Mid Sept 2010	Draft SAR lodged with the EPA and DEWHA on 09/04/10
Public Comment Period for the SAR	17/12/10	Eight week public comment period
SAR Report – Public Comments evaluated	14/01/11	Four weeks required for DSD to analyse and provide responses to EPA/DEWHA on public comment
Final Strategic Assessment Report available for EPA	17/01/11	
Determination of SAR by EPA/DEWHA and Commonwealth and State Ministers	Decision by Ministers	EPA/DEWHA to assess SAR and report to their Ministers and then decision made
Land Access		
Land access required for Woodside Joint Venture to commence Front End Engineering Design (FEED)	Required by April 2011	Commencing FEED is required as soon as possible in 2011 to meet Woodside JV's FID timeframe
Woodside Joint Venture Final Investment Decision (FID)	June 2012	FID deadline is set out in Woodside JV's Retention Lease Conditions

Regional Benefits Agreement		
Payment of benefits to secure Precinct Area	On registration of ILUA or as agreed	State will pay \$30.9 million, as outlined in the confidential Heads of Agreement
Other benefits	FID of foundation proponent – June 2012	State will commit to additional components of compensation package, as described in the confidential Heads of Agreement

HON LJILJANNA RAVLICH MLC ASKED –

Could you provide to the committee the written documentation of the actual process with the relevant time frames and include in that information the appeal mechanisms that might exist for the native title holders?

[Supplementary Information No A2]

Answer

The compulsory acquisition process is detailed in the flowchart on the following page.

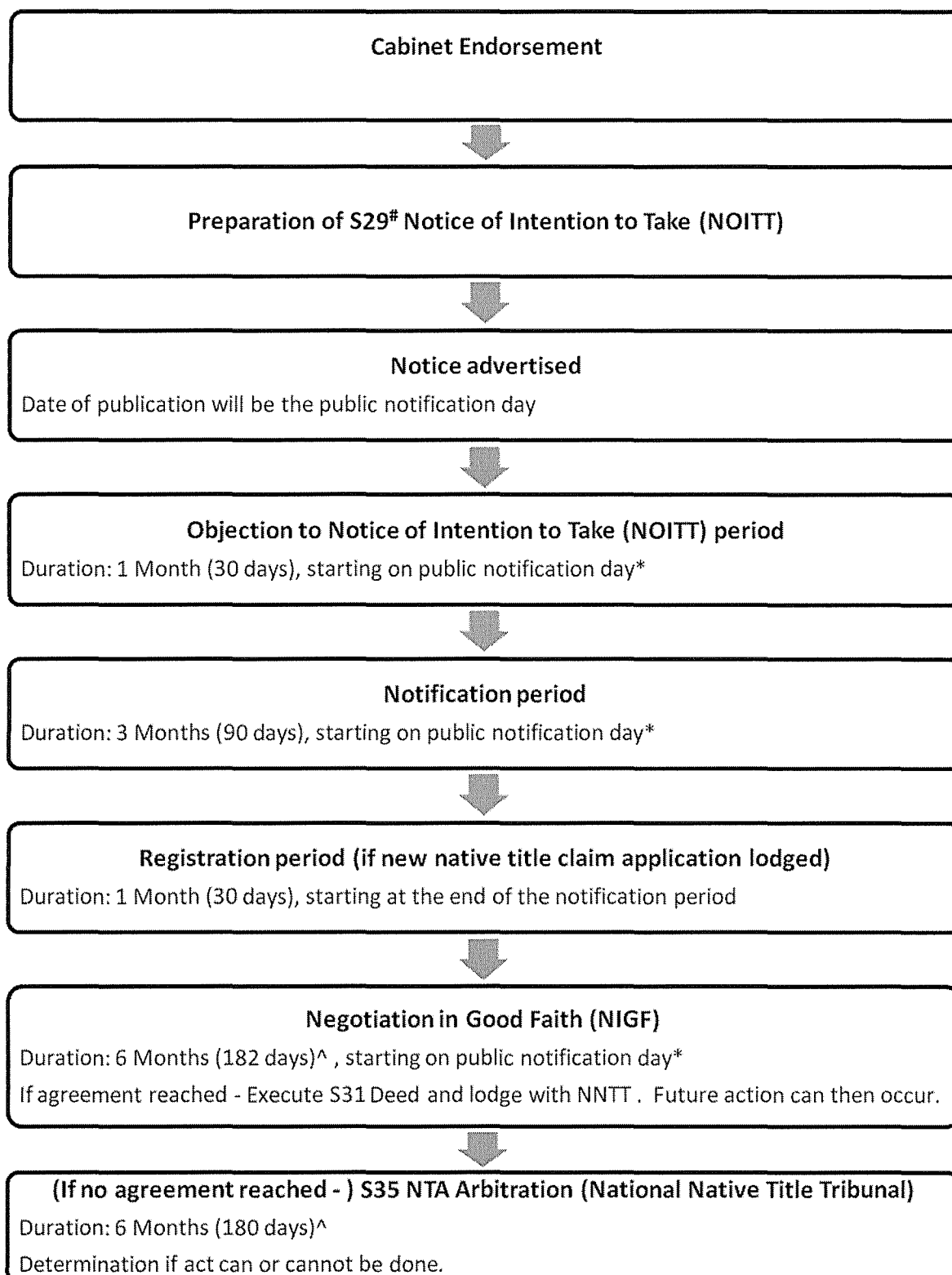
New native title applications can be lodged within the 3-month notification period. If new applications are lodged, the 3-month period will be followed by an additional 1-month registration period.

The State would be required to negotiate in good faith with the current registered native title claimants as well as any additional claimant group(s) registered in the 4-month notification/registration period.

If agreement cannot be reached within the 6-month negotiation in good faith period, the matter would be referred to the National Native Title Tribunal for a determination. Before arbitration, the National Native Title Tribunal lists the matter for a preliminary hearing, including issuing directions regarding any challenge to the effect that negotiation in good faith did not occur.

If the National Native Title Tribunal has not made a determination in six months, there is possible referral to the Commonwealth Attorney General which could require a further six months. The timeframe for appealing the decision to the Federal Court is unknown. If the appeal is rejected by the Federal Court, there are no further appeal mechanisms.

Compulsory Acquisition Process Flowchart



Section 29 of the Native Title Act (1993) "Notification of parties affected"

* Under S29(5) of the Native Title Act (1993), "each notice in relation to the act must specify the same day as the notification day"

^ These are minimum times required by the National Native Title Tribunal and assumes NO appeals. The Commonwealth Minister may override the NNTT decision (ss42 refers).

HON LJILJANNA RAVLICH MLC ASKED –

I wonder whether we could get on notice a break-up of how that total of \$85.1 million, which is the regional benefits agreement, will be split over the forward estimates in terms of the break-up, and what each sum of money will actually be spent on?

[Supplementary Information No A3]

Answer

The \$85.1 million represents the forward estimates for the Regional Benefits Agreement based on the confidential Heads of Agreement signed in April 2009 and adjusted for CPI, and on finalising an Indigenous Land Use Agreement. The CPI forecasts were 3.00% for 2010-11 and 3.25% for the remaining years.

The breakdown of the forward estimates for the Regional Benefits Agreement is provided, **in confidence**, for the information of Committee members. It should be noted that the Heads of Agreement which contains this information is subject to a confidentiality agreement between the State Government, Kimberley Land Council and Woodside Energy Ltd:

Regional Benefits Agreement (CPI adjusted figures)

	\$000 2010-11	\$000 2011-12	\$000 2012-13	\$000 2013-14	Total
Economic Development Fund	10,300	21,270	0	0	31,570
Indigenous Housing Fund	20,600	0	0	0	20,600
Education Fund	0	1,064	1,098	1,134	3,296
Cultural Preservation Fund	0	532	549	567	1,648
Kimberley Enhancement Scheme	0	5,317	5,490	5,669	16,476
Conservation Areas	0	1,595	1,647	1,700	4,942
Administration Payment	0	2,127	2,196	2,267	6,590
Total Payments	30,900	31,905	10,980	11,337	85,122

HON LJILJANNA RAVLICH MLC ASKED –

What we want is a breakdown of how that money (\$126.5 million) will be spent, so that we can see where the money is going and for what purpose?

[Supplementary Information No A4]

Answer

The breakdown of the estimated \$126.5 million for the Department of State Development to be spent over five years from 2009-10 is as follows:

	\$000 2009-10	\$000 2010-11	\$000 2011-12	\$000 2012-13	\$000 2013-14	Total
Staff expenses (e.g. salaries, superannuation, travel)	1,408	1,128	1,038	1,074	1,113	5,761
Grants and subsidies to external (private) organisations	23,405*	-	-	-	-	23,405
Services and contracts expenses – professional services not elsewhere classified	3,858	38,338 ^{#^}	31,905 [#]	10,981 [#]	11,337 [#]	96,419
All other expenses	-	875	-	-	-	875
Total	28,671	40,341	32,943	12,055	12,450	126,460

* This amount includes \$15.75 million contributed by Woodside Energy Ltd. The amount includes funding provided to the Kimberley Land Council as well as studies required for the Strategic Assessment Report.

The amounts include the Regional Benefits Agreement payments, as indicated in *Supplementary Information No A3*.

[^] In 2010-11, services and contracts expenses include funding required for completing the Strategic Assessment Report, commercial requirements, Indigenous-related commercial and legal requirements, as well as planning and infrastructure studies.

HON KEN TRAVERS MLC ASKED –

Can we get a more detailed breakdown of your supplies and services for this year, broken into what are the different components under supplies and services?

[Supplementary Information No A5]

Answer

A detailed breakdown of supplies and services for 2010/11 is as follows:

Project	\$ Amount
Browse LNG Project*	38,338,000
Oakajee Rail & Port Project	4,600,000
Ashburton North Strategic Industrial Area (Commercial, Legal and Engineering)	2,000,000
Mt Anketell Strategic Industrial Area (Commercial, Legal and Engineering)	2,500,000
Strategic Industrial Lands and Heavy Use Industrial Lands Projects (all other projects)	1,250,000
Other **	11,730,000
Total General Operating Expenses included in Supplies and Services	60,418,000

* Browse includes regional benefits agreement (see response to supplementary question A3), Socio-Economic studies, commercial requirements, Indigenous related commercial and legal, and Planning/Approvals.

** Other includes WA Global Network, Australia China Natural Gas Technology Fund, Strategic Initiatives, Investment Facilitation and other funding.

HON KEN TRAVERS MLC ASKED –

The Minister has not answered the specific question that I put to her earlier about what it was the Government hoped to achieve, and whether it had received advice that the OPR project would not proceed without this investment. The other thing we have not heard about are the objectives that will be achieved that would not have been achieved under the previous OPR tender arrangements?

[Supplementary Information No A7]

Answer

The State and Commonwealth's ownership of the Common-User Infrastructure at Oakajee provides the opportunity to ensure that the port is designed as an effective multi-user, multi-product port, thus catering for the longer term needs of the State and region. This approach is consistent with other multi-user, multi-product port developments, including Geraldton Port (which Oakajee Port will be an extension of).

Government investment in the Common-User Infrastructure is also consistent with the State's ownership and development of the adjacent and linked heavy use Oakajee Industrial Estate, which will facilitate a sustainable value adding industry for the State's mineral resources. Development of Oakajee as an iron ore only port would possibly compromise the development of the Industrial Estate and thus would not meet the longer term needs of the region and the State.