

Question on notice no. 85

Portfolio question number: BI-85

2021-22 Budget estimates

Economics Committee, Industry, Science, Energy and Resources Portfolio

Senator Larissa Waters: asked the Department of Industry, Science and Resources on 9 June 2021—

The \$50M allocated for the Strategic Beetaloo Basin plan is open for tenders between \$75,000 and \$7.5M. Looking at the Beetaloo Cooperative Drilling Program - grant opportunity guideline, can you confirm that the eligibility criteria do not require consideration of: An applicant's environmental history? Whether the applicant uses shell companies or has subsidiaries in tax haven jurisdictions? Support from relevant First Nations communities? An applicant's commitment to emissions reduction? Compliance with Taskforce on Climate-related Financial Disclosures (TCFD) standards for reporting climate-related shareholder risks?. The guidelines require applicants to declare actual and perceived conflicts of interest. Would the fact that an applicant has made a significant donation to the Liberal or National party constitute a conflict of interest for the purposes of compliance with grant guidelines? One of the biggest investors in the region is Empire Energy, which is run by Paul Espie. Mr Espie is Chair of the Liberal Party's Menzies Centre and has made donations totalling around \$230,000 to the Liberal party over recent years. Would Empire Energy be eligible to apply for a grant? Would a conflict of interest declaration need to be made?

Answer —

Please see attachment.

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Department of Industry, Science, Energy and Resources
2021 - 2022 Budget Estimates

AGENCY/DEPARTMENT: Department Of Industry, Science, Energy and Resources

OUTCOME: Program 1.3: Supporting a strong resources sector

TOPIC: Beetaloo investments

REFERENCE: Written Question – Senator Larissa Waters

QUESTION DATE: 09 June 2021

QUESTION No.: BI-85

The \$50M allocated for the Strategic Beetaloo Basin plan is open for tenders between \$75,000 and \$7.5M. Looking at the Beetaloo Cooperative Drilling Program - grant opportunity guideline, can you confirm that the eligibility criteria do not require consideration of:

- An applicant's environmental history?
- Whether the applicant uses shell companies or has subsidiaries in tax haven jurisdictions?
- Support from relevant First Nations communities?
- An applicant's commitment to emissions reduction? Compliance with Taskforce on Climate-related Financial Disclosures (TCFD) standards for reporting climate-related shareholder risks?

The guidelines require applicants to declare actual and perceived conflicts of interest.

- Would the fact that an applicant has made a significant donation to the Liberal or National party constitute a conflict of interest for the purposes of compliance with grant guidelines?
- One of the biggest investors in the region is Empire Energy, which is run by Paul Espie. Mr Espie is Chair of the Liberal Party's Menzies Centre and has made donations totalling around \$230,000 to the Liberal party over recent years. Would Empire Energy be eligible to apply for a grant? Would a conflict of interest declaration need to be made?

ANSWER

Question 1

The Beetaloo Cooperative Drilling Program grant opportunity guidelines require an assessment committee to assess whether applicants have a satisfactory track record managing similar projects and access to personnel with the right skills and experience, including management and technical staff. The guidelines for the program further establish that applications can only be accepted from corporations that hold a petroleum exploration permit or retention licence from the Northern Territory Government, and that have commenced all necessary approval processes to undertake petroleum exploration onshore. This includes cultural heritage protections and the processes for land access established under the *Native Title Act 1993* or the *Aboriginal Land Rights Act 1983*. The eligibility criteria require all applicants to hold an Australian Business Number.

Companies who undertake onshore petroleum exploration in the Northern Territory must also comply with the following regulations:

- The *Petroleum (Environment) Regulations 2016*, which include the approval of an Environment Management Plan,
- Companies must obtain an Aboriginal Areas Protection Authority certificate, and
- Companies must abide by the “Code of Practice: Onshore Petroleum Activities in the Northern Territory”.

Question 2

Section 13.1 of the guidelines relates to Conflicts of Interest and how these should be managed. Under the guidelines, donations to a political party could potentially be a perceived or actual conflict of interest.

Imperial Oil and Gas, a wholly owned subsidiary of Empire Energy, has received grants under the program and met the eligibility and assessment criteria of the program.