



Australian Government

Geoscience Australia

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Chair
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Dear Senator

Supplementary Budget Estimates Hearings – 18 October 2012 – Additional Information

Geoscience Australia appeared before the Senate Standing Committee on Economics at the Budget Estimates Hearings on 18 October 2012.

During the Hearings, Senator Siewert asked how many nominations Geoscience Australia had made to the annual offshore petroleum acreage release process in the context that "...nominations had closed at the end of August...". In response Dr James Johnson responded that one area had been nominated and that it was in the Sorrell Basin to the west of Tasmania. The relevant excerpt from the Proof Hansard is at Attachment A.

Dr Johnson answered the question based on Senator Siewert's earlier comment "...Can I go to the process for this year", and he provided information relating to acreage released in 2012. On reading the Hansard Dr Johnson recognised that Senator Siewert was in fact asking about the process in train for the 2013 acreage release, for which "...nominations closed at the end of August...".

Dr Johnson would like to correct his statement made in response to Senator Siewert's question above (page 20 of the Proof Hansard "Geoscience Australia nominated one area: the Sorell Basin"). To answer with respect to the current process, the 2013 acreage release, Geoscience Australia nominated two areas. The location of these areas will be made public in December 2012.

We understand that Hansard is a formal transcript of proceedings and cannot be altered. However, I request this revised information be made available to Committee members to ensure they have the most current and accurate information available to them.

If you require any further information in regard to this matter, please do not hesitate to contact me.

Yours sincerely

Chris Pigram
Chief Executive Officer
31 October 2012

Budget Estimates Hearings

18 October 2012

Mr Squire: Sure. Thank you. It is the subsequent activity which may have an impact on a matter of national environmental significance, which are then subject to either an accepted environment plan under the Offshore Petroleum and Greenhouse Gas Storage Act, as assessed and regulated by NOPSEMA, and in some cases where there is a trigger of the Commonwealth's environmental legislation, the EPBC Act, an environmental impact assessment will take place.

Senator SIEWERT: Thank you. I may have to come back with questions on notice once I have seen the information that has been taken on notice. Can I go to the process for this year. As I understand from the discussion that we had last estimates, nominations closed at the end of August and I am wondering how many nominations Geoscience Australia made to the process and how many overall you received.

Dr Pigram: I am not sure I can tell you exactly how many we nominated. Let me just check with my colleagues.

Dr J Johnson: Geoscience Australia nominated one area: the Sorell Basin.

Senator SIEWERT: I will ask, but I do not know if I will get an answer. Can I ask which area that was?

Dr J Johnson: In the Sorell Basin, west of Tasmania.

Senator SIEWERT: Thank you. How many were received?

Mr Squire: I would like to take that question on notice and provide the exact number. From my recollection, it is in the order of 50 to 60 nominations. But I would like to take that one on notice to be 100 per cent sure.

Senator SIEWERT: Thank you. My understanding is that now you will be writing to state and Commonwealth agencies around that list, is that correct?

Mr Squire: That is correct. We are currently in the process of consulting with other Commonwealth agencies and also in the process of commencing consultations with our state counterparts.

Senator SIEWERT: Do you also consult with industry or is it just the agencies?

Mr Squire: At this stage of the process, the consultations are with the Commonwealth and state government agencies. There is no formal consultation with industry on proposed releases. We are in part responding to areas that have been nominated by industry, and then obviously industry and other stakeholders are made aware of the areas that are proposed to be released in early December.

Senator SIEWERT: When is the next formal release?

Mr Squire: The 2013 release is likely to be at the APIA conference in May 2013 in Brisbane.

Senator SIEWERT: Didn't we discuss last time that sometimes you have two?

Mr Squire: Yes. Within each release there is both a six- and a 12-month closing. So there is one annual release, but bidding closes either six months or 12 months, approximately, after the date of release.

Senator SIEWERT: I beg your pardon. I must have misinterpreted last time. You divide the potential areas up into two lots: six months, 12 months?

Mr Squire: That is correct.

Senator SIEWERT: How do you make that decision?

Mr Squire: The basis is on the level of information that is available. So, if it is a highly prospective area or it has been well studied or potentially previously released and has good information, it is a six month close. Generally, the more frontier areas are out for bidding for 12 months to give companies further time to work out whether they should bid or not.

Senator SIEWERT: On what basis did you nominate the Sorrell Basin?

Dr Pigram: The Sorrell Basin was studied as part of our offshore energy security program between 2006 and 2011. We identified that it had the potential to have hydrocarbons in it; it had the right attributes in terms of sediment thickness and its geological history. It is a relatively untested region, so we thought it had the potential to be of interest to the industry.

Senator SIEWERT: It may come as no surprise to you that I do not know all the details of the Sorrell Basin. How deep is it?

Dr Pigram: In terms of water depth?

Senator SIEWERT: Yes.

Dr Pigram: It is on the slope, so it is basically in the order of 200 metres down to probably 3,000 or 4,000 metres.