

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio

**Inquiry into the Offshore Petroleum (Laminaria and Corallina Decommissioning Cost Recovery
Levy) Bill 2021 [Provisions] and Treasury Laws Amendment (Laminaria and Corallina
Decommissioning Cost Recovery Levy) Bill 2021 [Provisions]**

Division: Corporate and International Tax Division
Topic: Costing details
Reference: Spoken (8 November 2021)
Senator: Rex Patrick

Question:

Senator PATRICK: The way this legislation appears to work is that there is a relationship but, separate to the levy, someone might put in a tender saying, 'I can do this in this particular way for this particular cost', and someone else may say something different. It's competitive, with none of the parties seeing what the others are putting in. And the annual collection rate doesn't tell you anything about the total cost, because someone may say, 'I can cover this off in two years', and another tenderer may say, 'I can cover it off in three years.' I can't see any relationship or any sensitivity around what it is you'll collect, because it's not tied in to an ultimate absolute number.

Mr Winckler: We haven't published Treasury estimates of future production. I can take that on notice and provide the maximum amount of information we can about the costing to the committee as soon as possible, if that would be helpful.

Answer:

Decommissioning will likely be undertaken in three phases. The Department of Industry, Science, Energy and Resources is currently running a tender process for Phase 1 decommissioning works. In order to ensure probity in the competitive tender process, estimates of revenue to be collected from the levy, including individual annual profiles were included in the 2021-22 Budget as 'not for publication'.