

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

Resources, Energy and Tourism Portfolio

Budget Estimates

28 May 2012

**Question:** **BR47**

**Topic:** **Commissioned Reports**

**Proof Hansard Page:** **Written**

**Senator Bushby asked:**

1. How many Reports have been commissioned by the Government in your portfolio this financial year to date? Please provide details of each report including date commissioned, date report handed to Government, date of public release, Terms of Reference and Committee members.
  - a) How much did each report cost/or is estimated to cost? How many departmental staff were involved in each report and at what level?
  - b) What is the current status of each report? When is the Government intending to respond to these reports?

**Answer:**

***Department***

A total of 4 reports were commissioned by the Government in the 2011-12 financial year. Details of these reports are at **Attachment A**.

***Agencies***

No reports have been commissioned by the Government with either Tourism Australia or Geoscience Australia.

## ATTACHMENT A

## Commissioned Reports for the 2011-12 Financial Year

Report	Date Commissioned	Provided to Government	Release Date	Terms of Reference	Committee Members	Estimated Cost	Staff Involved (Approx)	Current Status
Australian Bulk Commodity Exports and Infrastructure – Outlook to 2025	1 Jul 2011*	2 Jul 2012	2 Jul 2012	Attachment B	There was no formal committee for this project	\$220,000	SES B2 x1 EL2 x 2 EL1 x 2 APS6 x 4	Released and Completed. No response from Government is required at this stage
Second Triennial Review of the Operational Effectiveness of the National Offshore Petroleum Safety Authority Report	8 Jul 2011	29 Nov 2011	29 Nov 2011	Attachment C	Mr Chris Raper - Chair Mr Robin Stewart-Crompton Dr Agu Kantsler	There was no cost to the Department. NOPSA paid for the report	N/A	Government response released on 25 May 2012
Wave Energy Report	9 Feb 2012	26 Jun 2012	Not yet released	Attachment D	Prof Frank Larkins Dr John Huckerby Mr Eoin Sweeney	\$3,000	1 x EL2 1 x APS6	Submitted to the Minister/ ARENA Board. No response required by Government
Guide for Exploration Drilling for Precompetitive Geological Storage Data	9 Apr 2012	31 Dec 2012	To be determined	Attachment E	There is no formal committee for this project	\$69,500	1 x EL1 1 x EL2	In progress. Does not require a Government response. It will be released as a best practice guide

**Tourism Reports**

The Department has commissioned a number of research reports under the auspices of Tourism 2020. These are not reports that have been ‘commissioned by the Government’ as such; these reports have been commissioned on behalf of the Tourism 2020 Working Groups to progress the work program agreed by Tourism Ministers. Tourism Research Australia has also commissioned a number of research reports in relation to its Destination Visitor Survey (DVS) Program. Again, these are not reports that have been commissioned by the Government as such; these are research reports in relation to DVS projects agreed with the states and territories.

\* This Report was commissioned in February 2011 with the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) and taken over by the Bureau of Resources and Energy Economics (BREE) on 1 July 2011.

**ATTACHMENT B****Terms of Reference****Australian Bulk Commodity Exports and Infrastructure – Outlook to 2025****Terms of reference**

Project name: *Australian coal, iron ore and LNG infrastructure outlook to 2025*

Short name: Export Infrastructure Outlook

Funding: Department of Resources, Energy and Tourism and Office of Northern Australia

**Background:**

In early 2011, the Prime Minister released the National Port Strategy, which aims to provide a nationally coordinated approach to the future development and planning of Australia's port and freight infrastructure. Recommendation 1.9 of the Strategy included (ABARES) publishing forecasts of trade including by commodity, activity and corridor usage that are usable for the purposes of planning.

The export infrastructure project is designed to provide an assessment of infrastructure requirements, as these relate to bulk commodities (principally coal, iron ore and LNG) exports over the period to 2025. These commodities are expected to create the largest demands on infrastructure capacity over the projection horizon. It is intended that such a project would be undertaken on a regular basis to support infrastructure planning for an economically, socially and environmentally sustainable future.

The project will consider both existing and mature resource provinces and their associated transport and port corridors, as well as the development of new mineral provinces expected over the next 15-20 years. Northern Australia will be an important focus of the study.

**Objectives:**

The aim of this project is to provide economic analysis and projections required to facilitate long term strategic planning of infrastructure for coal, iron ore and LNG exports to 2025. The report is expected to follow a similar methodology to the one used in ABARE's 2006 report *Australian coal exports; outlook to 2025 and the role of infrastructure*.

**Methodology:**

The report will contain:

1. Overview of Australia's mining sector
  - Focus on bulk commodities and LNG.
  - Private vs public sector contributions to infrastructure (subject to data availability).
2. Global demand projections for coal, iron ore and LNG out to 2025.
  - Utilise ABARES' existing global modelling framework, GTEM.
  - Outline the main drivers, regions and assumptions within GTEM
  - Develop a reference case for global growth, resource and energy demand.
3. Global supply outlook to 2025
  - Main competitors such as Brazil and India (iron ore), Indonesia, South Africa, Colombia, the Russian Federation, United States and Canada (coal), Qatar, Indonesia, Malaysia and the Russian Federation (LNG) and China.
  - Emerging suppliers such as West Africa (iron ore) and Mongolia and Mozambique (coal)
  - Australia's coal, iron ore and LNG export potential (i.e. unconstrained export potential)
4. Australia's exports to 2025
  - Production regions and expansion plans including the development of new coal, iron ore and LNG production regions.
  - Alternative low and high growth scenarios for Australia's exports of coal, iron ore and LNG.

5. Regional dimension of expansion plans for ports and rail associated with coal and iron ore production and exports including:
  - A review of the Australian coal, iron ore and LNG industry developments currently underway (incorporate the existing industry master plans);
  - Domestic transport and port infrastructure requirements needed to support the expansion of coal and iron ore production and exports from existing and new provinces in the context of the National Ports Strategy.
  - Potential mineral provinces that may emerge following the development of new bulk commodity rail and port infrastructure.
6. Key findings and major challenges at a regional level for Australia's ports and related landside logistic chains from projected growth in coal, iron ore and LNG exports.
7. Further research

### Key outputs:

1. Global demand projection for coal, iron ore and LNG.
2. Global supply outlook for major competitors.
3. Australia's major production regions (incorporating demand within northern Australia)
4. Future growth provinces beyond the medium term.
5. Rail and port infrastructure demand outlook.
6. Alternative scenarios of demand.

### Output:

An e-report examining the adequacy of Australia's port and related infrastructure capacity to support projected growth in Australia's coal, iron ore and LNG export industry over the period to 2025.

**ATTACHMENT C**

**Terms of Reference**

**Second Triennial Review of the Operational Effectiveness of the National Offshore Petroleum Safety Authority Report**

The review will give consideration to:

1. The effectiveness of the National Offshore Petroleum Safety Authority (NOPSA) in bringing about improvements in the occupational health and safety of persons engaged in offshore petroleum operations or offshore greenhouse gas storage operations.
2. The adequacy of NOPSA's current engagement with offshore petroleum operators and other stakeholders, with a particular focus on safety case development, content requirements, implementation and compliance. Consideration should be given to the level and type of stakeholder interaction NOPSA could reasonably engage in without compromising regulatory independence and its commitment to a best-practice regime. This could also consider NOPSA capacity for involvement and role in the development and management of a coordinated response to incidents involving the offshore petroleum industry.
3. NOPSA's current and ongoing capacity to address safety issues arising from the rapid growth and the incorporation of new and often large-scale technologies in the offshore petroleum industry, including issues of early engagement with operators on safety case compatibility with technology developments, and legislative arrangements for dealing with safety in design.

The Review should also consider NOPSA's actions to-date against the accepted 2008 Operational Review recommendations and findings, make recommendations to improve the overall operation of NOPSA and the NOPSA Board, and the safety performance of the Australian offshore petroleum industry more generally. The Review will prepare a report for the responsible Commonwealth Minister within six months of the start of the review period.

**ATTACHMENT D**

**Terms of Reference**

**Wave Energy Report**

The Australian Centre for Renewable Energy (ACRE) board is seeking advice from a number of wave energy experts on the challenges and opportunities for the development and deployment of wave energy technologies in Australia.

The advice is to be provided in the form of a report, up to a maximum of 10 pages and the experts will be supported by officers from the Department of Resources, Energy and Tourism.

The scope of the report will focus on wave energy, with some coverage of tidal matters.

The Wave Energy Expert Group shall:

- provide advice to the ACRE Board on the challenges and opportunities for wave energy deployment in Australia;
- consider how international developments in wave energy technologies could benefit wave energy technology development and deployment in Australia;
- consider the value in applying internationally accepted technology readiness levels to wave energy technology development in Australia,
- advise on the nature of the government intervention that may be required and at what stage of the innovation chain may be most appropriate for wave energy technology development and deployment in Australia;
- advise on the non-technological issues that need to be considered when considering support for wave energy technology projects; and
- recognising the potential contribution from tidal energy, an assessment of the challenges and opportunities for its development and deployment.

The report will build from the ACRE Board's *Strategic Directions* which outlined the ACRE Board's technology focus for wave, ocean and tidal energies.

**Terms of Reference**

**Guide for Exploration Drilling for Precompetitive Geological Storage Data**

# GUIDE FOR EXPLORATION DRILLING FOR PRECOMPETITIVE GEOLOGICAL STORAGE DATA

**Description of project from discussion draft report July 2012:**

The key task of this work is to document a guide for best practice in CO<sub>2</sub> geological storage exploration data collection from well drilling programs associated with provision of precompetitive data by government. A major aim is to consider the guide in terms of the requirement for industrial scale volumes of geological storage of CO<sub>2</sub>; i.e. not in terms of the data requirements for pilot scale geological storage of CO<sub>2</sub> operations.

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Extract from Contract between RET and CO<sub>2</sub> Geological Storage Solutions Pty Ltd; April  
– Dec 2012:

## Schedule 1 – Services

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### 1. Description of the services

The Commonwealth is currently developing a national CO<sub>2</sub> drilling rig deployment strategy, as part of the National CO<sub>2</sub> Infrastructure Plan, aimed at maximising the usage and cost effectiveness of drilling rigs of CO<sub>2</sub> exploration in Australia. To assist in successfully completing this task, the Commonwealth will engage CO<sub>2</sub> Geological Storage Solution Pty Ltd (CGSS) to produce a report to guide best practice in CO<sub>2</sub> exploration data collection from well drilling programs.

The table below outlines the services that CGSS is required to provide to the Commonwealth, the process and expected outcomes:

	<b>Services/Deliverables</b>	<b>Process</b>	<b>Expected outcomes</b>
1	Literature review of industry needs and best practice guides	Contractor to review publicly available relevant information	Preliminary documentation of publicly available information on best practice in relation to industry needs
2	Preliminary planning meeting	Meet with Commonwealth officials and State regulators	Informed position as to what each group is undertaking in their current commitments
3	Draft discussion paper	Utilise literature review, pre-existing knowledge and outcomes from the planning meeting	Draft discussion paper submitted to the Commonwealth
4	Respond to comments on draft paper and prepare final discussion paper	Update the draft paper (use results from planning meeting & incorporate comments)	Final discussion paper submitted to the Commonwealth
5	Assist Commonwealth in organising and hosting a workshop	Attend the workshop and assist with technical issues raised at the workshop	PowerPoint presentation
6	Final report	Utilise discussion paper and responses from the workshop to document a final report	Deliver final report to the Commonwealth

## 2. Timeframes

<b>Services/Deliverables</b>	<b>Expected date of completion</b>
Literature review of industry needs and best practice guides	30 April 2012
Preliminary planning meeting with Commonwealth and State officials	15 May 2012
Draft discussion paper	15 June 2012
Respond to comments on draft paper and prepare final discussion paper	20 July 2012
Assist Commonwealth in organising and hosting a workshop	10 Sep 2012
Final report	20 Dec 2012