



**Australian Government**

**Geoscience Australia**

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Dear Senator

### **Budget Estimates Hearings – 3 June 2013**

Geoscience Australia appeared before the Senate Standing Committee on Economics at the Budget Estimates Hearings on 3 June 2013.

During the Hearings, Senator Bushby asked if there were any areas in the current acreage release that were particularly prospective or exciting. In response I stated "... We do have this time a couple of areas that are adjacent to areas of great interest. In the Bight where BP are active at the moment there are some areas adjacent to the holdings that they have that we think will attract some interest..." The relevant excerpt from the Proof Hansard is at Attachment A.

I was mistaken in my response and would like to correct my statement. The areas in the Great Australian Bight that I referred to were in fact released in last year's acreage release, not this year.

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

12 June 2013

**Senator BUSHBY:** I will move on because we do not have a lot of time.

**Senator CAMERON:** Can I ask a question on that point?

**CHAIR:** Yes.

**Senator CAMERON:** Senator Heffernan, at estimates last week, raised the issue of the huge problems of saline water from the coal seam gas. Has there been any solution to that? He is very concerned that it is going to cause a problem for future farming.

**Dr Pigram:** He is correct in the sense that a lot of the water that is produced from coal seam gas is saline. It has to be processed and have that salt extracted, so most of the water goes through reverse osmosis plants and the salt is extracted. My understanding of that salt is that it is currently stored. It is not being released and the salt water is not being put into the systems—river systems or for plantation use. That salt is accumulating and it is being stored and there is no alternative use for it at the moment, as I understand.

**Senator CAMERON:** I am glad it is five to eleven and Senator Heffernan has not had time to come!

**Senator BUSHBY:** You also recently released the 2013 acreage release.

**Dr Pigram:** Correct.

**Senator BUSHBY:** Just refresh my memory: you do periodically at acreage release make areas available for exploration? What happens to the areas that are not taken up? Do they still remain open, like from previous releases?

**Dr Pigram:** The process is that acreage is released and usually it is done on the basis that companies have expressed an interest. An acreage not being taken up is fairly unusual. I refer to the question earlier from Senator Siewert around what happens, what is the percentage of take-up? It is 100 per cent, because basically we have a work program bidding system, so anything that is put forward is then taken up. Occasionally acreage is not taken up, and there was one area off Western Australia that was not. It may be left there. It has gone through that period and it will come off the register, so to speak, if there is no interest. If a company comes back and expresses interest, it will be relisted. Essentially it is a process of testing the market to see whether there is interest.

**Senator BUSHBY:** In the current release, is there anything that you think is particularly prospective and exciting?

**Dr Pigram:** We think it is all exciting. You know the Australian margin pretty well, I think, and you would be aware that there are areas with well-known potential and we do not have to promote those very vigorously. The companies will take up any acreage that becomes available. We do have this time a couple of areas that are adjacent to areas of great interest. In the Bight where BP are active at the moment there are some areas adjacent to the holdings that they have that we think will attract some interest. We have done some work over the last couple of years examining the North Perth Basin and came up with some new concepts there and did some work to demonstrate that there is an active petroleum system in that basin. So we have added two areas to this year's release. Out of the 31 areas we have nominated two.

**Senator BUSHBY:** I am getting parochial here; it is my home state. There was nothing around Tasmania, but in previous years there have been areas of the Sorell Basin.

**Dr Pigram:** That is correct.

**Senator BUSHBY:** Has there been any exploration in the Sorell Basin as a result of the acreage releases in past years?

**Dr Pigram:** Can I take that on notice and we will let you know what the activity is in that area?

**Senator BUSHBY:** Okay.

**Dr Pigram:** Our future work program is going to examine that area south of Tasmania. We call it the South Tasman Rise. It is in pretty difficult waters and it is quite deep, but, as part of understanding the full potential of the marine jurisdiction, that is one of the areas that we know probably least about, so we will examine that some time in the next few years.

**Senator BUSHBY:** Thank you.

**CHAIR:** As there are no further questions, I thank Mr Comley, Dr Pigram and the minister. The committee stands adjourned. We start tomorrow at 9 am.

**Committee adjourned at 22.57**