

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio

Additional Estimates

15 February 2012

Question: AR11

Topic: 2012 Oil and Gas Acreage Shortlist

Proof Hansard Page: Written

Senator Siewert asked:

1. What is the process for determining the 2012 Oil and Gas Acreage Shortlist?
2. What advice is sought from SEWPAC regarding environmental issues in the short listed areas?
3. Is any regard given to the proposals for marine protected areas currently being considered by the Government?
4. Does this process include cabinet approval?
5. Does this process allow for public or scientific community input?
6. What is process for determining which of the short listed acreages will be released?
7. Who else is consulted before the release of any short listed acreage?
8. How many square kms of acreage have been short listed each year for the past ten years?
 - a. and of that total acreage short listed, how much has been subsequently released and how much has been taken up?

Answer:

1. As part of the acreage selection process, stakeholders are invited to nominate vacant areas to be considered for inclusion in the annual Offshore Petroleum Exploration Acreage Release (Acreage Release). Nomination of an area does not guarantee its inclusion, as all nominations are subjected to a rigorous assessment and short listing process. This may take into account factors such as:
 - previous interest in, and exploration undertaken, in the nominated areas;
 - whether there is new geoscientific information or a new market development, such as domestic demand changes or an opportunity for early commercialisation of finds, that might generate the interest of potential bidders;
 - any potential adverse impact on current offshore petroleum exploration acreage release areas bidding rounds;
 - ongoing pre-competitive studies by Geoscience Australia - it is Government practice to allow pre-competitive geoscientific data collection to conclude prior to release of acreage; and
 - international maritime boundary negotiations.

2. Consultation with stakeholders on potential areas for release as offshore petroleum exploration areas is undertaken by both Commonwealth and state officials to identify third party considerations that may prevent the area from being included in the Release, or that may impact on any future exploration in areas. The Department consults with the Department of Sustainability, Environment, Water, Population and Communities (SEWPAC) to ensure environment and heritage protection issues, including the Marine Bioregional Planning process, are considered.

To mitigate the need for multiple approaches to stakeholders, information sought through this process is included in the 'Notices' section of the Release information package, which identifies information that titleholders should be aware of when developing a bid (the 2011 Notices are available at www.petroleum-acreage.gov.au). Where relevant, this will include information regarding any actual or proposed Marine Park or Marine Reserve areas overlapping, adjacent or in proximity to areas for release. Areas overlapping Marine Parks, or parts of Marine Reserves where petroleum activities are not permitted, are not released.

3. As outlined above, consultation with SEWPAC ensures that proposals for marine protected areas are considered when finalising areas to be included in the Acreage Release.
4. No, the areas to be released are not approved by Cabinet. They are agreed by the Joint Authority, which consists of the responsible Commonwealth Minister and the relevant state/territory Minister; who may delegate their powers to senior officers in their respective Departments.
5. No, public consultation is not undertaken for the proposed Acreage Release areas.
6. The outcomes of the consultation process with relevant agencies are used to determine whether shortlisted acreage will be released. Should significant concerns be raised by any of the agencies, shortlisted areas can be withdrawn from the final Acreage Release package.
7. As mentioned above, both Commonwealth and state departments consult with relevant agencies to identify third party considerations; including in regard to maritime boundaries, defence, customs, environment, heritage, fisheries, maritime safety, and native title issues.
8. In the time given, we have been unable to determine the square kilometres of acreage shortlisted over the last ten years. However, available data on acreage shortlisted, released and taken up is presented in the table below.

Year	Acreage shortlisted		Acreage released		Acreage taken up	
	No. of areas	sq km	No. of areas	sq km	No. of areas	sq km
2012	28	199,420	NA	NA	NA	NA
2011	29	198,650	29	198,650	NA	NA
2010	31	81,260	31	81,260	19	51,510
2009	33	104,870	33	104,870	15	43,795
2008			35	110,190	28	86,310
2007			34	129,361	25	101,881
2006			36	130,140	31	101,270
2005			29	108,210	26	97,595
2004			31	106,640	25	81,710
2003			35	160,190	19	74,455
2002			41	159,190	19	47,865
2001			42	148,425	32	109,145