

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio

Budget Estimates 2008-09

2 June 2008

Question: BR- 4
Topic: Pluto Gas Project
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Senator Cormann asked:

Senator CORMANN—I will ask these questions of Treasury then. Woodside, in my home state of Western Australia, has a major gas project, Pluto, which is expected to come online by the end of 2010. You gave an indication before that PRRT payments would be expected in the five to 10 year range and sometimes later. What would be your assessment in relation to Pluto?

Mr Hartwell—I do not think at this point in time I could answer that question. Essentially it depends on a whole range of factors. The final cost of the Pluto project and the final revenue estimates in terms of what they might realise on sales are things that we just do not have figures on at this point in time. I cannot really answer that question.

Senator CORMANN—Do you expect it to be less than five years?

Mr Hartwell—Again, I cannot answer that question.

Senator CORMANN—Can you take it on notice?

Mr Hartwell—I can take it on notice, obviously, but I am not sure that we could come up with a precise answer.

Senator CORMANN—I am looking for an indicative answer.

Mr Hartwell—It would always depend on judgements on a whole range of issues and on the information being provided by the project proponent, which is not always a guarantee.

Answer:

We would not expect the Pluto project to begin paying Petroleum Resource Rent Tax (PRRT) during the forward estimates period and it is unlikely to, until several years after commencing production. This could be 5 -10 years or longer, with the timing being dependent on a range of factors, including Liquid Natural Gas (LNG) prices.