

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio

Budget Estimates

3 June 2013

Question: BR1
Topic: Acreage Release
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Senator Siewert asked:

Senator SIEWERT: You might need to take this on notice or, a double bang, take it on notice since this is my last question. What is the number of times in the last five years that acreage has been released and particular areas not taken up or been returned? Does that make sense?

Ms Constable: I understand where you are going. We will have to take that on notice.

Senator SIEWERT: Yes, if you could take it on notice. Then, if you know, what is the rate or percentage of the amount that has been released that has actually then led to physical exploration? In other words, how successful are they in terms of taking on acreage and then actually having it lead to physical exploration programs?

Ms Constable: I will take that on notice.

Answer:

Over the last five years, which includes the 2007 to 2011 offshore petroleum exploration acreage releases, the total number of areas released was 158. Assessment of bids for the 2012 offshore petroleum exploration acreage release is ongoing and therefore not included.

Of the 158 areas released, 114 areas have been awarded in the form of an exploration permit to companies to undertake exploration activities. The remaining 44 areas did not receive initial bids.

The 114 areas were awarded as 'work-bid exploration permits' in accordance with section 104 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*. The primary objective in awarding an exploration permit is to select the bid most likely to achieve the fullest assessment of the petroleum potential within the permit area, recognising the essential role of physical exploration (acquisition of seismic data, drilling of exploration wells, other surveys such as aeromagnetic or seabed surveys) in the discovery of petroleum in Australia.

Once a permit has been granted under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*, there are a number of conditions that apply to the continuing administration of the permit. A permittee is required to meet all permit conditions, including each agreed and guaranteed element of the work program, within the agreed timeframe to remain in compliance with permit conditions.

In summary, 114 permits awarded have a work program attached to them and contain a physical exploration component. Summaries of the work programs attached to exploration permits can be accessed at online at <https://neats.nopta.gov.au/>