

Senate Economics References Committee
ANSWERS TO QUESTIONS ON NOTICE
Department of Industry, Science, Energy and Resources
Inquiry into Australia's oil and gas reserves
28 February 2020

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, SCIENCE, ENERGY AND RESOURCES

TOPIC: Bight Petroleum - application for extension date

REFERENCE: Question on Notice (Hansard, 28 February 2020, Page number)

QUESTION No.: ER-1

Senator PATRICK: Ms Illman, this goes to the Great Australian Bight—I think EPP 41 and 42 are still remaining.

Ms Illman: Bight Petroleum?

Senator PATRICK: Yes. I note they have been extended on numerous occasions. My understanding is that NOPTA prepares a report for the joint authority and the joint authority then approves the extension. For example—I don't remember which one of those fields it was—the seismic survey that had been approved then got cancelled. What was the reason for that cancelling? Don't they have a work package they have to complete within the time frame of the permit?

Ms Illman: They do have a work program and it is to be completed within the period of their permit. They are in a position to contract a seismic operator to do that work for them and they are required to have an accepted environment plan to do that activity.

Senator PATRICK: Which they have.

Ms Illman: Which they have.

Senator PATRICK: PGS, I think.

Ms Illman: It's now a matter for Bight Petroleum to work with its seismic operator to secure the vessel to do the seismic survey on its terms that it's negotiated.

Senator PATRICK: Sure. If it got to the end of its extension and that particular work package had not been completed—I can't remember when the next expiry date is—and if they didn't do the survey for some reason, is that it for them? Do you say, 'Well, that's it—you're not honouring your work package. You've clearly done all of the environmental, but you're simply holding back'? Is that a reason to then terminate a permit?

Ms Illman: The company who holds the title is allowed under the legislation to make further applications for more time. Those applications are considered on their merits every time they're lodged. The bight, by its nature being extremely frontier and a difficult operating environment in terms of migratory species, weather, all those windows—it's up to the company to manage its work program and seek additional time if it needs to, and it's up to the joint authority to judge whether that's a reasonable amount of time.

Senator PATRICK: In this case do you know why they decided to postpone the survey? They got all the approvals.

Ms Illman: They have currently got applications in front of the joint authority for additional time.

Senator PATRICK: Okay, but you've got a situation where they have, of their own choice, decided not to go with a survey, which they have all the approvals for. This is a question of law, because in some sense the act prescribes what must be considered in the context of an extension, doesn't it?

Ms Illman: There are guidelines which say that suspensions and extensions can be granted on grounds of force majeure or additional—

Senator PATRICK: So that's not the case in this instance—there's no force majeure involved in this?

Ms Illman: That's right. So the matters are before the joint authority for decision.

Senator PATRICK: What are the other considerations you'd have in the guidelines?

Ms Illman: Also technical—new information is available through technical understanding or the need for more information to inform that technical understanding.

Senator PATRICK: When is that decision due to be made by the joint authority?

Ms Illman: It's currently with the joint authority, so the joint authority will make its decision in due course.

Senator PATRICK: Okay. I hate those answers from officials, because it basically says you have no KPIs. When something comes before the joint authority, I presume there's an average time it takes for them to make a decision.

Ms Illman: There is an average time.

Senator PATRICK: Can you tell me what the average time is?

Ms Illman: Yes. There are joint authority operating protocols, and best endeavours say that the joint authority has 14 days for the state member to make their portion of the decision, with the Commonwealth member to take an additional two days after that. Best endeavours—

Senator PATRICK: So it's a very short period.

Ms Illman: It is a short amount of time.

Senator PATRICK: When was that? When was the application made for the extension?

Ms Illman: The application was made by the company at a date which I'd have to come back to you on. The date that it's submitted to the joint authority is also a date that I'll come back to you on. This of course is a matter where decisions are made by ministers and they can take—

ANSWER

On 23 December 2019, Bight Petroleum lodged applications for variation to the work program commitments in relation to its permits EPP41 and EPP42. The National Offshore Petroleum Titles Administrator (NOPTA) provided the Joint Authority with its assessment reports on 24 February 2020. Further information has been requested by the Joint Authority through NOPTA from the titleholder. Once the information is received, the Joint Authority will make its decision; the application status will then be updated on the National Electronic Approvals Tracking System (NEATS) website at <https://neats.nopta.gov.au>