

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Department of Industry, Science, Energy and Resources
2020 - 2021 Budget Estimates

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

OUTCOME: Program 1.3: Supporting a strong resources sector

TOPIC: Indicative cost of Northern Endeavour Decommissioning

REFERENCE: Spoken Question (Hansard Page 48)

QUESTION DATE: 29 October 2020

QUESTION No.: BI-121

Senator PATRICK: What is the order of magnitude of the cost for decommissioning the well?

Ms Gillies: That work remains ongoing.

Senator PATRICK: Numbers have been thrown around in the media of up to \$200 million.

Mr Fredericks: Senator, you will appreciate that we can't give that evidence now. I know the question you raise but, at the end of the day, we will have potentially a commercial negotiation on our hands in relation to what you're talking about—

Senator PATRICK: With all defence contracts, you lay out a band of what cost of the project is, and that doesn't undermine commercial operations.

Mr Fredericks: Understood.

Senator PATRICK: I presume that you're not going to just sole source this back to Woodside—I would hope not—and reward them again.

Mr Fredericks: Understood. As the witness said, we are working on exactly that piece of work and in due course, we'll make a decision about our capacity to make that more generally available.

Senator PATRICK: Is that an unrealistic number—a couple of a hundred million dollars?

Mr Fredericks: I don't think we can answer that question. If you like, we'll take it on notice.

ANSWER

The Department of Industry, Science, Energy and Resources is aware that a range of figures have been published by various parties as purported decommissioning estimates. The department cannot speak to the accuracy of those figures, or the assumptions used to determine them.

The Government is undertaking the necessary planning on a longer term handling strategy for the Northern Endeavour facility and associated oil fields, including estimated costs for a potential decommissioning of facility and associated oil wells. This work remains ongoing.