

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

Resources, Energy and Tourism Portfolio

Budget Senate Estimates

31 May 2011

**Question:** BR3  
**Topic:** Dual Gas  
**Proof Hansard Page:** 12

**Senator Milne asked:**

**Mr Clarke:** Could you quote that again?

**Senator MILNE:** Yes, in their July to December financial statement, HRL indicated that they no longer control the affairs of Dual Gas due to the role of the project review committee formed and run by the Victorian and federal governments. So is it true that HRL no longer controls the affairs of Dual Gas?

**Mr Clarke:** I do not have the benefit of the document in front of me, but I am not sure that I accept the premise that a project committee drives those sorts of commercial outcomes. So unless my colleagues can advise, we might have to take that one on notice. But I do put the marker down, Senator, that I am not sure that I accept the premise of the information in your quote. So I am happy to take that on notice and come back to you on that.

**Senator MILNE:** At the same time then and in relation to the same matter, you may wish to take on notice as well if it is indeed true that the project review committee run by the Victorian and federal governments are controlling the affairs of Dual Gas. Do you think it is appropriate for the department to run a private company while at the same time being responsible for overseeing the allocations of grants under the LETDF that have been awarded to HRL and Dual Gas? At the same time it is responsible for assessing the company's appropriateness for grants under the CCS Flagship program, which HRL/Dual Gas may be eligible for? Clearly that is a conflict of interest.

**Mr Clarke:** I agree with you. We are not controlling the interests of any of these companies. Again, I do not accept the premise in the material that you have quoted to me. I do accept the principle that if the Commonwealth had a commercial interest in a project then there is a conflict of interest issue that would have to be managed. But we do not have a commercial interest in this project in the way in which it has been presented.

**Senator MILNE:** It may not be commercial in the sense of running the company at the board level, although, if this project review committee is indeed controlling the affairs, you would argue that it was, surely. Anyway, I accept that you are going to take that on notice and we cannot resolve that matter here. Can you give me a time frame on the whole HRL grants decision?

**Answer:**

The Project Review Committee (PRC) was established in August 2010 by the Department of Primary Industry (DPI) Victoria as an advisory body to provide advice on the progress and development of the HRL Dual Gas project. The PRC provides advice to the Victorian State Minister for Energy, DPI Victoria, the Australian Government Department of Resources Energy and Tourism (RET), the Board of Dual Gas and the Board of HRL.

Membership of the PRC consists of representatives from DPI Victoria, Dual Gas Pty Ltd and HRL Ltd and RET. RET members participate as observers on the committee.

The PRC does not control the affairs of Dual Gas Pty Ltd.

Dual Gas Pty Ltd is a controlled entity of HRL Limited. HRL Limited has a 50% ownership in Dual Gas Pty Ltd.