

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio
Supplementary Budget Senate Estimates
20 October 2010

Question: SR14
Topic: Montara Oil Spill Report and Kimberley Gas Hub
Proof Hansard Page: Written

Senator Siewert asked:

Montara Oil Spill Report

1. When will the Montara Oil Spill Commission of Inquiry report be released?
2. Why has it taken so long to release the report?
3. What is the timeframe for amendments to the regulatory process of the oil and gas industry?

Kimberley Gas Hub

1. What is the expected revenue to the Commonwealth from the proposed Kimberley Gas Hub?

Answer:

Montara Oil Spill Report

1. The Minister for Resources and Energy, the Hon Martin Ferguson AM MP, released the report on 24 November 2010.
2. The Report contains 100 findings and 105 recommendations with wide-ranging implications for government, regulators and the offshore petroleum industry. It required detailed Government consideration, which took some time. When releasing the report the Report the Government also released a draft whole of Government response prepared as a result of that consideration.
3. Actions have already been taken regarding the pressing issues in relation to PTTEP AA and the Northern Territory Designated Authority.

The Government is establishing a taskforce of relevant portfolios to develop the legislative amendments required to address the specific findings and recommendations of the Report.

The Department of Sustainability, Environment, Water, Population and Communities, as the environmental regulator under the EPBC Act, has already adopted a more rigorous process for the assessment of offshore petroleum activities and for the conditions on approvals of offshore petroleum developments to incorporate the lessons from the incident.

The Minister has also stated in his response to the Report that he is committed to the establishment of a single national regulator for offshore petroleum, greenhouse gas storage and mining activities to further strengthen the offshore petroleum regulatory regime. The national regulator is scheduled to be in place by 2012.

In addition, the Department of Resources, Energy and Tourism is working with the Designated Authorities on a consistent approach to the regulation of Australia's offshore petroleum industry in the areas of well operations, environment and integrity.

Kimberley Gas Hub

At the current time, it is not possible to estimate what revenues will flow to the Commonwealth from the proposed Kimberley Gas Hub. The number of proponents, the capital cost of any project and the output of the Hub and the price at which it will be sold are all unknown.