

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

WRITTEN QUESTION

Mr Vowles to the Minister for Mines and Energy:

Resource Industry Management – Energy Directorate

The Department of Mines and Energy are currently preparing data for verification and inclusion in end of year financial statements. Once approved by Accountable Officers and audits have been completed, end of year financial data will be available in agency Annual Reports in accordance with the Public Sector Employment and Management Act and the Financial Management Act.

Financial information included in this WQON is to 31 March 2014.

1. Please provide details of offshore oil and gas exploration permit and licence applications received and approved during 2013/14 showing:
 - a) the name of applicant, location of permit application area,
 - b) the number and nature of any objections received and, for each application,
 - c) the length of time taken by the Department to consider each application.

While the NT Department of Mines and Energy (DME) is a Joint Authority with the Commonwealth Department of Industry in the decision making for the management of offshore petroleum titles, the permits are managed by the Commonwealth's National Offshore Petroleum Titles Administrator (NOPTA).

The data for (a) and (b) are not held by DME but are available on the NOTPA website at: <http://neats.nopta.gov.au/Map/Interactive>, that hosts the National Electronic Approval Tracking System (NEATS) data. NEATS includes a public portal and provides access to information held within the title register, application tracking and the electronic lodgement of applications.

The 2013/14 Offshore Petroleum Exploration Acreage Release were:

NT13-1 Bonaparte Basin, Petrel Sub-Basin Bids Closed 22/05/2014, title not active
 NT13-2 Bonaparte Basin, Petrel Sub-Basin Bids Closed 22/05/2014, title not active
 NT13-3 Bonaparte Basin, Petrel Sub-Basin Bids Closed 22/05/2014, title not active
 NT13-4 Bonaparte Basin, Petrel Sub-Basin Bids Closed 21/11/2013, title not active
 NT13-5 Bonaparte Basin, Petrel Sub-Basin Bids Closed 21/11/2013, title not active
 NT14-1 Bonaparte Basin, Closing Date 02/10/2014, title not active
 NT14-2 Bonaparte Basin, Closing Date 02/10/2014, title not active
 NT14-3 Bonaparte Basin, Closing Date 02/10/2014, title not active

2. Please provide details of any public consultations facilitated or attended by officers of the Department of Mines and Energy in relation to off-shore oil and gas exploration affecting Northern Territory coastal waters including for each proposal or activity:
 - a) the location and nature of the project/s,

Palter Petroleum has applied to explore within the Territory waters 3nM area and has an application covering the inlet near Maningrida. Arafura Oil has applied to explore onshore around Maningrida. Currently, there are no granted petroleum titles or approved access for activities around Maningrida. Government policy is not to progress the Territory waters titles until the onshore titles have been resolved.

- b) the date and location of consultations,

The Department of Mines and Energy (DME) held a consultative meeting in Maningrida in late December 2013.

- c) the number of non-government and non-industry participants in consultation meetings, and

DME has no record of industry consultation. DME does require evidence of consultation with relevant stakeholders before industry undertakes any approved activity.

The Maningrida meeting was attended by the Minister for Mines and Energy, the Member for Arafura, Mr Francis Kurruwu MLA, and DME support staff. Approximately 40 community members attended the meeting.

- d) the key issues of concern to members of the public attending those consultation.

The key issues of concern voiced by the Traditional Owners and the Maningrida community were potential impacts on sacred sites, water and the spreading of noxious weeds.

3. Please provide a copy of the Department's oil and gas exploration agreement template showing details of the application of the government's 'use it or lose it' policy.

There is no template document; the applicant submits an application form for a permit.

The 'use it or lose it' policy refers to the amendments made to the Petroleum Act, that came in to effect on the first of January 2014.

These amendments allow for the controlled release of vacant land and allow the government to accept multiple applications for exploration permits on the same acreage, providing for a more competitive assessment process.

DME have consulted with companies to make them aware of the changes and that a review of current applications will take place to determine status of multiple applications over land is still relevant. Details of how the tenure will be dealt with is written into the land release package to ensure companies are fully aware of governments intentions should work programs not be completed.

The land release package refers to the 'use it or lose it' policy as follows:

If a titleholder has more than one permit (non-contiguous), expenditure in one permit cannot be substituted for expenditure in another unless it can be proven that the program will expedite exploration that is beneficial to both areas. Proposed work commitment expenditure must be spent within each permit as indicated in the initial work program.

Failure to complete the work program commitments especially on the minimum guaranteed first two years may result in the commencement of permit cancellation proceedings and will impact on the considerations for renewal of tenure, waiver applications, suspension of work program applications etc.

Failure to observe requirements for timely submission of data, including annual reports to the NT Geological Survey is also to be taken into consideration.

4. Please provide details of all oil and gas exploration permit applications and licences including:
 - a) the location, description of project, name of applicant or licence holder,
 - b) whether any permit or licence issued includes a 'use it or lose' it provision, and
 - c) the term (including expiry date) of the current permit or licence.

The project description for all exploration permit applications and licences is 'Oil and Gas Exploration'.

Past performance, future work programs and overall good standing are part of the assessment in determining relinquishment of blocks under the 'use it or lose it' provision pursuant to Sections 23, 24 and 24A of the *Petroleum Act*.

Details of oil and gas exploration permit applications is publically available via the Department of Mines and Energy website.

5. What proportion of the \$2 million allocated in Budget 2014/15 for accelerated assessment of shale oil and gas potential in the Northern Territory will be applied to environmental monitoring and regulation by the Department of Mines and Energy of the conditions of shale oil and gas exploration permits and licences issued by the Department?

\$2 million each year for four years will be utilised to fund the acquisition, interpretation and distribution of publicly available pre-competitive geological information on the Territory's shale gas potential. This will include geophysical surveys, 3-dimensional models of the prospective basins, scientific analysis of shales to test their potential to produce gas, and basin-wide shale prospectivity assessments. This will ensure that Government, industry and the community are all better informed on the Territory's shale gas potential.

Environmental monitoring and regulation is managed within the current DME budget and ongoing commitment from explorers who have permit/applications for exploration in the NT.

6. Please provide details of any contributions by the Department of Mines and Energy in 2013/14, or proposed for 2014/15, in terms of cash, staff time or in-kind assistance to any work considering the feasibility of a gas pipeline connecting the Northern Territory to other Australian gas pipeline networks.

The Department of Mines and Energy has made no cash or in-kind contributions to work considering the feasibility of a gas pipeline connecting the Northern Territory to other Australian gas pipeline networks. In the normal course of business, staff have provided information regarding statutory requirements to companies regarding potential proposals for a pipeline.