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## **Latest Browse deferral highlights flawed titles system**

The DomGas Alliance says the latest deferral of the Browse gas project has highlighted deep flaws in the way Australia manages its offshore petroleum resources.

The Browse project comprises fields discovered as far back as 1971 but has still not been developed some 45 years later.

The project's joint venture partners have repeatedly been offered 5-year extensions to their retention leases.

The latest of these were issued in June 2015 and required the project proponents by June 2017 to "take a positive FID on the selected development concept" or "commence concept select activities for an alternative development concept."

DomGas Alliance Executive Director Matt Brown says Woodside's latest announced deferral exposes the retention lease system as a toothless tiger.

"We need to remember that this is not something that has suddenly sprung up in the middle of a challenging global oil and gas environment," Mr Brown said.

"We have had positive statements about the development of this project dating back to early last decade.

"And despite these positive statements never coming to fruition we have seen Canberra allow multiple amendments and renewals of the retention leases at the request of the project proponents.

"These have been granted on the basis that an elusive final investment decision is just around the corner.

"The latest renewal granted just last year was done on the basis that a positive final investment decision would be made within two years.

"Woodside's announcement today simply confirms the system is not working in the national interest."

Mr Brown said it was highly likely the project proponents would be back in 2019 seeking another retention lease extension.

"The system is flawed because unlike other countries, Australia applies no pressure to producers to bring resources to production at the earliest possible time," he said.

“There is no end date for saying ‘time’s up’ to producers who have held resources undeveloped for decades. There is no mechanism to allow other producers to indicate they are willing to take on and develop such fields for either the domestic or export markets.

“What’s worse is that Canberra is actively considering proposals to allow producers to extend the current five year retention lease period to 15 years which will mean less scrutiny and greater obfuscation from producers.

“There is also a worrying lack of will from Canberra to enforce the conditions it has imposed as part of retention lease renewals under the current system.

“Woodside and its partners may have some justification in citing weak global prices as a cause for today’s announced deferral. However they have no such grounds to justify previous delays over the past 15 years that could have seen this project up and running many years ago and today delivering huge financial benefits to all Australians.

“If today’s announcement does not send a strong and clear message to Canberra that the titles system needs to be toughened rather than weakened, then nothing will.”

**For further comment contact Matt Brown on 0419 813 171**