

**ECONOMICS AND INDUSTRY  
STANDING COMMITTEE**

**INQUIRY INTO THE ECONOMIC IMPLICATIONS  
OF FLOATING LIQUEFIED NATURAL GAS OPERATIONS**

**Please note:** this transcript of evidence has been made available by the Committee for the purpose of assisting those who might be in the process of preparing a submission in aid of the Committee's inquiry into the economic implications of floating liquefied natural gas operations.

**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
WEDNESDAY, 19 JUNE 2013**

**SESSION TWO  
CLOSED SESSION**

**Members**

**Mr I.C. Blayney(Chair)  
Mr F.M. Logan (Deputy Chair)  
Mr P.C. Tinley  
Mr J. Norberger  
Mr V.A. Catania**

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**Hearing commenced at 11.08 am**

**McGOWAN, MS GAIL DENISE**

**Deputy Director General, Department of State Development, examined:**

**CUSWORTH, MS NICOLA CLAIRE**

**Deputy Director General, Department of State Development,  
examined:**

**The CHAIR:** On behalf of the Economics and Industry Standing Committee, I would like to thank you for your attendance this morning. The purpose of today's session is for the committee to receive a briefing in aid of its inquiry into the economic implications of FLNG operations from Ms Gail McGowan, who is the deputy director general in charge of the resources and industry development portfolio of the Department of State Development, and Ms Nicky Cusworth, who is the department's deputy director general in charge of the strategic policy portfolio. I take this opportunity to introduce myself and the other members of the committee: Hon Fran Logan, MLA, member for Cockburn, who is the Deputy Chair; Vince Catania, who is the member for North West Central; Jan Norberger, member for Joondalup; and Peter Tinley, the member for Willagee.

The Economics and Industry Standing Committee is a committee of the Parliament of Western Australia. This hearing is a formal procedure of the Parliament and therefore commands the same respect given to proceedings in the houses themselves. This is a closed briefing and Hansard will be making a transcript of the proceedings. If you refer to any documents during your evidence, it would assist Hansard if you could provide the full title for the record.

Before we begin, I need to ask you a series of preliminary questions. Have you completed the "Details of Witness" form?

[11.10 am]

**The Witnesses:** Yes.

**The CHAIR:** Do you understand the notes at the bottom of the form about giving evidence to a parliamentary committee?

**The Witnesses:** Yes.

**The CHAIR:** Did you receive and read the information for witnesses briefing sheet provided in advance of today's hearing?

**The Witnesses:** Yes.

**The CHAIR:** Do you have any questions in relation to being a witness at today's hearing?

**The Witnesses:** No.

**The CHAIR:** I invite you to begin your briefing.

**Ms McGowan:** Thank you for the opportunity. At the outset, I would say the extent to which we can give definitive information is going to be a little bit limited. We will provide as best an overview as we can, but also we are happy to answer any questions you might have. The role of the Department of State Development is as a lead agency for major projects in Western Australia and projects that currently are for the benefit of all Western Australians. We do work predominantly in the resources sector with those major projects, although not exclusively so. The current situation we

have in the state is we have two producing LNG projects. We obviously have the North West Shelf, which has now over 26 years of operation and a capacity of about 17.1 million tonnes per annum. We also have Pluto producing, with a capacity of 4.3 million tonnes per annum. We have three major projects under construction—two land based in terms of Gorgon on Barrow Island at a 15.6 million tonne per annum capacity, which is due to come on stream at the end of 2014, and Wheatstone at 8.9 million tonnes due to come on stream in 2016; and, of course, Prelude, which is a floating facility, at 3.6 million tonnes per annum capacity and a target date of 2017. Those projects under construction are worth about \$116 billion. We also have a situation where Inpex has reached its final investment decision on the Ichthys project, with obviously their plans to pipe to Darwin. I think our global natural gas consumption is continuing to grow. I think the recent reports on the Premier's visit to Japan and China emphasise that, with China increasingly being a market. But at the moment our major market for natural gas is Japan, and about 73 per cent of Australia's total LNG exports go to Japan, about 19 per cent to China and four per cent to Korea.

Floating LNG is obviously new technology. Worldwide, we are yet to have an operational FLNG facility. That is probably one of our dilemmas today, because we are not yet at a stage where we have something that is a known thing that we are dealing with. While the Prelude project has reached its final investment decision, it is not yet online and operating, so we are dealing with a lot of unknowns. I think Bill Tinapple will have obviously gone over some of the ground, but effectively we have a facility that involves the extraction and liquefaction, storage and offloading of natural gas via the ship. We have everything contained in the one barge-type structure similar to a lot of the oil-producing offshore platforms, but obviously the technical complexity comes with the liquefaction process that they will be undertaking. I think because we do not have a lot of substantive data on which to base comparisons—we are often asked questions about how it can be quicker, cheaper et cetera—we literally do not know the answer to that; until such time as we have something operating, we really cannot say. We are aware of a number of other projects worldwide. There is the Petronas project. Petronas is Malaysia's national oil company. There is Petrobras, which is Brazilian. There are a couple of Mediterranean-based projects et cetera that are looking at FLNG technology at similar stages of development. It is arguable whether the Prelude one will be the first cab off the rank or something else will come in first. That is really the state of play of where things are at the moment. Probably as an opening comment, I would be keen to know what sort of information we can provide you generally or specifically.

**The CHAIR:** Thank you. Nicky?

**Ms Cusworth:** No, not at this point. I will wait and see if any questions come my way.

**The CHAIR:** I will throw it open to the committee to ask questions.

**Mr J. NORBERGER:** I am probably one of the newest members of Parliament and new to this. I have a basic question. Does the Australian government or the Western Australian government, depending on obviously where the resource is set, currently have a legislative say or framework to determine the method of extraction? When we give people access rights to look for gas and they find it and then they want to go ahead and produce it, can they literally, under the current agreement, just say that this is the technology that they are going to use?

**Ms McGowan:** We have no specific legislation in Western Australia that dictates what technology and neither, to my knowledge, does the commonwealth in that space. It becomes an interesting point because projects such as Prelude, which is about 200 kilometres offshore and about 475 kilometres from Broome, are entirely in commonwealth waters. That is generally the situation that you would find. I think the specific answer is: no, there is no legislation that says you must develop according to this particular type of technology.

**Ms Cusworth:** And probably it has not really been an issue until FLNG came along, because there was only one way to do LNG anyway. So it is a new challenge—a new issue.

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**Mr F.M. LOGAN:** Has the department done any analysis so far of some of the dot points that are highlighted in the inquiry itself, because DSD is the lead agency for major projects? Obviously, a major project of this size is clearly being constructed offshore, compared with, say, Browse, which was going to be done onshore, and Pluto et cetera. Have you done or are you going to do any comparatives of the job losses, the economic advantages or the impact on local industry?

**Ms McGowan:** Again, it is hard to know in the absence of the specific information, but what we obviously have been doing is monitoring where a lot of the construction activity is taking place with, for instance, Prelude, so we know that major componentry is being built out of South Korea. In terms of the modular aspects of the facility, we know that the mooring systems and turrets et cetera are being built overseas. They are the big-ticket items. The companies have made a lot of comments about how there will be job opportunities and manufacturing opportunities onshore. We would see it as up to them to demonstrate how in reality that will happen.

**Mr F.M. LOGAN:** So the department actually has not done any analysis of what these projects mean for the lack of jobs—jobs that will basically be done offshore.

**Ms McGowan:** It would be speculation. Again, because we are dealing with such an unknown, it would be just speculating on what those would be.

**Mr F.M. LOGAN:** We know exactly how many people are employed at Pluto and LNG trains 1 to 5 at the North West Shelf, so we have got those figures. Shell will be able to provide the other figures.

**Ms McGowan:** Have you got anything further, Nicky?

**Ms Cusworth:** In terms of Prelude numbers, we do not actually have the numbers, but we will be able to have access to them. The numbers with Prelude are definitely going to be smaller than they would be for onshore processing, not least because it is going to be a smaller production. What we have not done is any evaluation around what FLNG might look like for Browse, because at the moment we have no idea even if that is the road they are going down, although we have had some indications in that direction, let alone how many people will be employed, where they are going to be doing their supplies, and what they are going to be buying in WA. It comes back to, as Gail says, unfortunately at the moment we just do not have enough information to do a valuable analysis.

[11.20 am]

**Mr F.M. LOGAN:** The reason that I ask is that if you had any, obviously it would be worthwhile for the committee to have that information. If you have not done it, I would not think that many other departments would have done it either. We do not know how much impact FLNGs will have on the Western Australian economy. That means that this committee will have to do that work.

**Mr J. NORBERGER:** What would be the trigger for you to initiate that information gathering? I only say that because Shell has made it reasonably loud and clear that they intend to proceed with FLNG. At what point do you say they have made it clear enough, otherwise we might leave it too late? That may be more of a statement. Another interesting thing is that we mentioned local content clauses. I am definitely happy to be wrong and to stand corrected, but my experience of local content clauses, even in the mining industry, is that they are almost paid just lip service. Generally, there is not much of a stick behind it that we can use to enforce it. We say people should try to do whatever they can to increase local content, but if they do not, what is our recourse?

**Ms McGowan:** There are a couple of aspects, if I can take the two issues in turn. Certainly we have made it clear to the companies that we deal with that we are very interested in gathering as much information as we can on those sorts of things. Certainly when they make comments about job opportunities and manufacturing and other similar comments, we have asked them for details. One of the things asked earlier was what legislative power is there to direct a mode of production, and there is none, which means that to some degree there is no requirement for them to provide us with some of that information. Although, in some of our broader planning, we are looking at all those

things such as what the expectation is and we have made it very clear to the companies that if they require some support from the state, whether that be land-based facilities for what they need to do, they will need to engage with us and provide us with that information. That is why I made that comment. We would expect—certainly the Western Australian community, let alone this committee—to see what those real opportunities are.

Nicki will probably want to add more to what I will say about the local content issues. Under the state agreements now—most big projects operate under a state agreement—we have clauses for community development plans and local content, and we monitor local content. Obviously, the Department of Commerce, which is not our responsibility, does more oversight of that than we do. It would be fair to say that there are some good examples of that, probably more so in the mining sector where there have been pretty solid local content outcomes. As heavy industry increasingly moves to modularisation and building components offshore, that is where we would expect to see that local content diminish, and that happens in the oil and gas industry.

**Ms Cusworth:** The Department of Commerce released a report yesterday on local content that included quite a lot of statistical information. Coming back to your initial point, the way in which we try to increase local content from companies is much more around persuasion than it is around compulsion. There are a variety of reasons why both federal and state governments have taken that direction. As Gail said, the Department of Commerce has responsibility for that policy. If you want to go into the detail of the thinking behind that, you might be best to speak to them. We have seen reasonable levels of local content. You are probably aware that one of the challenges, even with the developments that we have seen so far, is that the conventional resources developments such as iron ore and those kinds of industries have had much higher levels of local content than we have seen with oil and gas, even with the onshore developments. Local content is something that we are watching very carefully.

**Mr P.C. TINLEY:** Just to pick up on that, I believe your department has a local content unit; is that right?

**Ms Cusworth:** No, local content is the responsibility of the Department of Commerce. We work with them in two key respects. We work cooperatively and give them some input around policy issues, and because we have carriage for state agreements, we are responsible for monitoring the local content clauses and implementing the local content clauses in those projects that have state agreements. But for local content policy more broadly, the Department of Commerce has responsibility.

**Mr P.C. TINLEY:** I get that, but given that you have carriage of state agreements and the obvious implementable clauses within those state agreements around local content, who audits them?

**Ms McGowan:** Each of the project officers responsible. For instance, in our industry and resources division we have project officers who are responsible for particular projects. The report will come into their managers and people like me will liaise with the Department of Commerce about the adequacy of the report and any information we might need. Do we have a local content unit within our department? No.

**Mr P.C. TINLEY:** But it is embedded in the process.

**Ms McGowan:** It is embedded and it is carried through in the requirements of the state agreement. It might be useful if I use Prelude as an example. The total capital expenditure is expected to be about \$12 billion for Prelude and the facility itself, as I think they have made very clear, is a steel double-hulled facility that is about 480 metres in length and 70 or 80 metres wide. Upstream you also have the subsea wells and manifolds and flow lines. We already know that of the major equipment and construction contracts that have gone to overseas countries in that space, they have gone to Samsung Heavy Industries in South Korea. They have begun construction of the actual floating facility itself. A company by the name of FMZ Technologies is constructing the subsea

equipment and Emerson, which is a multinational, is the main supplier for the automation systems. Then you have other overseas companies that have been contracted for the turret mooring systems, wells and other key equipment. That is probably an indication of the big contracts that have been awarded on a project that is well under development. What I do not have is specific information on what work has actually been awarded to local companies, because Prelude has no requirement to report to us, because it is in commonwealth waters and we do not have a state agreement et cetera.

**Mr P.C. TINLEY:** Moving to Browse, and the obvious intention that it will go to FLNG, what is the state of the state agreement now?

**Ms McGowan:** We do not have a state agreement for Browse, as such. What we have with Browse are three specific agreements that are broadly under the native title framework. We have the project agreement, which is around the development itself; we have the regional benefits agreement, which is a broad benefits agreement; and we have what is known as the Browse land agreement, which is about the usage of the precinct at James Price Point. We had been in the stages of developing a state agreement with Woodside as the operator, but obviously that work is not proceeding. The actual status of the project is that those three agreements that were executed with the traditional owners in June 2011 remain intact. The Browse land agreement has been through the Parliament and enacted, but Woodside has made an announcement to the ASX that it is pursuing three possible development options, which is obviously a floating LNG, and smaller land-based development at James Price Point and, potentially, piping the gas. For all intents and purposes, the potential foundation proponent under those Browse agreements are required by a clause in the agreement to give six months' notice of their intention to withdraw from being a party to those agreements, and that notice has not been given. Similarly, they have environmental approvals for what is known as a "derived proposal". Under the environment system for that proposal, they have not notified the EPA, to my knowledge, that they wish to withdraw that.

[11.30 am]

So far as that goes, they remain a party to the agreements and the agreements remain on foot. From the state government's perspective, it has indicated that it remains committed to delivering those benefits to the Indigenous people. But, as you say, they have made their announcement to the Stock Exchange. I am aware that the joint venture has submitted a formal request to the joint authority, which comprises the Minister for Mines and Petroleum at the state level and the Minister for Resources and Energy at the national level, seeking a variation to their retention lease conditions. The retention leases are actually due for renewal at the end of 2014, but there is a trigger point in June 2013 that requires them to report on commerciality. I understand that they have reported, but that is not something that we assess because it is done under that regulatory framework. To my knowledge, no decision has been made about whether there is support for a variation of the conditions. We are in that space where they have three possible options on the table. I understand that their thinking is that they would be moving to make a selection of one of those concepts within the next few months, but what that means in terms of production or —

**Mr P.C. TINLEY:** Just to be clear, in a negotiated arrangement, we have until about the middle of next year to use a window of leverage, if you like, around the company's commitment. I do not want to focus on one project because there is a wider issue here, but that would derive a benefit to Western Australia generally and specifically to the Kimberley.

**Ms McGowan:** Again, I am not the expert on retention leases, so I will qualify that.

**Mr P.C. TINLEY:** But it is obvious in terms of the leverage opportunity.

**Ms McGowan:** Absolutely. My understanding is that they cannot formally request those retention leases to be extended or rolled over now. It has to be no later than six months before they are due to expire and no earlier than 12 months is my understanding.

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**Mr J. NORBERGER:** Thank you for that. Perhaps the question I am going to ask may be better directed to the Department of Commerce; if it is, feel free to tell me so. You mentioned earlier—I will paraphrase it—that people are monitoring local content and they get reports from the companies. The general feeling was that there was a level of satisfaction with the current amount of local content. What do they measure that against? If we say that we are currently reasonably happy with the amount of local content, are there KPIs? I am sure we will be hearing from more industry bodies in due course but even with the ones that we have heard from, their opinion is different. I am just trying to find out what we are using as a measuring stick.

**Ms Cusworth:** We measure their compliance with whatever conditions there are in the state agreement. I think the data comes in quarterly, so there is monitoring around contracts and so forth. That information then gets aggregated into the local content reports, which Commerce releases, like the one it released yesterday.

**Mr J. NORBERGER:** If it relates back to the original state agreement, does that mean that the state agreement would have had some fairly specific criteria? The ones that I have seen are fairly broad—best endeavours.

**Ms Cusworth:** In general, they are quite broad; you are right.

**Ms McGowan:** Historically, they have been broad. It is important, too, that I made that distinction between what has been our traditional experience with more traditional mining, particularly mineral resource projects as opposed to oil and gas. Some state agreements have been in place for many years and they are very broad. The more recent state agreements probably have a more overt reference around local content and community development contributions but probably not in the level of specificity that you are referring to.

**Ms Cusworth:** It is also good to bear in mind that what is contained in the state agreement itself can often be quite high level in general but sitting behind that will be other agreements like industry participation plans, which will have rather more detail.

**Mr F.M. LOGAN:** I wish to ask about one of the dot points relating to the domestic gas supply. I will not go back to Browse because Bill has just been in and he will tell us a bit more about Browse. The Premier announced that a 15 per cent retention would be part of the Browse agreement. That would be start of the state agreement with Browse, which we do not have. Given that a significant proportion of the field is in state waters—that blue bit in the middle—does the department have any view about how we achieve 15 per cent retention given where Woodside wishes to go with that venture?

**Ms Cusworth:** You are right; we have no reason to expect that the government does not expect to implement its 15 per cent policy with regard to all the gas in WA waters. We will be looking to have conversations with the proponents about how they will fulfil their community expectations around both domestic gas and local content. You would be aware that the policy is designed to be applied flexibly. That really means that it is the initiative of the proponents. The expectation is that the policy will be applied.

**Mr F.M. LOGAN:** Is there any view from the department as to how you are going to do it?

**Ms McGowan:** Until such time as we have something a little more concrete from the companies, they are the sort of conversations we will be having with them as to how they will be meeting those expectations.

**Mr P.C. TINLEY:** On a more strategic point, moving away from Browse and into an FLNG future, if you like, we know that Samsung has a 15-year contract to produce 10 vessels of varying sizes. We suspect they will all head towards our coast at some point. What sort of work is going into the wider implications strategically in relation to this being the predominant method for extraction of gas in this state?

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**Ms McGowan:** I think it comes back to the issue that, yes, we understand we are monitoring that sort of activity. Until such time as these first projects are up and running, it is a matter of gathering the information. Our experience has been that with some of the projects, obviously not in the oil and gas field but certainly, for instance, magnetite mining with something like Karara, people have been using new technology to process a new ore. For instance, we have a good knowledge of extraction and processing of haematite and shipping but magnetite has been a whole new ball game. I think that has certainly been the experience of the couple of magnetite projects that are in that commissioning phase or early export phase now. Once you actually get to the stage of trying to process, some of those challenges become apparent. It would be fair to say that we are still very interested in having those conversations with the companies about how they see some of those challenges being met in the event that they proceed down the FLNG path. It is so hard because we are dealing with the abstract always.

**Mr P.C. TINLEY:** Certainly, but in this early stage—I fully appreciate that it is very early stage consideration—have you identified any potential choke points in relation to infrastructure or land availability, for example? I cite, for example, even Chevron, land requirements in relation to supply bases and support bases up there. The member for North West would have a particular interest in this. Have you identified any of these sorts of things yet?

**Ms McGowan:** We have sought information at various times from the companies. Some work is going on around the Broome port et cetera, not specifically related to FLNG but around demand drivers. Similarly, we are always looking at Hedland and obviously Karratha in that same space, which is one of the reasons we have said to the companies that while the gas may be in commonwealth waters, if they have reason to require anything of the state, we need to be engaged in those conversations and we need to understand.

**Mr P.C. TINLEY:** These are long lead items too, like an intermodal hub in somewhere like Port Hedland. For the benefit of others, an intermodal hub is quite significant. It is like a massive investment to ensure that we have every form of transport covered out of, say, Port Hedland airport. These companies will have a need. My concern is that the state is not going to be ready. Despite our desire to have everything processed onshore, that is not necessarily the commercial reality of how it is going to work. For us to leverage benefit for the state of Western Australia, we need to identify the places where we can actually be an accelerant and of assistance.

[11.40 am]

**Ms McGowan:** I think that is happening more generally with the way we have taken an approach to strategic industrial land planning, obviously with an eye to the range of processing options rather than a specific type, so as I say, there has been work going on around the capacity of Broome port and what it means, and getting information from companies and being very clear that, in fact, the state approach is not to just have things pop up, and hence the underlying philosophy behind identifying the Browse precinct and locating on one specific spot on the coast rather than having multiple developments. Similarly, there are some constraints at Karratha–Dampier that exist for various reasons. There has been a reasonable amount of work and the Department of Commerce is leading some work in Hedland around the Lumsden Point area, and there has also been talk about intermodal hubs and things around the Hedland space. But again, until we extract some of that information from the companies as to what they need, they are the points of leverage that you are talking about.

**The CHAIR:** We have got about five minutes.

**Mr P.C. TINLEY:** Those are the geographic issues in relation to infrastructure and so on. In terms of workforce planning, who in the department—yours, or others in Commerce—that are identifying, working with the companies, talking about the jobs after next, what does the kid in year 7, 8 or 9 in our high schools now, need to do, and the output of those secondary and tertiary



institutions need to do to make sure we are maximising the opportunities? Is anybody working in that long-lead stuff?

**Ms McGowan:** To a degree, and certainly some of the territory sectors have various programs working in tandem, but I think we are very much of the view that we would like the companies to demonstrate to us and to the broader public, I think, as to how some of those jobs and opportunities are going to translate because there are some very broad statements being made, and I think we are certainly putting an emphasis on saying, “Show us how it’s actually going to work in reality”, and there is a lot of planning going on, but —

**Mr P.C. TINLEY:** But it is an activist approach from the department? It is not just a passive thing?

**Ms Cusworth:** We are looking for specific information from specific projects, but that broader role is not really one which the department engages in. Training and Workforce Development has been looking at —

**Mr P.C. TINLEY:** Okay, but there is no unified interdepartmental cross-government approach to this opportunity?

**Ms McGowan:** If you are asking about floating LNG, no, but when you are talking about oil and gas and industry sectors, yes, we work with the Department of Training and Workforce Development et cetera.

**Mr J. NORBERGER:** In our session this morning you have probably touched on a number of times, whereby for you to be able to facilitate your plan and for you to be able to facilitate your modelling, it requires information input from the companies themselves. Ultimately they are the ones that generally know. So, from your experience, how forthcoming have they been with that information?

**Ms McGowan:** It depends, and generally I would like to think that the companies have been quite good, but companies obviously operate in a commercial environment and they have their drivers; I would like to think our drivers are generally the same, but sometimes those drivers are not quite the same, so I have to say it varies from company to company, which is why we are certainly expecting there to be some demonstration of how they are going to deliver on some of those commitments.

**Mr J. NORBERGER:** What I am inferring by that, again, is that in the state agreements or whatever agreements are in place there is obviously nothing rigorously in there that requires an element of conformity to requests for information; it is based predominantly, I would suggest, almost on goodwill, and you mentioned earlier that at the moment, we tend to be working in a model that tries to encourage or coerce an outcome around local content and, by the sounds of it, even information sharing and workforce modelling as opposed to something that is a bit more rigorous.

**Ms Cusworth:** I think there are a couple of points to make there. One is that the state agreement comes very late in the process, so the state agreement is basically signed, sealed and delivered, usually, when we have got past front-end engineering design and we know an awful lot about the project, and at that point, getting information is not particularly difficult. The kind of strategic planning we were being asked about is the stuff that needs to happen when there is a huge degree of uncertainty, so the projects themselves, even the ones who are as forthright with us as they can possibly be, we will find as their economic drivers change, as our circumstances change, as technology changes, they will come to us and say, “You know what we told you last week? It’s completely and utterly changed,” so what we have to do in terms of that strategic planning is to cope with a huge degree of uncertainty and variability. That is quite different from the information requirements we have once a state agreement is up and running, where the project is pretty much cast-iron guaranteed to go ahead, we know what it is going to look like, where it is going to be, how many people it is going to employ and it is completely different data set.

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**Mr F.M. LOGAN:** Just to clarify, basically, as a committee, we cannot rely on the department for providing us with any evidence or research that is strategic development. Strategic development research into the impact of major projects that we know are going ahead because they have been announced to stock markets internationally—Prelude, Bonaparte, Exxon and Woodside who are considering it but they have already announced publicly about two FLNGs—but there is no strategic level research done into those major projects that you can provide to the committee?

**Ms Cusworth:** Where there is a project which is onshore and where there is a state agreement we do a variety of types of analysis depending on the project and what we feel is needed, so any major project we will evaluate its business case very closely, we might do a cost–benefit analysis, we might require economic evaluation. For a project like Prelude, which is not in state waters, which has got no state agreement, we have not done that kind of analysis; nor would we expect to.

**Ms McGowan:** Just in terms of that issue around some of the uncertainties, which is why we have emphasised that we have not yet got one of these facilities operational, if I revert back to say that the Browse experience and some of our earlier planning around the land-based development, for instance, a company that in all good conscience is saying that we are going to construct this thing over six years and that will take a workforce of X, might suddenly find, due to windows of opportunity in the global environment or other things, various things change and they are under pressure, and we actually did have this scenario where they came to us and said, “Oh well, we did say so many people over six years, but it’s now going to be double that over three years”, so completely reversed. So when you are actually trying to do some of your planning around impacts et cetera, it becomes a very inexact science and I think that is one of the issues, the points, we are making with this is until some of those uncertainties are worked through, it is very hard to be very clear on what some of those impacts will be.

**The CHAIR:** I will have to pull it to a close there, I think. Thank you for your attendance before the committee today. A transcript of this briefing will be forwarded to you for correction of minor errors. Any such corrections must be made and the transcript returned within 10 days from the date of the letter attached to the transcript. If the transcript is not returned within this period it will be deemed to be correct. New material cannot be added via these corrections, and the sense of your evidence cannot be altered. Should you wish to provide additional information or elaborate on a particular point, please include a supplementary submission for the committee’s consideration when you return your corrected transcript of evidence.

I have one final request. Ordinarily, the committee would not seek to make use of any transcript of evidence until that transcript has been finalised. Next Wednesday, however, further briefings in aid of this inquiry are scheduled and the inquiry process would be enhanced if those who are scheduled to appear could have the benefit of being able to consider the transcript of this morning’s briefing. As such, I must ask you if you would have any problem with the committee providing the uncorrected proof of this morning’s transcript to only those persons who will appear next week, being representatives of the Chamber of Minerals and Energy, the Australian Petroleum Production and Exploration Association, and Shell Australia. Needless to say, if you grant permission for this request, the committee will ensure that attention is drawn to the fact that the transcript is an uncorrected proof and is only to be considered by the persons who will brief the committee.

**The Witnesses:** No objection.

**The CHAIR:** Thank you very much for that and thank you for your time and we look forward to talking to you again.

**Hearing concluded at 11.49 am**

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