

Please direct all responses/queries to:
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Senate Standing Committees on Economics
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via email: economics.sen@aph.gov.au

Dear Senate Standing Committee on Economics

RE: SENATE INQUIRY FOR OFFSHORE PETROLEUM AND GREENHOUSE GAS STORAGE LEGISLATION AMENDMENT (SAFETY AND OTHER MEASURES) BILL 2024 [PROVISIONS]

Woodside Energy (Woodside) welcomes the opportunity to make a submission to the Senate Standing Committee on Economics on the above-mentioned Bill.

Woodside is a global energy company founded in Australia. We have reliably delivered gas to homes and businesses in Australia and internationally for decades, supporting the development of local industry and contributing to economic prosperity.

Our strategy is to thrive through the energy transition by developing a low cost, lower carbon, profitable, resilient and diversified portfolio.¹ Our LNG can help customers in Asia's major economies meet their energy security needs, while also supporting their decarbonisation goals. We are also investing in new products and services that can help customers reduce or avoid their emissions, in parallel to our own efforts to reduce our net equity Scope 1 and 2 greenhouse gas emissions towards our aspiration of net zero by 2050 or sooner.² We have a continued focus on safety, environmental and social performance, as well as maintaining meaningful relationships with our communities.

While the Bill has several components, our submission covers those elements relating to offshore regulatory frameworks and offshore safety. We hope the following comments are of assistance to the Committee.

Enhancing offshore regulatory frameworks

Woodside welcomes those aspects of the Bill that will allow for updates to the offshore regulatory framework in support of the National Offshore Petroleum Safety and Environmental Management Authority's (NOPSEMA) ongoing role to assess and approve activities under the endorsed program (made under part 10 of the *Environment Protection and Biodiversity Conservation (EPBC) Act 1999*).

For the offshore regulatory framework to remain robust and fit-for-purpose, we believe changes are required to the *Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2023 (the Regulations)*. However, we note that this Bill only seeks to provide the mechanism by which changes can be made to the Regulations in a manner that does not impact the application of streamlined approval arrangements already in place, under section 146B of the EPBC Act. Our direct comments on this aspect of the Bill are thus limited to supporting its passage to achieve the intended objective of enabling appropriate amendments to the relevant regulations.

Any suggestion that this Bill is aiming to detract from the environmental and consultative obligations of the offshore oil and gas sector is not accurate and may add to the confusion and division we are observing across communities from a lack of clear guidance.

¹ Refer to section 6.7 (pages 210-13) – Glossary, units of measure and conversion factors for a definition of how Woodside uses the term lower carbon portfolio of Woodside's 2023 Annual Report.

² Targets and aspiration are for net equity Scope 1 and 2 greenhouse gas emissions relative to a starting base of 6.32 Mt CO₂-e which is representative of the gross annual average equity Scope 1 and 2 greenhouse gas emissions over 2016-2020 and which may be adjusted (up or down) for potential equity changes in producing or sanctioned assets with a final investment decision prior to 2021. Net equity emissions include the utilisation of carbon credits as offsets.

In addition, and as the Committee would be aware, a separate and detailed consultation process is being conducted by the Department of Industry, Science and Resources (DISR) on the operation of the consultation requirements under the Regulations. DISR has also flagged a broader review of the overall regulatory framework. Woodside also believes deeper reform of the overall legislative framework governing offshore environmental approvals will be required and that this Bill presents an opportunity to provide some clarity for offshore activities under the streamlining process.

For both transparency and the Committee's benefit, we have summarised below our feedback to DISR on their consultation paper: 'Clarifying consultation requirements for offshore oil and gas storage regulatory approvals'.

Feedback to DISR

Woodside considers there is significant opportunity for regulatory reform to provide clarity, certainty, and simplification to meet the objective of targeted, meaningful and effective consultation. Reforms can reduce burden for all participants within a secondary environmental approvals process, provide for fair and appropriate outcomes and strengthen the overall consultation process by:

- Providing clarity for all participants on the purpose, standards and expectations of consultation.
- Providing certainty to titleholders by facilitating timely approvals to execute proposed offshore activities consistent with the terms of those approvals.
- Ensuring consultation is targeted and meaningful, to support the identification of environmental impacts and risks, and the adoption of appropriate environmental controls under Environment Plans (EPs).
- Providing NOPSEMA a clearer process to support its decision-making and minimise challenges to those decisions.

Whilst the above reform principles have been developed in response to our experience with the current Regulations, it does not diminish our commitment to actively seek to build and maintain meaningful relationships with the communities in which we operate. This includes a focus on inclusive engagement of relevant persons, including First Nations communities, to ensure activities are carried out in a manner that respects and protects cultural heritage values, and is consistent with the principles of ecologically sustainable development, by which the environmental impacts and risks of the activity are reduced to as low as reasonably practicable (ALARP) and to an acceptable level.

Reform can simplify consultation requirements for the secondary environmental approval process and help to avoid many of the issues that have arisen, based on the following five key principles:

1. Setting out the objective and purpose of consultation will provide clarity for all participants about the consultation process, support consultation being undertaken in good faith, and facilitate an understanding of the role of consultation in informing the development of an EP.
2. Potential impacts of planned activities, considering nature, scale and geographical extent, should be used to determine relevant persons, as this ensures that consultation is meaningful and targeted.
3. Consultation timing and completion of consultation should be prescribed, to provide certainty around completion of consultation processes, and enable completion and submission of Environment Plans.
4. Clarifying consultation requirements with First Nations communities, group interest holders and the critical role of authorised representative bodies, including that cultural values of the environment are communally held, as well as the United Nations Declaration on the Rights of Indigenous Peoples recognises the right to representation by these institutions.
5. Defining expectations around communication and consultation, including what constitutes sufficient information and how information is notified. This includes recognising that historical consultation can contribute towards meeting the requirements of the Regulations.

Application of these principles will enable effective decision making and regulation, improve the effectiveness of this consultation process for secondary approvals and reduce burden for all participants.

Improving offshore safety

Protecting the health and safety of our people, our contractors and our host communities is a top priority at Woodside. We believe that everyone should be able to go home in the same condition as they started the day. We aim to be an industry leader in health and safety outcomes to protect people, communities and environments and we expect all our workers (including employees and contractors) to prioritise their own health and safety and that of others, to keep each other safe. We strongly believe in embedding a safety culture where our people are empowered to take action to prevent injuries and maintain a safe working environment.

While Woodside supports the general intent of the amendments to the Bill to improve safety outcomes for Australia's offshore workforce, we also have some concerns about:

- The introduction of fair work concepts, such as discrimination, into offshore safety legislation where this may result in overlapping regulatory jurisdictions.

- Reporting obligations related to psychosocial matters, including sexual harassment, without a robust privacy and confidentiality regime.
- Introduction of civil penalties – given the importance of health and safety, current criminal penalties and other levers seem adequate for enforcement. Additional civil penalties seem unnecessary and are likely to be ineffective.
- Accepting additional titleholder responsibilities without guidance on what constitutes reasonably practicable steps to ensure the operator is fulfilling its duties.

As noted above, while Woodside respects the intent of the relevant provisions in the Bill, we do believe there is potential for unintended consequences to flow from their implementation if this is not undertaken in a coordinated manner. We would note for the Committee's awareness that Woodside intends to engage further with DISR to seek further understanding on implementation approaches, so as to avoid any unintended negative consequences from these provisions.

Woodside appreciates the opportunity to provide its views on the Bill. Should you have any queries regarding this submission, please do not hesitate to contact me.

Yours sincerely

Tony Cudmore
Executive Vice President – Strategy and Climate