



Government of **Western Australia**
Department of **Mines and Petroleum**

Your ref:

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Enquiries:

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Committee Secretary
Senate Standing Committee on Environment and Communications
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Parliament House
CANBERRA ACT 2600

Dear Committee Secretary

GREAT AUSTRALIAN BIGHT ENVIRONMENT PROTECTION BILL 2016

Thank you for the opportunity for the Department of Mines and Petroleum (DMP) to provide its comments to the Senate Standing Committee on Environment and Communication (the Committee) to assist its Inquiry on the above Bill.

DMP is responsible for ensuring Western Australia's resources sector is developed and managed responsibly for the benefit of Western Australians. It is also the Western Australian Government's lead agency responsible for the assessment and regulation of major complex petroleum and mineral resources development projects including any proposals located within its State waters along the Great Australian Bight.

Its regulatory responsibilities include, among other things, environmental protection and safety in exploration, development and petroleum pipeline infrastructure projects. Due to the nature of petroleum activities located in the Commonwealth and Western Australian waters, DMP and the Commonwealth Government's National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) are in direct liaison to ensure appropriate management of threats to environmental values and human safety. This has enabled complementary robust assessment of project proposals, and stringent compliance with the legislative and regulatory obligations and approval conditions. The effectiveness of these processes has contributed to Western Australia continually being rated internationally as one of the most attractive investment destinations by the resources sector.

The petroleum development in offshore waters and energy production onshore provides significant contributions to the national economy and industrial development in Western Australia. Development of petroleum and minerals in marine waters, such as the Great Australian Bight, require support facilities including industrial areas, ports and expanded settlements some of which will likely be located in Western Australia. An example to demonstrate the benefits of responsible resources development is the production of natural gas, oil and condensate in Commonwealth and State waters in the North West Shelf region.

These projects include exploration drilling activities, production platforms and sea bed facilities, pipelines to transfer petroleum to onshore processing plants and support bases located along Western Australia's Pilbara coastline. Apart from these activities providing significant returns to the national economy, they also attract skilled and unskilled employment to the region, provide direct and indirect support of related commercial activities and contribute to the enhancement of social amenities. For example, energy developments in the North West Shelf and Pilbara continue to provide certainty in energy supply and enhance energy security in Western Australia. It is considered developments in the Great Australian Bight will provide similar benefits to the national and State economies.

The object of the Bill to simply ban mining activities within the entire Great Australian Bight region appears not to express any acknowledgement of the Commonwealth and State's robust assessment and compliance processes, and provisions to manage environmental threats. Also, there is little recognition of the effect of conservation reserves in the Great Australian Bight to ensure protection of the key marine and coastal environments, nor is there any enhancements proposed to the existing assessment, compliance and environmental and safety management processes.

For these reasons the Bill is not supported.

A summary of DMP's interests in making a submission to the Senate Standing Committee on Environment and Communication's Inquiry on the Bill are:

- the adverse implications for the national economy and future State development;
- the adverse effects on Australia's energy security and diversity of energy supply;
- its effect of diminishing Australia, South Australia and Western Australia's attractiveness as investment destinations;
- not recognising existing protection of high conservation values in the Great Australian Bight including the recently created five Australian Marine Parks; and,
- not adding to the rigour already provided in the Commonwealth and State legislation to assess and regulate mining activities to protect environmental, conservation and biodiversity values in the Great Australian Bight.

These interests are further detailed below.

Potential economic significance to Western Australia

Banning responsible development of petroleum and mineral resources in the Commonwealth waters is likely to have adverse economic consequences for Australia. This ban effectively threatens Australia's future energy security, diversity of energy sources and the cost of energy supply to the commercial and domestic markets. It is important that energy security and the diversity of energy sources are maintained.

The Bill also has adverse implications for potential petroleum industry developments within South Australia and Western Australia, for example, petroleum processing and servicing activities. Even though the State jurisdiction extends only to the outer limit of its coastal waters, activities in adjoining Commonwealth waters can provide benefits to the State including, for example, land based petroleum processing and reticulation of energy, provision of support

facilities (e.g. ports) and associated employment opportunities. It is important these opportunities are not unduly restricted.

Access to prospective petroleum resources

Only some of the proposed zones in the five Australian Marine Parks located within the Great Australian Bight prevent access for mining activities. Access for these activities is permitted in the other proposed zones and in the remainder of the Great Australian Bight, subject to approval. The proposed zonings were drafted from public consultations undertaken by the Commonwealth's Bioregional Advisory Panel which recognised the need to include access for future petroleum activities and other sector interests in some of the zones. By contrast, the Bill to prevent these activities within the entire Great Australian Bight does not appear to have been developed using a wide public and stakeholder consultation process. Thus, there appears to be no substantial evidence provided to support a total ban on mining activities within the Great Australian Bight.

The Bill's Explanatory Memorandum mentions BP's recent commercial decision not to pursue further activities in the Great Australian Bight. This decision should not be interpreted as a diminishing interest in petroleum developments in this highly prospective petroleum region. Thus, it is important access to high petroleum prospectivity areas in the Great Australian Bight is permitted subject to government approval to ensure energy security and diversity in the sources of energy.

For your convenience, attached are Geoscience Australia's maps showing the petroleum prospective areas within the Great Australian Bight. Figure 1 illustrates the level of petroleum exploration activities and, Figure 2 shows the existing petroleum title areas and the Australian Marine Park boundaries within the Great Australian Bight.

The importance of maintaining Australia as an investment destination

It is important Australia's reputation as internationally attractive investment destination is promoted. The Fraser Institute and other international rating agencies have consistently ranked Australia and Western Australia highly as an investment destination. The rankings are based on the mining industries' opinions of things such as certainty, timeliness and efficiencies in individual State and Commonwealth assessment, approval and compliance processes – the ease of doing business. It is important Australia can maintain its investment attractiveness to assist it competing with other global investment destinations.

DMP is confident Australia's existing legislation and environmental and safety management practices are adequate to ensure responsible mining activities in the Great Australian Bight and, will continue to assist promoting investment in Australia.

Protection of conservation values

The Australian Marine Parks located within the Great Australian Bight (namely, the Eastern Recherche, Twilight, Great Australian Bight, Murat, and Western Eyre Marine Parks) provide security of purpose and vesting for these high conservation value areas.

Although the State jurisdiction is restricted to the inshore waters, proposed mining projects in Commonwealth offshore waters that could affect environmental values in State waters are assessed under State and

Commonwealth environmental protection legislation. For example, the transit of petroleum pipelines to land based facilities will require State involvement in the assessment process. If approved, they are strictly regulated by the Commonwealth and State to ensure compliance with the legislative obligations and approval conditions to protect conservation values. There is also a rigorous compliance enforcement process which may lead to prosecutions for non-compliance. This legislation is discussed in more detail below.

Industry is also self-regulating through its codes of practice (e.g. seismic activities not permitted during whale migration periods).

It is considered the object of the Bill to protect the environment is already met through the environmental protection provisions under Commonwealth and State legislation and regulatory practices, and also through industry codes of environmental practice.

Commonwealth and Western Australian environmental protection legislation

The key legislation protecting marine and coastal environments include the Commonwealth's *Environment Protection and Biodiversity Act 1999*, *Offshore Petroleum and Greenhouse Gas Storage Act 2006* and the *Offshore Minerals Act 1994*. In Western Australian waters, the legislation protecting environmental, conservation and biodiversity values include the *Environment Protection Act 1986*, *Conservation and Land Management Act 1984*, *Biodiversity Act 2016*, *Petroleum and Geothermal Energy Resources Act 1967*, *Petroleum Pipelines Act 1969*, *Petroleum (Submerged Lands) Act 1982*, *Mining Act 1978* and *Offshore Minerals Act 2003*.

This legislation indicates the breadth to which mining proposals are assessed and the consequential wide range of environmental protection measures and controls placed in the approval conditions. This would seem to also address the object of the Bill to provide protection of the Great Australian Bight's environmental values.

Approval and compliance

The legislation provides powers to a wide range of government decision making authorities, including Parliament, Cabinet, Ministers and agencies to approve or not approve proposed mining activities. It also provides a wide range of powers to enforce compliance with the legislative obligations and conditions of approval and strict penalties for non-compliance. Thus, although there are risks associated with resources development projects, it is considered the Australian assessment and compliance processes are sufficient to reduce the likelihood of risk to environmental values.

The assessment of proposed mining projects includes consideration of other sector interests (e.g. fishing activities). Consideration of environmental protection and other sector interests can be taken into account by the proponent in the proposal's development phase, the governments' assessment and also during the operational phases.

A recent example of the mitigation of potential adverse impacts and threats to the marine environment and other sector interests (e.g. commercial fisheries and shipping) being taken into consideration is, on 24 November 2016, Origin Energy announced it has modified its Crowes Foot 3D seismic survey methodology to comply with a prohibition notice issued by National Offshore Petroleum Safety and Environmental Management Authority to protect Victoria's rock lobster

fishery. This demonstrates the range of considerations taken into account in the project's operational activities.

The existing approval and compliance processes are rigorous and stringent ensuring appropriate conditions of approval are set and appropriate penalties for non-compliance. This meets the objects of the Bill regarding enforcement of environmental protection measures.

I trust these comments will assist the Committee's Inquiry on the proposed Bill.

Yours sincerely

Tim Griffin /
ACTING DIRECTOR GENERAL

// January 2017

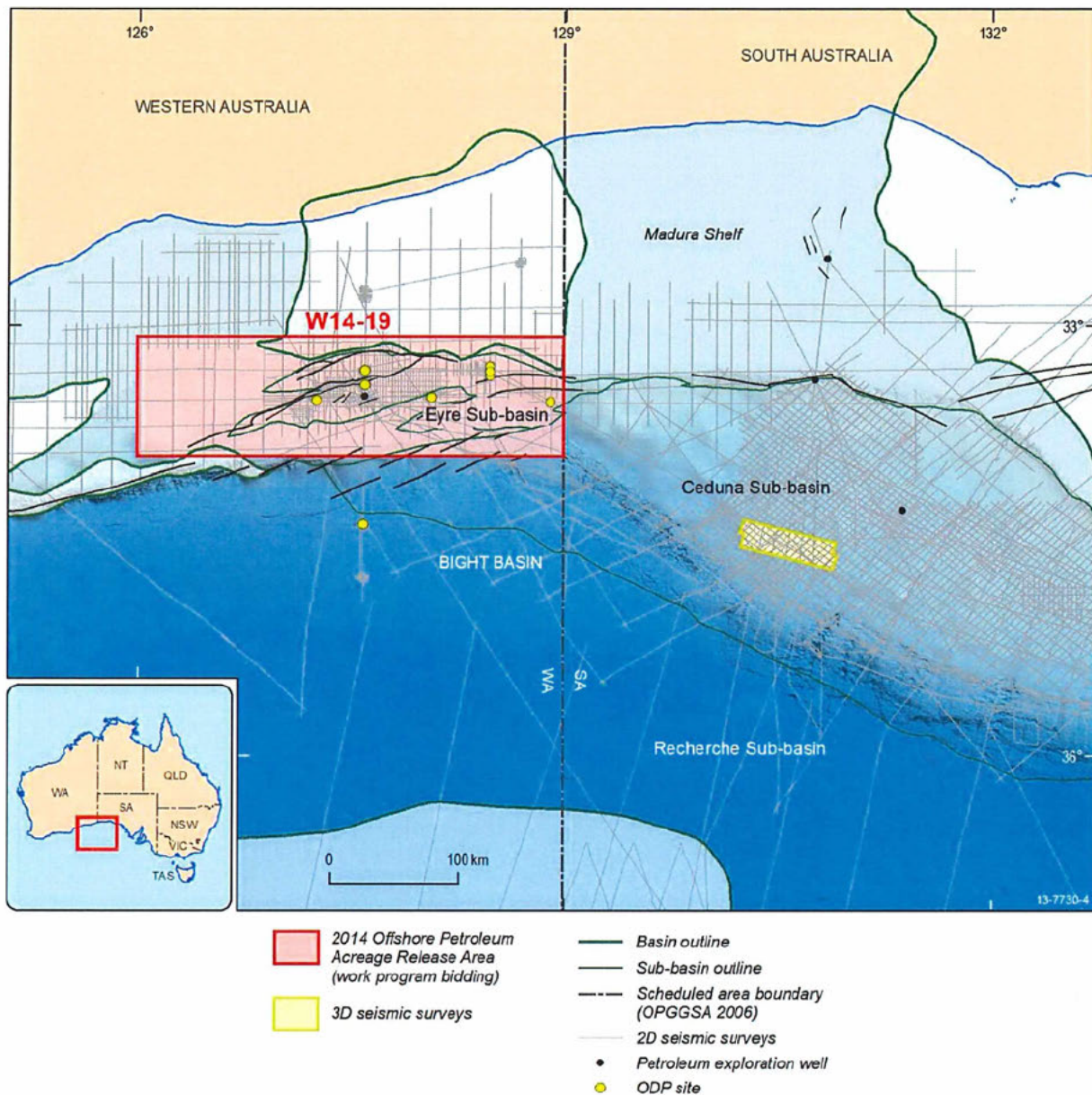


Figure 1 Seismic and well data coverage in the Eyre Sub-basin, Bight Basin

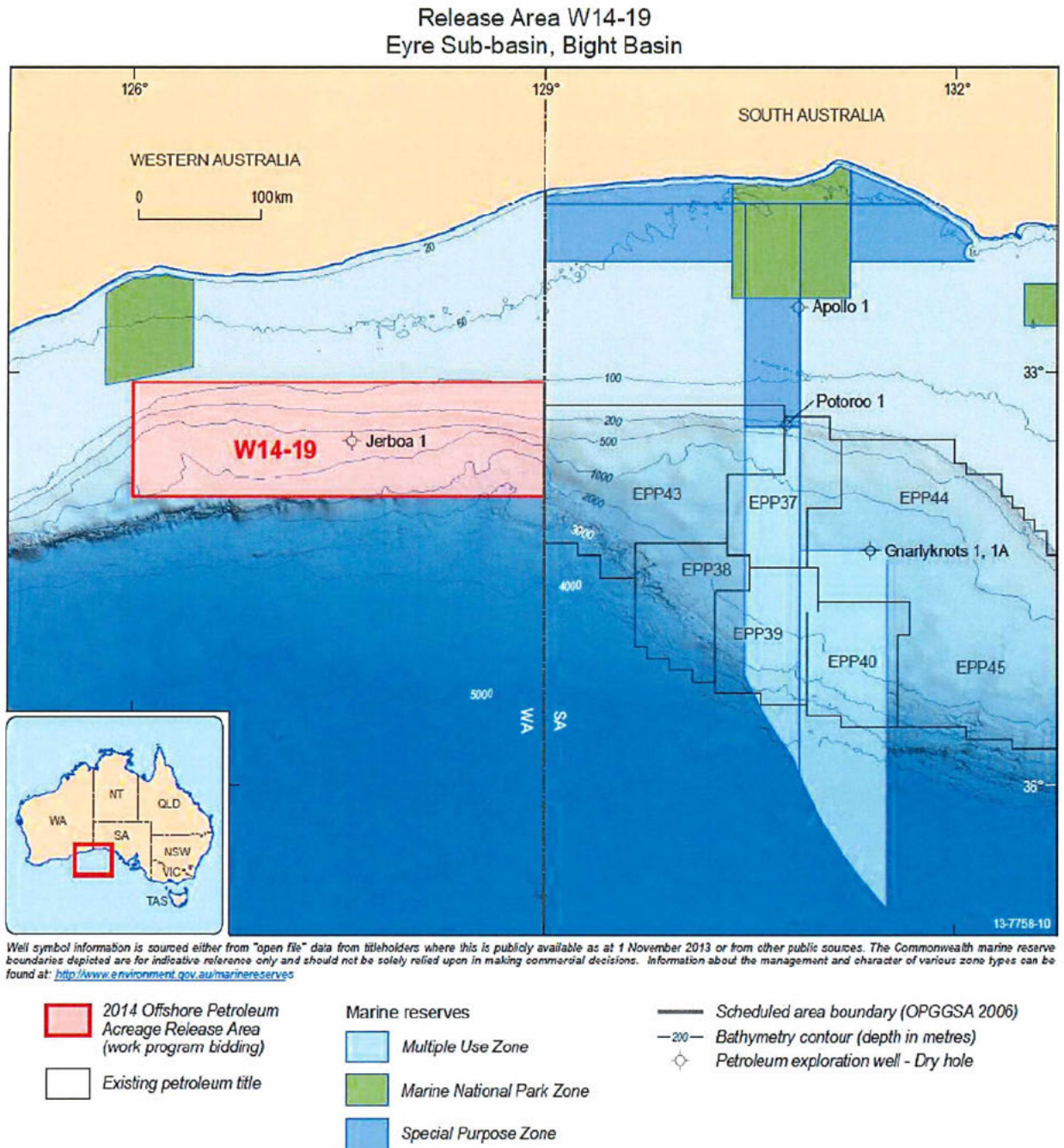


Figure 2 Petroleum Title Areas and Australian Marine Reserves (please note release area W14-19 is now petroleum exploration permit WA-517-P)