

**Economics Legislation Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Industry Portfolio  
Supplementary Budget Estimates Hearing 2013-14  
21 November 2013

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**AGENCY/DEPARTMENT:** NATIONAL OFFSHORE PETROLEUM SAFETY AND ENVIRONMENTAL MANAGEMENT AUTHORITY (NOPSEMA)

**TOPIC:** Streamlining regulations - NOPSEMA led Assessments of offshore oil and gas projects

**REFERENCE:** Written Question –Senator Siewert

**QUESTION No.:** SI-26

1. How will you ensure that the strategic assessments are robust, if the Environment Department/Minister is no longer directly involved? How will NOPSEMA access environmental advice and resources to support it in its assessments?
2. What role is there for parliamentary scrutiny in the assessment process?
3. The only ministerial accountability that then remains in the system is to the Minister of Industry to which NOPSEMA is ultimately responsible, although an arm's length. How will you ensure there is no risk of conflict of interest in that system given the Minister of Industry's role in promoting exploration, and the lack of any other checks and balances?

**ANSWER**

1. The draft report *Streamlining Offshore Petroleum Environmental Approvals, Program Report, November 2013* (the Program) sets out the environmental management authorisation process under the OPGGS Act. It contains commitments and undertakings to ensure that potential impacts on matters protected under Part 3 of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) and the broader environment will be managed to an acceptable level, that the potential environmental impacts and risks are also reduced to as low as reasonably practicable, and that activities are undertaken in a manner consistent with the principles of ecologically sustainable development.

If the Program is endorsed and classes of actions approved by the Minister for the Environment in accordance with the provisions of Part 10 of the EPBC Act, those actions must be undertaken in accordance with the Program. This means that NOPSEMA must not accept an environment plan that proposes unacceptable impacts to matters protected under Part 3 of the EPBC Act.

NOPSEMA has demonstrated expertise in environmental impact assessment in relation to the offshore oil and gas activities. The Program specifies that NOPSEMA will have regard to relevant policy documents, guidelines and plans of management for matters protected under Part 3 of the EPBC Act when conducting assessments. The Program also provides for the establishment of administrative arrangements between NOPSEMA and the Ministers for Industry and the Environment to facilitate the exchange of relevant environmental information between NOPSEMA and the Department of the Environment.

2. The strategic assessment of NOPSEMA's environmental authorisation process is being carried out under arrangements enacted in accordance with Part 10 of the EPBC Act. The strategic assessment documentation has been published on the Department of Industry website and is available for public comment, in accordance with the strategic assessment provisions in Part 10 of the EPBC Act.

In addition, section 146C of the EPBC Act provides that, before deciding whether to approve the taking of an action or class of actions in accordance with an endorsed policy, plan or program, the Minister for the Environment is required to invite comments for 10 business days from other Australian Government Ministers with administrative responsibilities relating to the action or class of actions.

NOPSEMA's environmental management assessment process is determined by the *Offshore Petroleum and Greenhouse Gas Storage (OPGGS) Act 2006*, as passed and amended through Acts of Parliament, and the OPGGS (Environment) Regulations 2009, as made and amended by the Governor-General and tabled in Parliament.

3. NOPSEMA is an independent statutory authority under the OPGGS Act with legislated functions for safety, well integrity and environmental management, entirely separate from resource management. Its establishment on 1 January 2012 implemented recommendations of the 2010 Report of the Montara Commission of Inquiry and the 2009 Productivity Commission Review of Regulatory Burden on the Upstream Petroleum (Oil and Gas) Sector. In particular, NOPSEMA was established as independent from the Department and the titles administration functions to avoid any potential or perceived conflicts of interest and objectives.

Under a streamlined process, the Program contains evaluation, monitoring and reporting requirements of NOPSEMA to the Minister for the Environment, to ensure commitments and undertakings continue to be met by the independent regulator for the duration of the Program.

As with any approval under the EPBC Act, NOPSEMA will be subject to the monitoring and compliance procedures and practices of the Department of the Environment to ensure the independent regulator complies with EPBC approval conditions and strategic assessment commitments. In addition, under the Program, a review will be conducted after twelve months of operation of any approved arrangements.