

Additional Comments from Senator Nick Xenophon

Oil or gas production in the Great Australian Bight: A Precautionary Tale

1.1 This inquiry has raised and examined a number of important competing interests including resource security, economic activity, jobs, professional and recreational fishing, tourism, environmental conservation and risk management of a catastrophic event. The committee report has provided a comprehensive summary and analysis of the issues under consideration and the secretariat is to be commended for their work.

1.2 The committee has accurately spelt out the regulatory framework and explained the roles of the National Petroleum Titles Administrator (NOPTA), the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) and the Department of Industry, Innovation and Science. It has also described accurately the processes that BP went through to advance its drilling endeavours in the Great Australian Bight.

1.3 Evidence given to the committee sets out the potentially catastrophic consequences of an oil spill in the Great Australian Bight. My home state of South Australia would suffer irreversible consequences to its coastal environment, and deep and long term economic damage.

1.4 A commonly accepted definition of the 'precautionary principle' (or 'precautionary approach') to risk management states 'that if an action or policy has a suspected risk of causing harm to the public, or to the environment, in the absence of scientific consensus (that the action or policy is not harmful), the burden of proof that it is not harmful falls on those taking that action'.¹

1.5 The concern I have in respect of the proposal to justify drilling in the Great Australian Bight is that the burden of proof to show that it will not be harmful has not been met by those who have proposed the drilling. This must be considered in the context of the harm that could be caused if there is an oil spill in the Great Australian Bight as against the potential benefits of drilling. Consistent with this approach are the concerns that were raised in the committee report about the lack of transparency by BP in respect of its spill modelling.

1 https://en.wikipedia.org/wiki/Precautionary_principle. Another definition is that the precautionary principle requires 'that public policy include measures to avoid or diminish morally unacceptable harms that may result from human actions. The harms need not be certain outcomes of an action; it is sufficient that they be scientifically plausible'. Adams, M. D. (2002), 'The precautionary principle and the rhetoric behind it', *Journal of Risk Research*, 5, 301–316.

1.6 I accept that energy security is a critically important issue in Australia, as well as the apparent failures of gas policies, which the Government is taking steps to address. Along with my colleagues I have advocated for a series of measures to deal with the gas crisis, including more transparency in gas contracts, greater competition in the marketplace, export controls and particularly a 'use it or lose it' approach. In relation to the latter, there appeared to be significant reserves of offshore gas that are tied up in retention leases. That must be reviewed as a matter of urgency for that gas to make it to the domestic market.

1.7 I am not satisfied that the burden of proof that drilling in the Great Australian Bight would not be harmful, weighing up the risks and benefits, has been met by its proponents.

Recommendation 1

1.8 Drilling in the Great Australian Bight should not proceed as it fails to meet the burden of proof required by the precautionary principle.

**Senator Nick Xenophon
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