



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

Standing Committee on Climate Change Environment and the Arts
PO Box 6021
Parliament House
CANBERRA ACT 2600

Attention: Julia Morris
Committee Secretary

Dear Ms Morris

INQUIRY INTO THE OFFSHORE PETROLEUM AND GREENHOUSE GAS STORAGE AMENDMENT (SIGNIFICANT INCIDENT DIRECTIONS) BILL 2011

The Western Australia Department of Mines and Petroleum (DMP) appreciates the opportunity to make a submission for consideration by the Committee.

DMP agrees with the need for a clear and specific power to issue a direction in relation to the clean up or other remediation in the event of a significant offshore petroleum incident within a title area that has caused, or might cause, an escape of petroleum.

Although a new precedent to require the titleholder to take action outside the title area, DMP agrees with the requirement for such direction making power. However, we have some concerns in giving these powers to the National Offshore Petroleum and Safety and Environmental Management Authority (NOPSEMA) given that it will be a statutory body and not directly accountable to a minister. It may be more appropriate to give these powers to the Commonwealth Minister or the Joint Authority. While recognising that there may be a need for rapid response to incidents, it seems that the Minister or Joint Authority could react in sufficient time. Additionally, the issuing of such a direction is expected to be infrequent.

A further concern is that incidents, and the resulting direction, may well have a significant impact on Western Australia, including principally in the State's:

- Offshore waters and islands;
- Sensitive coastline; and
- Natural gas supply from the Commonwealth Offshore Area.

Western Australia receives 95% of its domestic gas supply from the Commonwealth Offshore Area.

In addition, there are many projects which bring (or will soon bring) gas and oil from the Commonwealth Offshore Area to Western Australia Areas for processing and domestic or export uses including:

- North West Shelf LNG and gas;
- Varanus Island gas and oil;
- Cliffhead oil;
- Devil Creek gas;
- Pluto LNG;
- Macedon gas;
- Gorgon LNG and gas; and
- Wheatstone LNG and gas.

Each of these projects has (or will have) pipelines (can be in multiples per project) which are jointly regulated not only by the Commonwealth by also Western Australia when the pipelines enter State areas. In the aggregate, these projects have a very significant impact on the State's economy and its workforce.

DMP understands that the direction making power will be limited to the Commonwealth Offshore Area. However, as outlined above, actions resulting from directions may have direct or consequential impacts on the State.

For this reason, DMP believes the legislation should incorporate a requirement for consultation with Western Australia or at the minimum, notification in the event that a direction is issued.

There is already an agreement between the Commonwealth Minister and the Western Australian Minister on how the State will be kept informed on issues that arise in commonwealth areas. It was agreed that this will be through amendments to the environmental regulations and appropriate protocols. The amendment bill under consideration will need to align with this agreement.

There is also a requirement in the amendments that if the direction is of a permanent nature, NOPSEMA should seek the approval of the Joint Authority. However, the direction will not be invalid if NOPSEMA fails to do this.

DMP believes that even for a non-permanent direction consultation with Western Australia, or at least notification, should be required.

Yours sincerely

Richard Sellers
DIRECTOR GENERAL

27 October 2011