

of exploration in the Great Australian Bight – the attached represents where we have landed. The intention has been to keep it as close to the media release (also attached) as possible. We would be interested to hear if you have any concerns with the draft, or suggestions for improvement, while maintaining consistency with the commitment.

The TORs have not been shared with Ministers' offices but I think the intention is for us to be ready to provide a final draft when offices are up and running.

Happy to discuss

[Redacted]

[Redacted]

Offshore Resources
Resources Division

Department of Industry, Innovation & Science

P [Redacted]

M [Redacted]

E [Redacted]

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Terms of Reference

Audit of the National Offshore Petroleum Safety and Environmental Management Authority's consideration of exploration in the Great Australian Bight

1. Overview

The offshore oil and gas sector delivers significant opportunities and benefits for Australia and the Great Australian Bight (GAB) is considered to include world-class highly prospective petroleum resources. However, the GAB and the surrounding region are also important to local communities, and the fishing and tourism industries. The region is known for its unique environment and deserves strong protection.

Australia has a world-class independent environmental and safety regulator in the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) and a petroleum industry with an impressive operational record.

Recognising community concerns around drilling the GAB and the call for further assurance of environmental protection, the Government has commissioned an independent audit of NOPSEMA's current consideration of exploration in the Great Australian Bight, to be conducted by the Chief Scientist.

In undertaking the audit the Chief Scientist will work with NOPSEMA to assure all environmental considerations are thoroughly considered as part of the assessment process and decision making of the independent regulator. The audit will be conducted in tandem with the assessment process and will draw on relevant external expertise as required.

2. Purpose

The Audit will examine NOPSEMA's process for approving offshore exploration in the Great Australian Bight (GAB) and make recommendations (if required), including to improve transparency and effectiveness of the process.

The Audit will provide the Government and the communities around the Great Australian Bight with assurance that NOPSEMA's processes are robust and based on sound science, high quality information and industry best practice and have appropriately taken into account community concerns regarding the environmental management of the proposed activity.

3. Background

NOPSEMA is Australia's independent regulator for health and safety, well integrity and environmental management for offshore oil and gas activities in Commonwealth waters and in coastal waters where regulatory powers and functions have been conferred. NOPSEMA was established on 1 January 2012 under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*. NOPSEMA accept environment plans for offshore petroleum activities in accordance with the assessment criteria set out under the associated Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009 (Environment Regulations).

In February 2014, the Australian government streamlined the assessment process for offshore petroleum activities under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). The Minister for the Environment has approved all petroleum and greenhouse gas activities taken in Commonwealth waters which have been assessed in accordance with NOPSEMA's assessment program. The Minister's approval means that

titleholders no longer need to refer individual actions for assessment under the EPBC Act – environmental protection will be assessed solely through NOPSEMA’s decision making process.

On 28 June 2018, the Director of National Parks approved mining operations in certain zones within some Australian Marine Parks provided they are conducted in accordance with an Environment Plan accepted by NOPSEMA under the Environment Regulations. This means that applications conduct mining operations in these zones will be assessed through NOPSEMA’s decision making process.

On 25 April 2019, changes to *Offshore Petroleum and Greenhouse Gas Storage Act 2006* will apply to all environment plans submitted on or after 25 April 2019 which improve the consultation and transparency requirements for offshore oil and gas activities. These reforms require environment plans to be published at the point of submission, and on acceptance by NOPSEMA. In addition, all offshore seismic surveys and exploratory drilling activities will be subject to a 30 day public comment period prior to assessment.

NOPSEMA is currently considering an environment plan from Equinor which it submitted for assessment on 23 April 2019. Equinor have voluntarily committed to follow the new assessment process to ensure their environment plan is subject to the same level of stringency required under the new regulations.

On 16 May 2019, the Minister for Resource and Northern Australia and the Minister for the Environment announced that a re-elected the Liberal National Government would commission an independent Audit of NOPSEMA’s current consideration of exploration in the Great Australian Bight.

4. Scope of the review

The audit will examine NOPSEMA’s processes for approving current exploration proposals in the GAB. In doing so it will:

- Provide an overview of the regulatory requirements for offshore oil and gas exploration activities in the GAB.
- Consider how NOPSEMA takes into account environmental impacts and risks, including for Australian Marine Park values, as part of its assessment and decision making process for exploration activities.
- Consider the scientific and technical information used in the environment plan(s) for proposed activity within in the GAB in tandem with the NOPSEMA assessment process to ensure transparency and that decisions are properly supported by robust science and industry best-practice.
- Recommend any areas, including where further research would improve the scientific understanding of ecosystems and impacts of activities in the GAB.
- Recommend any improvements to the transparency and operation of the regime to guide future decisions by NOPSEMA, and to provide greater assurance to the community and offshore stakeholders

It will do so by examining the information base for decision making on current proposals and community engagement and assurance aspects. In doing so the Audit will ensure that the scientific rigour applied, and the outcomes obtained under the approvals process fully meet the

requirements of the relevant Acts under which NOPSEMA operates and derives its delegated Authority.

5. Outside the scope of the study

The study will not consider the following issues:

- whether Australia should have an oil and gas industry
- the merits or otherwise of petroleum activity occurring within the Great Australian Bight
- the merits of decisions lawfully made by NOPSEMA.

6. Reviewer

The Audit will be undertaken by Australia's Chief Scientist. To support his considerations the Chief Scientist can draw on relevant experts in the fields of marine ecosystems, offshore petroleum exploration and regulation, environmental management and community engagement.

A cross agency steering committee of senior officials will support the Chief Scientist to identify relevant experts to assess the regulatory process and available information base.

7. Results

The study will present a report to the Commonwealth Ministers responsible for resources and the environment by the end of August 2019.

8. Consultation

Where relevant, this review will include targeted consultation to provide specific, independent expertise and advice. At a minimum, the following bodies will be expected to be consulted:

- The Commonwealth, South Australian, West Australian, Tasmanian and Victorian Ministers for Resources
- The Commonwealth, South Australian, West Australian, Tasmanian and Victorian Ministers for the Environment
- NOPSEMA
- Offshore petroleum titleholders in the region
- Key local industry and community groups.

9. Confidentiality

The review's considerations and discussions will remain confidential until the Ministers choose to release it. This will ensure that a robust, critical examination can occur. Any stakeholder consultation conducted as part of the review will remain confidential until the release of the report.

10. Sunset

These terms of reference have been created to inform the development of a report and recommendations to the Ministers. These terms of reference will remain in place until the provision of the relevant report to the Ministers.



**SENATOR THE HON MATT CANAVAN
MINISTER FOR RESOURCES AND NORTHERN AUSTRALIA**

**THE HON MELISSA PRICE MP
MINISTER FOR THE ENVIRONMENT**

MEDIA RELEASE

**INDEPENDENT AUDIT OF NOPSEMA'S CONSIDERATION OF EXPLORATION IN THE
GREAT AUSTRALIAN BIGHT**

A re-elected Liberal National government will commission an independent audit of NOPSEMA's current consideration of exploration in the Great Australian Bight.

The Liberal National Government recognises that the Great Australian Bight and the surrounding region are important to local communities, and the fishing and tourism industries. The region is known for its unique environment and deserves strong protection.

Australia has one of the safest regimes for offshore oil and gas in the world. There are very strict safety and environmental standards and the industry is overseen by Australia's independent regulator NOPSEMA (National Offshore Petroleum Safety and Environmental Management Authority).

The Liberal National Government recognises community concerns around drilling in the Great Australian Bight and community groups are seeking further assurance of environmental protection.

The Liberal National Government will commission an independent audit, to be conducted by the Chief Scientist, to provide this additional level of assurance to the community

The independent audit will be jointly commissioned by the Minister for Resources and the Minister for the Environment. The Chief Scientist will be asked to work with NOPSEMA to assure all environmental considerations are thoroughly considered as part of the assessment process and decision making of the independent regulator. The audit will be conducted in tandem with the assessment process.

The National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) is Australia's independent regulator for health and safety, well integrity and environmental management for offshore oil and gas activities in Commonwealth waters and in coastal waters where regulatory powers and functions have been conferred. NOPSEMA was established on 1 January 2012.

Exploratory drilling proposals will continue to be assessed by NOPSEMA, which has an independent assessment process underway under Australian law.

16 May 2019

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