



Environment and Communications  
Reference Committee

# Oil or Gas Production in the Great Australian Bight

Summary of Submission from the South Australian Government, April 2016

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# Introduction

## **The South Australian Government:**

- has confidence in the expertise and objective-based focus of National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) in regulating the offshore petroleum industry, and believes NOPSEMA is the most appropriate body to do so; and
  - is well equipped to respond to potential oil spill events and will continue to engage with all title holders to ensure that oil spill response plans are robust and meet SA requirements.
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The Great Australian Bight surrounding coastal waters represent a unique marine environment that supports a variety of iconic marine species including many that maintain important commercial South Australian fisheries.

The protection of the Great Australian Bight and its adjacent coastal environment is a primary concern for the South Australian Government. The South Australian Government also supports the environmentally sustainable development of an offshore oil and gas industry in the Great Australian Bight on the basis that projects are required to be well operated and effectively regulated. Plans for, and operations of, oil and gas projects must ensure no unacceptable risks to the Great Australian Bight, or indeed any other part of South Australia's marine and coastal environments.



## **Approvals Process for Operations in Great Australian Bight Petroleum Permits**

Operations- and location-specific Environmental Plans (EPs) that demonstrate how all significant risks that may be created by proposed activities must be provided by licence operators to NOPSEMA, and NOPSEMA must be reasonably satisfied that the EP meets the criteria for acceptance under both the OPGGSA and EPBC Environmental Regulations.

The South Australian Government is confident that through this process any potential risks to such an important marine environment will be managed to an acceptable level. The Government is also confident the OPGGS Act process, administered by NOPSEMA, provides strict regulatory oversight and scrutiny to ensure no unacceptable risks to the marine environment.

# SA Government's Role

**The South Australian Government is a key stakeholder in the engagement process undertaken by both NOPSEMA and holders of petroleum permits in Commonwealth waters. The SA Government has been, and continues to be consulted on varying aspects of BP's exploration drilling Environment Plan, and accompanying OPEP.**

Relevant State Government agencies have commented on the EP to ensure key issues and concerns have been raised and a response provided. The South Australian Government will continue to consult with all GAB licence holders to ensure key matters and concerns of the State are raised throughout the lifetime of potential projects.

While the South Australian Government does not regulate offshore oil and gas activities in the Great Australian Bight, it does play an important role onshore and in coastal waters with regards to regulation and facilitation. Should exploration or production begin, South Australian agencies will have a role in the regulation of onshore facilities, shipping, and transport of waste and supplies to and from the drilling rig.

Additionally, the SA Government regulates multiple industries which facilitate operations in Commonwealth offshore petroleum permit including, but not limited to, onshore petroleum operations, port activities, marine parks and wildlife, storage of and transport of chemicals and wastes, and oil pollution emergency planning and response.



## Management of Potential Oil Spills

The focus of drilling is to maintain the integrity of well and avoid oil spills or blow-outs. In the unlikely event of an emergency, OPEPs must demonstrate how a titleholder can respond quickly and effectively to avoid or minimise potential environmental damage from oil pollution.

South Australia's Department of Planning Transport and Infrastructure is the control agency under the Emergency Management Arrangements, responsible for State offshore oil spill response and oil pollution emergency planning, should an oil spill occur in Commonwealth waters and cross into State waters. DPTI is joined in its response efforts by other relevant SA Government agencies supported by Commonwealth agencies (Australian Maritime Safety Authority and others), the titleholder and industry resources (Australian Marine Oil Spill Centre and others). This is outlined in the South Australian Marine Spill Contingency Action Plan (SAMSCAP) which is utilised for ship wreckages, maritime and other spills, as well as oil and gas activities. The SAMSCAP is reviewed every 12 months.

The South Australian Government also has a Marine Spill Committee, involved in both the planning and response activities to potential marine oil spills in state waters with representation from agencies and industry to assist with a response if necessary.



### **SA Government's view of NOPSEMA**

The South Australian Government's view is that NOPSEMA has the necessary capabilities to be the nation's trusted regulator and approval authority for upstream petroleum operations in Commonwealth waters. The South Australian Government also believes that re-introducing overlapping powers over activity approvals for upstream petroleum activities in Commonwealth waters would be a retrograde step for the efficiency of objective-based legislation in Australia, as it would inevitably add unnecessary duplicative steps within the approvals process.



### **SA Government Perspectives on Economic Impacts**

The potential for large petroleum accumulations has attracted major oil and gas companies to take up nine exploration permits in the Great Australian Bight Basin, including BP, Statoil, Chevron, Murphy Oil, and Santos. Collectively, petroleum permit holders in the Great Australian Bight have guaranteed to spend about \$1.2 billion in 2011-2018 and about \$1.1 billion in additional non-guaranteed investment in the following three years. In the same period for guaranteed work (2011-2018), the southern Bluefin Tuna industry, west coast commercial fisheries, aquaculture, and tourism will contribute about \$1.7 billion to South Australia's gross state product (GSP) (EconSearch 2015).

Exploration is expected to lead to further investment into, and spending in, South Australia through industry contracts, construction and supply agreements. While the greatest scope for local input lies in any potential future development and production phase, exploration creates opportunities in relation to supply vessels, aircraft and drilling rigs with a range of services, products and infrastructure, logistics and warehousing, machine shops, environmental, medical and catering services. BP has initiated significant investments within South Australia to support its planned drilling operations.



### **Offshore SA Petroleum Projects to Date**

Petroleum exploration in the GAB region has been undertaken without reported or identified environmental harm since the late 1960s. To date, 24 wells have been drilled in offshore South Australian waters. Thirteen exploration wells have been drilled without incident in the Great Australian Bight between 1972 and 2003. The last well drilled was Woodside's Gnarlyknots 1A in 2003, which was safely drilled to a total depth of 4,736m.

# Contact

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