

## 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 benefits for all Australians and the Great Australian Bight (the Bight) is considered to have world-class highly prospective petroleum resources. To better understand and test this potential further exploration activity is needed.

The Bight and the surrounding region are also important to local communities, and the fishing and tourism industries. The region is known for its unique environment, tourism values, and fishing and aquaculture industries 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.

On 16 May 2019, the Minister for Resources and Northern Australia and the Minister for the Environment announced that a re-elected Liberal National Government would commission an independent audit of NOPSEMA's current consideration of exploration in the Bight to be undertaken by Australia's Chief Scientist, Dr Alan Finkel AO FAA FTSE.

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.

#### **2. Purpose**

The audit is to provide an independent assurance that NOPSEMA's assessment and decision making processes regarding the current proposed exploration activity are consistent with the requirements of the Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009 (the Environment Regulations). This may also identify opportunities for government and industry to work with local communities in providing additional assurance around petroleum activities in the Bight.

#### **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*. Before any activity can occur NOPSEMA must accept environment plans for offshore petroleum activities in accordance with the assessment criteria set out under the associated Environment Regulations. The Environment Regulations were updated on 25 April 2019 to improve the consultation and transparency requirements for offshore oil and gas activities.

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). In doing so the Minister for the Environment has provided a class approval for all petroleum and greenhouse gas activities taken in Commonwealth waters that have been assessed and accepted in accordance with NOPSEMA's assessment process.

On 28 June 2018, the Director of National Parks approved mining operations (including oil and gas activities) in certain zones within some Australian Marine Parks provided they are conducted in accordance with an environment plan accepted by NOPSEMA.

NOPSEMA is currently considering an environment plan from Equinor, which was submitted for assessment on 23 April 2019. Equinor has voluntarily committed to follow new transparency processes under the Environmental Regulations to ensure their environment plan is subject to the same level of stringency required under the new regulations.

#### **4. Scope of the audit**

The audit will work with NOPSEMA to assure that the process for assessment and decision-making for the environment plan for the current exploration proposal in the Bight are consistent with its regulatory obligations. In doing so it will:

- examine how environmental impacts and environmental risks, including Australian Marine Park values and EPBC Act protected matters, and other relevant information such as that received through consultation and public comment processes, are taken into account
- examine the relevancy, sufficiency and completeness of scientific and technical information used to support assessment and decision-making in relation to the current exploration proposal.

#### **5. Outside the scope of the audit**

The audit 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
- NOPSEMA's legislative and regulatory framework
- the merits of administrative decisions 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 secretariat will support the Chief Scientist and the review process.

#### **7. Results**

The Chief Scientist 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 audit 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 and/or their agencies
- the Commonwealth, South Australian, West Australian, Tasmanian and Victorian Ministers for the Environment and/or their agencies
- NOPSEMA
- the NOPSEMA Board
- offshore petroleum titleholders in the region
- local industry and community groups.

## **9. Confidentiality**

The audit'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 audit 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.