



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

BILLS

**Offshore Petroleum and Greenhouse Gas
Storage Amendment (Regulatory Powers
and Other Measures) Bill 2014, Offshore
Petroleum and Greenhouse Gas Storage
(Regulatory Levies) Amendment Bill 2014**

Second Reading

SPEECH

Tuesday, 17 June 2014

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Date Tuesday, 17 June 2014
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Questioner
Speaker Zappia, Tony, MP

Source House
Proof No
Responder
Question No.

Mr ZAPPIA (Makin) (12:10): I take the opportunity to speak briefly on these two pieces of legislation. The Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Amendment Bill 2014 amends provisions in the Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Act 2003. Amongst these changes the National Offshore Petroleum Titles Administrator is able to fully cost-recover its activities. The changes also enable an applicant, as opposed to a titleholder, to submit an environmental plan or a revision of an environmental plan, the intent of that being to reduce environmental approval times for offshore projects.

The Offshore Petroleum and Greenhouse Gas Storage Amendment (Regulatory Powers and Other Measures) Bill 2014 makes technical amendments which aim to strengthen the offshore petroleum regulatory regime in respect to monitoring, compliance, inspection and enforcement of objectives, which resulted from the Montara Commission of Inquiry. It is important that NOPSEMA and NOPTA are adequately resourced in order to carry out their responsibilities. As the member for Moreton quite rightly pointed out, we have an obligation and a responsibility to ensure the protection of both the people who work on these sites and the environment surrounding them. Cost-recovery of activities is indeed appropriate, as is ensuring that the responsible agencies have adequate powers and that penalties are sufficient to act as deterrents. There are, however, some matters that I wish to raise with respect to the practices and decisions made by the Abbott government relating to offshore mineral, oil and gas exploration and mining operations.

There is considerable interest in Australia's offshore oil and gas reserves. In particular, gas reserves are attracting a huge amount of interest from around the world. It appears that gas is replacing oil, and fracking is opening up new opportunities for gas projects. All mining operations, both onshore and offshore, have environmental risks attached to them. Those risks have to be managed. It is, however, more difficult to manage the risks associated with offshore projects, particularly when something goes wrong, and we have seen that with respect to some of the incidents around the world. When something does go wrong—as was the case with the Montara oil spill, or as we still see with the Fukushima nuclear plant incident in Japan or the BP spill in the Gulf of Mexico in 2010—those incidents come at considerable economic and environmental cost. In the case of some of those incidents, my understanding is that damage is still being caused as a result of what happened some time ago. So managing those risks becomes truly a challenge. I want to put that into context with respect to the environment. Those risks are only one part of the risks that are currently being faced by our ocean waters.

Right now the ocean is at serious risk as a result of climate change. I for one accept the science and the facts related to climate change. Climate change means that the earth is heating up and that there is more carbon dioxide in the atmosphere. The reality is that most of the CO₂ is being absorbed by the oceans, as is most of the heat that is in the atmosphere. So the rising temperatures that we are seeing on the ground are also occurring within the ocean environment. As a member of the House Standing Committee on the Environment, I have heard much evidence about the rising water temperatures and the rising levels of carbon dioxide. On top of that, extreme weather events, such as typhoons, hurricanes and the like, also affect the ocean environment. When you add those risks to the risks associated with the kinds of activities we are talking about—mineral, oil and gas exploration—the risks compound. Each risk in isolation can perhaps be dismissed as trivial, but, when you combine them, the impacts are multiplied many times over.

Mining activities which disturb the seabed and/or pollute the waters around the sites of those operations can have serious environmental risks, so they have to be managed—and managed well. Whilst this legislation relates to some of the agencies tasked with managing our environment and regulating mineral, gas and oil exploration permits in our waters, the reality is that the risks are very serious and difficult to manage.

Australia is blessed with minerals, gas and oil. We therefore attract interest from developers and mining companies from around the world. Indeed, international investors and transnational companies are behind most of our largest offshore mining operations. A concern I have with respect to these operations relates to the Abbott government's decision to remove the market-testing requirement for 457 visa entrants to this country. That

decision effectively enables operators of gas and oil exploration sites to bring labour in from other countries—in fact, to employ their own labour. That was an easing of a restriction that the previous government—in fact it was the member for Gorton, who I notice is here in the chamber—brought in to ensure that we employ Australian labour, if available, ahead of international labour.

There is a second aspect to employing Australian labour on these sites. It relates to the management of the environment. I believe not only that Australian workers have the relevant knowledge and experience but that, more importantly, they have national pride. They would therefore work to ensure that these projects are operated consistently with the standards we expect. I cannot say that about the foreign workers who come in and work on these sites. My concern about the environmental risks attached to operations at these sites is magnified when the projects are being resourced, run and worked by people from other countries, people who do not necessarily have Australia's interests at heart. That is one of my concerns.

Another concern I have is that only last week we saw a reversal by this government of Labor's decision to reinstate Australian sea waters within the Australian migration zone. By excluding Australian coastal waters from Australia's migration zone, it increases the likelihood that the operators of these projects—who, as I said earlier, are often international operators—will want to employ their own staff and, in doing so, bring people in from other parts of the world. So we have now seen the Abbott government change two critical policies, with the likely result that these projects will increasingly recruit people from other countries. That to me raises concerns, because the risks attached to these sites—both environmental risks and risks to safety procedures—are very high. I would have much more faith if Australian workers were on these sites rather than foreign workers.

I understand that we are seeing that right now at the Ichthys project in north-west Western Australia. Foreign vessels with foreign crews are being brought in to lay the pipeline to Darwin. Apart from the fact that I have no doubt that the work could have been carried out by Australian vessels and Australian crews, I believe that it is in our national interest to make sure that those projects are conducted in a way that complies with our laws. I believe the best way to do that is, where possible, to have Australians carrying out the work.

The environmental track record of this government since coming to office has been woeful. We also know, from the track record of offshore mining operations, that they do present risks—and that, when problems occur, the implications can be very serious. Also of concern is that, in comparison to projects on land, offshore projects are much harder to monitor. Effectively, they are out of sight and out of mind. That, however, does not mean that the environment is not being damaged, it does not mean that things are not going wrong and it does not mean that we should put our trust in the operators of those ventures.

These regulations certainly allow the agencies tasked with carrying out monitoring to do so more effectively and to recoup the expenditures they incur in doing their work. I have no problems with that. But the matters I have raised are matters we should take very seriously. Whilst the legislation is well intended—and I support the legislation—I have raised these matters because on one hand we are bringing in legislation to try to protect our workers and the environment, but on the other hand we are bringing in policies that I believe do the exact opposite. With those comments, I commend the legislation to the House.