Legislative Council Environment and Planning Committee

Hearing date: 6/03/2026

Questions taken on notice

Directed to: Resources Victoria, Sandra O'Farrell

Received date: 27/03/2026

1. **P. 39 Sheena Watt**
   Question: - Those assurances: how regularly are they reviewed? What does that actually look like? Do we check that they have got a certificate of currency? What are the elements of checking this assurance? We have seen, as has happened on onsite mining operations, various companies which have – what was the word?- [packed up and left or sold it to a third party that does not, in fact, have a full ability to deliver on the decommissioning work. I am keen to understand that a bit].

   Sandra O'FARRELL: I will have to take on notice the questions about what details are investigated.

   Response:

   Offshore:
   In both Victorian and Commonwealth waters, titleholders are required to maintain financial assurance for expenses, liabilities or other specified things relating to work or anything required under an offshore petroleum title, including for clean-up and remediation (Commonwealth OPGGS Act s 571).

   In Victorian waters, the Minister has a power to give a direction to maintain insurance as financial assurance (Victorian OPGGS Act, s 618). This power is exercised on accepting an environment plan which is required before any operations can be carried out. Environment plans must be reviewed before a new or significant change in operations is proposed (Victorian OPGGS Regulations, reg 20), or at least every 5 years (Victorian OPGGS Regulations, reg 22).

   To ensure the adequacy of insurance, Resources Victoria checks the full terms and conditions, contracts and limitations, and exclusions and inclusions of titleholders' insurance, along with proof of currency. Changes to insurance may be required to ensure adequacy. These checks are carried out on acceptance of an environment plan and on each variation to the plan.

Resources Victoria monitors compliance with duties of a titleholder, including any requirement to maintain insurance, throughout the lifecycle of the title.

Onshore:
For onshore petroleum operations, titleholders must have insurance (Petroleum Act, s 171) and provide a rehabilitation bond (Petroleum Act, s 173). The titleholder has a duty to complete rehabilitation in accordance with approved plans. If the Minister is not satisfied a titleholder has met their rehabilitation obligations, the Minister may carry out the rehabilitation work required and recover any costs incurred from the bond.

The Minister can also pursue additional rehabilitation costs, where those costs cannot be recovered from the rehabilitation bond.

2. **P. 40 Sheena Watt**
Question: I am just trying to understand: is it [TO Engagement] an option or is it something that is required? What are the elements of significance of the engagement with traditional owners?

Sandra O'FARRELL: The Federal Court made a ruling in 2022 and another one in 2023 regarding consultation that needs to occur for all activities. It has been made clear that engagement with all relevant stakeholders is to be comprehensive and genuine

Sheena Watt: Are we able to get details of that ruling?

Sandra O'FARRELL: Sure.

Response: The Federal Court has made two rulings regarding consultation on offshore petroleum projects.

The 2022 ruling, *Tipakalippa v National Offshore Petroleum Safety and Environmental Management Authority (No 2) [2022]* (*www.judgments.fedcourt.gov.au/judgments/Judgments/fca/single/2022/2022fca1121*), set the benchmark for appropriate consultation regarding activities described in environment plans.

The 2023 ruling, *Cooper v National Offshore Petroleum Safety and Environmental Management Authority (No 2) [2023]* (*www.judgments.fedcourt.gov.au/judgments/Judgments/fca/single/2023/2023fca1158*), set the benchmark for appropriate consultation to have been completed before a decision is made on environment plans.

In summary, consultation must be comprehensive and involve meaningful engagement with Traditional Owners, local industry, and the broader community who may be impacted by operations.

Titleholders must consider all feedback and include additional controls to mitigate the matters raised where appropriate.

These requirements are set out in the regulations (Victorian OPGGS Regulations, regs 13D and 13F).

3. **P. 41 Wendy Lovell**
Question: Is there an agreement in place if there is **an environmental disaster** that comes into state waters? Is there an agreement that you have with the Commonwealth around clean up of that?

Sandra O'FARRELL: DEECA or Resources Victoria would be a support agency for that, and it would be a matter to be handled under the Emergency Management Act. We can provide further details around that separately.

Response:

Titleholders have an obligation to control, manage, remediate and monitor the impacts of any petroleum that has escaped from their operations.

For facilities in Commonwealth waters, these duties extend to any oil and gas that has entered State waters and impacted land.

If the titleholder fails to comply with its cleanup obligations, NOPSEMA and the responsible Commonwealth Minister can assume responsibility. This includes taking actions in affected State waters or land, and is required to consult with a designated officer from the relevant State if the pollution spreads to that State's coastal waters or land.

In Victoria, the Department of Transport and Planning (DTP) is designated as the control agency for the portion of an oil spill that enters state waters, originating from a facility in Commonwealth waters. Arrangements for responding to escaped oil that enters Victorian waters is set out in the State Maritime Emergencies (Non-search and Rescue) Sub-Plan, a component of Victoria's State Emergency Management Plan. DEECA and other relevant agencies would support DTP in any response, as required.