

# **LEGISLATIVE COUNCIL ENVIRONMENT AND PLANNING COMMITTEE**

## **Inquiry into Decommissioning Oil and Gas Infrastructure**

Melbourne – Friday 6 March 2026

### **MEMBERS**

Ryan Batchelor – Chair

David Ettershank – Deputy Chair

Melina Bath

Gaelle Broad

Jacinta Ermacora

Wendy Lovell

Sarah Mansfield

Rikkie-Lee Tyrrell

Sheena Watt

**Necessary corrections to be notified to  
executive officer of committee**

**WITNESSES** (*via videoconference*)

Sue McCarrey, Chief Executive Officer,

Graham Blair, Deputy Chief Executive Officer, Regulatory Operations, and

David Christensen, Executive Director, Development and Decommissioning, National Offshore Petroleum Safety and Environmental Management Authority.

**The CHAIR:** Welcome back to the Legislative Council Environment and Planning Committee's Inquiry into Decommissioning Oil and Gas Infrastructure, to our final witnesses of the day, representatives from NOPSEMA. I will just read out our short opening statement.

All evidence that we take is protected by parliamentary privilege as provided by the *Constitution Act 1975* and the provisions of the Legislative Council standing orders. Therefore the information that you provide during this hearing is protected by law. You are protected against any action for what you say during the hearing, but if you go elsewhere and repeat the same things, those comments may not be protected by this privilege. Any deliberately false evidence or misleading of the committee may be considered a contempt of the Parliament.

All evidence is being recorded. You will be provided with a proof version of the transcript following the hearings. Those transcripts will ultimately be made public and posted on the committee's website.

Welcome. My name is Ryan Batchelor. I am the Chair of the Environment and Planning Committee and a Member for the Southern Metropolitan Region in the Legislative Council of the Victorian Parliament. I will get members of the committee to introduce themselves.

**Melina BATH:** Melina Bath, Eastern Victoria Region. Good afternoon.

**Sheena WATT:** Hello. Sheena Watt, Northern Metropolitan region.

**Tom McINTOSH:** Tom McIntosh, Eastern Victoria.

**Sarah MANSFIELD:** Sarah Mansfield, Western Victoria.

**The CHAIR:** And online.

**David ETTERS HANK:** Good afternoon. David Ettershank from Western Metropolitan Region.

**The CHAIR:** I would be grateful if, for the Hansard record, each of the witnesses could state their name and the organisation they are appearing on behalf of, so that we can accurately record their evidence today.

**Sue McCARREY:** Thank you, Chair. Sue McCarrey. I am the Chief Executive Officer of NOPSEMA.

**Graham BLAIR:** Graham Blair, Deputy Chief Executive Officer. I look after regulatory operations for NOPSEMA.

**David CHRISTENSEN:** David Christensen. I am an Executive Director responsible for decommissioning.

**The CHAIR:** Thanks so much for joining us. It is a relatively straightforward process. We will ask you to provide an opening statement and then we will get into some questions. With that, I will hand it over to you.

**Sue McCARREY:** Thank you, Chair. I will provide an opening statement. Can I say, Chair, I actually worked for a number of years with your father as the national rail safety regulator.

**The CHAIR:** There you go.

**Sue McCARREY:** Yes, and I always enjoyed his wise counsel. He was great to work with.

**The CHAIR:** I am glad someone did.

**Sue McCARREY:** I welcome the opportunity to appear in front of the committee today, as I said, as Chief Executive Officer of NOPSEMA. My co-attendees have already introduced themselves. As I am sure has been mentioned, NOPSEMA is Australia's independent expert regulator for the offshore energy industry and was established under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*. Our role includes the oversight of occupational health and safety, structural integrity and environmental management for all offshore petroleum and greenhouse gas storage activities, including decommissioning. For us, that is within Commonwealth waters and in coastal waters where regulatory powers and functions have been conferred, and quite relevant to this committee, as we mentioned in our submission, Victoria is a jurisdiction that has conferred its functions for the regulation of health and safety and structural integrity to NOPSEMA within Victorian waters but not for environmental approvals. And while not the focus of the terms of reference for this inquiry, I would like to actually add that NOPSEMA is also the regulator for offshore renewables, where we perform functions of the offshore infrastructure regulator, or OIR, under the *Offshore Electricity Infrastructure Act 2021*.

We have got a strong and positive story, we think, to tell in relation to decommissioning. It has certainly been an area of great focus for us in recent years, in fact increased focus for NOPSEMA. We continue to set clear expectations and targets for titleholders through our decommissioning compliance strategy to ensure that decommissioning activities are done in a timely, safe and environmentally responsible manner. We apply a risk-based regulatory approach to all our activities, and we assess duty holders' permissioning documents to determine whether safety, environment and well integrity impacts and their risks have been appropriately identified and that they are being managed to a level as low as reasonably practicable. For environmental impacts, those risks need to be acceptable. Where required, we take proportionate enforcement action, as we are able to do under our statute and as seen in several of those general directions which we have issued to various titleholders to address and deter any noncompliance for the protection of the workforce and the environment, and a particular focus of general directions in recent years has been around decommissioning.

We also have a national priority at the moment, which is addressing redundant wells, which recognises that decommissioning is an increasing focus for our agency as more wells and offshore infrastructure reach the end of their operational lives. In fact over the last five years 324 wells have been plugged and abandoned, with a majority of those located in the Bass Strait off Victoria. We remain committed to ensuring that non-producing wells are properly decommissioned by strengthening our well integrity oversight and refining our inspection and assessment processes.

However, recent cases, such as with the Minerva fields – and I know you have asked some questions about this to other witnesses – have actually shown the complexity and the unexpected technical challenges that can be associated with decommissioning legacy assets, and there is no one-size-fits-all approach. We therefore work closely with Commonwealth agencies, relevant state regulators, industry associations and individual titleholders to share lessons, insights and best practice to ensure titleholders meet their decommissioning obligations. NOPSEMA also promotes continuous improvement across the sector, particularly in relation to decommissioning activities. One example of this was our decommissioning better practice forum, which we held in 2024, where industry experts came together and talked about decommissioning opportunities and the challenges that they face.

With that, I welcome any questions from the committee.

**The CHAIR:** Thanks very much. There is a lot I think we need to get through. I might just start there, about your reflection on the 324 wells that have already been plugged and abandoned and the new phase that you are moving into as a regulator overseeing decommissioning. My first question there is: are there things that you think we could recommend as an inquiry to the state regulators to improve the functioning of the regulatory and oversight and/or compliance framework so that the system works better as it matures and has greater scope of operation, particularly off Victorian waters but I suppose in other parts of the country too?

**Sue McCARREY:** Look, Chair, probably not. I do not have any express opinions on the Victorian state regulatory system. We apply that system in relation to safety and well integrity within those state waters, as I mentioned. I think one of the advantages of the legislation and regulations that we work under is that they are what we call an outcomes-based regulatory regime, which means what we are looking for is 'Are risks being managed to as low as reasonably practicable?', and that can change over time. So as new technologies become available, as research indicates a better way to undertake decommissioning or any other offshore activity, it

means that our viewpoint changes as a result, because it is an outcomes-focused regulatory regime. From our perspective it leaves it open enough for us to actually shift our stance as a regulator should we need to.

**The CHAIR:** As more wells are decommissioned, we move into a more active monitoring and compliance phase. So it is not a set-and-forget model, I hope. I hope it is continue to monitor and ensure compliance. What do you think best practice or gold standard is for that element of the decommissioning task of ongoing monitoring and risk compliance?

**Sue McCARREY:** Chair, I will lead in and then I might hand over to Mr Christensen, just in relation to the sorts of things we require for that post, like an abandoned, stage. So you are right; there are requirements as part of their approval process on how they are going to go about not just decommissioning but plug and abandoning the wells. That includes, at the time, quite a bit of monitoring to ensure that that plug and abandonment has actually occurred in an appropriate way. But I might hand over to Mr Christensen to talk a little bit more about ongoing monitoring.

**David CHRISTENSEN:** Thank you. Thank you. Chair. In relation to the framework that we currently have, I think there are some big strengths that are worth highlighting. In relation to the permissioning documents that are necessary in order to undertake petroleum activities, including for wells, there is a requirement for those to be submitted on a regular basis – every five years. That is also if there are any changes that occur as well. That provides you a really good mechanism to ensure that arrangements are appropriate as fields mature, as wells obviously change different states as well – going into shut-in stage, for example – and you have then that ability to continually monitor and assess how risks are being managed. So I think that is a big strength. The other strength is the ability to be able to rely on the ALARP principle to ensure that risks continually are reduced to as low as reasonably practicable and to draw in various different international standards that do apply in relation to maintaining integrity for wells. So I think they are the two particular strengths that are worth highlighting in relation to the management of wells.

**The CHAIR:** What do you think the biggest challenge is?

**Sue McCARREY:** I will probably lead off by saying, Chair, I think the biggest challenge at the moment is just the size of the task in Australia, but we are not alone in that. It is very similar in the North Sea and in other places around the world where we now have ageing infrastructure that needs to be decommissioned and you have wells that need to be plug and abandoned. So we are not alone in that challenge. We actually are a member of the International Regulators' Forum, which is where all of the offshore petroleum regulators around the world come together on a regular basis, and one of their focus areas at the moment is decommissioning ageing infrastructure and management of wells. For me, I think the challenge is more the size of the task that is facing Australia and the industry over the next few years, which they are aware of and they are planning for. But also I think what people do not often see is the complexity and the specialist equipment that is needed to actually decommission these facilities and then plug and abandon the wells. It is not something you can dial up somebody for and get them within a few months to come in and do work for you. It is long-term planning, it is quite specialist equipment and it is a specialist workforce as well that actually need to know what they are doing when it comes to these decommissioning activities.

**The CHAIR:** Thanks very much. Mr Ettershank.

**David ETTERS HANK:** Thank you, Chair. Thank you very much for being with us this afternoon. It is appreciated, and it was a very interesting submission. A couple of questions: we heard from Exxon and Woodside, and they were both obviously very keen to limit their commitment to the sort of 55 metres below mean sea level and leave the rest. Is there a default setting within NOPSEMA as to whether that is appropriate? Or if there is not, how and who makes the decision as to the extent of decommissioning works?

**Sue McCARREY:** Well, ultimately, that decision we would need to make on their permissioning documents. The actual base case in the legislative regime that we implement, the starting point, is for removal. But having said that, it does leave it open where it is too high risk, first of all, from a safety perspective, particularly where we look at concrete slabs that are now sitting underneath the seabed and where therefore it would be a greater disturbance to the environment and a safety issue to try and bring them up. So on a case-by-case basis, we will have a look at where duty holders need to put to us their proposal as to the level of decommissioning. If they are asking and requiring for things to be left in situ, they need to actually put an

argument to us – maybe on safety grounds – that it may be more damaging to the environment to bring it up. But it is a fairly high bar, and they need to be able to show that the environmental outcomes would be equal or better in a sense than for removal, and there are some arguments for that.

What we have done in the past is we have had some environment plans where we have approved a certain amount of infrastructure to remain in situ. It is around 2 per cent, so it is a very small proportion of all of the infrastructure that is removed, and it generally falls along those sorts of concrete slabs that are sitting underneath or maybe anchor chains and things that are difficult to bring up. It generally does not include things, for example, that include plastics. That is usually something that needs to be removed for reasons of long-term potential damage. As far as where we are at, you mentioned the current situation with Esso and Woodside, and I know they have perhaps given you a lot of information around what has already been planned for the first stage of the decommissioning, which of course is a very large task of removing something like 16 platforms and all of the umbilicals et cetera that go with them. I know they have given you quite a bit of information in that space. They have actually got an environment plan for the first stage, but it is only the first stage. I have been told we are expecting a proposed environment plan for the remainder of the work, for stage 2, by the end of the year. Now it is for Esso, or what we think might be Woodside as the operator by then, to put a proposal to us if they wish to move from the base case of full removal. We would need to look at the arguments that they present and the evidence that is presented against what the regulations require, and then ultimately the decision will be ours.

**David ETTERS HANK:** Outstanding. Thank you. In terms of the ultimate surrender of title, there are a couple of questions I have got in that context. One, I suppose, would be: does the surrender of title diminish the responsibility of the operators to the ongoing monitoring and maintenance of the plugs in abandoned locations?

**Sue McCARREY:** I will start, and then I will definitely hand over to Mr Christensen here. Look, certainly just to give a bit of process, once they actually go through a full decommissioning and they have done their plug and abandon, they actually have to apply not to us but to NOPTA, a part of the Commonwealth government's Department of Industry, Science and Resources. NOPTA makes the decision that they are able to surrender their title. As part of that process, NOPTA come to us to say, 'Are you satisfied if we now allow this company to surrender the title?' I was listening a little bit earlier when *Northern Endeavour* was raised. Since then, the issue of trailing liabilities was introduced into the law, and Mr Christensen may be able to explain that more fully.

**David ETTERS HANK:** Thank you.

**David CHRISTENSEN:** Thank you. I will just expand a little bit around the regulatory framework. Permissioning documents will be required, and if we are talking about decommissioning, they are the environment plan for managing environmental matters and then the WOMP for the well integrity. They will need to be able to demonstrate that risks have been reduced to an acceptable level, at which point operations can be undertaken. Then reporting obligations exist and reports need to be provided to the regulator, which we need to sign off on. At a future point in time a titleholder can then seek to surrender their title, and NOPTA, as the title administrator, will ask us our opinion about whether certain criteria have been met relating to property obligations, making good any damage to the seabed and ensuring that wells have been plugged or closed off to our satisfaction. At that point in time we would advise NOPTA and then the joint authority would proceed to making a decision. In following that process through, there would be no further obligations associated with a petroleum title in relation to risk management. However, there is a measure of last resort that has been introduced in the legislation called trailing liabilities, and that provides the minister or NOPSEMA with the ability to issue remedial directions to former titleholders to make good any damage that has arisen or if there have been any issues with the wells as well.

**David ETTERS HANK:** So if there is a failure of a plug 20 years down the track, that liability is still vested with, in this case, the equity partners for Gippsland Basin, is that correct?

**Sue McCARREY:** Correct.

**David CHRISTENSEN:** Correct.

**The CHAIR:** All right.

**David ETTERS HANK:** Could I have one last question, if I have got a minute, Chair? And that is to do with the industry view that Exxon is clearly exiting in part or at least significantly from Australia. If Exxon was to sell down its share of the joint venture to a less financially competent entity, does NOPSEMA have a role in assessing or deciding whether or not that can proceed, given that there will be risk and there may be a diminished capacity to actually meet obligations?

**Sue McCARREY:** With a decision on any sale I think that probably that first important point is although we are seeing a potential change in operatorship from Esso to Woodside potentially this year, they are still both – and have been for some time – 50 per cent owners of the title. It is just the operator will change from Esso to Woodside. In relation to that, if Exxon in the future made a decision to sell their share, first of all that is a NOPTA approval, it is not NOPSEMA. We are safety and environment, so NOPTA would make that approval, but the legislation is in place and the whole point of the trailing liabilities is to prevent them actually walking away from that, because that would be the *Northern Endeavour* situation, as I understand it, which is what led to the trailing liabilities changes being put in place. So even if they onsold their 50 per cent ownership, they remain liable for trailing liabilities if it was determined there were leaking wells in the future.

**David ETTERS HANK:** Outstanding. Thank you so much.

**The CHAIR:** Thanks, Mr Ettershank. Ms Bath.

**Melina BATH:** Thank you, NOPSEMA et al. Could you provide some context around the separation? So Victoria conferred the separation of, say, powers. Health and safety is NOPSEMA, structural integrity is NOPSEMA – this is from my listening – but not environment regulation. Is that a five-year thing? Is it a 10-year thing? Is it a long-term thing? How long has that been in place?

**Sue McCARREY:** I am going to defer to Mr Christensen because he has been here a bit longer than me.

**Melina BATH:** Or take it on notice.

**Sue McCARREY:** It has been in place for quite some time.

**David CHRISTENSEN:** Thank you for the question. I believe that Victoria has never conferred powers for environmental management, and that ultimately obviously would be a question for the Victorian government.

**Sue McCARREY:** Work, health and safety and structural integrity, that has been in place for a while, bearing in mind that NOPSEMA itself has only existed since around 2014. Prior to that it was NOPSA, so it was National Offshore Petroleum Safety Authority, and then we took on that environmental role in 2014.

**Melina BATH:** We are kind of comparing different states, and I do not want to get too high level because I want to drill down, but there is a traditional footprint of this. I am just wondering how that interfaces practically with DEECA in this case to avoid a duplication or there being gaps, you know, how does that work? Because in other states NOPSEMA covers it all, so are there any vulnerabilities in the regulation by having the split system, knowing that it has been around for a while?

**Sue McCARREY:** Thank you. Actually, in other states we do not cover it all. For example, in Western Australia, where you actually have a number of offshore facilities that sit within state waters and a number that sit within Commonwealth waters, WA has not referred powers to us, so they regulate the facilities within Western Australian waters. In Victoria, as I said, it is mainly just to do with safety and structural integrity. We do, though, at times with other states – in particular, say, in the Northern Territory, where there are pipelines coming in. They do the approvals, but we have an arrangement and an agreement with them where they will come to us, we will do the work and provide the advice back to the Northern Territory government, for example, for them to make the decision, which prevents that duplication. Probably the issue with environmental approvals is we have occasionally been asked by the Victorian government to provide some advice on specific issues around environmental issues in Victorian waters, but it is providing advice back to the Victorian government. They actually make the decisions in relation to those environmental approvals. One of the things we do and we have tried to strengthen much more in recent years is working quite closely with other regulators. We do have regular meetings with DEECA, and when particular approvals are around we are always happy to talk to each other to try and prevent duplication, overlap or misunderstanding.

**Melina BATH:** Thank you. I want to ask you: have you approved Exxon's environmental plan for campaign 1? But that is not actually in your jurisdiction – or is it? Answer that as you see fit, because it is not in your wheelhouse. What about the health and safety and the structural integrity plans for campaign 1? Where are they at in terms of your assessment or approval?

**Sue McCARREY:** Campaign 1 – yes, it falls within our remit outside the 3 nautical miles. Once you get into Commonwealth waters, that is where we have the remit and approval and then any safety, well integrity or structural integrity issues within Victorian waters. What we do not have any role in is the approvals on land. So once the facilities et cetera come in on land to be decommissioned on land that is all with the Victorian government to do those approvals. The approvals that we have done and are in place are for that campaign 1 in Victorian waters, so that is the removing of the topsides, which then have to be moved on a vessel, and it is all the associated infrastructure with that. They have an environment plan that has been not quite approved; it is actually under that final assessment stage. But also there is a safety case for the work that Esso does, and also the vessel itself that is coming in also is generally required to do a safety case as well with us for the work that that vessel will undertake. Any of that work that is happening in Commonwealth waters, yes, we do the approvals for, and then it would be any structural integrity or safety issues of removing of pipelines and things in Victorian waters.

**The CHAIR:** Thank you, Ms Bath.

**Melina BATH:** I have got more.

**The CHAIR:** I am sure you do. Dr Mansfield.

**Sarah MANSFIELD:** Thank you, and thanks for appearing today. I am aware that there are currently some investigations going on around the Minerva issues with the plastic clamps, but there is a bit of information that is available publicly. What we know from that public information is that Woodside was first made aware of issues with the plastic saddle clamps in January 2025, but they did not notify NOPSEMA until 15 April, according to public reporting, and then they were not ordered by NOPSEMA to stop the decommissioning works until 2 May. Why did it take so long for something to be done? Given that serious issues were identified in January, why did it take so long for the decommissioning to be stopped given it was known months before the decommissioning stopped?

**Sue McCARREY:** Thank you for that. I will hand over to Mr Christensen in a moment. But, yes, you are right; that is under investigation at the moment. Part of the investigation is not just what actually occurred in relation to the plastic clamps and as part of that decommissioning activity, but also as part of our investigations there will be reporting requirements. Whether or not the reports met the requirements of our regime, they should have perhaps notified us earlier. I will also ask Mr Christensen to talk a bit more about once we were notified.

**David CHRISTENSEN:** Thank you. In relation to the specifics, there is information that is available on NOPSEMA's website. Various FOIs have been lodged, and there is a disclosure log which does contain information in relation to NOPSEMA's investigation. NOPSEMA was advised by Woodside of the release of the plastic clamps or saddles. In April we commenced an investigation shortly after being aware of that particular issue, and through the course of that investigation we understood that operations had ceased in Commonwealth waters. We also identified that there were a number of compliance gaps in relation to their operations and how they were being managed and as a result of that undertook enforcement action in the form of a general direction, which requires a number of steps to be followed to ensure that we do have greater assurances that the operations can be undertaken in a manner that will prevent future release of plastic clamps. In the course of our investigations we have been liaising closely with our Victorian counterparts in DEECA and also the EPA, and I understand that the EPA's investigation is still underway.

**Sarah MANSFIELD:** Thank you. We understand that under the *Offshore Petroleum and Greenhouse Gas Storage Act* operators have to demonstrate that they can maintain financial capability sufficient to meet their decommissioning obligations. Esso, or Exxon, have indicated that they have not actually done any financial modelling – or they provided evidence saying they have not done the financial modelling – to look at the potential costs of different decommissioning options. Woodside indicated that they have had a look at the

potential costs but that some of those figures are commercial in confidence. Have Esso or Woodside had to provide NOPSEMA with a quantifiable estimate of total decommissioning liability for their Victorian assets?

**Sue McCARREY:** Thank you for the question. At this stage the financial assurance requirements that we have do not necessarily go into that level of detail, and that perhaps crosses over with the role of ASIC in relation to what financial liabilities might be. In relation to that we do have an MOU with ASIC so that we are able to transfer information to them should that be required or requested.

**Sarah MANSFIELD:** Okay.

**Sue McCARREY:** So not that full, but you must remember that it is actually part of their environment plan that they put to us in order to put forward how they are going to decommission and when, therefore needing the financial capacity to actually do that.

**Sarah MANSFIELD:** Okay. You referenced before the trailing liability scheme that is in place, but in the instance that, say, we get 10 years down the track and there is a problem – you said the original titleholder or the previous titleholder could still be held liable under that trailing liability scheme – what happens if that company no longer exists?

**Sue McCARREY:** Well, I guess if a company no longer exists anywhere in the world, then that makes it somewhat difficult, I would have to say. It is a fairly new piece of the law too that probably has not been tested in reality yet either. So if the company no longer exists, then it does make it difficult.

**Graham BLAIR:** A parent company could be pursued.

**Sue McCARREY:** A parent company in certain circumstances can also be pursued.

**Sarah MANSFIELD:** Okay.

**The CHAIR:** All right, thank you. Mr McIntosh.

**Tom McINTOSH:** Thank you. I just want to follow up on that. I suppose it is unlikely that companies will not exist, but we have seen HIH, One.Tel, Babcock & Brown, ABC Learning – these things do happen. These are really important and potentially expensive pieces of work, as you said before, in different stages for our state. I just want to come back to that point, and if I could just get you to elaborate too on the on-sale laws and whatnot. If for whatever reason a company does not exist, or if there was a massive earthquake or something dramatic happened and the company was not able to deal with that, where do we as a state sit? Because we have just had a number of submissions asking about us keeping funds or trusts or whatever it may be – some sort of structure where we can be assured that the work can be done.

**Sue McCARREY:** Thank you for that. Probably as you are imagining, these legal questions can be quite difficult. In the first instance, in many of these offshore facilities that we have in Australia, they are joint ventures, so they are jointly liable, if you like. So there is the potential with parent companies or joint venture partners so that those liabilities will continue into the future. Certainly I think the industry as a whole will continue, at least for a certain period of time in Australia. There have also been in the past – and this was not a decision of NOPSEMA so it actually becomes out of my remit, so I will not go too far – in the case of the Northern Endeavour, the Commonwealth government actually put in place a levy to the industry in order to fund the decommissioning of the Northern Endeavour. So those sorts of things are open as well. But those things are Commonwealth government decisions, and there is also – and I know this is publicly available – a review underway by the Commonwealth government in relation to financial assurance issues that perhaps tackles this area, but it is not for me to talk any more on that. That actual review is done on behalf of the minister by her department, the Department of Industry, Science and Resources.

**Tom McINTOSH:** Okay. Thank you. Do you think for community, for industry – I think we heard from Esso talking about something like 80 applications to move on with work to various regulators and bodies and whatnot. Do you think some sort of central coordinating body could assist with clarity, or do you think – as it stands, I think I can speak for a lot of the committee to say we are struggling to keep up with the acronyms and where things flow. What is your take on that?

**Sue McCARREY:** I guess if you are sort of looking into an industry that you have not been in a lot, the acronyms can be rather confusing. We tend to work very openly, and we are always available to explain how the regulatory system works. What we have seen are some advantages in recent times where, first of all, that conferral of powers that we talked about within Victorian waters helps because one regulator is dealing essentially with most of the issues out there in the water in relation to oil and gas, and that actually helps us too. Because we are now an organisation that really has – we are not a generalist safety and environmental regulator, we very much have expertise of people that have experience working offshore. They have a whole range of different types of marine science qualifications, and they bring that expertise into us. We have that expertise in the offshore environment. That is what we do, and I think that really helps. We are also seeing some changes, I think, where there are some proposed changes as a result of the more recent EPBC Act changes put forward by the Commonwealth government, where streamlining some arrangements, where we as a regulator are taking on that offshore environment, because that is our area of expertise.

**Tom McINTOSH:** Yes, it is great to hear that lived working experience, because that was going to be one of my questions, boots on the ground. I was going to ask about two points in the time I have got left. On wells, if there is any methane, ethane, whatever sort of gas we are dealing with, gas leakage, emissions leakage – does that sit with the Commonwealth or the state? There were some questions earlier about whether it sits with the state's emissions or the Commonwealth's. Also, given you are nationwide, how you are equipped or how you go about getting, whether it is contractors or boots on the ground, out to inspect wells or to make sure that the desktop matches the real-world experience.

**Sue McCARREY:** That is a really good question, so thank you for that. Probably the first thing is, as far as – we do not have a large number of leaking wells in Australia, but we do have a few. Who has responsibility always depends on where they sit. If they are outside the 3 nautical miles and they are sitting within Commonwealth waters, then the majority of those sit with us. There are a number of wells that were plugged and abandoned before NOPSEMA came into being, and therefore we do not necessarily cover those, but we do actually have companies that will get out and monitor those.

As far as boots on the ground, we actually – what often gets overlooked, a big part of our role is approving permissioning documents. But what is larger is that we have a whole team of inspectors, all of whom have some kind of expertise. They have generally worked in the industry, they have marine science qualifications, or they are petroleum engineers, or we have a whole team of well integrity engineers. It is almost like, any type of expertise that you might need in that offshore environment, we have. We actually have a fairly extensive inspection program that is undertaken every year, and we base that around higher risk areas and what we are seeing happening in the industry. And our inspectors will do a number of different types of inspections. Some of those are into the office to make sure that they are actually doing what their commissioning documents said they would do. So our job is to follow up and say, 'You made a promise in your document, you're going to do this.' We have something like 160 inspections per year that are undertaken in the offshore. Some of those inspections are offshore, so generally all of my inspectors have to be trained in the appropriate qualifications, which is called a BOSIET, which allows them to get onto those helicopters and go offshore. Since I have been in the job, I have actually been offshore personally five times, and I think my first trip was into the Bass Strait. We actually make sure that our people are out there, one, so that they can see firsthand that things are actually being done in the way that the company established they would do it, but it also allows us to talk to the workforce. So we will always have one-on-one meetings with health and safety and environment representatives while we are out there on those facilities as well so that we are getting firsthand information from the workforce.

**Tom McINTOSH:** A regulator with teeth. Great to hear.

**The CHAIR:** Thank you. Ms Watt.

**Sheena WATT:** Thank you. I am the last one and I did want to go to your inspectors. Can you tell us a little bit about their powers? I am interested to understand the full scope of your inspectors and what they can do if they see some wrongdoings.

**Sue McCARREY:** Absolutely. We have some fairly standard powers as far as, if you look at, most work health and safety laws will have very similar powers. So when inspectors are delegated powers from myself in undertaking inspections, we are able to issue improvement notices, which you will see we use fairly regularly,

if we see that a duty holder is not undertaking things to the level that we require. If we need to, and as we have talked in the decommissioning space, a general direction takes it that little bit further, where it is often across multiple facilities where, like decommissioning, we are saying, 'We want you to put a plan in place and have decommissioning done by X date.' Look, if we take a step up, we do have powers and inspectors have powers for prohibition notices, so if, offshore, they see something that is an imminent threat – 'imminent and significant' is the legal test, a threat to the environment or to the safety of people – they are able to step in and prohibit something from occurring immediately. We have actually used those prohibition powers in the last 12 to 18 months once, or I could say twice – I think it is once or twice – where we have seen an activity being undertaken which we felt could have a significant impact, and we immediately stepped in and provided a prohibition notice. We can actually and have done in the last two years –

**Sheena WATT:** Are they publicly available or are they privately held?

**Sue McCARREY:** Yes. Any prohibition notice or general direction or improvement notice is put on our website, so it is quite transparent. The other thing – we can withdraw. They cannot operate in our waters if they do not have a safety case and environment plan and a WOMP. Within the last two years, a particular vessel that was coming into Commonwealth waters, we were very concerned about the standard of safety. We withdrew their safety case and said they are no longer welcome back to do any work in Commonwealth waters. So we have been prepared to use those powers. Ultimately we can also, under a fairly major investigation, make a recommendation to the Commonwealth department of public prosecutions where we see there is a breach large enough that a prosecution should occur.

**Sheena WATT:** And could you talk to me a little bit about your relationship with state bodies with respect to some of these prosecutions, and do you share information? Is there a requirement for you to share information with bodies like WorkSafe Victoria and others, if they in fact have an impact on Victorian state waters or lands?

**Sue McCARREY:** When we are undergoing a really serious investigation, we do not actually talk too publicly about that because we do not want to jeopardise any potential regulatory action or prosecution. We do work a lot more closely with our state counterparts, particularly if we are seeing lessons learned. For example, if we see issues that we wanted to raise safety alerts or we will put out safety bulletins on particular issues that we are seeing. We will share that across jurisdictions in the same way that we will share that internationally as well.

**Sheena WATT:** There is no requirement, under your legislation or otherwise, to share information with state counterparts about bodies' breaches?

**Sue McCARREY:** I do not think there is a legislative requirement.

**Sheena WATT:** Because I heard earlier from WorkSafe that you have got a nice working relationship and you talk a lot, and that is really great. I was just trying to understand if there are any actual enforced communications between the two that are covered by any legislative instruments.

**Sue McCARREY:** No. I think it is more the case of – you will find most regulators, if there is an issue they have found which they look at and say this could happen elsewhere, you almost have a responsibility ethically that we get that information out so that people are aware.

**Sheena WATT:** So more about futureproofing and trend analysis and whatnot, but not in particular cases and future risk management. Okay, that is handy to know. I reckon I might have other questions, but they will take more than the 20 seconds that I have got left, so I will perhaps leave it there if that is okay, Chair.

**The CHAIR:** Thank you, Ms Watt. Sue, Graham, David, we really appreciate the time you have taken this afternoon to come and give us the benefit of your considerable expertise. You will receive a copy of the draft transcript of today's proceedings to review.

With that we will declare today's proceedings closed.

**Committee adjourned.**