

[Redacted]

Dear ERPPConsultation,

RE: Submission regarding proposed Petroleum Regulations 2021

On behalf of the [Redacted] I'd like to thank you for the opportunity to provide feedback on the proposed Petroleum Regulations 2021. This submission is being made to assist with the DJPR's stated aim of an orderly restart to conventional onshore oil & gas exploration in Victoria.

Attached is a table with a number of comments and suggestions for consideration. A few of the points merit further explanation, below.

In Part 2, Exploration Permits, under Assessment of Risks etc, the Regulations state "*An application under section 20 of the Act must contain the following information in relation to the proposed work program submitted with the application over the life of the permit - (a) the likely regional economic, social and environmental risks and impacts of the program; (b) the likely regional benefits of the program relative to its likely risks and impacts; and (c) the extent to which these risks and impacts can be managed at the regional level and how the applicant proposes to do this*". We understand why this information would be useful, particularly with community consultation, however we are of the opinion that most of this has already been addressed. As part of the Victorian Gas Program, Ernst & Young were commissioned to produce a comprehensive report titled "*Victorian Gas Program Risks, Benefits and Impact Assessment, Final Report 26 March 2020*". This report gives an excellent regional picture, which should just leave the exploration companies to assess the local effects and then outline the extent to which these risks and impacts can be managed and how the applicant proposes to do this.

In Part 7, Operation Plan, the proposed Regulations are significantly more prescriptive than previous, though it is not clear what additional outcomes this will deliver. In some parts it is also unclear what is actually required/expected and what will be the result.

In Parts 7 & 8, there are a number of requests for phone numbers, email addresses and postal addresses of persons doing design, construction or supervision of work and even the name of the person who writes a report. This is unnecessarily specific and probably unworkable. There may be considerable time between when an operation plan is submitted and when all the activities in that plan have been conducted. Most exploration companies contract expert service companies for some or all of the exploration activities and there is often a change or rotation of staff during the period of the operation plan, particularly in the case of international service companies. It would be much more efficient and effective to request that the holder outline their company pre-qualification processes and systems for the selection of suitable companies/persons for these activities.

Please feel free to get in touch with me if you wish to discuss any of the feedback.

Kind regards,

[Redacted]

Attachment 1 - Feedback on the proposed Petroleum Regulations 2021						
Part No.	Part	Regulation No.	Regulation	Summary	Comment	Possible solution
2	Exploration Permits	6	Assessment of risks etc	An application under section 20 of the Act must contain the following information in relation to the proposed work program submitted with the application over the life of the permit - (a) the likely regional economic, social and environmental risks and impacts of the program; (b) the likely regional benefits of the program relative to its likely risks and impacts; and (c) the extent to which these risks and impacts can be managed at the regional level and how the applicant proposes to do this	As part of the Gas Program, EY produced a very nice report titled "Victorian Gas Program Risks, Benefits and Impact Assessment, Final Report 26 March 2020". Why do the regulations require exploration applicants to repeat this work? Item 6(c) only is useful on an individual program basis	Allow the explorers to reference the EY report, and then have them outline how they intend to assess the local effects and then outline the extent to which these risks and impacts can be managed and how the applicant proposes to do this
3	Retention leases	8(1)	"		"	"
4	Production licences	10(1)	"		"	"
7	Operations plan	22	Content of operations plan	Before carrying out a petroleum operation the holder must submit an 'operation plan' that replaces the previously accepted operation plan in relation to the petroleum operation or, alternatively, must apply to vary the previously accepted operation plan. The holder of the relevant authority must not carry out petroleum operations until the Minister accepts the new or varied operation plan.	The proposed regulations in respect of operation plans are onerously prescriptive and a move away from 'outcomes'-based regulation. That is, notwithstanding the additional matters that must be addressed in an operation plan, it is not clear what additional outcomes will be delivered. From one perspective, it might only direct a proponent's attention to 'ticking the boxes' in the regulations, at significant additional cost, rather than focusing on beneficial outcomes that may be delivered.	
		22(1)(b)(iv)	Review reports	Ops plan must set out a review of the ops plan before the holder commences each stage of the petroleum operation and report the findings of the review to the Minister within 7 days of the review	End result of submission of the review report?	What is the response and response timeframe from the Regulator?
	Operations plan	25(2)(c)	Prescribed form for evidence regarding notice and submissions for operation plan or varied operation plan	Regulation 25(2) provides that a proponent must provide "evidence regarding submissions on an operation plan", including: <i>a summary of the submissions (if any) that sets out the substantive matters raised by the submissions, how each matter has been considered and, for each relevant matter, how it has been addressed in the operation plan</i>	It is not clear what is required to meet the obligation to "address" a matter. For example, it is not clear whether it is sufficient for a matter to have been "addressed" if a proponent considers it then disregards it. This is something that will be the subject of challenge unless better language can be used in the regulations.	Can this be better defined?
		28(2)(e)	Production tests or well tests	details regarding the suitably qualified or experienced person who designed the well testing and will be onsite to supervise the testing.	Does DJPR intend to pre-qualify people?	Company pre-qualification processes and systems should remove the need for this
		29(1)	Consent to suspend or decommission a well	Can't suspend a well without written consent of the Minister	Does this include C&S of an exploration well? Response time is usually a matter of a few hours?	Specify that suspension of new wells, exploration, appraisal or development is excluded from this clause, but rather handled in the drilling program approval process
		29(4)(g)	Suspend or decommission well	details regarding the suitably qualified or experienced person who designed the well testing and will be onsite to supervise the testing.	Does DJPR intend to pre-qualify people?	Company pre-qualification processes and systems should remove the need for this
		36(j)(k)(l)(m)	Well operation management plan	want to know how the holder will ensure competent well design, construction and decommissioning and want qualifications, experience, phone no, email and postal address of the persons doing the work	See pre-qual comments above	As above
8	Information to be given to the Minister	39	Annual report	Multiple inclusions required in the annual report	There is a great deal of information required, and it is required within 28 days of the end of each financial year	This needs to be extended so that holders can collate and review operations and HSE reports from service companies, consultants etc. Perhaps extend to 90 days.
		39(2)(c)		The report must include the name of the person who prepared the report	Is DJPR looking to pre-qualify report writers? They will know which company submitted the report	This is a company responsibility so a company logo should be adequate