

26 October 2004

Referrals Section (EPBC Act)
Approvals and Wildlife Division
Department of Environment and Heritage
GPO Box 787
CANBERRA ACT 2601



OCEANWATCH

FOR THE FUTURE OF OUR MARINE ENVIRONMENT

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Dear Sir/Madam

2004/1830:Bounty Oil and Gas/Permit Area PEP-11/Commonwealth Marine/Biggus-1 Exploration Well

This letter outlines the comments Ocean Watch Australia Ltd (Ocean Watch) has in relation to the Bounty Oil and Gas (Bounty Oil) project 2004/1830 PEP-11/Commonwealth Marine/Biggus-1 Exploration Well referred under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) to the Department of Environment and Heritage (DEH) on 18 October 2004. Ocean Watch is an environmental, non-government organisation sponsored by the commercial seafood industry to represent the environmental interests of industry with respect to protecting and restoring fish habitats, improving water quality and promoting sustainable fisheries.

Following recent discussions with Bounty Oil and others at the October Consultative Committee and from a review of the Referral information provided, Ocean Watch do not believe the 23 day project poses a major risk to the localised marine environment subject to Bounty Oil adopting those actions outlined in an updated Environmental Plan to minimise environmental risks in accordance with the *Petroleum (Submerged Lands) Act 1967* and its related regulations. We agree that this is unlikely to be a controlled action. We do however, make a number of comments that we believe will strengthen the environmental risk mitigation measures proposed by Bounty Oil and ensure impacts on the marine environment and the fishing industry operating within the area are minimised. These should be provided as "conditions to approval" by DEH.

- **Threatened species:** A grey nurse shark was accidentally caught in a trawl net in the vicinity of the proposed well (pers comm. N Otway, DPI 2004). Given that grey nurse sharks, an endangered species under the EPBC Act have been found in the area, this needs to be taken into account in the environmental risk assessment. It is imperative, given the low numbers of these animals on the east coast of Australia that a better understanding of their presence and behaviour in deeper water is gained.
- **Migratory species:** Any drilling should be conducted outside of humpback whale migration periods so as to minimise the risk of noise disturbance on the marine mammals. The DEH manners specified for whales should be followed in this case.

- **Understanding the benthic environment:** Detailed mapping of the surrounding seafloor where the proposed drilling is to take place should be undertaken prior to exploration so as to understand the benthic environment and to ensure the operation (including anchoring) is unlikely to impact on any significant reef structures, fragile deep-sea corals or benthic communities. There is anecdotal evidence from commercial and recreational fishers that reef structures including deep-sea corals are present in the area. The argument posed in Section 3.2 “The seafloor of the area does not contain any reefs or other significant features and is expected to comprise predominantly sandy sediments....given the water depth and history of trawling in the area, well develop epibenthic communities are not expected to be present” is flawed. By its nature, trawling will only occur where there are suitable trophic structures and therefore given the area proposed for drilling is located on trawl grounds it cannot be assumed that the benthos communities are insignificant without mapping this area.

We note that Bounty Oil made mention during the initial Consultative Committee that mapping may occur prior to drilling, however this has not been identified in the Referral as a step in the exploration process outlined in Section 2.4. We suggest that mapping be undertaken using a Remote Operated Vehicle (ROV) to inspect and take photographs of the seabed and a benthic grab sampling program be employed across the area identified for potential drilling. We understand that the University of Newcastle may have undertaken mapping in the region and may be able to assist in providing information. The results from any mapping should be made available to the Department of Primary Industries, the Commercial Fishermen’s Co-operative and the Consultative Committee prior to drilling commencing.

- **Fluids released into the marine environment:** The volume of drilling mud and other toxic fluids to be used and released into the marine environment during the 23 days has not been quantified in either the Environmental Plan or Referral. For Ocean Watch to make an assessment as to the potential risks associated with releasing these toxic fluids into the marine environment this information is fundamental. We suggest that this information be made available at the next Consultative Committee meeting scheduled for December. Also, as there is a potential for the drilling to blow out to 53 days (Section 2.3), the related risk of increased drilling mud and other fluids (including effluent) to be released into the marine environment has not been adequately assessed. Again, increased volumes should the operation take the full 53 days should be specified and assessed as part of the risk assessment and made available to the Consultative Committee. Ocean Watch would also question why excess drilling fluids need to be discharged overboard and why they cannot be contained onboard and disposed of back on land?
- **Plume modelling:** It is unclear whether Bounty Oil has undertaken modelling of the plumes from drilling fluids/mud/cuttings to be released overboard. The risk assessment (Table 12) in the Environmental Plan indicates that localised and temporary acute toxic effects are certain from the drilling fluids. In addition, Table 12 indicates that potential localised burial/smothering of benthos is certain within the zone of effect. There is no indication in the Environment Plan as to the size of this zone of effect. Loss of the benthos from exposure to toxic substances and smothering could impact on the food chain and therefore in turn the trawl and other fisheries if the zone of effect is significant. AMSA modelling data for this ocean region, if available should be used to show the effected area and likely plumes. This should be reviewed in conjunction with ROV mapping to ensure that no sensitive/productive seafloor biota areas will be impacted. The results of this work should be made available to the Consultative Committee.

- **Monitoring:** A monitoring program for the dumping of drill cuttings should be implemented. This is the first project of its kind off NSW and therefore it is unclear what impact 415m³ – 599m³ of cuttings deposited on the seafloor will have on the benthos surrounding the drilling location. Other organisations with sea-dumping licences such as Newcastle Port are required to have a monitoring program in place for sea-dumping programs under sea dumping legislation.
- **Cumulative impacts:** An assessment of the cumulative impacts associated with increased noise and lighting from a drill rig stationed and operating between 23 to 53 days has not been factored into the risk assessment undertaken in the Environmental Plan. The argument in Section 3.2 “Commercial vessel activity, including fishing boats and shipping, are likely to cause significant acoustic disturbance in the area” is flawed. We do not dispute there is a large amount of activity in the region. However, regardless of the varying schools of thought regarding the impact of noise on marine mammals and other species, noise generated from the exploration activities will occur for a constant period of time whereas the noise associated with a commercial or fishing vessel traversing an area is temporary, lasting only several minutes. The exploration noise will increase the level of background noise present in the area. These risks associated with cumulative effects of exploration noise must be factored into the risk assessment and managed accordingly.
- **Communication:** Regular and proactive communication via an industry liaison officer, as well as other mediums with the fishing industry operating within the area would work towards educating the industry on the project, the impacts likely to be encountered by temporary closures to fishing grounds during drilling and alleviate any misconceptions or assumptions. This role could also operate as an education tool for the Bounty Oil exploration team to provide an understanding of trawling operations and any likely interaction risks so as to also minimise economic impacts through delays. This will also work towards assisting Bounty Oil in progressing this project should the exploration return positive results.

It is our understanding that no additional seismic work is required before drilling commences. Should however additional seismic surveying be required, then Ocean Watch would have concerns regarding the impact this will have on local fish and other marine species including lobsters, bugs etc. Any additional seismic work would need to be referred to DEH in accordance with the EPBC Act. Ocean Watch would welcome the results from, or an update on the study currently being undertaken by the Ecology Lab to assess the impact of seismic surveying on fish species within the area at the next Consultative Committee.

We also would expect the Environmental Plan to be updated to reflect the changes suggested previously during the public comment phase and the comments made relating to this Referral. The Environmental Plan in its existing form contains a number of inconsistencies and inaccuracies that are likely to impact on the risk assessment made for the exploration. These need to be addressed before onsite exploration commences.

Please do not hesitate to contact me on (02) 9660 2262 should you require further information regarding these matters.

Yours sincerely

A handwritten signature in black ink, appearing to be 'AL', followed by a long horizontal line extending to the right.

Anissa Lawrence
Executive Officer
Ocean Watch Australia Ltd