



INPEX Operations Australia Pty Ltd
ABN 48 150 217 262

22/100 St Georges Terrace Perth
Western Australia 6000

Tel +61 8 6213 6000
Fax +61 8 6213 6455

INPEX.com.au

Ref: C025-IPE-LNT-LE-00001

17 September 2018

The Secretary
Social Policy Scrutiny Committee

GPO Box 3721
Darwin NT 0801

Dear Social Policy Scrutiny Committee

Submission on the Nuclear Waste Transport, Storage and Disposal (Prohibition) Amendment Bill 2018

INPEX Operations Australia Pty Ltd (**INPEX**) is pleased to provide this submission to express the Company's strong support for the Nuclear Waste Transport, Storage and Disposal (Prohibition) Amendment Bill 2018 (**Bill**).

Currently the Nuclear Waste Transport, Storage and Disposal (Prohibition) Act 2004 (**Act**) presents an impediment to the Ichthys Project operations as a result of uncertainty created by the wording of the current exclusions set out in the Act. The Bill provides for the removal of this impediment by clarifying that Naturally Occurring Radioactive Materials (**NORM**) transported into the Northern Territory that are incidentally produced from either a petroleum pipeline entering the Territory or a prescribed petroleum project are excluded from the Act.

NORM are a common by-product of petroleum production. The Ichthys Project offshore facilities, including the gas export pipeline from those facilities to Bladin Point, are expected to produce small amounts of NORM in the form of:

- sands/sludge deposits in specific parts of the offshore facilities, such as inlet surge vessels; and
- equipment internally contaminated with NORM, such as valves and pipe spools.

This material typically has a very low level of radiation. Handling and storage of NORM in Darwin presents negligible risk as the material will be handled and stored in accordance with the Company and recognised industry practice.

From time to time, removal of NORM wastes and contaminated equipment will be required to be transported to a shore based location for temporary storage, pending cleaning and then disposal of NORM at an approved facility outside of the Northern Territory.

INPEX has made a [REDACTED] commitment to, use the Darwin Marine Supply Base (DMSB) at East Arm for offshore logistic support. As a result, equipment and materials for offshore operations will be moved through Darwin Port. The current legislation potentially prohibits the DMSB (or any other facility in the Northern Territory) being used as an interim location to temporarily receive and dispatch any NORM waste or contaminated equipment. This not only prevents INPEX's ability to fully use the DMSB, but would require INPEX to use facilities and supporting businesses outside of the Northern Territory.

The Northern Territory Government has constructed the DMSB to provide a facility that services the offshore petroleum industry, with the aim of developing a service sector that supports the industry. Impediments to bringing low level NORM waste and equipment into the Northern Territory for temporary handling (prior to dispatch to approved facilities outside of the Northern Territory for treatment) will prevent the DMSB from providing the full range of support functions required by the offshore oil and gas industry. This means that some activities will need to be carried out through alternative ports [REDACTED] and this may impact on the attractiveness of the DMSB and the Northern Territory as a support/service base.

In addition, any NORM waste generated from the gas export pipeline will be removed from the receiving station at the onshore Ichthys LNG Plant at Bladin Point. The Bill confirms that this waste is permitted to be handled in the Northern Territory, removing any uncertainty.

INPEX also wishes to suggest minor improvements to the requirements for a 'Prescribed Project' under the new section 5(4)(b) to improve implementation and remove potential unintended consequences. Sub-section 5(4)(b)(i) requires a Prescribed Project to deliver 'significant economic and social benefit to the Territory'. This test is very subjective, as a significant social benefit would be very difficult to measure and likely to take a significant period of time and resources to assess. This requirement would also be very difficult to meet for brownfield or smaller greenfield offshore projects. [REDACTED]

[REDACTED] may not pass this requirement, despite that investment generating economic benefit and the fields being close to Darwin. A simpler requirement of 'economic benefit' is suggested. Sub-section 5(4)(b)(ii) uses an 800 km distance metric. However, if INPEX and the joint venturers develop new fields to the south of the Ichthys field, where they have offshore interests, NORM waste generated from these fields would be unintentionally excluded even if the petroleum is processed via the Ichthys offshore facilities, since these fields lie outside the 800 km requirement. The 800 km metric could also permit nuclear waste from outside Australia to be imported. Commercial considerations would resolve the distance aspect of any offshore NORM waste being imported into the Territory. Therefore, it is suggested that the sub-sections 5(4)(b)(i) and (ii) requirements be restated along the lines of:

- '(i) delivers economic benefits to the Territory; and*
- (ii) is located within Australia's jurisdiction.'*

As stated, INPEX strongly supports amendments to the Act to remove uncertainty for industry and deliver further opportunity for the Territory. I would be pleased to discuss this further if required, by contacting me [REDACTED]

Yours sincerely


Sean Kildare
General Manager Darwin