

27 May 2024

Strategic Policy Section
Offshore Resources Branch
Department of Industry, Science and Resources

Via: [Consultation Hub](#)

Dear Strategic Policy Section

RE: Policy statement on venting and flaring from offshore petroleum facilities

Environmental Defenders Office (**EDO**) welcomes the opportunity to comment on the *draft Policy Statement: Venting and flaring from offshore petroleum facilities (draft policy)*. EDO notes the Government's commitment in the Future Gas Strategy to: 'work with regulators and industry to reduce and, where possible, eliminate gas venting and flaring, unless required for safety purposes,'¹ and supports this intention in the policy statement.

As outlined in the policy statement, the current consultation only relates to venting and flaring associated with offshore petroleum activities in Commonwealth waters, as regulated by the National Offshore Petroleum Safety and Environmental Management Authority (**NOPSEMA**) and the National Offshore Petroleum Titles Administrator (**NOPTA**). It does not address venting and flaring associated with onshore petroleum activities.

Noting the need for safe venting and flaring practices, and appropriate foremost focus on worker safety,² EDO's submission is concerned primarily with the climate impact of venting and flaring practices, and accordingly addresses the following areas:

- *Australia's Future Gas Strategy should reflect climate science*
- *Methane emissions must be minimised in order to limit near-term warming*
- *Regulatory frameworks must prohibit non-emergency venting and ensure best available equipment and technology is required*
- *Measurement, reporting and verification of fugitive emissions must be improved*
- *Connection to Safeguard Mechanism should be strengthened*

Australia's Future Gas Strategy should reflect climate science

As outlined by the IPCC and noted in EDO's submission to the Future Gas Strategy consultation in 2023, there is only one solution to the climate crisis, and that is genuine and rapid emissions

¹ Future Gas Strategy, Australian Government Department of Industry, Science and Resources (May 2024) <https://www.industry.gov.au/sites/default/files/2024-05/future-gas-strategy.pdf>. (**Future Gas Strategy**)

² Department of Industry, Science and Resources, Policy statement: Venting and flaring from offshore petroleum facilities (2025) 2. (**DISR policy statement**)

reductions.³ This means Australia needs to introduce an ambitious and clear strategy to transition industrial, commercial and domestic energy users away from gas, and that the interim use of gas should only be accommodated in the Future Gas Strategy with a clear plan to rapidly reduce its use by 2030, and completely phase out its use, along with all fossil fuels, by no later than 2035.⁴

This necessary ambition was clearly not reflected in the final Strategy released in 2024, which envisaged a future for gas ‘through to 2050 and beyond.’⁵ This is unacceptable in the face of clear science demonstrating the catastrophic impacts of fossil fuel use, even at current levels of global heating. It is also inconsistent with the legislated targets in the *Climate Change Act 2022*, and Australia’s commitments under the Paris Agreement. As the World Meteorological Organization has stated:

*The clear signs of human-induced climate change reached new heights in 2024, which was likely the first calendar year to be more than 1.5°C above the pre-industrial era... [and] is the warmest year in the 175-year observational record. The State of the Global Climate 2024 report underlined the massive economic and social upheavals from extreme weather and the long-term impacts of record ocean heat and sea-level rise.*⁶

While EDO supports the Government’s attention to the venting and flaring policies which may reduce climate impacts from currently operating offshore gas facilities, we reiterate the need to rapidly phase out fossil fuels, including gas. EDO **recommends** that improved venting and flaring (or indeed any other emissions ‘management’) policies should at no point be used to justify any further expansion, exploration, or increased production from offshore gas fields.

Methane emissions must be minimised in order to limit near-term warming

Methane is the predominant greenhouse gas emitted as fugitive emissions in the oil and gas sector. Methane is a potent GHG and has more than 28 times the warming potential of carbon dioxide over a 100-year period, and when measured over a 20-year period its global warming potential rises to 84 times that of CO₂. This contrasts with the persistent problem caused by carbon dioxide, which has an atmospheric lifetime between 300 to 1,000 years. Given its short atmospheric lifetime, acting now to rapidly reduce methane emissions will result in rapid reduction of warming, making the reduction of methane emissions one of the best ways of limiting warming in this and future decades.

As such, the United Nations Environmental Program’s 2021 Global Methane Assessment found that “mitigation of methane is very likely the strategy with the greatest potential to decrease warming over the next 20 years.”. Recognising the significant contribution of methane to climate change, in 2022 Australia became a signatory to the Global Methane Pledge, which committed to cut global methane emissions by 30% by 2030.

³ IPCC, *Climate Change 2023: Synthesis Report* (2023) Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change, 68. Available at https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_LongerReport.pdf.

⁴ EDO, *Submission regarding the Future Gas Strategy consultation paper* (November 2023).

⁵ *Future Gas Strategy*, 5.

⁶ World Meteorological Organization, *State of the Global Climate 2024* (19 March 2025) available at <https://wmo.int/publication-series/state-of-global-climate-2024>.

Relevantly, the IEA's May 2025 Global Methane Tracker found that around 70% of methane emissions from the fossil fuel sector could be avoided with existing technologies, often at low or no net cost.⁷ As described below, these factors must be incorporated into Australia's regulatory framework.

Regulatory frameworks must prohibit non-emergency venting and flaring and ensure best available equipment and technology is required.

Fugitive emissions account for almost half of the resource sector's reported emissions, and 21% of reported emissions from oil and gas operations.⁸ However, as outlined by the Climate Change Authority, there are a range of measures and technologies which are currently commercially available to reduce fugitive emissions for gas operations.⁹ This includes replacing existing devices with lower-emitting versions, installing new devices that can reduce or avoid vented emissions, leak detection and repair programs, and equipment standards. The Authority notes that improved, and 'more stringent', regulation of non-emergency venting and flaring would provide an opportunity for increased abatement and acceleration of adoption of practices and technology.¹⁰ The policy statement, and forthcoming reform process, provide an opportunity to do so.

The policy statement outlines that venting and flaring should be 'minimised' (although this is not defined), and that possibilities to 'reduce, and where possible eliminate' venting and flaring in offshore waters should be utilised.¹¹ In EDO's view, new regulation must ban non-emergency venting and flaring.

This is in alignment with the International Energy Agency's (IEA) Net Zero by 2050 scenario, in which all non-emergency flaring must be eliminated globally by 2030, resulting in a 95% reduction in flared volumes.¹² To reach this point, regulation is required to enforce the elimination of non-emergency flaring – through a flaring caps, and requirements that operators shut down production if they breach flaring limits. Regulation in the EU has recently adopted similar measures, including:¹³

- Mandatory leak detection and repair (**LDAR**) of equipment for all oil and gas facilities.
- Ban of routine venting and flaring in the oil and gas sectors and the restriction of non-routine venting and flaring to unavoidable circumstances (i.e. under safety hazards or in case of equipment malfunction).
- Obligation for oil, gas and coal sectors to complete inventory, emissions monitoring and mitigation plans for closed, inactive, plugged and abandoned assets.

Under the *Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2023* (Cth) (**Environment Regulations**), NOPSEMA considers environmental impacts and risks of emissions expected to be produced by proposed offshore facilities. This includes emissions from venting and flaring. A safety case is also required for each facility in Commonwealth waters under the *Offshore*

⁷ See <https://www.iea.org/reports/global-methane-tracker-2025/key-findings>.

⁸ Climate Change Authority, Sector Pathways Review 2024, 117. (**CCA Sector Pathways Review**)

⁹ CCA Sector Pathways Review, 128.

¹⁰ CCA Sector Pathways Review, 130.

¹¹ DISR policy statement, 3.

¹² International Energy Agency (IEA), Gas Flaring, accessed: <https://www.iea.org/energy-system/fossil-fuels/gas-flaring>.

¹³ IEA, EU regulation on the reduction of methane emissions in the energy sector (20 March 2025) accessed: <https://www.iea.org/policies/18209-eu-regulation-on-the-reduction-of-methane-emissions-in-the-energy-sector>.

Petroleum and Greenhouse Gas Storage (Safety) Regulations 2024 (Cth) (**Safety Regulations**), which should specify risks and control measures including in relation to leaks and possible emergency venting and flaring. Both the Environment and Safety Regulations should be updated to mandate facilities to describe how venting and flaring will be conducted and managed prior to approve by NOPSEMA, and in line with the prohibition on non-emergency activity outlined above.

As such, EDO **recommends** the Government update and improve the regulatory framework to ensure non-emergency venting is prohibited, and that best available equipment and technology, including venting and flaring equipment is explicitly required. The assumption that non-emergency flaring is inherently harmful to the environment must be inbuilt into the framework. Regulation must be amended to be clear, reflect international obligations, and international leading practice.

Transparency in reporting must be improved

As noted in the policy statement, reporting received by NOPTA through monthly production reports (MPRs) and annual title assessment reports (ATARs) is not published. Aggregated and de-identified information is used for specific publication requirements or provision of information to other parts of government.¹⁴

In EDO's view, the public needs to be aware as to whether steps to prevent non-emergency flaring and venting are being taken by offshore facilities, in alignment with climate obligations. Reporting should be standardised, consistent, and transparent. EDO **recommends** any changes to regulation must ensure accountability in reporting, including the requirement that reporting data received by NOPTA must be communicated publicly with full transparency.

Connection to Safeguard Mechanism should be strengthened

Under the Environment Regulations offshore project proposals must also describe any requirements, including legislative requirements, that apply to the project and are relevant to the environmental management of the project, and how those requirements will be met.¹⁵ Emissions from offshore venting and flaring are covered as a 'scope 1' emissions by the Safeguard Mechanism under each relevant production variable (i.e. LNG or natural gas), as described in the prescribed production variables and default emissions intensities document.¹⁶ Safeguard covered facilities should therefore seek to reduce emissions from venting and flaring,¹⁷ and explain how they intend to do so in the environment plan submitted to NOPSEMA.

While the policy statement notes that NOPSEMA will consider the requirements imposed under the Safeguard Mechanism, EDO **recommends** much stronger guidance should be contained in both policy documents and regulation which ensures facilities outline their expected Safeguard liabilities (if any), and include a clear plan for how they intend to meet those liabilities or requirements. This

¹⁴ DISR policy statement, 15.

¹⁵ Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2023 s 21(4).

¹⁶ Department of Climate Change, Energy, the Environment and Water, Safeguard Mechanism: Prescribed production variables and default emissions intensities (September 2024), accessed: <https://www.dcceew.gov.au/sites/default/files/documents/safeguard-mechanism-document-production-variable-definitions-2024.pdf>. Note reservoir CO₂ is reported under its own production variable.

¹⁷ See *National Greenhouse and Energy Reporting Act 2007* (Cth) s 3(2)(e): 'the responsible emitter for each designated large facility has a material incentive to invest in reducing covered emissions from the operation of the facility.'

must be made explicit, and strictly considered by NOPSEMA in light of both the applicable Safeguard baseline, and the objectives of the Safeguard scheme.

Conclusion

EDO broadly supports the commitment to identify and examine opportunities to progress the Future Gas Strategy's commitment to reduce, and where possible eliminate, venting and flaring in offshore Commonwealth waters, except for safety purposes. However, in our view, this must be progressed in the overall context of the need to reach net zero as quickly as possible and to prevent further catastrophic climate change. As such, measures must be legislatively binding (i.e. not in policy or guidelines), science-based, and effective. We recommend improvements to the offshore environmental management regime to ensure it is:

- fit for purpose in a decarbonising economy
- reflective of best practice for offshore environmental management
- consistent with strong reforms to national environmental legislation, and
- consistent with Australia's international obligations.

For more information, please contact frances.medlock@edo.org.au.

Yours sincerely,

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