



PRIME MINISTER

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Joint Statement by Mr E.G. Whitlam, Q.C., Prime Minister,
and Mr Bjelke-Petersen, Premier of Queensland

GREAT BARRIER REEF PETROLEUM DRILLING ROYAL COMMISSIONS

Mr Whitlam and Mr Bjelke-Petersen released today a summary of the Report of the Great Barrier Reef Petroleum Drilling Royal Commissions.

The Report had previously been presented to the two Governments on 1 November; however, because of the length of the Report, 1100 pages, printed copies will not be available until December.

Both Mr Whitlam and Mr Bjelke-Petersen agreed that in the interim it was in the public interest to make available a summary of the recommendations contained in the Report.

They stressed that this was a summary only of what was a long and comprehensive report and that it should be read in this context; comments on the recommendations would be best delayed until they could be made on an informed basis, in the context of the whole Report, when it becomes available.

A copy of the summary is attached.

GREAT BARRIER REEF PETROLEUM DRILLING ROYAL COMMISSIONS

Background

The Commission was appointed on 5 May 1970, and an identical Commission was issued by the Governor of Queensland on the same date. The three Commissioners were Sir Gordon Wallace (Chairman), Dr J.E. Smith of Plymouth, England, and Mr V.J. Moroney of Calgary, Canada.

The Commission presented its Report to the Governor-General and to the Governor of Queensland on 1 November 1974. The Report is 1098 pages long and it will be early December before the Report is printed and copies become available.

Following is a summary of the Commission's conclusions on its five terms of reference. Care should be exercised in using the summary in view of its abbreviated form in relation to the total size of the Report.

The Commission examined the "Great Barrier Reef Province" (GBRP) which is the "Area" as defined in its terms of reference covering approximately 105,000 square miles. Within the Province is a reef zone whose total area is about 27,000 square miles. The total area of all reefs within the Province is between 4,300 and 5,000 square miles.

SUMMARY

Term of Reference 1.

Taking into account existing world technology in relation to drilling for petroleum and safety precautions relating thereto, what risk is there of an oil or gas leak in exploratory and production drilling for petroleum in the Area of the Great Barrier Reef?

Conclusions

In regard to blowouts, which occur through a combination of the presence of hydrocarbons with either equipment failure or human failure or both, if petroleum drilling be permitted within the GBRP

GREAT BARRIER REEF PETROLEUM DRILLING ROYAL COMMISSION

Background

The Commission was appointed on 5 May 1970, and an identical Commission was issued by the Governor of Queensland on the same date. The three Commissioners were Sir Gordon Hogg (Chairman), Dr J.E. Smith of Plymouth, England, and Mr J.J. Morrison of Calgary, Canada.

The Commission presented its Report to the Governor of Queensland on 1 November 1974. The Report is 100 pages long and it will be early December before the Report is published and copies become available.

The Report is a summary of the Commission's work. It should be read in full for reference. Care should be taken to read the Report in its entirety. A review of its abbreviated form is available.

The Commission examined the "Great Barrier Reef" as defined in its "Area" as defined in its Report. The total area is about 27,000 square miles. The Commission has examined all reefs within the Province of Queensland. The Commission has examined 100 square miles.

References

1. Reference 1.

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there will be and remain a real but small to very small risk of such occurrences.

As to chronic pollution, if petroleum drilling be permitted within the GBRP it is almost certain that some measure of chronic spills would occur ranging from small to substantial.

Term of Reference 2.

What would be the probable effects of such an oil or gas leak and of the subsequent remedial measures on -

- (a) the coral reefs themselves;
- (b) the coastline;
- (c) the ecological and biological aspects of life in the area?

Conclusions

The Commissions' conclusions are reached on the basis of lengthy scientific evidence put before it on such subjects as the composition and properties of crude oils, their toxicities and the important changes in composition and toxicity which occur as the result of migration and weathering, and consideration of overseas spills, gas leaks and remedial measures.

- (i) In regard to freshly spilled crude oil, the Commission concludes that its effects on corals and on the many different kinds of organisms living on or associated with coral reefs, have not been sufficiently studied for the direct consequences of massive and chronic spills to be predicted with any degree of confidence or for the indirect consequences to be predicted at all.
- (ii) As to weathered oil, the majority of the Commission (Dr Smith and Mr Moroney) are of the view that oil which has been at sea in the area of the GBRP and subject to weathering for some 1-1½ days will

probably be depleted of the toxic components originally present in the freshly spilt crude oil to the point where it is virtually non-toxic to marine organisms.

The Chairman (Sir Gordon Wallace) has a dissenting opinion. He concludes that there is inadequate scientific knowledge of possible damage of an indirect and long-term nature. On the basis of evidence given to the Commission, the Chairman considers that there is imprecision on the toxic qualities of spilt oil at the various stages of its weathering through migration and insufficient evidence to establish how long it takes for the oil to become non-toxic in the waters and climatic conditions of the GBRP and indeed whether it is completely harmless even when weathered.

- (iii) In regard to gas leaks the Commission concludes there is little hazard to the marine life of the GBRP save for possible limited and strictly localised effects.
- (iv) On the matter of remedial measures, only two are considered to pose significant hazards to organisms of the GBRP, these being dispersants and sinking agents. The Commission states these should not be used except in few special circumstances.

Term of Reference 3.

Are there localities within the Area of the Great Barrier Reef and, if so, what are their geographical limits, wherein the effects of an oil or gas leak would cause so little detriment that drilling there for petroleum might be permitted?

Conclusions

All members agree that drilling should not be permitted on any cay, island or reef or national park or marine park when declared.

However, the majority (Dr Smith and Mr Moroney) are of the opinion that with certain designated buffer zones and subject to the adoption of the safety precautions (including contingency planning)

recommended in the answer to Term of Reference 4 drilling could be permitted in designated areas. Dr Smith considers that areas at least fifteen miles east of the outer Barrier would also be permitted areas. Mr Moroney considers that permitted areas outside or seawards of the outer Barrier should be governed by relevant buffer zones. Areas where drilling should be excluded are also designated. Geographic specification of these areas is necessarily complex and details are provided in the full Report.

The Chairman's view is that all drilling throughout the GBRP including the area east of and adjacent to the outer Barrier should be postponed and be planned and permitted only after the results are known of both the short and the long-term research recommended in the Report. He has added, that whilst recognising the force of his colleagues' views, he considers that of the various permitted drilling localities recommended by the majority, the Capricorn Channel by reason of its size and freedom from reefs, islands and cays would present the least risk of detriment to shores and ecosystems if an oil leak occurred therein provided a buffer zone of 30 miles were adopted.

Term of Reference 4.

If exploration or drilling for petroleum in any locality within the Area of the Great Barrier Reef is permitted, are existing safety precautions already prescribed or otherwise laid down for that locality regarded as adequate and, if not, what conditions should be imposed before such exploration or drilling could take place?

Conclusions

A number of recommendations, suggestions and conclusions are included in this section. The Commission concludes:

- (a) there are no "existing safety precautions (already) prescribed or otherwise laid down" for any locality within the GBRP whilst certain draft regulations prepared by Australian and State authorities in 1969 inadequately and insufficiently cover the subject of

safety precautions.

- (b) amendments are required to the parallel legislation of the Australian and Queensland Governments of 1967 known as the Petroleum (Submerged Lands) Acts.
- (c) the drafting instructions for a common code of regulations compiled by Australian Government and State Authorities in 1969 are inadequate and require extensive review.
- (d) its detailed recommendations are designed for the special conditions of the GBRP and are not in all cases intended to apply to the whole of the Australian Outer Continental Shelf.
- (e) drilling should not be permitted in a marine or national park.
- (f) there must be fully co-ordinated Australian and State and Industry contingency plans before any drilling is permitted with appropriate stockpiling. An approved industry plan should be a condition precedent to the grant of permission to drill.
- (g) in view of the high cost of remedial measures successful applicants must give appropriate assurance that they can meet any financial commitments involved.
- (h) that human error has been invariably the sole or a major contributing cause of all blowouts.

Term of Reference 5.

What are the probable benefits accruing to the State of Queensland and other parts of the Commonwealth from exploration or drilling for petroleum in the Area of the Great Parrier Reef and the extent of those benefits?

Conclusions

The Commission states that any answer must of necessity be based on assumptions or hypotheses - one of the principal ones being

that drilling would be commercially successful, and various degrees of success were assumed by the economists who contributed to the expert evidence given to the Commission on this term of reference.

The gross benefits will include -

- (a) addition to the national monetary wealth - depending on the size of the discovered reservoirs, the cost of finding and the proportion of Australian ownership of the explorer and producer;
- (b) lower prices to Australian consumers - but this would depend on a number of contingencies;
- (c) increased income tax the quantum of which appears from various tables compiled on different assumptions;
- (d) royalties;
- (e) self-sufficiency;
- (f) industrial development, decentralisation and benefits from natural gas;
- (g) increased technological and scientific knowledge.

The potential disadvantages will be -

- (a) consumption of irreplaceable resources;
- (b) interference with the environment and its enjoyment by mankind;
- (c) risk of damage to corals and other marine organisms and to birds; and
- (d) hazards to the tourist industry.

Neither the gross benefits nor the potential disadvantages can be quantified - in the former case because of the varying assumptions which must be made and in the latter because research and experiments must be carried out before scientific knowledge will be qualified to assess the effects of oil on corals and other marine life in the GBRP.