

Woodside pockets millions from government to clean up its own mess

Woodside Energy being paid to take care of its own mess is certainly eyebrow raising, but it's simply a small part of the long and questionable relationship between the company and the Australian government.

[Georgia Wilkins](#) and [Bernard Keane](#) – *Crikey* – 03 September 2020

<https://www.crikey.com.au/2020/09/03/woodside-oil-clean-up/>

Why would the government pay an oil company to clean up its own mess?

That's the question raised by a \$8.8 million contract the federal government has handed to Woodside Energy on a limited-tender basis to advise it on decommissioning one of its own abandoned oil production vessels.

In an announcement last month, Minister for Resources Keith Pitt said that the oil company — which sold the vessel in 2016 to a shelf company that has since collapsed — would be providing advice on what would be needed to decommission the facility, which is now threatening to spew oil into the ocean north of Darwin.

Crikey can reveal that advice will cost taxpayers millions.

A spokesperson for the Department of Industry, Science, Energy and Resources said the contract for “management advisory services” was awarded to Woodside so that it could help “inform the government’s consideration of a long-term solution for the Northern Endeavour and associated fields”.

“Woodside Energy is providing the government with expert technical advice on what will be required to decommission and remediate the facility and fields,” the spokesperson said.

“As a previous owner of the Northern Endeavour, Woodside has extensive knowledge and experience of the facility and is well placed to provide timely and detailed advice on this matter.”

Woodside has been [facing calls](#) to fork out \$200 million to clean up the oil production site after a government review recommended past owners of offshore facilities should be made liable for remediation costs.

The company operated the oil production ship, located 550 kilometres off the coast of Darwin, from 1999 until 2016. It announced plans to decommission the ship, but [then paid](#) the now-liquidated Northern Oil and Gas Australia (Noga) \$24 million to take it over.

The deal shows that Woodside is now recovering some of that money from taxpayers.

Centre for Social Responsibility in Mining industry fellow Vlado Vivoda says the deal showed Woodside was getting paid to advise on the site’s future after walking away from its responsibilities to clean up the site. “It just highlights that there are obviously loopholes and

gaps in the regulatory framework, and that smart companies are able to exploit them,” he said.

Woodside wouldn't say why its advice was costing almost \$9 million, or why it believed the matter was so urgent that it warranted a limited tender.

“Woodside has a contract with government to provide technical scoping assistance for Northern Endeavour restoration and decommissioning activities. This assistance is being provided at cost,” a spokesperson said.

“In parallel, Woodside is contributing to the discussions between government and industry on decommissioning policy, to ensure such situations don't arise again.”

Woodside is a company with strong political connections. Former foreign affairs minister Alexander Downer worked for it after leaving politics. His top bureaucrat Ashton Calvert took a seat on the board after leaving the public service. Former Liberal resources and energy minister Ian Macfarlane, the country's longest-serving resources minister, currently sits on its board, and retired Labor MP Gary Gray was a senior executive to the resources giant for several years before entering parliamentary politics.

Pitt would not say why taxpayers were footing the bill for Woodside's advice, or what the circumstances were that led to the tender being deemed of “extreme urgency” to warrant a limited tender. He would also not say whether MacFarlane was involved in the deal.

“All procurement associated with decommissioning was conducted within government procurement guidelines,” he said.

Woodside's role in the bugging of the Timor-Leste cabinet in 2004 by the Howard government was also the subject of parliamentary attention last week. In response to Attorney-General Christian Porter's vexatious prosecution of Witness K and lawyer Bernard Collaery, Collaery has subpoenaed documents from Woodside relating its dealings with the Commonwealth over the crime, and the resulting treaty.

Bizarrely, however, Porter insisted on blocking access to the documents while he vetted them to make sure that no national security information was revealed.

This suggested what would in normal circumstances be an extraordinary possibility — that a private corporation, Woodside, was privy to national security information that would otherwise be classified.

Senator Rex Patrick used question time to demand, “How is it possible that an energy company such as Woodside could be in possession of documents that could contain matters related to national security?” Marise Payne, representing Porter, claimed in response that this was purely a “precautionary approach” and that “the Commonwealth did not seek any protection orders and the documents were provided to the parties”.

Patrick then followed up with a question that put on the parliamentary record one of the dirtiest secrets of John Howard and Alexander Downer's illegal bugging operation: “Was the Attorney-General's interest in the Woodside documents centred on a concern that they would

reveal knowledge of a fraud on Timor-Leste in relation to the giveaway of Timor’s helium assets to Woodside and ConocoPhillips?”

Collaery [revealed in a recent book](#) that Australia hid knowledge of helium deposits under the Timor Sea from Timor-Leste — and then, amazingly, lost control of the deposits to ConocoPhillips.

Payne’s blithe rejection of Patrick’s question, however, does nothing to change what Porter’s intervention in the Collaery case illustrates: Woodside isn’t just any corporation, but a symbiont that is deeply attached to the Australian government, to the extent that it shares staff and national security information with it, as if it was just another department of state, but working for its shareholders, not for taxpayers.

And certainly not for the people of Timor-Leste.

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