

EXPLANATORY MEMORANDUM
PETROLEUM LEGISLATION AMENDMENT BILL 2023

Introduction and Overview

This Bill amends the *Petroleum and Geothermal Energy Resources Act 1967*, *Petroleum Pipelines Act 1969*, and *Petroleum (Submerged Lands) Act 1982* to provide a legislative framework for the transport and geological storage of greenhouse gases in Western Australia, as well as to enable the exploration of naturally occurring hydrogen through the concept of a 'regulated substance', address operational amendments relating to insertion of polluter pays provisions, royalty metering, underground storage of petroleum and blending of additives in pipelines.

CLAUSE NOTES

PART 1 - PRELIMINARY

Clause 1 – Short Title

The short title is the *Petroleum Legislation Amendment Act 2023*.

Clause 2 – Commencement

This clause identifies that this Act will come into operation as follows –

- (a) Part 1 – on the day on which the Act receives Royal Assent
- (b) The rest of the Act – on a day fixed by proclamation, and different days may be fixed for different provisions.

PART 2 — PETROLEUM AND GEOTHERMAL ENERGY RESOURCES ACT 1967 AMENDED

DIVISION 1 – PRELIMINARY

Clause 3 - Act amended

This Part (Part 2) amends the *Petroleum and Geothermal Energy Resources Act 1967*.

DIVISION 2 – GENERAL AMENDMENTS

Clause 4 - Section 5 amended

This clause inserts new defined terms in the definitions section of the Act in order to facilitate the amendments relating to electronic lodgement and service as well as the electronic endorsement of instruments and the maintenance of electronic signatures. The new defined terms are Department, electronic means, instrument of consent, and report.

Further revised definitions and new terms are incorporated to the terms drilling reservation area, geological formation, geothermal drilling reservation area, geothermal exploration operation, geothermal licence area, petroleum, petroleum drilling reservation area, petroleum exploration operation, petroleum licence area, petroleum operation, regulated substance and resources pool in order to facilitate regulated substance, safety, environmental and royalty-related amendments. Amongst other things, the revised definitions are to allow additives to be added to petroleum (revised definition of petroleum) and to ensure care and maintenance, decommissioning and rehabilitation are expressly recognised as specific phases of a

petroleum operation (revised definition of petroleum operation) and to assist in introducing the concept of extending the petroleum legislative framework.

Clause 5 - Section 11A amended

This clause updates the reference to 'drilling reservation' (as an area or location) to the term 'drilling reservation area' for alignment with the new 'term drilling reservation area' as inserted into the Act by way of clause 5.

Clause 6 - Section 15 amended

This clause updates the reference to 'drilling reservation' (as an area or location) to the term 'drilling reservation area' for alignment with the new 'term drilling reservation area' as inserted into the Act by way of clause 5.

Clause 7 - Section 31 amended

This clause inserts new subsection (da) which provides that an application for the grant of a petroleum exploration permit may also include an application for additional rights to undertake operations for a regulated substance.

Clause 8 - Section 32 amended

This clause inserts proposed section 32(2)(aa) which provides that an instrument informing the applicant of the Minister's preparedness to grant a permit must also, if additional rights for a regulated substance were applied for, include a statement as to whether an application for additional rights for a regulated substance will be granted. Where applicable, the subsequent petroleum exploration permit must also include the approval for additional rights for a regulated substance.

Clause 9 - Section 33 amended

This clause revises the construction of section 33 to recognise the inclusion of regulated substances in that an application for the grant of a petroleum exploration permit provided for in section 33(1) may also include an application for additional rights for a regulated substance.

Clause 10 - Section 35 amended

This clause recognises if an application for a permit in respect of a surrendered, cancelled or determined etc. block in section 33 also included an application for additional rights for a regulated substance, any subsequent instrument advising the Minister's preparedness to grant the permit must also contain a statement as to whether the additional rights will be granted with the petroleum exploration permit.

Clause 11 - Section 37 amended

This clause revises section 37 and provides a petroleum exploration permit must, if applicable, also include the approval of additional rights for a regulated substance where an application has been made for such additional rights and those rights have been or will be granted.

Clause 12 - Section 37A amended

This clause provides that where a permit is divided into two or more permits and the original permit had an approval for additional rights for a regulated substance, the new permit must include a corresponding approval to the original approval for additional rights for that particular regulated substance.

Clause 13 - Section 38 replaced

Section 38 is replaced with an expanded section providing the rights conferred by a petroleum exploration permit to also include additional rights for a regulated substance where the

applicant applies for such additional rights and the Minister grants those additional rights by instrument in writing.

Clause 14 - Section 43B amended

This clause inserts new subsection (da) which provides that an application for the grant of a petroleum drilling reservation may also include an application for additional rights to undertake activities for a regulated substance.

Clause 15 - Section 43C amended

This clause provides that in relation to an instrument advising of the Minister's preparedness to grant a drilling reservation, if the application included an application for additional rights for a regulated substance, the instrument must also include a statement as to whether an application for additional rights for a regulated substance will be granted. Where applicable, the subsequent petroleum drilling reservation must also include the approval for additional rights for a regulated substance.

Clause 16 - Section 43D amended

Proposed amended section 43D provides the rights conferred by a drilling reservation and recognises that operations for a regulated substance may only occur when the petroleum drilling reservation has additional rights for a regulated substance or the petroleum reservation holder has applied for, and the Minister has granted, additional rights for a regulated substance. This clause also provides that a drilling reservation does not authorise a well to be made outside of the drilling reservation area.

Clause 17 - Section 44 amended

This clause updates the references to 'drilling reservation' (as an area or location) to the term 'drilling reservation area' for alignment with the new 'term drilling reservation area' as inserted into the Act by way of clause 5.

Clause 18 - Section 46 amended

This clause updates the references to 'drilling reservation' (as an area or location) to the term 'drilling reservation area' for alignment with the new 'term drilling reservation area' as inserted into the Act by way of clause 5.

Clause 19 - Section 47 amended

This clause updates the reference to 'drilling reservation' (as an area or location) to the term 'drilling reservation area' for alignment with the new 'term drilling reservation area' as inserted into the Act by way of clause 5.

Clause 20 - Section 48A amended

Proposed section 48A(2)(ca) provides that where a permittee whose petroleum exploration permit is in force, or, the holder of a drilling reservation whose petroleum drilling reservation is in force, makes an application for the grant of a petroleum retention lease, the application may also include an application for additional rights for a regulated substance.

Clause 21 - Section 48B amended

This clause provides that in relation to an instrument advising of the Minister's preparedness to grant a petroleum retention lease, if the application included an application for additional rights for a regulated substance, the instrument must also include a statement as to whether an application for additional rights for a regulated substance will be granted. Where applicable, any subsequent petroleum retention lease must also include the approval for additional rights for a regulated substance.

Clause 22 - Section 48CA amended

Proposed amended section 48CA(4A) provides a petroleum production licence holder may apply for a petroleum retention lease in respect to an unused area and that application may also include an application for additional rights for a regulated substance.

Clause 23 - Section 48CB amended

This clause provides that in relation to an instrument advising of the Minister's preparedness to grant a petroleum retention lease for an unused area, if the application included an application for additional rights for a regulated substance, the instrument must also include a statement as to whether an application for additional rights for a regulated substance will be granted. Where applicable, any subsequent petroleum retention lease must also include the approval for additional rights for a regulated substance.

Clause 24 - Section 48C amended

Proposed amended section 48C expands the rights conferred by lease to include regulated substances and provides that additional rights for a regulated substance may only be attached to a petroleum retention lease where those additional rights have been applied for and granted by the Minister in writing. This amendment also clarifies that a well cannot be made outside of a retention lease area.

Clause 25 - Section 51 amended

Section 51 is amended so that an application for the grant of a petroleum production licence may also include an application for additional rights for a regulated substance.

Clause 26 - Section 53 amended

This clause provides that in relation to an instrument advising of the Minister's preparedness to grant a petroleum production licence, if the application included an application for additional rights for a regulated substance, the instrument must also include a statement as to whether an application for additional rights for a regulated substance will be granted.

Clause 27 - Section 54 amended

This clause amends section 54 to provide that where an application for a petroleum production licence included an application for additional rights for a regulated substance, and an instrument has informed the applicant of the Minister's preparedness to grant the petroleum production licence and the additional rights, the subsequent petroleum production licence must include the additional rights granted for that regulated substance.

Clause 28 - Section 57 amended

Section 57 is amended to establish that applications for a licence in respect of a surrendered, cancelled or determined etc. block may also include an application for additional rights for a regulated substance.

Clause 29 - Section 59 amended

This clause provides that in relation to an instrument advising of the Minister's preparedness to grant a petroleum production licence, if the application included an application for additional rights for a regulated substance, the instrument must also include a statement as to whether an application for additional rights for a regulated substance will be granted.

Clause 30 - Section 60 amended

This clause amends section 60 to provide that where an application for a petroleum production licence included an application for additional rights for a regulated substance, and an instrument has informed the applicant of the Minister's preparedness to grant the petroleum

production licence and the additional rights, the subsequent petroleum production licence must include the additional rights granted for that regulated substance.

Clause 31 - Section 61 amended

This clause amends section 61 to provide that a granted licence under section 61 must include a corresponding approval for additional rights for a regulated substance if the original licence included an approval for additional rights for a regulated substance.

Clause 32 - Section 62 replaced

Section 62 is replaced with an expanded section providing the rights conferred by a petroleum production licence to also include additional rights for a regulated substance where the applicant applies for such additional rights and the Minister grants those additional rights by instrument in writing.

Clause 33 - Section 67 amended

This clause revises the manner of approval for the underground storage of gas to be established via regulations and limits the application and undertaking of such activities to a petroleum title holder. Regulated substances are explicitly prohibited from being injected underground.

Clause 34 - Section 70 amended

This clause updates the reference to 'drilling reservation' (as an area or location) to the term 'drilling reservation area' for alignment with the new 'term drilling reservation area' as inserted into the Act by way of clause 5.

Clause 35 - Section 72 amended

In relation to the application for a transfer of a title, section 72 is expanded to provide for a means of electronic lodgement. The amendment also removes the requirement for the Minister to endorse hard copy forms and allows the Minister or a delegate to electronically endorse instruments and the register.

Clause 36 - Section 75 amended

This clause provides a party, with respect to section 75, to lodge an application for approval of a dealing by electronic means. The amendment also removes the requirement for the Minister to endorse hard copy forms and allows the Minister or a delegate to electronically endorse instruments and the register.

Clause 37 - Section 75A amended

This clause represents amendments to section 75A to account for and refer to the amendments made in section 75 to allow for electronic lodgement of dealings.

Clause 38 - Section 76 amended

This clause represents amendments to section 76 to account for and refer to the amendments made in section 75 to allow for electronic lodgement of dealings.

Clause 39 - Part III Division 4A inserted

This Part introduces the 'polluter pays principle' which has been adapted from the *Offshore Petroleum Greenhouse Gas Storage Act 2006* (Cth). This Part complements existing safeguard mechanisms within the Petroleum Acts to ensure that in the event of an escape of petroleum, registered holders are responsible for eliminating, controlling and cleaning up any escape of petroleum or a regulated substance and remediating and monitoring the environment. It will ensure registered holders are financially responsible for making good any

escape of petroleum or a regulated substance and will mitigate the State's exposure to environmental liability.

Proposed section 86A. Escape of petroleum or regulated substance: titleholder's duty

This proposed section is inserted to address the escape of petroleum or regulated substance occurring in relation to a petroleum or geothermal operation. This provision requires the registered holder to take all reasonably practicable efforts to eliminate or other control the escape, clean up the escape petroleum or regulated substance and remediate any resulting damage to the environment and carry out environmental monitoring of the impact of the escape on the environment and any actions taken to eliminate or control the escape. The registered holder is also required to undertake such activities where the escape of petroleum or regulated substance has migrated to another jurisdiction (State or Commonwealth) and notify the relevant Minister. This provision inserts these actions as an express duty.

Proposed section 86B. Escape of petroleum or regulated substance: reimbursement of State

Proposed section 86B is inserts to ensure that registered holders are held financially accountable for any escape of petroleum occurring from or in relation to their petroleum or geothermal energy operation. Specifically, the provision provides that where the Minister considers the registered holder has failed to meet its duty in section 86A, the Minister may undertake all reasonable actions the registered holder ought to have done to address the escape of petroleum or regulated substance. The costs or expenses incurred by the State may then be recovered from the registered holder as a debt.

Clause 40 - Section 89 amended

This clause updates the reference to 'drilling reservation' (as an area or location) to the term 'drilling reservation area' for alignment with the new 'term drilling reservation area' as inserted into the Act by way of clause 5.

Clause 41 - Section 90 amended

This clause modernises the penalty provision for section 90 for consistency with the revised penalty provisions in this amendment Bill to refer to 'this subsection'.

Clause 42 - Section 91 amended

This clause updates the references to 'drilling reservation' (as an area or location) to the term 'drilling reservation area' for alignment with the new 'term drilling reservation area' as inserted into the Act by way of clause 5.

Clause 43 - Section 91B amended

This clause updates the reference to 'drilling reservation' (as an area or location) to the term 'drilling reservation area' for alignment with the new 'term drilling reservation area' as inserted into the Act by way of clause 5.

Clause 44 - Section 91C inserted

This clause inserts proposed new section 91C which provides that when additional rights for a regulated substance are granted, or when a title with regulated substance rights attached is renewed, the Minister is empowered to impose new, vary or remove existing conditions as they relate to regulated substances. This is to ensure the compatibility, safety and ability to regulate existing operations in the context of new operations in pursuit of a regulated substance.

Clause 45 - Section 92 amended

This clause updates the reference to 'drilling reservation' (as an area or location) to the term 'drilling reservation area' for alignment with the new 'term drilling reservation area' as inserted into the Act by way of clause 5.

Clause 46 - Section 101 amended

This clause updates the reference to 'drilling reservation' (as an area or location) to the term 'drilling reservation area' for alignment with the new 'term drilling reservation area' as inserted into the Act by way of clause 5.

Clause 47 - Section 105 amended

This clause amends section 105 to establish that an application for a special prospecting authority may also include an application for additional rights for a regulated substance, that the Minister is able to grant. This provides that a special prospecting authority is permitted to be used in relation to a regulated substance where the holder has applied for additional rights for a regulated substance and the Minister has granted the additional rights by instrument in writing.

Clause 48 - Section 106 amended

This clause amends section 106 to establish that an application for an access authority may also include an application for additional rights for a regulated substance, that the Minister is able to grant. This provides that an access authority is permitted to be used in relation to a regulated substance where the holder has applied for additional rights for a regulated substance and the Minister has granted the additional rights by instrument in writing.

Clause 49 - Section 109 amended

This clause removes the existing term 'geothermal energy resources exploration operations' and replaces with geothermal exploration operation as inserted into the Act by way of clause 5.

Clause 50 - Section 113 amended

This clause updates the reference to 'drilling reservation' (as an area or location) to the term 'drilling reservation area' for alignment with the new 'term drilling reservation area' as inserted into the Act by way of clause 5.

Clause 51 - Section 115 amended

This clause removes reference to 'returns, other documents,' as this is now captured in the definition of report at clause 5.

Clause 52 - Section 116A amended

This clause removes reference to 'returns, other documents,' as this is now captured in the definition of report at clause 5.

Clause 53 - Section 116 amended

This clause inserts a requirement for a consent in writing, being the instrument of consent. The Minister will be able to electronically endorse this instrument.

Clause 54 - Section 119 amended

This clause removes the existing term 'geothermal energy resources exploration operations' and replaces with geothermal exploration operation as inserted into the Act by way of clause 5.

Clause 55 - Section 126A amended

This clause replaces the previous description of the Public Service department assisting in the administration of this Act with a reference to the Department, which is now a defined term in section 5.

Clause 56 – Section 127 amended

This clause amends section 127 to facilitate online lodgement and electronic communication. The amendments provide that regulations may prescribe the time at which documents sent by electronic means in accordance with this section are taken to have been served.

Clause 57 - Section 134A amended

This clause makes consequential amendments to references existing paragraphs (d) and (f) of the definition of 'petroleum operation' contained within section 5(1) of the *Petroleum and Geothermal Energy Resources Act 1967* arising from the amendments to that definition. The relevant references are now paragraph (a)(iv) and (vi) (in relation to Barrow Island and injection into an underground reservoir).

Clause 58 - Section 142 amended

This clause updates the reference to 'drilling reservation' (as an area or location) to the term 'drilling reservation area' for alignment with the new 'term drilling reservation area' as inserted into the Act by way of clause 5.

Clause 59 - Section 144 amended

This clause reflects the amendments made to section 67 to shift the manner of approving the underground storage of gas by regulations rather than an agreement.

Clause 60 - Section 147 replaced

This clause replaces existing section 147 to address amendments required to enable the third-party processing of petroleum with respect to royalty calculation. The changes inserted into section 147 allow the Minister to approve the installation of a measuring device at the well-head or at another place and as well as allowing the use of an approved metering device installed pursuant to the *Petroleum Pipelines Act 1969*.

Clause 61 - Section 150A amended

This clause removes reference to 'returns, other documents,' as this is now captured in the definition of report at clause 5.

Clause 62 - Part IV Division 1 heading inserted

This clause inserts Division 1 – General heading into Part IV.

This amendment is a consequence of inserting the heading for a Division 2 into Part IV.

Clause 63 - Part IV Division 2 heading inserted

This clause inserts Division 2 – Regulations and forms heading into Part IV.

Clause 64 - Section 152A inserted

This clause inserts a new section 152A provides that forms must be lodged in the approved form.

Clause 65 - Section 153 amended

This clause inserts a new head of power into section 153, so that regulations may be made to provide for effectual service and lodgement of documents.

Clause 66 - Section 154 amended

This clause expands upon the existing section 154 to provide for an ability to make appropriate transitional regulations as needed for amendments arising from this amendment Bill.

Clause 67 - Schedule 2 Division 2 inserted

Proposed clause 4 to Schedule 2 is inserted as a transitional provision to allow existing underground storage agreements to continue in force in light of the proposed amendments to shift the manner of approving the underground storage of petroleum to regulations.

Clause 68 - Various references to “petroleum pool” amended

This clause replaces the existing term ‘petroleum pool’ with the new term ‘resources pool’ as reflective of the proposed introduction of regulated substances.

Clause 69 - Various references to “petroleum” amended

This clause revises the various uses of the term ‘petroleum’ to be replaced with ‘petroleum or a regulated substance’ (or similar variation as appropriate) to reflect the proposed introduction of regulated substances.

Clause 70 - Various modernisations

This clause makes minor wording edits to modernise language used within the *Petroleum and Geothermal Energy Resources Act 1969* in line with contemporary drafting practises.

DIVISION 3 – AMENDMENTS RELATING TO GREENHOUSE GAS STORAGE AND TRANSPORT

Clause 71 - Long title replaced

This clause amends the long title of the Petroleum and Geothermal Energy Resources Act 1967 by adding in ‘the injection and storage of greenhouse gas substances within certain lands of the State’.

Clause 72 - Section 1 amended

This clause amends the name of the Act in the short title from the ‘*Petroleum and Geothermal Energy Resources Act 1967*’ to the ‘*Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*’.

Clause 73 - Section 5 amended

Clause 73(1) deletes the definitions of ‘partly cancelled’; ‘permit area’ and ‘well’ from section 5(1) as new definitions for these have been inserted by clause 73(2).

Clause 73(2) introduces the following new definitions:

- **approved site plan** – Clause 73(2) inserts this new term to mean a site plan in respect of which an approval is in force under the regulations and is described in more detail in new section 69HA inserted by clause 141.
- **closure assurance period** - Clause 73(2) inserts this new term and is described in section 69HW as meaning the period beginning at the end of the cessation day (i.e.: when the Minister is satisfied that operations for the injection of a greenhouse gas substance into the formation ceased on a day) and ending at the end of the decision day i.e.: a day that is at least 15 years after the issue of the site closing certificate.
- **detection agent** - Clause 73(2) inserts this new term to mean a substance, whether in a gaseous or liquid state, that (a) when added to another substance or a mixture of other substances; facilitates the monitoring of the behaviour of that other substance or that mixture, as the case may be; and (b) is specified in the regulations.

- **eligible GHG storage formation** - Clause 73(2) inserts this new term which is described in more detail in new section 6C(1).
- **fundamental suitability determinants** – Clause 73(2) inserts this new term which is described in more detail in new section 6C(9).
- **GHG access authority** – Clause 73(2) inserts this new type of access authority to mean a GHG access authority under Part 3.
- **GHG drilling reservation** – Clause 73(2) inserts this new type of drilling reservation to mean a GHG drilling reservation under Part 3
- **GHG drilling reservation area** – Clause 73(2) inserts this new term to mean the area constituted by the blocks that are the subject of a GHG drilling reservation.
- **GHG exploration operation** – Clause 73(2) inserts this new term to mean an operation to explore for potential GHG storage formations or potential GHG injection sites, and the carrying on of operations and the execution of works necessary for that purpose.
- **GHG exploration permit** - Clause 73(2) inserts this new type of exploration permit to mean a GHG exploration permit under Part 3.
- **GHG injection licence** – Clause 73(2) inserts this new title type to mean a GHG injection licence under Part 3.
- **GHG injection operation** – Clause 73(2) inserts this new term to describe the types of GHG injection operations.
- **GHG lease area** – Clause 73(2) inserts this new term to mean the area constituted by the blocks that are the subject of a GHG retention lease.
- **GHG lessee** – Clause 73(2) inserts this new term to mean the registered holder of a GHG retention lease.
- **GHG licence area** – Clause 73(2) inserts this new term to mean the area constituted by the blocks that are the subject of a GHG injection licence.
- **GHG licensee** - Clause 73(2) inserts this new term to mean the registered holder of a GHG injection licence.
- **GHG operation** - Clause 73(2) inserts this new term to describe the activities covered by the term but excludes the operations for the injection of carbon dioxide, as defined in section 3 of the State Agreement *Barrow Island Act 2003*.
- **GHG permit area** – Clause 73(2) inserts this new term to mean the area constituted by the blocks that are the subject of a GHG exploration permit.
- **GHG permittee** - Clause 73(2) inserts this new term to mean the registered holder of a GHG exploration permit.
- **GHG retention lease** - Clause 73(2) inserts this new type of retention lease for GHG purposes.
- **GHG special prospecting authority** – Clause 73(2) inserts this new type of special prospecting authority lease and allows limited exploration for a potential GHG storage formation or GHG injection site but does not authorise the drilling of a well.
- **greenhouse gas substance or GHG** – Clause 73(2) inserts this new term which describes, in section 6E(1), the substances which, for the purpose of Part 2 Division 3, can be stored.

- **identified GHG storage formation** – Clause 73(2) inserts this new term to mean a part of a geological formation declared to be an identified GHG storage formation under section 69E(2)(a).
- **incidental greenhouse gas-related substance** – Clause 73(2) inserts this new term which is described in more detail in new section 6D(2).
- **partly cancelled** - Clause 73(1) deletes this definition as a new definition has been inserted by clause 73(2) to mean, in relation to a permit, drilling reservation, or licence, cancelled as to one or more but not all of the blocks the subject of the permit, drilling reservation, or licence.
- **permit area** – Clause 73(1) deletes this definition as a new definition has been inserted by clause 73(2) to mean the area constituted by the blocks that are the subject of a permit.
- **potential GHG injection site** – Clause 73(2) inserts this new term to mean a place that is a suitable place to make a well or wells to inject a greenhouse gas substance into a part of a geological formation.
- **potential GHG storage formation** – Clause 73(2) inserts this new term which is described in more detail in new section 6B(1).
- **pre-certificate notice** - Clause 73(2) inserts this new term which is described in more detail in new section 69HL(2).
- **primary greenhouse gas substance** – Clause 73(2) inserts this new term to mean carbon dioxide or a prescribed greenhouse gas substance.
- **site closing certificate** - Clause 73(2) inserts this new term which is described in more detail in new section 69HP(2).
- **site plan** – Clause 73(2) inserts this new term to mean a document that relates to an identified greenhouse gas storage formation and complies with any requirements specified in the regulations. The site plan is divided into the two parts - Part A, which sets out predictions for the behaviour of a greenhouse gas substance stored in the identified greenhouse gas storage formation; and Part B, which deals with other matters.
- **spatial extent** – Clause 73(2) inserts this new term which is described in section 6C(3).
- **well** - Clause 73(1) deletes this definition as a new definition has been inserted by clause 73(2) to extend the definition to include GHG operations.

Clause 73(3) broadens the definition of '**access authority**' to include GHG access authorities along with existing petroleum access authorities and geothermal access authorities.

Clause 73(4) amends the definition of '**drilling reservation**' to introduce a new type of drilling reservation to allow the holder of a GHG drilling reservation to drill for a potential GHG storage formation or GHG injection site and inject a greenhouse gas substance in the drilling reservation area for appraisal purposes.

Clause 73(5) extends the definition of '**facility**' to include a GHG operation along with those for petroleum and geothermal energy operations.

Clause 73(6) extends the definition of '**lease**' to include a GHG retention lease.

Clause 73(7) extends the definition of '**licence**' to include a GHG injection licence.

Clause 73(8) extends the definition of '**operator**' to include all types of GHG operations so that the registered holder of a GHG title is the 'operator'.

Clause 73(9) also amends the definition of '**operator**' to insert the word 'or' at various places.

Clause 73(10) extends the definition of '**permit**' to include a GHG exploration permit.

Clause 73(11) amends the definition of '**primary entitlement**' to make a cross referencing correction to delete '(1a)' and insert '1(A)'.

Clause 73(12) extends the definition of '**special prospecting authority**' to include a GHG special prospecting authority.

Clause 74 - Sections 6B to 6E inserted

Clause 74 inserts descriptions of the terms 'potential GHG storage formation' in section 6B, 'eligible GHG storage formation and related terms' in section 6C, 'incidental greenhouse gas-related substance' in section 6D and 'greenhouse gas substance or GHG' in section 6E.

Proposed section 6B. Potential GHG storage formation

A 'potential greenhouse gas storage formation' is a part of a geological formation that is suitable for the permanent storage of a greenhouse gas substance injected into that part of the formation. In determining suitability for permanent storage, it is not necessary to identify the GHG substance and reasonable foreseeable technological developments may be taken into account.

Proposed section 6C. Eligible GHG Storage Formation and related terms

An '**eligible greenhouse gas storage formation**' in subclauses (1) and (2) is a part of a geological formation that is suitable for the permanent storage of a particular amount (at least 100,000 tonnes) of a particular greenhouse gas substance injected at a particular point or points over a particular period. A greenhouse gas titleholder who reasonably believes that the title area contains an eligible greenhouse gas storage formation may apply for a declaration that it is an 'identified greenhouse gas storage formation'.

'**Spatial extent**' of an eligible greenhouse gas storage formation in subclause (3) is the expected migration pathway or pathways, over the period including the proposed injection period plus the notional site closing period.

The '**notional site closing certificate time**' referred to in subclauses (6), (7) and (8) is the time between the end of the proposed injection period and the estimated earliest time when there will be sufficient certainty about the fate of the injected greenhouse gas substance to enable the Minister to grant a site closing certificate.

The '**fundamental suitability determinants**' of the eligible greenhouse gas storage formation in subclause (9), are:

- (a) the amount of greenhouse gas substance that it is suitable to store;
- (b) the chemical composition of the greenhouse gas substance that it is suitable to store;
- (c) the proposed injection point or points;
- (d) the proposed injection period;
- (e) the effective sealing feature or attribute of the formation that makes it suitable for the permanent storage.

Proposed section 6D. Incidental greenhouse gas-related substance

An '**incidental greenhouse gas-related substance**' - in relation to a primary greenhouse gas substance is:

- (a) any substance that is incidentally derived from the source material;
- (b) any substance that is incidentally derived from the capture;

(c) if the primary greenhouse gas substance, whether in a pure form or in a mixture with other substances, is transported — any substance that is incidentally derived from the transportation;

(d) if the primary greenhouse gas substance, whether in a pure form or in a mixture with other substances, is injected into a part of a geological formation—any substance that is incidentally derived from the injection;

(e) if the primary greenhouse gas substance, whether in a pure form or in a mixture with other substances, is stored in a part of a geological formation—any substance that is incidentally derived from the storage.

Proposed section 6E. Greenhouse gas substance or GHG

Each of the following is a **greenhouse gas substance** or **GHG**

- a) a primary greenhouse gas substance, whether in a gaseous or liquid state ;or
- b) a mixture of a primary gas substance with
 - (i) one or more incidental greenhouse gas-related substances, whether in a gaseous or liquid state, that relate to a primary greenhouse substance and where the mixture consists overwhelmingly of a primary greenhouse gas substance, whether in a gaseous or liquid state, or
 - (ii) a detection agent, whether in a gaseous or liquid state, where that the concentration of the detection agent in the mixture is not more than the concentration prescribed in relation to that detection agent.

Clause 75 - Section 9 amended

This clause amends section 9 to now include potential GHG storage formations as being the property of the Crown along with the existing petroleum, geothermal energy resources and geothermal energy. The heading of this section in the Act is accordingly amended to now read 'Certain resources and formations declared to be property of Crown'.

Clause 76 - Section 10 replaced

This clause amends section 10, which ensures that reservations in Crown grants and leases issued before, on, or after the commencement of the Act, to now also include potential GHG storage formations in addition to petroleum, geothermal energy resources and geothermal energy.

Clause 77 - Section 11 amended

This clause inserts a new definition of 'unallocated Crown Land' and deletes the old and incorrect reference to 'vacant Crown land'. The new definition arises from the review of the Petroleum and Geothermal Energy Legislation Amendment Bill 2013 by the Legislation Committee and was the only change from the Committee's review.

Clause 78 - Section 15 amended

Section 15 details the authority conferred under a petroleum or geothermal permit, drilling reservation, lease or licence in sections 38, 43D, 48C and 62 respectively. This clause amends section 15 to insert the authority under a GHG exploration permit, drilling reservation, lease or licence by inserting references to new sections 38A, 43DAA and 48CAA. This clause also corrects a minor drafting error where 'area' was not included after drilling reservation.

Clause 79 - Section 15A amended

This clause extends the existing provisions that require the Minister's consent for entry onto reserves for the purposes of exploration for petroleum or geothermal energy resources or for carrying out operations for the recovery of petroleum or geothermal energy resources, to now include carrying out GHG operations.

GHG applies to this section by virtue of definition of permit, drilling reservation, lease, licence, special prospecting authority or access authority including GHG.

Clause 80 - Section 16 amended

This clause extends the existing provisions that require the consent of the owner or trustees of land in certain cases for exploration for petroleum or geothermal energy resources or for carrying out operations for the recovery of petroleum or geothermal energy resources, to include carrying out GHG operations. GHG applies to this section by virtue of definition of permit, drilling reservation, lease, licence, special prospecting authority or access authority including GHG.

Clause 81 - Section 17 amended

This clause extends the existing provisions that provide that no compensation is to be paid to the owners and occupiers of private land for any gold, minerals, petroleum, geothermal energy resources or geothermal energy known, or supposed to be on or under the land, to now include potential GHG storage formations. GHG applies to this section by virtue of definition of permit, drilling reservation, lease, licence, special prospecting authority or access authority including GHG.

Clause 82 - Section 24 amended

This clause extends the existing provisions that provide for matters for which compensation is not payable for any gold, minerals, petroleum, geothermal energy resources or geothermal energy known, or supposed to be on or under the land, to now include potential GHG storage formations.

Clause 83 - Part III heading replaced

The heading to Part III is deleted and replaced by the new heading 'Part 3 - Operations relating to recovery of petroleum, regulated substances and geothermal energy or GHG injection and storage'.

Clause 84 - Section 26 amended

This clause amends the name of the Act from the '*Petroleum (Submerged Lands) Act 1982*' to the '*Petroleum Greenhouse Gas Storage (Submerged Lands) Act 1982*'.

Clause 85 - Section 28 amended

Section 28 details the provisions for which the Minister may reserve blocks to cover a situation (e.g. for defense purposes) where it is necessary to exclude a block. This clause extends this section to now include a GHG title along with the petroleum and geothermal titles.

Clause 86 - Section 29 amended

This clause extends the existing provisions of this section to require that a person or company must have a title under the Act before exploring for a potential GHG storage formation or potential GHG injection site. This clause also amends the penalty provisions to provide consistent wording with equivalent penalty sections. The heading of this section is also amended to now read 'Exploration for petroleum, regulated substances, geothermal energy resources, potential GHG storage formations and potential GHG injection sites restricted'.

Clause 87 - Section 30 amended

This clause extends the existing provisions, whereby the Minister may invite applications for the grant of a permit to include the grant of a GHG exploration permit. It also provides that applications may be required to include information concerning the source, volume and composition of the greenhouse gas substance that is to be injected and stored and any other information that the Minister considers relevant.

Clause 88 - Section 30A inserted

This clause inserts a new provision that requires the Minister to notify the holder of a petroleum and geothermal retention lease or production licence of the proposal to place an advertisement inviting applications for the grant of a GHG exploration permit in respect of a block or blocks or blocks that are the subject of the holder's lease or licence area. This provides the entitlement for the lessee or licensee to have first priority in the grant of the GHG retention lease or a GHG injection licence without having to apply through the advertisement process.

Clause 89 - Section 31 amended

This clause extends the existing provisions that detail the process for applying for a permit to now include potential GHG storage formations or potential GHG injection sites. GHG permit applications are not limited to a maximum number of blocks to align with the Commonwealth in section 296 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth).

The clause also inserts a specific GHG requirement that may be required to include information concerning the source, volume and composition of the greenhouse gas substance that is to be injected and stored and any other information that the Minister considers relevant.

Clause 90 - Section 32A amended

This clause extends the existing provisions covering the process where there is more than one application for the same block or blocks to now include GHG exploration permits in addition to petroleum and geothermal exploration permits.

Clause 91 - Section 32 amended

This clause extends the existing provisions, covering the grant or refusal of a petroleum or geothermal exploration permit, to now include GHG exploration permits.

Clause 92 - Section 33 amended

Section 33 details the provisions covering the grant or refusal of a petroleum and geothermal exploration permit in respect to surrendered, cancelled or determined blocks. GHG does not apply to this section to align with equivalent provisions in the Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth). This clause amends section 33 to make it clear that this section only applies to petroleum and geothermal exploration permits.

Clause 93 - Section 35 amended

Section 35 deals with the consideration of applications for blocks submitted under section 33 and the process of an offer to grant the permit. No GHG amendments are required to this section as section 33 only applies to petroleum and geothermal exploration permits. This clause amends section 35 to make it clear that section 35 only applies to petroleum and geothermal exploration permits.

Clause 94 - Section 38A inserted

This section details the rights conferred by a GHG exploration permit. These are:

- to explore for a potential GHG storage formation or a potential GHG injection site;
- to inject and store, on an appraisal basis, a greenhouse gas substance into a part of a geological formation,
- to inject and store, on an appraisal basis, air, petroleum or water, into a part of a geological formation for GHG exploration purposes,
- with the written consent of the Minister, to recover petroleum, a regulated substance and geothermal energy in the permit area for the sole purpose of appraising a discovery that was made as an incidental consequence of GHG exploration or injection.

If petroleum, a regulated substance or geothermal energy is recovered by the GHG permittee in the permit area as authorised by subsections (1)(g) and (1)(h), the petroleum, regulated

substance and geothermal energy does not become the property of the permittee. A GHG exploration permit does not authorise the permittee to make a well outside the permit area.

Clause 95 - Section 40 amended

Section 40 deals with applications for the renewal of a petroleum exploration permit and a geothermal exploration permit.

This clause amends section 40 to include the renewal of a GHG exploration permit. New section 40(4) provides the timeframe for when a renewal must be lodged of not more than 12 months before and at least 6 months before the date of expiration of the permit. This timeframe aligns with section 308 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) but is different to that for the renewal of petroleum and geothermal permits in section 40(2).

Clause 96 - Section 42A amended

Section 42A details that petroleum exploration permits and geothermal exploration permits granted after 25 May 2010 cannot be renewed more than twice. This date was the commencement of the renewal provisions contained in the *Petroleum and Energy Legislation Amendment Act 2010*. This clause amends section 42A to make it clear that this section only applies to petroleum and geothermal exploration permits.

Clause 97 - Section 42C inserted

This clause inserts new section 42C to provide that GHG exploration permits cannot be renewed more than once and is consistent with equivalent section 308 in the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth).

Clause 98 - Section 43A amended

This clause extends the existing provisions relating to the advertisement of blocks for drilling reservations to now include applications for a GHG drilling reservation and for these there may be the requirement to include information concerning the source, volume and composition of the greenhouse gas substance that is proposed to be injected and stored and any other information that the Minister considers relevant.

This clause also makes a minor drafting correction to change 'petroleum lease' and 'geothermal lease' to petroleum retention lease' and 'geothermal retention lease' respectively.

Clause 99 - Section 43B amended

This clause extends the existing provisions relating to applications for drilling reservations to now include the size and configuration of potential GHG storage formations or GHG injection sites and for applications to include information concerning the source, volume and composition of the greenhouse gas substance (if required) that is proposed to be injected.

Clause 100 - Section 43CA amended

This clause extends the existing provisions covering the process where there is more than one drilling reservation application for the same block or blocks to now include GHG drilling reservations.

Clause 101 - Section 43C amended

This clause makes a minor drafting amendment to delete an incorrect cross reference to section s43B when it should be section 43A.

Clause 102 - Section 43DAA inserted

This clause is inserted as a separate section to section 43D, which covers the rights conferred to the holder of a petroleum drilling reservation or a geothermal drilling reservation, to detail the rights conferred to the holder of a GHG drilling reservation. As well as exploration, injection

and storage on an appraisal basis, these rights also extend to allowing, with the Minister's consent, the holder of a GHG drilling reservation to recover either petroleum, a regulated substance or geothermal energy for the sole purpose of appraising the discovery.

Clause 103 - Section 44 replaced

This clause replaces section 44 to extend its application to greenhouse gas and regulated substances. The amendment provides; in relation to a permit or drilling reservation, if any kind of resource regulated under this Act, including a regulated substance or potential greenhouse gas storage formation or potential greenhouse gas injection site, is discovered in a permit or drilling reservation area, the permittee or drilling reservation holder must immediately inform the Minister of the discovery and give particulars of the discovery in writing within 3 days after the day of the discovery.

Clause 104 - Section 48A amended

Section 48A currently details the process for a petroleum permittee or the holder of a petroleum drilling reservation to apply for a petroleum retention lease and a geothermal permittee or the holder of a geothermal drilling reservation to apply for a geothermal retention lease. This clause amends section 48A to extend these provisions to now include GHG retention leases and for a GHG permittee or holder of a GHG drilling reservation to apply for the grant of a GHG retention lease.

To be entitled, the permit or drilling reservation must be in force in respect of the block or blocks specified in the application, 1 or more identified GHG storage formations are wholly situated in the permit or drilling reservation area and a GHG injection licence or retention lease does not exist in respect of the block or blocks. Unlike petroleum and geothermal energy retention leases, GHG retention leases will require an assessment by the applicant as to when the applicant will be in a position to carry on a GHG injection operation rather than on the commercial viability criteria.

Clause 105 - Section 48B amended

This clause extends the existing provisions of section 48B, which details the grant or refusal process for an application for a retention lease submitted under section 48A, to insert the two requirements that must be satisfied for the grant an application for a GHG retention lease. That is, the block, or any one or more of the blocks, specified in the application must contain an identified GHG storage formation and that the applicant is not, at the time of the application, in a position to carry on a GHG injection operation in respect of that identified GHG storage formation but is likely to within the period of 10 years after that time.

The 10-year timeframe of a GHG retention lease is made up of 5 years on initial grant and one renewal of 5 years. The 'only one' renewal has been adopted to align with the Commonwealth in section 347(2) of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) and differs from the renewal provisions for petroleum and geothermal retention leases, which have a 15-year timeframe. Consistent with petroleum and geothermal energy retention leases, the clause also enables the Minister to refuse a GHG retention lease being granted over blocks specified in the application where the Minister is not satisfied the applicant meets the required criteria.

Clause 106 - Section 48BA amended

This section clarifies that in circumstances where a permit or part of a permit is in the process of being converted to a retention lease and the ownership of the permit is transferred, this amendment enables the Minister to recognise the transferee as the applicant for the retention lease. This clause extends the existing provisions of this section to now include applications for GHG retention leases.

Clause 107 - Sections 48BB to 48BD inserted

This clause inserts three new sections relating to applications for a GHG retention lease from a petroleum or geothermal lessee.

Proposed section 48BB. Application by petroleum or geothermal lessee for GHG retention lease

New section 48BB provides for a petroleum or geothermal lessee to apply for a GHG retention lease and details the information to be provided.

Proposed section 48BC. Grant or refusal of GHG retention lease in relation to application by petroleum or geothermal lessee

New section 48BC provides for the Minister to grant or refuse an application from the holder of a petroleum or geothermal retention lease for a GHG retention lease depending on whether the Minister is satisfied that the area comprised in the block or any one or more of the blocks specified in the application contains an identified GHG storage formation. In granting the lease, the Minister would need to be satisfied that the applicant is not at the time of the application, in a position to carry on a GHG injection operation but is likely to within 10 years.

The 10-year timeframe of a GHG retention lease is made up of 5 years on initial grant and one renewal of 5 years. The 'only one' renewal has been adopted to align with the Commonwealth in section 347(2) of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) and differs from the renewal provisions for petroleum and geothermal retention leases, which have a 15-year timeframe.

Proposed section 48BD. Application of s. 48BB and 48BC if petroleum or geothermal retention lease is transferred

New section 48BD enables the Minister, in circumstances where a petroleum or geothermal retention lease has been transferred, to recognise the transferee party as being the applicant for the retention lease.

Clause 108 - Section 48CA amended

This clause extends the existing provisions of section 48CA, to now include applications for GHG retention leases from petroleum and geothermal licensees and GHG injection licensees where no GHG injection operation is being carried on under the licence or, an unused area in the licence. This section is required due to amendments to section 64A by clause 136 which enable termination of a GHG injection licence if no GHG injection operations have been carried out for a continuous period of at least five years.

The application period for a retention lease, in this circumstance, is 5 years commencing from the date the GHG injection licence was granted or from the last day on which GHG injection operations were carried on.

Clause 109 - Section 48CB amended

This clause extends the existing provisions of section 48CB, which provides for the Minister to grant or refuse an application for a petroleum or geothermal retention lease from a petroleum and geothermal licensee respectively, to now include applications for GHG retention leases from petroleum and geothermal licensees and GHG injection licensees. In granting the GHG retention lease, the Minister would need to be satisfied that the licensee is not, at the time of making application, in a position to carry on a GHG injection operation in the unused area but is likely to within 10 years.

The 10-year timeframe of a GHG retention lease is made up of 5 years on initial grant and one renewal of 5 years. The 'only one' renewal has been adopted to align with the Commonwealth in section 347(2) of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) and differs from the renewal provisions for petroleum and geothermal retention leases, which have a 15-year timeframe.

Clause 110 - Section 48CC amended

This clause extends the existing provisions of section 48CC to now include applications for GHG retention leases under section 48CA. This section provides for the Minister, in circumstances where a licence has been transferred, to recognise the transferee party as being the applicant for the retention lease.

Clause 111 - Section 48CAA inserted

This clause inserts new provisions for the rights conferred by GHG retention leases. The holder of a GHG lease can explore for potential GHG storage formations or potential GHG injection sites and inject or store a greenhouse gas substance, air, petroleum or water on an appraisal basis.

The holder of a GHG lease is allowed to recover petroleum, a regulated substance and geothermal energy with the written consent of the Minister but, if petroleum, a regulated substance or geothermal energy is recovered, it does not become the property of the lessee.

Clause 112 - Section 48E amended

This clause extends the existing provisions by which the Minister may give notice of the intention to cancel a retention lease to now include GHG retention leases if the Minister is of the opinion that the lessee is in a position to carry on a GHG injection operation.

Clause 113 - Section 48F amended

This clause extends the existing provisions which detail the information to be provided by the holder of a petroleum and geothermal retention lease in an application for the renewal of a retention lease to now include applications for the renewal of GHG retention leases.

Clause 114 - Section 48G amended

This clause extends the existing provisions for the grant or refusal of renewal provisions currently applying to petroleum and geothermal retention leases to include GHG retention leases.

Clause 115 - Section 48GA inserted

This clause inserts a new section that provides that GHG retention leases cannot be renewed more than once. This is to avoid the possibility of the lease being retained indefinitely and intensifies the exploration effort to lead to early progression to the injection phase.

Clause 116 - Section 48H amended

Section 48H details that a petroleum retention lease and a geothermal retention lease can be granted subject to any conditions that the Minister thinks fit. This clause extends the existing provisions to now include GHG retention leases by requiring the GHG lessee to report in writing, upon a written request from the Minister, on whether the lessee is in a position to carry on a GHG injection operation in the GHG lease area.

Clause 117 - Section 48J replaced

This clause replaces section 48J to extend the existing lessee requirements for the notification of petroleum or geothermal energy resources to be inclusive of a discovery of a regulated substance or a potential greenhouse gas storage formation or potential greenhouse gas injection site. The lessee is required to immediately inform the Minister of a discovery and give particulars of the discovery in writing within 3 days after the day of the discovery.

Clause 118 - Part III Division 3 heading amended

This clause amends the name of this Division to extend the coverage to include GHG injection licences which are the equivalent of petroleum and geothermal production licences.

Clause 119 - Section 49 amended

This clause amends the penalty provisions to provide consistent wording with equivalent penalty sections.

Clause 120 - Section 49A inserted

This clause inserts a new section to make it mandatory that a person has a GHG injection licence to engage in GHG injection operations. These provisions are identical to the provisions for the recovery of petroleum and geothermal energy set out in section 49, and impose the same penalty for any breach.

Clause 121 - Section 50 amended

Section 50 provides that a petroleum permittee may apply for the grant of a petroleum production licence and includes a formula for calculating the size of a production licence based on the number of blocks that make up a location.

This clause amends the provisions of section 50, to restrict the application for a petroleum production licence or a geothermal production licence to be only from the holder of a petroleum exploration permit or drilling reservation or a geothermal exploration permit or drilling reservation respectively. The amendments are required as the primary and secondary licence entitlement concept applies only to petroleum production licences.

The heading of this section has also been amended to now read 'Application by petroleum or geothermal permittee or holder of petroleum or geothermal drilling reservation for petroleum production licence or geothermal production licence'. GHG injection licences have different provisions and will be described separately in new section 50AA which is added by clause 122.

Clause 122 - Section 50AA inserted

Section 50AA provides for a GHG permittee or holder of a GHG drilling reservation to make an application for the grant of a GHG injection licence for:

- the block that constitutes the identified GHG storage formation; or
- all of the blocks that constitute the identified GHG storage formation; or
- some of the blocks that constitute the identified GHG storage formation.

The clause also provides that if the application relates to blocks where a retention lease has been refused, then an application for an injection licence must be submitted within 12 months from the date of the refusal instrument.

Clause 123 - Section 50A amended

Section 50A details the formula that applies in determining the number of blocks that can be applied for by petroleum retention leases holders in the grant of a petroleum production licence. The main amendment made to section 50A is to insert new provisions at section 50A(1B),(1C) and (1D) to provide for GHG lessees, petroleum lessees and geothermal lessees to apply for the grant of a GHG injection licence.

This clause also amends this section by changing 'petroleum lease' and 'geothermal lease' to 'petroleum retention lease' and 'geothermal retention lease'. Clause 123(3)(c) also corrects a reference error that stated that geothermal retention lease holders were able to make application for the grant of a licence for a number of blocks that is less than the entitlement.

Clause 124 - Section 50B inserted

This clause inserts new section 50B to provide for a petroleum or geothermal licensee to apply for a GHG injection licence where a single identified GHG storage formation extends to a block

or blocks within the licence area and a GHG retention lease or GHG injection licence does not exist in respect of the block or blocks.

Clause 125 - Section 51 amended

Section 51 details the process to be undertaken when applying for a petroleum production licence, a geothermal production licence or a GHG injection licence. This clause also provides that applications for GHG injection licences must specify the source, volume and composition of the greenhouse gas substance that is to be injected and stored.

The heading of this section has also been amended to now read 'Requirements for application for licence under s. 50, 50AA, 50A or 50B' to correctly reflect the various sections under which an application could originate.

Clause 126 - Section 53 amended

This clause extends the provisions of section 53, which details the process for the notification of the grant of a production licence, to now include applications for GHG injection licences.

Clause 127 - Section 54 amended

This section currently provides for the grant of a production licence only over a block or blocks for which the Minister is satisfied contains petroleum or geothermal energy resources. This clause will extend the scope of this section to include the granting of GHG injection licences where the Minister is satisfied that the block or blocks contain(s) an identified GHG storage formation.

The clause also makes a minor drafting improvement to replace the term 'instrument' with the more correct term 'notice'.

Clause 128 - Section 54AA inserted

This clause inserts section 54AA which provides; in relation to a licence, if any kind of resource regulated under this Act, including a regulated substance or potential greenhouse gas storage formation or potential greenhouse gas injection site, is discovered in a licence area, the licensee must immediately inform the Minister of the discovery and give particulars of the discovery in writing within 3 days after the day of the discovery.

Clause 129 - Section 54A amended

This clause extends the existing provisions of section 54A to now include applications for GHG injection licences from:

- a GHG permittee or holder of a GHG drilling reservation under section 50AA,
- a petroleum, geothermal or GHG lessee under section 50A, or
- petroleum or geothermal licensee under section 50B.

This section provides for the Minister, in circumstances where a permit, drilling reservation, lease or licence has been transferred, to recognise the transferee party as being the applicant for the production or injection licence.

Clause 130 - Section 55 amended

This section applies only to the variation of a petroleum production licence to include blocks requested by a permittee under section 50(2). This clause accordingly deletes the incorrect reference to 's53(2A)(c)' which is a geothermal provision.

No GHG amendments are therefore required and the heading has been amended to read 'Variation of petroleum production licence area'.

Clause 131 - Section 56 amended

Section 56 provides that the Minister may revoke the blocks in a petroleum exploration permit, petroleum drilling reservation or petroleum retention lease in certain circumstances.

No GHG amendments are required as this section only relates to petroleum. This clause amends section 56 to make this specifically for petroleum titles. The heading has, accordingly, been amended to read 'Determination of petroleum exploration permit, petroleum drilling reservation or petroleum retention lease'.

Clause 132 - Section 59 amended

Section 59 provides for the offer or request to grant stage in the grant of an application for a petroleum or geothermal production licence under section 57 that were previously included in a location.

No GHG amendments are required as section 57 only applies to petroleum and geothermal production licences. This clause makes amendments to make this clear and also amends the heading to read 'Request by applicant for grant of petroleum production licence or geothermal production licence'.

Clause 133 - Section 61 amended

This clause amends the provisions of section 61, to clarify that the option to split a production licence is only available to petroleum or geothermal licences. It does not apply to GHG injection licences as it would not be appropriate in the context of injection of GHG into a storage formation.

The heading of this section is also amended to now read 'Petroleum production licence or geothermal production licence for 2 or more blocks may be divided into 2 or more licences'.

Clause 134 - Section 62 amended

This clause extends the existing provisions in section 62 which detail the rights conferred to the holder of a petroleum or geothermal production licence, to now include GHG injection licences. The rights for a GHG licensee are:

- to inject and store, either permanently or on an appraisal basis, a greenhouse gas substance into an identified GHG storage formation;
- explore for a potential GHG storage formation or a potential GHG injection site;
- inject and store on an appraisal basis air, or petroleum or water, and
- carry out any operations or execute any works as are necessary for these purposes.

A GHG licensee, with the written consent of the Minister, is able to recover petroleum, a regulated substance or geothermal energy discovered as an incidental consequence of GHG injection or exploration operations. Any petroleum, regulated substance or geothermal energy so recovered does not become the property of the GHG licensee. In addition, a GHG licence does not authorise the licensee to make a well outside the licence area.

Clause 135 - Section 63 amended

This clause extends the existing provisions of section 63, which details the term of petroleum production licences and geothermal production licences, to now include that GHG injection licences remain in force indefinitely.

Clause 136 - Section 64A amended

This clause extends the existing provisions of section 64A, which cover the conditions for the termination of petroleum and geothermal production licences, to now include that indefinite term GHG injection licences may be terminated if the licensee has not carried on any GHG

injection operations under the licence at any time during a continuous period of at least five years. As with petroleum production licences and geothermal production licences, dispensation is given for any period where no such operations were carried out due to circumstances beyond the licensee's control (i.e., force-majeure).

Clause 137 - Section 64 amended

This clause amends section 64 to make it clear that an application for the renewal of a licence under section 64 only applies to petroleum production licence or a geothermal production licence.

Clause 138 - Section 65 amended

This clause amends section 65 to make it clear that the grant or refusal of an application for the renewal of a licence under section 64 only applies to petroleum production licence or a geothermal production licence.

Clause 139 - Section 66 amended

This clause extends the provisions of section 66 'Conditions of licence', which provides that petroleum and geothermal production licences may be granted subject to such conditions as the Minister thinks fit, to also include GHG injection licences.

The clause introduces provisions for regulations which may establish a regime for third party access to services provided by means of the use of (a) identified GHG storage formations; or (b) wells, equipment or structures for use in injecting greenhouse gas substances into identified GHG storage formations; or (c) equipment or structures for use in the processing, compressing or storing of greenhouse gas substances prior to the injection of the substances into identified GHG storage formations.

Clause 140 - Part III Division 3A heading amended

This clause amends the name of this Division to extend the coverage to include GHG titles. The heading now reads 'Petroleum titles, geothermal titles and GHG titles may subsist in respect of same blocks'.

Clause 141 - Section 69A amended

Section 69A describes the types of petroleum and geothermal titles that can subsist on the same block. That is, exploration permits, drilling reservations, retention leases, production licences, special prospecting authorities or access authorities.

This clause extends this section to now include equivalent GHG titles. The section provides that petroleum, geothermal and GHG titles may overlap each other. It allows for the concept of multipurpose land use by providing that the Minister must write to the registered holder of the existing title, giving at least one month's notice of the Minister's intention to grant a new title and requesting information for the Minister to consider before a new title is granted. This process is a consultation mechanism rather than a right to veto an application.

The heading of this section is also amended to now read 'Petroleum titles, geothermal titles and GHG titles may subsist in respect of same blocks'.

Clause 142 - Part III Division 3B inserted

This clause inserts a new Division and includes a significant number of sections for matters specific to GHG injection and storage. The new sections commence at section 69B and extend through to section 69HY.

Proposed subdivision 1. Declaration of identified GHG storage formation

A new subdivision is inserted for matters specific to the process for the declaration of an identified GHG storage formation.

Proposed section 69B. Application for declaration of identified GHG storage formation

This new section contains provisions relating to a GHG titleholder applying for an identified GHG storage formation and also provides a mechanism for the holder of petroleum and geothermal retention leases and production licences to apply for a declaration of an identified GHG storage formation should it be required either through the provisions of section 30A inserted by clause 88 or through the titleholder's geological knowledge of whether a part of a geological formation may be suitable for permanent storage of GHG.

In order for the applicant for an identified GHG storage formation to advance to a GHG injection licence or GHG retention lease, the titleholder must obtain a declaration of a part of a geological formation as an 'identified GHG storage formation'. The identified GHG storage formation must be wholly situated within the titleholder's lease or licence area.

It is possible to have a second and subsequent identified GHG storage formation declared, provided each of them is wholly situated within the GHG titleholder's current permit area, or within an injection licence or retention lease that is derived from that original permit area.

The declaration of an identified GHG storage formation is a core document that corresponds to the declaration of a petroleum location. Unlike a petroleum location, however, the declaration of the identified GHG storage formation retains its significance over the whole life of the GHG project.

An application for declaration of an identified GHG storage formation must set out:

- the applicant's reasons for believing that the geological formation is an 'eligible' GHG storage formation – i.e., that it is suitable for the permanent storage of a particular amount of a particular greenhouse gas substance;
- the 'fundamental suitability determinants' of the eligible GHG storage formation; and
- an estimate of the spatial extent of the eligible GHG storage formation.

Proposed section 69C. Requirement for further information or further analysis

This new section allows for the Minister to request in writing further information in connection with the application for the declaration of an identified GHG storage formation. If the application fails to provide the required information, the Minister may by written notice, refuse to consider the application, or refuse to take any action or further action.

Proposed section 69D. Variation of application

This new section provides that, before the Minister makes a decision under section 69E, on an application under section 69B, the applicant may vary any or all of the fundamental suitability determinants specified in the application; or the spatial extent estimated in the application.

Proposed section 69E. Declaration of identified GHG storage formation

Following an application under 69B, if the Minister is satisfied that using the fundamental suitability determinants set out in the application that a part of a geological formation is an eligible GHG storage formation and that the estimate of the spatial extent is a reasonable estimate of the spatial extent set out in the application of the eligible GHG storage formation, the Minister must declare an identified GHG storage formation.

A declaration must set out the estimate of the spatial extent of the identified storage formation and must set out the fundamental suitability determinants specified in the application. A copy of the declaration must be published in the *Gazette*.

Proposed section 69F. Refusal to make declaration

If an application is made under section 69B in relation to a part of a geological formation and the Minister is not required by section 69E to make a declaration then the Minister must, by

written notice given to the applicant, refuse to declare that part is to be an identified GHG storage formation.

Proposed section 69G. Variation of declaration

If a declaration of an identified storage formation is in force, the Minister may by instrument in writing vary the declaration. A variation may be made by the GHG titleholder, or at the Minister's own initiative. An application for a variation must set out the proposed variation and specify the reasons for the proposal.

The Minister must have regard to any new information, any new analysis and any relevant scientific or technological developments. Before varying a declaration on the Minister's own initiative, the Minister must consult with the GHG titleholder and a copy of a variation must be published in the *Gazette*.

Proposed section 69H. Revocation of declaration

If a declaration of an identified storage formation is in force, the Minister may revoke the declaration if the Minister is satisfied that, following subsequent use of any set of fundamental suitability determinants, that the part is not an eligible GHG storage formation.

A copy of the revocation must be published in the *Gazette* and before revoking a declaration, the Minister must consult with the GHG titleholder. If the Minister proposes to revoke a declaration, the option to instead vary the declaration under section 69G must be considered.

Proposed subdivision 2. Approved site plans

A new subdivision is required for matters specific to the process for the approval of site plans.

Proposed section 69HA. Approved site plans

Section 69HA provides that regulations may be made to require a GHG licensee to have an approved site plan for an identified GHG storage formation.

The site plan is the core document for each greenhouse gas injection and storage project and will form the basis for the day-to-day regulatory interaction between the injection licensee and the Minister. A site plan must be kept under constant review and must be updated as operations progress and new information becomes available.

The site plan will keep the Minister informed, at an appropriate level of detail, of the geological attributes or features of the storage formation, as they are currently known, current and proposed injection and storage operations, the results of ongoing monitoring and verification programs and predictions as to the short, medium and long-term behaviour and fate of the greenhouse gas in the identified storage formation and associated geological formation(s). Most of the details of the requirements for site plans will be provided for in regulations and may include:

- that a GHG licensee must not carry on any operations in relation to an identified GHG storage formation specified in the licence unless an approved site plan is in force;
- that if an approved site plan is in force in relation to an identified GHG formation specified in a GHG injection licence, the GHG licensee must comply with the approved site plan;
- that the Minister approves draft site plans. If the Minister approves a draft site plan, the approved plan, comes into force at the time of the approval and remains in force indefinitely unless the Minister withdraws approval of the site plan.
- the withdrawal or variation of approved site plans. Regulations made for the variation of an approved site plan may require a GHG licensee to prepare a draft variation periodically, in such circumstances as are specified in the regulations or, when so required by the Minister.

Proposed subdivision 3. Serious situations

A new subdivision is required to provide for circumstances where injection and storage operations do not go as planned and to identify when a serious situation exists, the responsibilities of the GHG licensee and the powers of the Minister.

Proposed section 69HB. When serious situation exists

This section sets out that a serious situation for an identified GHG storage formation exists if:

- an injected greenhouse gas substance has leaked or will leak;
- a greenhouse gas substance has leaked or will leak in the course of being injected;
- an injected greenhouse gas substance has behaved or will behave otherwise than as predicted in the approved site plan;
- the injection or storage of a greenhouse gas substance has had or will have a significant adverse impact on the geotechnical integrity of a geological formation or structure;
- the identified GHG structure is not suitable for the permanent storage of a greenhouse gas substance.

Proposed section 69HC. Reporting of serious situations

This section requires a GHG injection licensee to immediately inform the Minister after becoming aware that a serious situation exists in relation to an identified GHG storage formation and following this to furnish the particulars in writing within 3 days.

Proposed section 69HD. Minister may give directions

This provision provides for various directions the Minister may give a GHG licensee if, in the opinion of the Minister, a serious situation exists. The direction must be in writing and, amongst other possible directions, may include the requirement for the licensee to take all reasonable steps to ensure that a greenhouse gas substance is injected into the identified GHG storage formation in the manner specified in the direction. This section also makes it an offence to not comply with a direction.

Proposed subdivision 4. Site closing certificates

This new subdivision is required to describe the process for the issue of a site closing certificate.

Proposed section 69HE. Application for site closing certificate

This section provides for a GHG licensee to apply for a site closing certificate in relation to a specified identified GHG storage formation in the licence area.

Proposed section 69HF. Application for site closing certificate required if operations have ceased

This section provides that a GHG licensee must apply for a site closing certificate in relation to a specified identified GHG storage formation in the licence area if injection operations have ceased. The application for a site closing certificate must be made in the application period which is within 30 days of ceasing injection, or for a longer period of not more than 90 days after that day, as the Minister allows.

Proposed section 69HG. Application for site closing certificate may be directed if ground for terminating or cancelling GHG injection licence exists

This section provides that the Minister may direct a GHG licensee to apply for a site closing certificate under section 69HE if there are grounds for terminating a GHG licence under section 64A or cancelling it due to non-compliance with conditions of a licence.

Proposed section 69HH. Application for site closing certificate may be directed if GHG injection licence tied to ceased petroleum lease or licence

This section provides that the Minister may direct a GHG licensee to apply for a site closing certificate under section 69HE if:

- a GHG injection licence is in force; and
- the GHG injection licence is tied to a petroleum retention lease or petroleum production licence if the GHG licence is derived from a GHG retention lease granted or renewed under section 48BC; and
- the petroleum retention lease or petroleum production licence ceases to be in force as a result of being surrendered, cancelled, terminated or wholly revoked.

Proposed section 69HI. Requirements for application for site closing certificate

This section details the requirements for an application for a site closing certificate under section 69HE and include:

- a written report setting out the applicant's modelling of the behaviour of the injected greenhouse gas substance and information relevant to that modelling and analysis of that information;
- a written report setting out the applicant's assessment of the behaviour, expected migration pathway or pathways, the short term and long term consequences of the injected greenhouse gas substance; and
- the applicant's suggestions for the approach to be taken by the State after the issue of the certificate for monitoring the behaviour of the injected greenhouse gas substance.

The regulations may specify other information to be provided and the Minister may require further information in writing in connection with application.

Proposed section 69HJ. Variation of application for site closing certificate

Before a decision on an application for a site closing certificate is made by the Minister, the applicant may apply to vary the application. A variation of an application may be made on the applicant's own initiative, or at the request of the Minister.

Proposed section 69HK. Time for decision on application for site closing certificate

Section 69HK provides that a Minister must make a decision on an application for a site closing certificate within 5 years from the date of application.

Proposed section 69HL. Pre-certificate notice

If an application has been made for a site closing certificate and either the Minister is satisfied that injection operations have ceased, or that there have been no injection operations into the identified GHG storage formation, the Minister may give the applicant a 'pre-certificate notice'.

A pre-certificate notice is a written notice telling the applicant that the Minister is prepared to issue a site closing certificate for the identified GHG storage formation.

In deciding whether to give a pre-certificate notice, the Minister must have regard to any significant risk that the greenhouse gas substance injected into an identified GHG storage formation will have a significant adverse impact on the surface or any improvements of any land or any petroleum, mineral, geothermal energy, geothermal resources, GHG operations or operations relating to the construction or operation of a pipeline.

The Minister must not give the applicant a pre-certificate notice in relation to the identified GHG storage formation unless the Minister is satisfied that either the relevant statutory requirements have been complied with, or if not, that there are sufficient grounds to warrant

the issue of the site closing certificate, or any conditions of the injection licence have been satisfied.

Proposed section 69HM. Refusal of pre-certificate notice

Section 69HM provides that the Minister may refuse to give the applicant a pre-certificate notice if the Minister is not satisfied, that the GHG substance injected into the identified GHG storage formation is behaving as predicted in the approved site plan for the formation.

The Minister may also refuse to give a pre-certificate notice if the Minister is satisfied that there is a significant risk that a greenhouse gas substance injected into an identified GHG storage formation will have a significant adverse impact on the conservation of the resources of the soil or the Earth's crust, or the geotechnical integrity of the whole or a part of a geological structure, or the environment or human health or safety.

Proposed section 69HN. Notice of refusal to give pre-certificate notice

If the Minister refuses to give a pre-certificate notice for an application for a site closing certificate made under section 69HE, the refusal must be given in writing.

Proposed section 69H. Content of pre-certificate notice

Section 69HO prescribes that a pre-certificate notice given to a GHG licensee will include:

- a program for monitoring operations to be carried out by the State, and
- an estimate of the total costs and expenses of this monitoring program, and
- the form and amount of security required to be lodged within a specified timeframe, and
- a statement that the application will lapse if security is not lodged with the Minister within the required timeframe.

The purpose of obtaining this security is that the program of monitoring and verification will be carried out over a considerable time, and there is no certainty that the person responsible for payment of the costs and expenses will still be in existence, or still be in a financial position to reimburse the State.

Proposed section 69HP. Issue of site closing certificate

If the injection licensee lodges the security in compliance with the issue of a pre-certificate notice in section 69HO, the Minister must issue the site closing certificate.

Proposed section 69HQ. Transferee of GHG injection licence treated as applicant

If an injection licence is transferred under section 72 after an application is made for a site closing certificate but before the Minister has decided to issue the certificate, the new licensee will be treated as the applicant for the certificate for all purposes.

Proposed section 69HR. Duration of site closing certificate

This section provides that a site closing certificate remains in force indefinitely.

Proposed section 69HS. Transfer of site closing certificate

If a transfer of an injection licence is registered under section 72, a site closing certificate held by the previous licensee is transferred to the new licensee.

Proposed section 69HT. Transfer of securities

Following on from section 69HS, if there is a security in force this section provides for the transfer of the interest in the security to the transferee.

Proposed section 69HU. Discharge of securities

This section provides for regulations to be made for the discharge in whole or part by the Minister of securities in force in relation to site closing certificates.

Proposed section 69HV. Recovery of State's costs and expenses

This section provides that the costs and expenses of the State in carrying out the post site closing work program are recoverable from the holder of the site closing certificate.

Proposed subdivision 5. Long-term liabilities in respect of GHG storage

A new subdivision is required to describe provisions for long term liabilities in respect of GHG storage.

Proposed section 69HW. Closure assurance period

The Minister may declare a closure assurance period if, at least 15 years after a site closing certificate is issued, the Minister is satisfied that:

- the GHG injected is behaving as predicted, and
- there is no significant risk that the GHG will have a significant adverse impact on geological integrity of the formation, the environment, human health or safety.

The closure assurance period extends from the date on which the site closing certificate is granted to the date on which the closure assurance period is declared.

Proposed section 69HX. Indemnity against long-term liability

Long-term liability refers to risks beyond the operational phase of the project; the risks of harm to health, the environment, or property due to the leakage or migration of injected carbon dioxide. These risks can be minimised by ensuring a rigorous and robust site selection process, and effective monitoring and verification. Long-term liability involves both statutory liability and liability under common law. The issue of liability is complicated by the fact that liabilities for greenhouse gas storage projects will run for centuries and extend far beyond the life of most companies and insurance contracts. In this instance, as with other industries, government would assume liability by default.

If the closure assurance period is declared, then the State will, subject to conditions which may be specified in the regulations, indemnify the GHG title holder for liability for damages for any act or omission done in the carrying out of operations authorised by the GHG title incurred or accrued after the end of the closure assurance period.

Section 69HX provides for the standing requirement for the amount of any indemnity to be charged to the Consolidated Account.

Proposed section 69HY. State to assume long-term liability if licensee has ceased to exist

Similar to the circumstances detailed in section 69HY, this section provides that the State will also assume long term liability if the GHG titleholder has ceased to exist. Section 69HY also provides for the standing requirement for the amount of any indemnity to be charged to the Consolidated Account in the event that the licensee has ceased to exist.

Clause 143 - Section 70 amended

This clause extends the existing provisions of this section, regarding the Minister keeping a register of all titles and special prospecting authorities granted, to also include instruments for the grant, variation and revocation of a declaration of an identified GHG storage formation. GHG automatically applies to this section by virtue of the definition of title meaning 'permit, drilling reservation, lease, licence or access authority' and these titles and special prospecting authorities including GHG. This clause also corrects a minor drafting error to this section where 'area' was not included after drilling reservation.

Clause 144 - Section 72 amended

Section 72 provides for the approval and registration of the transfer of a title. This clause amends the title of the *Petroleum and Geothermal Energy Resources (Registration Fees) Act 1967* referred to in section 72(9) to reflect the new Act title of the *Petroleum, Geothermal Energy and Greenhouse Gas Storage (Registration Fees) Act 1967*. GHG applies to this section by virtue of definition of title meaning 'permit, drilling reservation, lease, licence or access authority' and these titles including GHG.

Clause 145 - Section 75 amended

GHG automatically applies to section 75, relating to the approval of dealings and creation of interests, by virtue of the definition of title meaning 'permit, drilling reservation, lease, licence or access authority' and these titles including GHG.

This clause amends section 75(1)(d) to broaden one of the current effects that apply to a dealing where the carrying out of GHG operations has been added to cooperative arrangements for the recovery of petroleum or geothermal energy.

This clause also broadens the existing scope of interest to also include 'similar interests' relating to:

- a greenhouse gas substance injected or stored under an existing permit, drilling reservation, lease or licence; or
- revenue derived as a result of the carrying out of GHG operations authorised by an existing permit, drilling reservation, lease or licence.

This clause also amends the title of the *Petroleum and Geothermal Energy Resources (Registration Fees) Act 1967* referred to in section 75(12) to reflect the new Act title of the *Petroleum, Geothermal Energy and Greenhouse Gas Storage (Registration Fees) Act 1967*.

Clause 146 - Section 76 amended

Section 76 of the Act requires that a statement relating to the consideration for a transfer or dealing must be true and correct. GHG titles automatically apply to this section as they are included in the approval of transfers and dealings in sections 72 and 75 respectively.

This clause amends the title of the *Petroleum and Geothermal Energy Resources (Registration Fees) Act 1967* referred to in sections 76(1) and 76(2) to reflect the new Act title of the *Petroleum, Geothermal Energy and Greenhouse Gas Storage (Registration Fees) Act 1967*.

Clause 147 - Section 85 amended

This clause provides that the assessment of the fee payable for the registration of certain instruments in this Part is determined under the *Petroleum and Geothermal Energy Resources (Registration Fees) Act 1967* and that a person dissatisfied with this amount may apply to the State Administrative Tribunal for a review of this determination.

GHG titles automatically apply to this section as they are applicable titles included in the approval of the registration of instruments in this Part.

This clause amends the title of the *Petroleum and Geothermal Energy Resources (Registration Fees) Act 1967* referred to in section 85(1) to reflect the new Act title of the *Petroleum, Geothermal Energy and Greenhouse Gas Storage (Registration Fees) Act 1967*. The heading of this section has also been amended to now read 'Assessment of fee payable under *Petroleum, Geothermal Energy and Greenhouse Gas Storage (Registration Fees) Act 1967*'.

Clause 148 - Section 90 amended

Section 90 requires that where a permit, drilling reservation, lease or licence is granted and includes a condition that works or operations are required to be carried out, the work or operations shall commence within 6 months from the title coming into force or within another period as directed by the Minister.

This clause amends section 90 to align with equivalent sections in the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) and exclude GHG exploration permits, drilling reservations, retention leases and injection licences from this requirement.

Clause 149 - Section 91 amended

Section 91 imposes a series of general and specific requirements or work practices on titleholders to control the flow; prevent the escape or waste; and keep separate petroleum, geothermal energy resources and water resources to conserve and prevent damage to these resources. This is achieved by carrying out operations in a proper and workmanlike manner and following good oil-field practice for petroleum operations.

The main amendment by this clause is to extend these work practice requirements to include all GHG operations. This clause also amends this section to clarify the responsibilities of petroleum, geothermal and GHG titleholders.

Clause 150 - Section 91A amended

Section 91A provides for the conditions relating to insurance. The section requires a titleholder, where directed by the Minister, to take out adequate insurance against expenses and liabilities including cleaning up or remedying the effects of the escape of petroleum, regulated substances or geothermal energy resources.

This clause extends the section 91A insurance provisions to apply to greenhouse gas substances. Section 91A is not for long-term liability for greenhouse gas storage as that is covered by the provisions of Subdivision 5 in sections 69HX and 69HY. The section 91A amendments provide for insurance for such activities as the drilling of a well in order to cover blow out and cleanup of the well site.

Clause 151 - Section 95 amended

Section 95 provides the Minister power to issue directions in relation to any matter with respect to which regulations may be made. Such directions are served individually on each titleholder. This clause extends section 95 to include GHG operations.

Clause 152 - Section 105 amended

This clause extends the special prospecting authority provisions of the Act to allow for the granting of a GHG special prospecting authority and the conditions under which the Minister may issue another special prospecting authorities over the same area.

A special prospecting authority may currently be issued to petroleum and geothermal exploration companies over any area which is not covered by an exploration permit, drilling reservation, retention lease or production licence. The authority allows the holder to undertake approved exploration operations but does not allow the drilling of wells.

This clause also makes a minor drafting enhancement by changing the term 'geothermal energy resources exploration operations' to the more correct 'geothermal exploration operations'.

Clause 153 - Section 106 amended

This clause extends the existing access authority provisions of the Act to allow for the granting of a GHG access authority to a GHG permittee, holder of a GHG drilling reservation, GHG lessee, GHG licensee or holder of a GHG special prospecting authority.

A petroleum access authority may currently be issued to petroleum titleholders and a geothermal access authority may currently be issued to geothermal titleholders who wish to undertake exploration or development work (not including the drilling of wells) in close proximity to the boundaries of their title area. The authority may provide access to a vacant area or an area covered by another title. In the latter case, the Minister must inform and consider submissions from the holder of the title into which the authority provides access. The authority could even be issued to the holder of a title outside of the State.

This clause corrects a minor drafting error where 'area' was not included after drilling reservation and makes a minor drafting enhancement by changing the term 'geothermal energy resources exploration operations' to the more correct 'geothermal exploration operations'.

This clause also inserts a new term of 'GHG title', to accompany existing terms of 'geothermal title' and 'petroleum title' in subsection (13), to provide the legislative authority to carry on a GHG injection operation.

Clause 154 - Section 109 amended

This clause expands the provisions of this section, which empower the Minister, or an inspector, to require any person, but not necessarily a titleholder, to provide factual information which is relevant for the proper administration of the legislation, to now include GHG operations in the State.

Clause 155 - Section 116 amended

This clause amends the provisions of the Act, that provide for the Minister to consent to petroleum exploration and geothermal exploration in the course of a scientific investigation, to include GHG exploration operations.

This clause also makes a minor drafting enhancement by changing the term 'geothermal energy resources exploration operations' to the more correct 'geothermal exploration operations'.

Clause 156 - Section 117 amended

Section 117 requires that a person must carry on operations under a permit, drilling reservation, lease, licence, special prospecting authority, access authority and an instrument of consent granted under section 116 in a manner that does not interfere with:

- (a) the surface of any land and improvements on the land; or
- (b) the conservation of soil and the earth's crust; or
- (c) any mineral, geothermal, pipeline or other petroleum operations; or
- (d) navigation; or
- (e) fishing; or
- (f) the conservation of the sea and seabed.

This clause extends the provisions in subsection (c) to now include GHG operations. Persons undertaking GHG activities are automatically included in this section as it is applicable in the definitions of permit, drilling reservation, lease, licence, special prospecting authority, access authority and an instrument of consent granted under section 116.

Clause 157 - Section 117A amended

This clause extends the provisions of section 117A, which detail that a person must not intentionally or recklessly damage or interfere with any petroleum operation or geothermal energy operation, to now include GHG operations.

The heading of this section has also been amended to now read 'Interfering with petroleum operation, geothermal energy operation or GHG operation'.

Clause 158 - Section 119 amended

This clause amends the provisions in section 119, which detail the powers of inspectors under the Act, to include GHG operations. This clause also makes a minor drafting enhancement by changing the term 'geothermal energy resources exploration operations' to the more correct 'geothermal exploration operations'.

Clause 159 - Section 123 amended

Section 123 provides for the forfeiture of specified vessels, aircraft or vehicles, specified equipment and specified petroleum recovered in the commission of the offence, or the sale price or well-head value of this petroleum, where a person is convicted of an offence of unauthorised exploration or recovery of petroleum or geothermal energy resources. This clause amends this section to now include unauthorised GHG exploration and injection operations.

Clause 160 - Section 126A amended

This clause extends the provisions that establish that certain matters in relation to petroleum and geothermal operations are taken to have been proved in the absence of evidence to the contrary, to now include GHG operations.

This section also outlines the matters where, in proceedings for an offence against the Act, proof is not required unless evidence is given to the contrary and provides for the certification of codes of practice, Australian Standards and Australian/New Zealand standards.

Clause 161 - Section 127A amended

This section prescribes that where there are two or more registered holders of a title or special prospecting authority, those registered holders must nominate one titleholder to be the person on whom documents will be served. In this section, title means a permit, drilling reservation, lease, licence or access authority.

This clause corrects a minor drafting error to include drilling reservation in this Section. GHG automatically applies to this section as it is applicable in the definitions of permit, lease, licence, special prospecting authority and access authority.

Clause 162 - Section 134A amended

This clause amends the name of the Act in section 134A from the '*Petroleum and Geothermal Energy Resources Act 1967*' to the '*Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*'.

Clause 163 - Section 136 amended

Section 136 details that certain ongoing petroleum exploration or recovery activities conducted under the Barrow Island oil lease L1H are not prohibited by sections 29 and 49. This clause amends this section to change the petroleum specific references in sub-section (a) to 29(1) and in (b) and (c) to 49(1).

Clause 164 - Section 142 amended

This clause revises existing section 142(1) into two new subsections (1) and (1A). This amendment maintains the terms of the existing subsection (1) but splits the provision into separate subsections to extend its application to regulated substances and to distinguish from geothermal energy. This amendment is necessitated by way of the introduction of the introduction of the new suite of greenhouse gas-related titles inserted and the need to distinguish between the various titles.

Clause 165 - Section 144 amended

Section 144 prescribes that royalty is not payable in certain cases by permittees, holders of a drilling reservation, lessees and licensees. Similar to the amendments for section 142, this clause amends section 144 to clarify that payment of royalty only applies to petroleum, regulated substances and geothermal energy recovered and is not payable to any GHG operation.

Clause 166 - Section 145 amended

Section 145 prescribes that the value at the well-head of any petroleum, regulated substance or geothermal energy is such amount as agreed between the permittee, holder of a drilling reservation, lessee or licensee and the Minister or, in lieu of an agreement, as determined by the Minister.

Similar to the amendments for sections 142 and 144, this clause amends section 145 to clarify that payment of royalty only applies to petroleum, regulated substances and geothermal energy recovered and is not payable to any GHG operation.

Clause 167 - Section 146 amended

Section 146 prescribes that that the well-head, in relation to any petroleum, regulated substance or geothermal energy is such valve station as agreed between the permittee, holder of a drilling reservation, lessee or licensee and the Minister or, in lieu of an agreement, as determined by the Minister.

Similar to the amendments for sections 142, 144 and 145, this clause amends section 146 to clarify that payment of royalty only applies to petroleum, regulated substances and geothermal energy recovered and is not payable to any GHG operation.

Clause 168 - Section 147 amended

Section 147 prescribes that the quantity of any petroleum, regulated substance or geothermal energy recovered by a permittee, holder of a drilling reservation, lessee or licensee shall be taken to be the quantity measured by a measuring device approved by the Minister or, in lieu of a measuring device, the quantity determined by the Minister as being the quantity recovered by the permittee, holder of a drilling reservation, lessee or licensee.

Similar to the amendments for sections 142, 144, 145 and 146, this clause amends section 147 to clarify that payment of royalty only applies to petroleum, regulated substances and geothermal energy recovered and is not payable to any GHG operation.

Clause 169 - Section 148 amended

Section 148 details when royalty is to be paid and the penalty to be paid by the permittee, the holder of a drilling reservation, the lessee and the licensee where royalty is not paid.

Similar to the amendments for sections 142, 144, 145, 146 and 147, this clause amends section 148 to clarify that payment of royalty only applies to petroleum, regulated substances and geothermal energy recovered and is not payable to any GHG operation.

Clause 170 - Section 149 amended

Section 149 details that any royalty payable under section 142 and penalties due under section 148(2) are debts due by the permittee, holder of a drilling reservation, lessee and licensee and is recoverable through the court system.

Similar to the amendments for sections 142, 144, 145, 146, 147 and 148, this clause amends section 149 to clarify that payment of royalty only applies to petroleum, regulated substances and geothermal energy recovered and is not payable to any GHG operation.

Clause 171 - Section 150A amended

Section 150A details terms used in Part IVA which prescribe release of information provisions. This clause amends the current term 'petroleum mining sample' used in section 150A to delete 'petroleum' thereby allowing mining samples from GHG operations.

Clause 172 - Section 152 amended

Section 152 provides that, in relation to the definition of licence in section 10 of the Commonwealth *Personal Property Securities Act 2009* (Cth), certain things are not personal property for the purpose of the Commonwealth legislation.

This clause amends this section to correctly identify and list applicable petroleum and geothermal titles that are exempt from the *Personal Property Securities Act 2009* (Cth) and to also add new GHG titles.

Clause 173 - Section 153 amended

This clause extends the provisions of section 153, which sets out the general regulation-making powers of the Act, to now to now include GHG operations

This clause also updates the Act references in (2c) to the '*Petroleum and Greenhouse Gas Pipelines Act 1969*' and the '*Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982*'.

Clause 174 - Schedule 2 clause 4 amended

This clause updates Schedule 2 in relation to transitional provisions relating to the underground storage of petroleum. Specifically, clause 4(4)(f) revises the reference to '*Petroleum (Submerged Lands) Act 1982*' to '*Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982*'.

Clause 175 - Schedule 2 clause 6 inserted

This clause inserts new clause 6 in Schedule 2 Division 2 which provides for transitional provisions in relation to royalty conditions and the extension to regulated substances, to ensure the amendments in relation to section 142(1) and (1A) apply to new titles issued after the commencement of the amendments as it relates to a condition imposed on a title. This amendment is administrative in nature.

PART 3 – PETROLEUM PIPELINES ACT 1969 AMENDED

DIVISION 1 – PRELIMINARY

Clause 176 - Act amended

This Part amends the *Petroleum Pipelines Act 1969*.

DIVISION 2 – GENERAL AMENDMENTS

Clause 177 - Section 4 amended

This clause inserts two new defined terms in the definitions section of the Act to facilitate the amendments relating to electronic lodgement and service as well as the electronic endorsement of instruments and the maintenance of electronic signatures. The new defined terms Department and electronic means.

Further revised definitions are incorporated to the terms petroleum, pipeline operation and pipeline in order to facilitate safety, environmental and royalty-related amendments. Amongst other things, the revised definitions are to allow additives to be added to petroleum (revised definition of petroleum), to ensure care and maintenance, decommissioning and rehabilitation

are expressly recognised as specific phases of a pipeline operation (revised definition of pipeline operation) and to ensure measuring devices are specifically provided for in the definition of pipeline (to address royalty calculation requirements and enable to third party processing of petroleum).

Clause 178 - Section 8 amended

This clause removes the requirement to submit applications in quadruplicate.

Clause 179 - Section 12 amended

This clause amends section 12 to assist in enabling the third party processing of petroleum by providing that where agreed to by the licensee, conditions, either at the time of grant of the licence, or at an subsequent time, may be imposed by the Minister requiring the installation of one or more measuring devices for the purpose of ascertaining the quantity of petroleum under the *Petroleum and Geothermal Energy Resources Act 1967* and the *Petroleum (Submerged Lands) Act 1982*.

Clause 180 - Section 15 amended

This clause inserts a requirement that an application must be made in the approved manner.

Clause 181 - Section 16 amended

Section 16 is amended to clarify that the instrument being a lease, easement, licence etc. that may be granted by the Minister for Lands or a public servant empowered, necessary to assist in the construction or operation of a pipeline. That granted instrument may be subject to conditions as specified in that instrument.

Clause 182 - Section 17 amended

Section 17 is amended to clarify that instruments being a lease, easement, licence etc. may be granted by any public authority to the licensee. That instrument may be subject to conditions as specified in the instrument.

Clause 183 - Section 21 amended

This clause inserts a requirement that an application must be made in the approved manner.

Clause 184 - Section 44 amended

In relation to the approvals for a transfer of a title, section 44 is expanded to provide for a means of electronic lodgement. The amendment also removes the requirement for the Minister to endorse hard copy forms and allows the Minister or a delegate to electronically endorse instruments.

Clause 185 - Section 47 amended

In relation to dealings, section 47 is expanded to provide for a means of electronic lodgement. The amendment also removes the requirement for the Minister to endorse hard copy forms and allows the Minister or a delegate to electronically endorse instruments.

Clause 186 - Section 48 amended

This clause contains amendments consequential upon the amendments made to section 47.

Clause 187 - Part 4A inserted

This Part introduces the 'polluter pays principle' which has been adapted from the *Offshore Petroleum Greenhouse Gas Storage Act 2006* (Cth). This Part complements existing safeguard mechanisms within the Petroleum Acts to ensure that in the event of an escape of petroleum, registered holders are responsible for eliminating, controlling and cleaning up any

escape of petroleum and remediating and monitoring the environment. Specifically, it will ensure registered holders are financially responsible for making good any escape of petroleum or a regulated substance and will mitigate the State's exposure to environmental liability.

Proposed section 56A. Escape of petroleum: titleholder's duty

This proposed section is inserted to address the escape of petroleum occurring in relation to a pipeline operation. This provision requires the holder of the title to take all reasonably practicable efforts to eliminate or other control the escape, clean up the escape petroleum and remediate any resulting damage to the environment and carry out environmental monitoring of the impact of the escape on the environment and any actions taken to eliminate or control the escape. The holder of the title is also required to undertake such activities where the escape of petroleum has migrated to another jurisdiction (State or Commonwealth) and notify the relevant Minister. This provision inserts these actions as an express duty.

Proposed section 56B. Escape of petroleum: reimbursement of State

Proposed section 56B is inserts to ensure that holders of the title are held financially accountable for any escape of petroleum occurring from or in relation to their pipeline operation. Specifically, the provision provides that where the Minister considers the holder of the title has failed to meet its duty in section 56A, the Minister may undertake all reasonable actions the holder of the title ought to have done to address the escape of petroleum. The costs or expenses incurred by the State may then be recovered from the holder of the title as a debt.

Clause 188 - Part V Division 1 heading inserted

This clause inserts the heading Division 1 – General in Part V.

Clause 189 – Section 60 amended

This clause clarifies the relationship between section 60 of the *Petroleum Pipelines Act 1969* and new section 67(1AA) *Petroleum Pipelines Act 1969* inserted by this Bill with respect to address for service and amendments for providing documents by electronic means.

Clause 190 - Part V Division 2 heading inserted

This clause inserts the heading Division 2 – Inspectors and protection from liability into Part V.

Clause 191 - Part V Division 3 heading inserted

This clause inserts the heading Division 3 – Offences and proceedings into Part V.

Clause 192 - Section 66BB amended

This clause streamlines and modernises the definition of 'CEO' contained within section 66BB(4). It does this by referring to the 'Department' as the new defined term inserted into section 4 of the Act.

Clause 193 - Part V Division 4 heading inserted

This clause inserts the heading Division 4 – Forms and regulations into Part V.

Clause 194 - Section 66F inserted

This clause inserts the new Division 4 comprising of section 66F. The new section 66F provides that an application, which is defined in the first part of the provision, must be lodged in the approved form.

Clause 195 - Section 67 amended

This clause inserts a new head of power into section 67, so that regulations may be made to provide for effectual service and lodgement of documents.

Clause 196 - Part 6 inserted

This clause inserts new section 68, which is modelled on section 154 of the *Petroleum and Geothermal Energy Resources Act 1967* and section 153 of the *Petroleum (Submerged Lands) Act 1982* so as to provide for an ability to make appropriate transitional regulations as needed for amendments arising from this amendment Bill. This amendment seeks to ensure the continued functioning of existing operations in harmonisation with the amendments contained with this Amendment Bill.

Clause 197 - Various modernisations

This clause makes minor wording edits to modernise language used within the *Petroleum Pipelines Act 1969* in line with contemporary drafting practises.

DIVISION 3 – AMENDMENTS RELATING TO GREENHOUSE GAS STORAGE AND TRANSPORT

Clause 198 - Long title amended

This clause amends the long title of the *Petroleum Pipelines Act 1969* to add ‘or greenhouse gas substances and for connected purposes’ which, along with petroleum, is conveyed in the pipelines.

Clause 199 - Section 1 amended

This clause amends the name of the Act in the short title from the ‘*Petroleum Pipelines Act 1969*’ to the ‘*Petroleum and Greenhouse Gas Pipelines Act 1969*’.

Clause 200 - Section 4 amended

Clause 200(1) deletes the definitions of ‘pipeline’ from section 4(1) as a new definition for this has been inserted.

Clause 200(2) inserts the following new definitions in section 4(1).

- **excluded greenhouse gas pipeline** – This clause inserts the term ‘excluded greenhouse gas pipeline’ which is a new term used in paragraph (a)(i) of the definition of greenhouse gas pipeline.
- **GHG facility line** - This clause inserts a new definition of ‘GHG facility line’ used in the definition of ‘pipeline’.
- **GHG injection line** - This clause inserts a new definition of ‘GHG injection line’ used in the definition of ‘pipeline’.
- **GHG operation** - This clause inserts a new definition of ‘GHG operation’ used in the definition of ‘greenhouse gas facility’.
- **greenhouse gas facility** - This clause inserts a new definition of ‘greenhouse gas facility’ used in the definition of ‘GHG facility line’.
- **greenhouse gas pipeline** - This clause inserts a new definition of ‘greenhouse gas pipeline’ to differentiate between a ‘petroleum pipeline’.
- **greenhouse gas substance** - This clause inserts a new definition of ‘greenhouse gas substance’ to describe the substances which, for the purpose of the Bill, can be transported and stored. This is the same definition as in section 6E of the *Petroleum,*

Geothermal Energy and Greenhouse Gas Storage Act 1967. The definition also clarifies that this term is not applicable to the *Barrow Island Act 2003*.

- **identified GHG formation** - This clause inserts a new definition of 'identified GHG storage formation' used in the definition of GHG injection line. This is the same definition as in section 5(1) of the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*.
- **petroleum exploration operation** – This clause inserts the new term 'petroleum exploration operation' to mean operations to explore for petroleum, the undertaking of operations and works necessary for that purpose.
- **petroleum pipeline** - This clause inserts a new definition of 'petroleum pipeline' to differentiate between a 'greenhouse gas pipeline'.
- **pipeline** - This clause inserts a new definition of 'pipeline' to mean a 'petroleum pipeline' and a 'greenhouse gas pipeline'.
- **secondary line** – This clause inserts a new definition of secondary line to mean a pipe, or system of pipes, for conveying petroleum for use for petroleum exploration operations; or conveying petroleum for use for petroleum recovery operations; or conveying petroleum that is to be flared or vented; or conveying petroleum from the well head to a tank or separator; or collecting petroleum within the area in which it is produced or recovered;
- **terminal point** - This clause inserts a new definition of 'terminal point' used in the definition of 'GHG injection line' and described in new section 5A(1).

Clause 201 - Section 5A inserted

This clause inserts new section 5A to describe the new term of 'terminal point'.

Clause 202 - Section 8 amended

Section 8 details what is required for an application for a pipeline licence.

Sub-section (1)(g) prescribes that an application for a pipeline licence must be accompanied by any agreements that are entered into or proposed to be entered into by the applicant regarding the supply or conveyance of petroleum in the proposed pipeline. This clause amends this sub-section to add 'greenhouse gas substances'.

No other amendments are required as the term 'pipeline' in 'pipeline operation' has been amended to include the conveyance of greenhouse gas substances.

Clause 203 - Section 12 amended

This clause updates section 12(2A) to specify its application to a petroleum pipeline and to insert updated references to the revised titles of the petroleum legislation in the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967* and the *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982*.

Clause 204 - Section 21 amended

This Section details that a person may apply to the Minister for a direction if agreement has not been reached with a pipeline licensee for the conveyance of petroleum through the pipeline specified in the licensee's licence within a period of three months. This clause extends the provisions of this section to also include the conveyance of greenhouse gas substances and amends the title to now read 'Directions as to conveyance of petroleum or greenhouse gas substances'.

Clause 205 - Section 37A amended

This clause extends the provisions of this Section, which requires that the licensee must maintain insurance against expenses or liabilities or specified things arising in connection with or as a result of work carried out under a pipeline licence, to include pipelines used for the conveyance of greenhouse gas substances.

Clause 206 - Section 41 amended

Section 41 of the Act provides the Minister power to issue directions in relation to any matter with respect to which regulations may be made. This clause makes minor editing amendments to subsection (2)(b). GHG is automatically included in this section as the term 'pipeline' has been amended to include the conveyance of greenhouse gas substances.

Clause 207 - Section 47 amended

Section 47 provides for the approval of dealings and creation of interests in existing titles. This clause expands the reference to the recovery of petroleum in section 47(1)(c) and petroleum produced from operations in section 47(1)(d)(ii) to now include interests relating to the injection of greenhouse gas substances derived as a result of the carrying out of GHG operations.

Clause 208 - Section 64 amended

Section 64 details that any person who maliciously or fraudulently obtains, wastes, diverts or uses petroleum conveyed in a pipeline is guilty of theft. This clause extends the provisions of section 64 to now include greenhouse gas substances.

Clause 209 - Section 67 amended

This clause amends the regulation making provisions in section 67 to reflect the change in the Act name of the *Petroleum and Geothermal Energy Resources Act 1967* to the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967* and the *Petroleum (Submerged Lands) Act 1982* to the *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982*.

PART 4 – PETROLEUM (SUBMERGED LANDS) ACT 1982 AMENDED

DIVISION 1 – PRELIMINARY

Clause 210 - Act amended

This Part amends the *Petroleum (Submerged Lands) Act 1982*.

DIVISION 2 – GENERAL AMENDMENTS

Clause 211 - Section 4 amended

This clause inserts new defined terms in the definitions section of the Act in order to facilitate the amendments relating to electronic lodgement and service as well as the electronic endorsement of instruments and the maintenance of electronic signatures. The new defined terms are 'Department', 'electronic means', and 'report'.

Further revised definitions and new terms are incorporated to the terms 'facility', 'geological formation', 'petroleum', 'petroleum exploration operation', 'petroleum operation', 'pipeline', 'regulated substance', 'resources pool' and 'secondary line' in order to facilitate regulated substance, safety, environmental and royalty-related amendments. Amongst other things, the revised definitions are to allow additives to be added to petroleum (revised definition of petroleum) and to ensure care and maintenance, decommissioning and rehabilitation are expressly recognised as specific phases of a petroleum operation (revised definition of petroleum operation), to ensure measuring devices are specifically provided for in the

definition of pipeline (to address royalty calculation requirements and to assist in introducing the concept of extending the petroleum legislative framework.

Clause 212 - Section 4A deleted

This clause deletes existing section 4A as the term 'offshore petroleum operation' will no longer be used and is replaced with the term 'petroleum operation' in clause 211.

Clause 213 - Section 15 amended

This clause replaces the previous description of the Public Service department assisting in the administration of this Act with a reference to the 'Department', which is now a defined term in section 4.

Clause 214 - Part III heading replaced

This clause modernises the heading to Part 3 to include a reference to regulated substances.

Clause 215 - Section 19 amended

This clause modernises the penalty provision for section 19(1) for consistency with the revised penalty provisions in this amendment Bill to refer to 'this subsection'.

Clause 216 - Section 21 amended

This amendment provides that an application for a permit may also include an application for additional rights for a regulated substance.

Clause 217 - Section 22 amended

This clause provides that in relation to applications for a permit which also included an application for additional rights for a regulated substance, where an instrument is served to the applicant providing notification of the Minister's preparedness to grant a permit, that instrument must also contain a statement as to whether the approval for additional rights will be granted with the permit. If applicable, the subsequent permit must include the approval for additional rights for the regulated substance.

Clause 218 - Section 23 amended

This clause provides that an application for a permit in respect of surrendered, cancelled or determined blocks may also include an application for additional rights for a regulated substance.

Clause 219 - Section 25 amended

This amendment provides in relation to an application for a permit which also included an application for the approval of additional rights for a regulated substance, an instrument informing the applicant of the Minister's preparedness to grant the permit must also include a statement as to whether the approval for additional rights will be granted with the permit.

Clause 220 - Section 27 amended

This clause specifies that if applicable, any granted permit must include an approval for regulated substances where those additional rights have been applied for and approved.

Clause 221 - Section 28 replaced

This clause replaces section 28 to establish the rights conferred by a permit. Specifically, the amendment provides that a permit does not authorise operations in pursuit of a regulated substance unless additional rights for a regulated substance have been applied for and granted in writing. Further, the amendment clarifies that a permit does not authorise a well to be made outside of the permit area.

Clause 222 - Section 38A amended

This clause provides that an application for a petroleum retention lease may also include an application for additional rights for a regulated substance.

Clause 223 - Section 38B amended

This amendment provides in relation to an application for a retention lease which also included an application for the approval of additional rights for a regulated substance, an instrument informing the applicant of the Minister's preparedness to grant the lease must also include a statement as to whether the approval for additional rights will be granted with the lease. If applicable, the subsequent lease must include the approval for additional rights for the regulated substance.

Clause 224 - Section 38CA amended

This clause provides that an application by a licensee for a lease with respect to the unused area may also include an application for additional rights for a regulated substance.

Clause 225 - Section 38CB amended

This amendment provides in relation to an application by a licensee for a lease with respect to the unused area which also included an application for the approval of additional rights for a regulated substance, an instrument informing the applicant of the Minister's preparedness to grant the lease must also include a statement as to whether the approval for additional rights will be granted with the lease. If applicable, the subsequent lease must include the approval for additional rights for the regulated substance.

Clause 226 - Section 38C replaced

This clause revises section 38C to establish the rights conferred by a lease. Specifically, the amendment provides that a lease does not authorise operations in pursuit of a regulated substance unless additional rights for a regulated substance have been applied for and granted in writing. Further, the amendment clarifies that a lease does not authorise a well to be made outside of the lease area.

Clause 227 - Section 41 amended

This clause provides that an application for a licence by a permittee or holder of a lease may also include an application for additional rights for a regulated substance.

Clause 228 - Section 43 amended

This amendment provides in relation to an application for a licence by a permittee or holder of a lease which also included an application for the approval of additional rights for a regulated substance, an instrument informing the applicant of the Minister's preparedness to grant the licence must also include a statement as to whether the approval for additional rights will be granted with the licence.

Clause 229 - Section 44 amended

This amendment provides where an applicant has been served a notice with respect to the Minister's preparedness to grant a licence, if applicable, the subsequent licence must also include an approval for additional rights for a regulated substance.

Clause 230 - Section 47 amended

This clause provides that an application for a licence in respect of surrendered, cancelled or determined blocks may also include an application for additional rights for a regulated substance.

Clause 231 - Section 49 amended

This amendment provides in relation to an application for a licence which also included an application for the approval of additional rights for a regulated substance, an instrument informing the applicant of the Minister's preparedness to grant the licence must also include a statement as to whether the approval for additional rights will be granted with the licence.

Clause 232 - Section 50 amended

This specifies that if applicable, a granted licence must also include an approval for regulated substances where those additional rights have been applied for and approved.

Clause 233 - Section 51 amended

This clause provides that in relation to a licence granted pursuant to section 51, where the original licence contained an approval for additional rights for a regulated substance, the new licence must include a corresponding approval for the relevant regulated substance.

Clause 234 - Section 52 replaced

This clause revises section 52 to establish the rights conferred by a licence. Specifically, the amendment provides that a licence does not authorise operations in pursuit of a regulated substance unless additional rights for a regulated substance have been applied for and granted in writing. Further, the amendment clarifies that a licence does not authorise a well to be made outside of the licence area.

Clause 235 - Section 70 amended

This clause is inserted to assist in enabling the third party processing of petroleum. Specifically, this amendment addresses royalty calculation requirements by allowing the Minister to impose conditions, where agreed to by the licensee, to install measuring devices on the pipeline for the purpose of measuring the quantities of petroleum. Such conditions may be imposed at the time the licence is granted or at any subsequent time.

Clause 236 - Part 3 Division 4AA inserted

This Part introduces the 'polluter pays principle' which has been adapted from the *Offshore Petroleum Greenhouse Gas Storage Act 2006* (Cth). This Part complements existing safeguard mechanisms within the Petroleum Acts to ensure that in the event of an escape of petroleum or a regulated substance, registered holders are responsible for eliminating, controlling and cleaning up any escape of petroleum or a regulated substance and remediating and monitoring the environment. It will ensure registered holders are financially responsible for making good any escape of petroleum or a regulated substance and will mitigate the State's exposure to environmental liability.

Proposed section 74A. Escape of petroleum: titleholder's duty

This proposed section is inserted to address the escape of petroleum or regulated substance occurring in relation to a petroleum or geothermal operation. This provision requires the registered holder to take all reasonably practicable efforts to eliminate or other control the escape, clean up the escape petroleum or regulated substance and remediate any resulting damage to the environment and carry out environmental monitoring of the impact of the escape on the environment and any actions taken to eliminate or control the escape. The registered holder is also required to undertake such activities where the escape of petroleum

of regulated substance has migrated to another jurisdiction (State or Commonwealth) and notify the relevant Minister. This provision inserts these actions as an express duty.

Proposed section 74B. Escape of petroleum: reimbursement of State

Proposed section 74B is inserted to ensure that registered holders are held financially accountable for any escape of petroleum or regulated substance occurring from or in relation to their petroleum or geothermal energy operation. Specifically, the provision provides that where the Minister considers the registered holder has failed to meet its duty in section 74A, the Minister may undertake all reasonable actions the registered holder ought to have done to address the escape of petroleum or regulated substance. The costs or expenses incurred by the State may then be recovered from the registered holder as a debt.

Clause 237 - Section 78 amended

In relation to the application for a transfer of a title, section 78 is expanded to provide for a means of electronic lodgement. The amendment also removes the requirement for the Minister to endorse hard copy forms and allows the Minister or a delegate to electronically endorse instruments and the register.

Clause 238 - Section 81 amended

In relation to dealings, section 81 is expanded to provide for a means of electronic lodgement. The amendment also removes the requirement for the Minister to endorse hard copy forms and allows the Minister or a delegate to electronically endorse instruments and the register.

Clause 239 - Section 81A amended

This clause contains amendments consequential upon the amendments made to section 81.

Clause 240 - Section 82 amended

This clause contains amendments consequential upon the amendments made to section 81.

Clause 241 - Section 97A amended

This clause extends the application of section 97A, conditions relating to insurance, to also be applicable to regulated substances.

Clause 242 - Section 97B inserted

This clause inserts proposed new section 97B which provides that when additional rights for a regulated substance are granted, or when a title with regulated substance rights attached is renewed, the Minister is empowered to impose new, vary or remove existing conditions as they relate to regulated substances. This is to ensure the compatibility, safety and ability to regulate existing operations in the context of new operations in pursuit of a regulated substance.

Clause 243 - Section 111 amended

This clause extends existing section 111, in relation to special prospecting authorities, to regulated substances. Specifically, this amendment provides that an application for a special prospecting authority may also include an application for additional rights for a regulated substance. If an application for a special prospecting authority including an application for additional rights is granted, the approval for additional rights may be included in the special prospecting authority. A special prospecting authority only permits operations for a regulated substance where the applicant has applied for and been granted such additional rights.

Clause 244 - Section 112 amended

This clause extends existing section 112, in relation to access authorities, to regulated substances. Specifically, this amendment provides that an application for an access authority may also include an application for additional rights for a regulated substance. If an application for an access authority including an application for additional rights is granted, the approval for additional rights may be included in the access authority. An access authority only permits operations for a regulated substance where the applicant has applied for and been granted such additional rights.

Clause 245 - Section 122 amended

This clause removes reference to 'returns, other documents,'.

Clause 246 - Section 123A amended

This clause removes reference to 'returns, other documents,'.

Clause 247 - Section 137A amended

This clause replaces the previous description of the Public Service department assisting in the administration of this Act with a reference to the 'Department', which is now a defined term in section 4.

Clause 248 - Section 138 amended

This clause amends section 138 of the Act to enable electronic service.

Clause 249 - Section 142 amended

This clause amends existing section 142 to specify the timing of payment of annual fees in relation to infrastructure licenses.

Clause 250 - Section 145 amended

This clause updates existing section 145 to align with the proposed amendments to revise the manner of approving the underground storage of petroleum in section 67(2) in regulations.

Clause 251 - Section 148 replaced

This clause replaces existing section 148 to address amendments required to enable the third-party processing of petroleum with respect to royalty calculation. The changes inserted into section 148 allow the Minister to approve the installation of a measuring device at the well-head or at another place and as well as allowing the use of an approved metering device installed pursuant to the *Petroleum Pipelines Act 1969*.

Clause 252 - Section 152A amended

This clause removes reference to 'returns, other documents,'.

Clause 253 - Part IV Division 1 heading inserted

This clause inserts Division 1 – General heading into Part IV.

Clause 254 - Section 152I amended

This clause updates existing section 152I to account for the proposed introduction of regulated substances. That is, the existing references limiting the application of the provision to petroleum, will be removed.

Clause 255 - Part IV Division 2 heading inserted

This clause inserts Division 2 – Regulations and forms heading into Part IV.

Clause 256 - Section 152J inserted

This clause inserts a new section 152J provides that an application, which is defined in the first part of the provision, must be lodged in the approved form.

Clause 257 - Section 152 amended

This clause inserts a new head of power into section 152, so that regulations may be made to provide for effectual service and lodgement of documents.

Clause 258 – Section 153 amended

This clause expands upon the existing section 153 to provide for an ability to make appropriate transitional regulations as needed for amendments arising from this amendment Bill.

Clause 259 – Various references to “petroleum pool” amended

This clause replaces the existing term ‘petroleum pool’ with the new term ‘resources pool’ as reflective of the proposed introduction of regulated substances.

Clause 260 – Various references to “petroleum” amended

This clause revises the various uses of the term ‘petroleum’ to be replaced with ‘petroleum or a regulated substance’ (or similar variation as appropriate) to reflect the proposed introduction of regulated substances.

Clause 261 – Various modernisations

This clause makes minor wording edits to modernise language used within the *Petroleum (Submerged Lands) Act 1982* in line with contemporary drafting practises.

DIVISION 3 – AMENDMENTS RELATING TO GREENHOUSE GAS STORAGE AND TRANSPORT

Clause 262 – Long title replaced

This clause amends the long title of the *Petroleum (Submerged Lands) Act 1982* by adding in ‘the injection and storage of greenhouse gas substances within certain submerged lands adjacent to the coast of Western Australia’ and to also delete ‘to repeal the *Petroleum (Submerged Lands) Act 1967*’.

Clause 263 – Section 1 amended

This clause amends the name of the Act in the short title from the ‘*Petroleum (Submerged Lands) Act 1982*’ to the ‘*Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982*’.

Clause 264 – Section 4 amended

Clause 264(1) deletes the definitions of ‘access authority’, ‘lease’, ‘licence’, ‘permit’, ‘pipeline’, ‘primary entitlement’ and ‘special prospecting authority’ as new definitions for these have been inserted by clause 264(2).

Clause 264(2) introduces the following new definitions:

- **access authority** – Clause 264(1) deletes this definition as a new definition has been inserted by clause 264(2) to include a GHG access authority along with an existing petroleum access authority.
- **approved site plan** – Clause 264(2) inserts this new term to mean a site plan in respect of which an approval is in force under the regulations and is described in more detail in new section 74AI inserted by clause 338.

- ***closure assurance period*** – Clause 264(2) inserts this new term which is described in section 74AZE(2) as meaning the period beginning at the end of the cessation day (i.e.: when the Minister is satisfied that operations for the injection of a greenhouse gas substance into the formation ceased on a day) and ending at the end of the decision day i.e.: a day that is at least 15 years after the issue of the site closing certificate.
- ***detection agent*** – Clause 264(2) inserts this new term to mean a substance, whether in a gaseous or liquid state, that (a) when added to another substance or a mixture of other substances; facilitates the monitoring of the behaviour of that other substance or that mixture, as the case may be; and (b) is specified in the regulations.
- ***eligible GHG storage formation*** – Clause 264(2) inserts this new term which is described in more detail in new section 4B(1).
- ***fundamental suitability determinants*** – Clause 264(2) inserts this new term which is described in more detail in new section 4B(9).
- ***GHG access authority*** – Clause 264(2) inserts this new type of access authority to mean a GHG access authority under Part 3.
- ***GHG exploration operation*** – Clause 264(2) inserts this new term to mean an operation to explore for potential GHG storage formations or potential GHG injection sites, and the carrying on of operations and the execution of works as are necessary for that purpose.
- ***GHG exploration permit*** – Clause 264(2) inserts this new type of exploration permit to mean a GHG exploration permit under Part 3.
- ***GHG facility line*** – Clause 264(2) inserts a new definition of ‘GHG facility line’ used in the definition of ‘greenhouse gas pipeline’.
- ***GHG infrastructure line*** – Clause 264(2) inserts a new definition of ‘GHG infrastructure line’ used in the definition of ‘greenhouse gas pipeline’.
- ***GHG injection licence*** – Clause 264(2) inserts this new title type to mean a GHG injection licence under Part 3.
- ***GHG injection line*** – Clause 264(2) inserts a new definition of ‘GHG injection line’ used in the definition of ‘greenhouse gas pipeline’
- ***GHG injection operation*** – Clause 264(2) inserts this new term to describe the types of GHG injection operations.
- ***GHG lease area*** – Clause 264(2) inserts this new term to mean the area constituted by the blocks that are the subject of a GHG retention lease.
- ***GHG lessee*** – Clause 264(2) inserts this new term to mean the registered holder of a GHG retention lease.
- ***GHG licence area*** – Clause 264(2) inserts this new term to mean the area constituted by the blocks that are the subject of a GHG injection licence.
- ***GHG licensee*** – Clause 264(2) inserts this new term to mean the registered holder of a GHG injection licence.
- ***GHG operation*** - Clause 262(2) inserts this new term to describe the types of operations covered by the term.
- ***GHG permit area*** – Clause 264(2) inserts this new term to mean the area constituted by the blocks that are the subject of a GHG exploration permit.
- ***GHG permittee*** - Clause 264(2) inserts this new term to mean the registered holder of a GHG exploration permit.

- **GHG retention lease** – Clause 264(2) inserts this new type of retention lease for GHG purposes.
- **GHG special prospecting authority** – Clause 264(2) inserts this new type of special prospecting authority lease and allows limited exploration for a potential GHG storage formation or GHG injection site but does not authorise the drilling of a well.
- **greenhouse gas facility** – Clause 264(2) inserts a new definition of ‘greenhouse gas facility’ used in the definition of ‘GHG facility line’.
- **greenhouse gas (GHG licence area) pipeline** - Clause 264(2) inserts this new term which is further described in section 60M.
- **greenhouse gas (petroleum licence area) pipeline** - Clause 264(2) inserts this new term which is further described in section 60M.
- **greenhouse gas pipeline** – Clause 264(2) inserts a new definition of ‘greenhouse gas pipeline’ used in the definition of ‘pipeline’ and throughout the Bill.
- **greenhouse gas substance or GHG** – Clause 264(2) inserts a new term to describe, in section 4D, the substances which, for the purpose of the amendments to the *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982*, can be transported and stored.
- **identified GHG storage formation** – Clause 264(2) inserts this new term to mean a part of a geological formation declared to be an identified GHG storage formation under section 74AE(2)(a).
- **incidental greenhouse gas-related substance** – Clause 264(2) inserts this new term which is described in more detail in new section 4C(2).
- **lease** – Clause 264(1) deletes this term as a new definition has been inserted by clause 262(2) to extend the meaning to include a GHG retention lease.
- **licence** - Clause 264(1) deletes this term as a new definition has been inserted by clause 262(2) to extend the meaning to include a GHG injection licence.
- **permit** – Clause 264(1) deletes this term as a new definition has been inserted by clause 262(2) to include a GHG exploration permit.
- **petroleum access authority** – Clause 264(2) inserts a new meaning for this term of ‘a petroleum access authority under Part 3’.
- **petroleum exploration permit** – Clause 264(2) inserts a new definition for this term to mean ‘a permit under Part 3’.
- **petroleum lease area** – Clause 264(2) inserts a new definition for this term to mean ‘the area constituted by the blocks that are the subject of a petroleum retention lease’.
- **petroleum lessee** – Clause 264(2) inserts a new definition for this term to mean ‘the registered holder of a petroleum retention lease’.
- **petroleum licence area** – Clause 264(2) inserts a new definition for this term to mean ‘the area constituted by the blocks that are the subject of a petroleum production licence’.
- **petroleum licensee** – Clause 264(2) inserts a new definition for this term to mean ‘the registered holder of a petroleum production licence’.
- **petroleum permit area** – Clause 264(2) inserts a new definition for this term to mean ‘the area constituted by the blocks that are the subject of a petroleum exploration permit’.

- **petroleum permittee** – Clause 264(2) inserts a new definition for this term to mean ‘the registered holder of a petroleum exploration permit’.
- **petroleum pipeline** – Clause 264(2) inserts a new definition for this term to mean:
 - (a) a pipe or system of pipes, in the adjacent area for conveying petroleum (whether or not the petroleum is recovered from the adjacent area), other than a secondary line;
 - (b) a part of a pipe covered by paragraph (a); or
 - (c) a part of a system of pipes covered by paragraph (a).
- **petroleum production licence** – Clause 264(2) inserts a new definition for this term to mean ‘a petroleum production licence under Part 3’.
- **petroleum retention lease** – Clause 264(2) inserts a new definition for this term to mean ‘a petroleum retention lease under Part 3’.
- **petroleum special prospecting authority** – Clause 264(2) inserts a new definition for this term to mean ‘a petroleum special prospecting authority under Part 3’.
- **pipeline** – Clause 264(1) deletes this definition as a new definition has been inserted by clause 111(2) to mean a ‘petroleum pipeline’ and a ‘greenhouse gas pipeline’.
- **pipeline licence offer notice** – Clause 264(2) inserts a new definition for this term to advise of the Minister’s intention to grant an application for a pipeline licence.
- **pipeline operator under the Commonwealth Act or a corresponding law** - Clause 264(2) inserts a new definition for this term which is described in more detail in new section 60L.
- **potential GHG injection site** – Clause 264(2) inserts this new term to mean ‘a place that is a suitable place to make a well or wells to inject a greenhouse gas substance into a part of a geological formation’.
- **potential GHG storage formation** – Clause 264(2) inserts this new term which is described in more detail in new section 4A(1).
- **pre-certificate notice** - Clause 264(2) inserts this new term with the meaning described in section 74AT(2).
- **primary entitlement** - Clause 264(1) deletes this term as a new definition has been inserted by clause 262(2) to describe the number of blocks that a petroleum permittee or petroleum lessee may apply for in an application for a petroleum production licence.
- **primary greenhouse gas substance** – Clause 264(2) inserts this new term to mean ‘carbon dioxide’ or ‘a prescribed greenhouse gas substance’.
- **site closing certificate** - Clause 264(2) inserts this new term which is described in more detail in new section 74AX(2).
- **site plan** – Clause 264(2) inserts this new term to mean a document that relates to an identified greenhouse gas storage formation and complies with any requirements specified in the regulations. The site plan is divided into the two parts - Part A, which sets out predictions for the behaviour of a greenhouse gas substance stored in the identified greenhouse gas storage formation; and Part B, which deals with other matters.
- **spatial extent** – Clause 264(2) inserts this new term which is described in section 4B(3).
- **special prospecting authority** – Clause 264(1) deletes this term as a new definition has been inserted by clause 264(2) to extends the definition to include a GHG special prospecting authority.

- **terminal point** – Clause 264(2) inserts a new term of terminal point to mean ‘a terminal point declared under section 63A(1)’.

Clause 264(3) extends the meaning of ‘**facility**’ to include a GHG operation along with a petroleum operation.

Clause 264(4) amends the meaning of ‘**primary licence**’ to clarify that it only relates to a petroleum production licence.

Clause 264(5) amends the meaning of ‘**Registration Fees Act**’ to ‘*Petroleum and Greenhouse Gas Storage (Submerged Lands) Registration Fees Act 1982.*’

Clause 264(6) amends the definition of ‘**well**’ to extend the definition of ‘well’ to include GHG operations.

Clause 265 - Section 4A to 4D inserted

This clause inserts new sections 4A to 4D inclusive which describe the terms ‘potential GHG storage formation’ in section 4A, ‘eligible GHG storage formation and related terms’ in section 4B, ‘incidental greenhouse gas-related substance’ in section 4C and ‘greenhouse gas substance or GHG’ in section 4D.

Proposed section 4A. Potential GHG storage formation

A ‘potential greenhouse gas storage formation’ is a part of a geological formation that is suitable for the permanent storage of a greenhouse gas substance injected into that part of the formation. In determining suitability for permanent storage, it is not necessary to identify the GHG substance and reasonable foreseeable technological developments may be taken into account.

Proposed section 4B. Eligible GHG Storage Formation and related terms

An ‘**eligible greenhouse gas storage formation**’ in subclauses (1) and (2) is a part of a geological formation that is suitable for the permanent storage of a particular amount (at least 100,000 tonnes) of a particular greenhouse gas substance injected at a particular point or points over a particular period. A greenhouse gas titleholder who reasonably believes that the title area contains an eligible greenhouse gas storage formation may apply for a declaration that it is an ‘identified greenhouse gas storage formation’.

‘**Spatial extent**’ of an eligible greenhouse gas storage formation in subclause (3) is the expected migration pathway or pathways, over the period including the proposed injection period plus the notional site closing period.

The ‘**notional site closing certificate time**’ referred to in subclauses (6) is the time between the end of the proposed injection period and the estimated earliest time when there will be sufficient certainty about the fate of the injected greenhouse gas substance to enable the Minister to grant a site closing certificate.

The ‘**fundamental suitability determinants**’ of the eligible greenhouse gas storage formation in subclause (9), are:

- (a) the amount of greenhouse gas substance that it is suitable to store;
- (b) the chemical composition of the greenhouse gas substance that it is suitable to store;
- (c) the proposed injection point or points;
- (d) the proposed injection period;
- (e) the effective sealing feature or attribute of the formation that makes it suitable for the permanent storage.

Proposed section 4C. Incidental greenhouse gas–related substance

An '**incidental greenhouse gas-related substance**' - in relation to a primary greenhouse gas substance is:

- (a) any substance that is incidentally derived from the source material;
- (b) any substance that is incidentally derived from the capture;
- (c) if the primary greenhouse gas substance, whether in a pure form or in a mixture with other substances, is transported — any substance that is incidentally derived from the transportation;
- (d) if the primary greenhouse gas substance, whether in a pure form or in a mixture with other substances, is injected into a part of a geological formation—any substance that is incidentally derived from the injection;
- (e) if the primary greenhouse gas substance, whether in a pure form or in a mixture with other substances, is stored in a part of a geological formation—any substance that is incidentally derived from the storage.

Proposed section 4D. Greenhouse gas substance or GHG

Each of the following is a **greenhouse gas substance** or **GHG**

- a) a primary greenhouse gas substance, whether in a gaseous or liquid state ;or
- b) a mixture of a primary gas substance with
 - (iii) one or more incidental greenhouse gas-related substances, whether in a gaseous or liquid state, that relate to a primary greenhouse substance and where the mixture consists overwhelmingly of a primary greenhouse gas substance, whether in a gaseous or liquid state, or
 - (iv) a detection agent, whether in a gaseous or liquid state, where that the concentration of the detection agent in the mixture is not more than the concentration prescribed in relation to that detection agent.

Clause 266 - Section 6A amended

This section prescribes that in the event of a change to the boundary of the adjacent area, the *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982* will continue to apply to any existing petroleum permits, leases, licences, infrastructure licences or pipeline licences while they remain in force.

This clause deletes the term 'petroleum mining instrument' and replaces it with 'Territory mining instrument'.

Clause 267 - Section 6B amended

Section 6B defines the term 'infrastructure facilities' used in an infrastructure licence for activities associated with the processing, storage or preparation for transport of petroleum recovered in any place. This clause amends this term to include GHG activities applicable to infrastructure facilities.

Clause 268 - Part 3 heading replaced

The heading to Part III is deleted and replaced by the new heading 'Part 3 - Operations relating to recovery of petroleum or regulated substances or GHG injection, storage and transport'.

Clause 269 - Section 18 amended

Section 18 details the provisions for which the Minister may reserve blocks to cover a situation (e.g. for defence purposes) where it is necessary to exclude a block. This clause extends this section to now include a GHG title along with the petroleum titles.

Clause 270 - Part 3 Division 2 heading amended

This clause revises the heading at Part 3 Division 2 to delete 'for petroleum or a regulated substance'.

Clause 271 - Section 19 amended

This clause extends the existing provisions of this section to require that a person or company must have a title under the Act before exploring for a potential GHG storage formation or potential GHG injection site. The heading of this section is also amended to now read 'Exploration for petroleum, regulated substances, potential GHG storage formations and potential GHG injection sites restricted'.

Clause 272 - Section 20 amended

This clause extends the existing provisions, whereby the Minister may invite applications for the grant of a permit to include the grant of a GHG exploration permit. It also provides that applications may be required to include information concerning the source, volume and composition of the greenhouse gas substance that is to be injected and stored and any other information that the Minister considers relevant.

Clause 273 - Section 20A inserted

This clause inserts a new provision that requires the Minister to notify the holder of a petroleum retention lease or production licence of the proposal to place an advertisement inviting applications for the grant of a GHG exploration permit in respect of a block or blocks that is or are the subject of the holder's lease or licence area. This provides the entitlement for the petroleum lessee or licensee to have first priority in the grant of the GHG retention lease or a GHG injection licence without having to apply through the advertisement process.

Clause 274 - Section 21 amended

This clause extends the existing provisions that detail the process for applying for a permit to now include potential GHG storage formations or potential GHG injection sites. GHG permit applications are not limited to a maximum number of blocks to align with the Commonwealth in section 296 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth).

The clause also inserts a specific GHG requirement that may be required to include information concerning the source, volume and composition of the greenhouse gas substance that is to be injected and stored and any other information that the Minister considers relevant.

Clause 275 - Section 22A amended

This clause extends the existing provisions covering the process where there is more than one application for the same block or blocks to now include GHG exploration permits in addition to petroleum exploration permits.

Clause 276 - Section 22 amended

This clause extends the existing provisions, covering the grant or refusal of a petroleum exploration permit, to now include GHG exploration permits.

Clause 277 - Section 23 amended

Section 23 details the provisions covering the grant or refusal of a petroleum exploration permit in respect to surrendered, cancelled or determined blocks. GHG does not apply to this section to align with equivalent provisions in the Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth).

This clause amends section 23 to make it clear that this section only applies to petroleum exploration permits.

Clause 278 - Section 24 amended

Section 24 provides for fees for applications for a petroleum exploration permit under section 23. This clause amends section 24 to make it clear that this section only applies to petroleum exploration permits.

Clause 279 - Section 25 amended

Section 25 deals with the consideration of applications for blocks submitted under section 23 and the process of an offer to grant the permit. This clause amends section 25 to make it clear that this section only applies to petroleum exploration permits.

Clause 280 - Section 26 amended

Section 26 provides that an applicant who has received an offer under section 25, may request the grant of a permit. This clause amends section 26 to make it clear that this section only applies to petroleum exploration permits.

Clause 281 - Section 27 amended

Section 27 provides for the grant of a permit offered in section 25. This clause amends section 27 to make it clear that this section only applies to petroleum exploration permits.

Clause 282 - Section 27A amended

Section 27A applies to Commonwealth petroleum exploration permits that would become WA petroleum exploration permits in the event of a boundary change. This clause amends section 27A to make it clear that this section only applies to petroleum exploration permits.

Clause 283 - Section 28 replaced

This clause amends section 28 to clarify that the existing rights conferred by a petroleum exploration permit are:

- to explore for petroleum or a regulated substance in the petroleum permit area; and
- to recover petroleum in the permit area for the purpose of establishing the nature and probable extent of a discovery of petroleum; and
- to carry on any operations and execute any works in the petroleum permit area as are necessary for those purposes.

This clause also amends section 28 to specifically state that a petroleum exploration permit does not authorise the permittee to make a well outside the permit area.

The heading of section 28 is accordingly amended to now read 'Rights conferred by petroleum exploration permit'.

This clause also inserts new section 28A to detail the rights conferred by a GHG exploration permit. These are:

- to explore for a potential GHG storage formation or a potential GHG injection site;
- to inject and store, on an appraisal basis, a greenhouse gas substance into a part of a geological formation,
- to inject and store, on an appraisal basis air; petroleum; or water, into a part of a geological formation for GHG exploration purposes,
- with the written consent of the Minister, to recover petroleum or a regulated substance and in the permit area for the sole purpose of appraising a discovery that was made as an incidental consequence of GHG exploration or injection.

If petroleum or a regulated substance is recovered by the permittee in the permit area as authorised by subsections (1)(g), the petroleum or regulated substance does not become the

property of the permittee. A GHG exploration permit does not authorise the permittee to make a well outside the permit area.

Clause 284 - Section 30 amended

Section 30 deals with applications for the renewal of a petroleum exploration permit.

This clause amends section 30 to include the renewal of a GHG exploration permit. New section 30(4) provides the timeframe for when a renewal must be lodged of not more than 12 months before and at least 6 months before the date of expiration of the permit. This timeframe aligns with section 308 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* but is different to that for the renewal of petroleum permits in 30(2).

Clause 285 - Section 32A amended

Section 32A details that petroleum exploration permits granted after 25 May 2010 cannot be renewed more than twice. This date was the commencement of the renewal provisions contained in the *Petroleum and Energy Legislation Amendment Act 2010*. This clause amends section 32A to make it clear that this section only applies to petroleum exploration permits.

Clause 286 - Section 32C inserted

This clause inserts new section 32C to provide that GHG exploration permits cannot be renewed more than once and therefore be consistent with equivalent section 308 in the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth).

Clause 287 - Section 34 replaced

This clause replaces section 34 to extend its application to greenhouse gas and regulated substances. The amendment provides; in relation to a permit, if any kind of resource regulated under this Act, including a regulated substance or potential greenhouse gas storage formation or potential greenhouse gas injection site, is discovered in a permit area, the permittee must immediately inform the Minister of the discovery and give particulars of the discovery in writing within 3 days after the day of the discovery.

Clause 288 - Part 3 Division 2A heading amended

This clause revises the heading at Part 3 Division 2A to delete 'for petroleum or a regulated substance'.

Clause 289 - Section 38A amended

Section 38A currently details the process for a petroleum permittee to apply for a petroleum retention lease. This clause amends section 38A to extend these provisions to now include GHG retention leases and for a GHG permittee to apply for the grant of a GHG retention lease.

To be entitled, the permit must be in force in respect of the block or blocks specified in the application, 1 or more identified GHG storage formations are wholly situated in the permit area and a GHG injection licence or retention lease does not exist in respect to the block or blocks.

Unlike petroleum retention leases, GHG retention leases will require an assessment by the applicant as to when the applicant will be in a position to carry on a GHG injection operation rather than on the commercial viability criteria.

Clause 290 - Section 38B amended

This clause extends the existing provisions of section 38B, which details the grant or refusal process for an application for a retention lease submitted under section 38A, to insert the two requirements that must be satisfied for the grant an application for a GHG retention lease. That is, the block, or any one or more of the blocks, specified in the application must contain an identified GHG storage formation and that the applicant is not in a position to carry on a

GHG injection operation in respect of that identified GHG storage formation but is likely to be in such a position within the period of 10 years after that time.

The 10-year timeframe of a GHG retention lease is made up of 5 years on initial grant and one renewal of 5 years. The 'only one' renewal has been adopted to align with the Commonwealth in section 347(2) of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) and differs from the renewal provisions for petroleum and geothermal retention leases, which have a 15-year timeframe.

Consistent with petroleum retention leases, the clause also enables the Minister to refuse a GHG retention lease being granted over blocks specified in the application where the Minister is not satisfied the applicant meets the required criteria.

Clause 291 - Section 38BA amended

This section clarifies that in circumstances where a permit or part of a permit is in the process of being converted to a retention lease and the ownership of the permit is transferred, this amendment enables the Minister to recognise the transferee as the applicant for the retention lease. This clause extends the existing provisions of this section to now include applications for GHG retention leases.

Clause 292 - Sections 38BB, 38BC and 38BD inserted

This clause inserts three new sections relating to applications for a GHG retention lease from a petroleum lessee.

Proposed section 38BB. Application by petroleum lessee for GHG retention lease

New section 38BB provides for a petroleum lessee to apply for a GHG retention lease and details the information to be provided.

Proposed section 38BC. Grant or refusal of GHG retention lease in relation to application by petroleum lessee

New section 38BC provides for the Minister to grant or refuse an application from the holder of a petroleum retention lease for a GHG retention lease depending on whether the Minister is satisfied that the area comprised in the block or any one or more of the blocks specified in the application contains an identified GHG storage formation. In granting the lease, the Minister would need to be satisfied that the applicant is not at the time of the application, in a position to carry on a GHG operation but is likely to be in such a position within 10 years.

The 10-year timeframe of a GHG retention lease is made up of 5 years on initial grant and one renewal of 5 years. The 'only one' renewal has been adopted to align with the Commonwealth in section 347(2) of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) and differs from the renewal provisions for petroleum and geothermal retention leases, which have a 15-year timeframe.

Proposed section 38BD. Application of s. 38BB and 38BC if petroleum retention lease is transferred

New section 38BD, enables the Minister, in circumstances where a petroleum retention lease has been transferred, to recognise the transferee party as being the applicant for the retention lease.

Clause 293 - Section 38CA amended

This clause extends the existing provisions of section 38CA, to now include applications for GHG retention leases from petroleum licensees and GHG injection licensees where no GHG injection operation is being carried on under the licence or, an unused area in the licence. This section is required due to amendments to section 54A by clause 324 which enable termination of a GHG injection licence if no GHG injection operations have been carried out for a continuous period of at least five years.

The application period for a retention lease, in this circumstance, is five years commencing from the date the GHG injection licence was granted or from the last day on which GHG injection operations were carried on.

Clause 294 - Section 38CB amended

This clause extends the existing provisions of section 38CB, which provides for the Minister to grant or refuse an application for a petroleum retention lease from a petroleum production licensee, to now include applications for GHG retention leases from petroleum licensees and GHG injection licensees. In granting the GHG retention lease, the Minister would need to be satisfied that the licensees are not, at the time of making application, in a position to carry on a GHG injection operation in the unused area but are likely to within 10 years.

The 10-year timeframe of a GHG retention lease is made up of 5 years on initial grant and one renewal of 5 years. The 'only one' renewal has been adopted to align with the Commonwealth in section 347(2) of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) and differs from the renewal provisions for petroleum and geothermal retention leases, which have a 15-year timeframe.

Clause 295 - Section 38CC amended

This clause extends the existing provisions of section 38CC to now include applications for GHG retention leases under section 38CA. This section provides for the Minister, in circumstances where a licence has been transferred, to recognise the transferee party as being the applicant for the retention lease.

Clause 296 - Section 38C replaced

This clause clarifies the existing rights conferred by a petroleum retention lease to cover exploration, recovery on an appraisal basis to establish the nature and probable extent of a discovery and to carry on operations and execute works as are necessary.

This clause also inserts new section 38CAA for the rights conferred by GHG retention leases. The holder of a GHG lease can explore for potential GHG storage formations or potential GHG injection sites and inject or store a greenhouse gas substance, air, petroleum or water on an appraisal basis. The holder of a GHG lease is allowed to recover petroleum or a regulated substance with the written consent of the Minister but, if petroleum or a regulated substance is recovered, it does not become the property of the lessee.

Clause 297 - Section 38E amended

This clause extends the existing provisions by which the Minister may give notice of the intention to cancel a retention lease to now include GHG retention leases if the Minister is of the opinion that the lessee is in a position to carry on a GHG injection operation.

Clause 298 - Section 38F amended

This clause extends the existing provisions which detail the information to be provided by the holder of a petroleum retention lease, in an application for the renewal of a retention lease, to now include applications for the renewal of GHG retention leases.

Clause 299 - Section 38G amended

This clause extends the existing provisions for the grant or refusal of renewal provisions currently applying to petroleum retention leases to include GHG retention leases.

Clause 300 - Section 38GA inserted

This clause inserts a new section that provides that GHG retention leases cannot be renewed more than once. This is to avoid the possibility of the lease being retained indefinitely and intensifies the exploration and appraisal effort to lead to early progression to the injection phase.

Clause 301 - Section 38H amended

Section 38H details that a petroleum retention lease can be granted subject to any conditions that the Minister thinks fit. This clause extends the existing provisions to now include GHG retention leases by requiring the GHG lessee to report in writing, upon a written request from the Minister, on whether or not the lessee is in a position to carry on a GHG injection operation in the GHG lease area.

Clause 302 - Section 38J replaced

This clause replaces section 38J to extend its application to greenhouse gas and regulated substances. The amendment provides; in relation to a lease, if any kind of resource regulated under this Act, including a regulated substance or potential greenhouse gas storage formation or potential greenhouse gas injection site, is discovered in a lease area, the lessee must immediately inform the Minister of the discovery and give particulars of the discovery in writing within 3 days after the day of the discovery.

Clause 303 - Part 3 Division 3 heading amended

This clause amends the name of this Division to extend the coverage to include GHG injection licences which are the equivalent of petroleum production licences.

Clause 304 - Section 39 amended

This clause amends the penalty provisions to provide consistent wording with equivalent penalty sections.

Clause 305 - Section 39A inserted

This clause inserts a new section to make it mandatory that a person has a GHG injection licence to engage in GHG injection operations. These provisions are identical to the provisions for the recovery of petroleum set out in section 39 and impose the same penalty for any breach.

Clause 306 - Section 40 amended

Section 40 provides that a petroleum permittee may apply for the grant of a petroleum production licence and includes a formula for calculating the size of a production licence based on the number of blocks that make up a location.

This clause amends the provisions of section 40, to restrict the application for a petroleum production licence to be only from the holder of a petroleum exploration permit. The amendments are required as the primary and secondary licence entitlement concept applies only to petroleum production licences.

The heading of this section has also been amended to now read 'Application by petroleum permittee for petroleum production licence'. GHG injection licences have different provisions and will be described separately in new section 40AA which is added by clause 307.

Clause 307 - Section 40AA inserted

Section 40AA provides for a GHG permittee to make an application for the grant of a GHG injection licence for:

- the block that constitutes the identified GHG storage formation; or
- all of the blocks that constitute the identified GHG storage formation; or
- some of the blocks that constitute the identified 18 GHG storage formation.

The clause also provides that if the application relates to blocks where a retention lease has been refused, then an application for an injection licence must be submitted within 12 months from the date of the refusal instrument.

Clause 308 - Section 40A amended

Section 40A details the formula that applies in determining the number of blocks that can be applied for by petroleum retention leases holders in the grant of a petroleum production licence. The main amendment made to section 40A by this clause is to insert new provisions at sections 40A(1A) and (1B) to provide for GHG lessees and petroleum lessees to apply for the grant of a GHG injection licence.

Clause 309 - Section 40B inserted

This clause inserts new section 40B to provide for a petroleum licensee to apply for a GHG injection licence where a single identified GHG storage formation extends to a block or blocks within the licence area and a GHG retention lease or GHG injection licence does not exist in respect of the block or blocks.

Clause 310 - Section 41 amended

Section 41 details the process to be undertaken when applying for a petroleum production licence or a GHG injection licence.

This clause also provides that applications for GHG injection licences must specify the source, volume and composition of the greenhouse gas substance that is to be injected and stored.

The heading of this section has also been amended to now read 'Requirements for application for licence under s 40, 40AA, 40A or 40B' to correctly reflect the various sections under which an application could originate.

Clause 311 - Section 43 amended

This clause extends the provisions of section 43, which details the process for the notification of the grant of a production licence, to now include applications for GHG injection licences.

Clause 312 - Section 44 amended

This section currently provides for the grant of a production licence only over a block or blocks for which the Minister is satisfied contains petroleum. This clause will extend the scope of this section to include the granting of GHG injection licences where the Minister is satisfied that the block or blocks contain(s) an identified GHG storage formation.

Clause 313 - Section 44A amended

This clause extends the existing provisions of section 44A to now include applications for GHG injection licences from:

- a GHG permittees under section 40AA, or
- a petroleum or GHG lessee under section 40A, or
- a petroleum licensee under section 40B.

This section provides for the Minister, in circumstances where a permit, lease or licence has been transferred, to recognise the transferee party as being the applicant for the production or injection licence.

The section heading has been amended to 'Application of s. 41 to 44 where permit, lease or licence transferred'.

Clause 314 - Section 45 amended

This clause clarifies that this section only applies to the variation of petroleum production licence area and the heading has been amended to read 'Variation of petroleum production licence area'.

Clause 315 - Section 46 amended

Section 46 provides that the Minister may revoke the blocks in a petroleum exploration permit or petroleum retention lease in certain circumstances.

This clause amends section 46 to make this specifically for petroleum titles. The heading has, accordingly, been amended to read 'Determination of petroleum exploration permit or petroleum retention lease as to block not taken up by licensee'.

Clause 316 - Section 47 amended

Section 47 details the process for applying for a petroleum production licence covering blocks that were previously included in a location. No GHG amendments are to be made to this section to be consistent with equivalent sections 178 to 181 in the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth). While the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) has provisions to obtain a cash-bid petroleum production licence over surrendered blocks there is no equivalent section for a cash-bid application to be made for surrendered, cancelled or determined greenhouse gas title blocks.

This clause amends section 47 to clarify that this section only applies to an application for a petroleum production licence and the heading amended to read 'Application for petroleum production licence in respect of surrendered, cancelled or determined blocks.'

Clause 317 - Section 49 amended

Section 49 provides for the 'offer' or request to grant stage in the grant of an application for a petroleum production licence under section 47 that were previously included in a location.

This clause amends section 49 to make this clear that it only applies to petroleum production licences and amends the heading to read 'Request by applicant for grant of petroleum production licence under s. 47'.

Clause 318 - Section 50 amended

Section 50 provides for the grant of an application for a petroleum production licence where an offer has been made under section 49.

This clause amends section 50 to make this clear that it only applies to petroleum production licences and amends the heading to read 'Grant of petroleum production licence on request under s. 49'.

Clause 319 - Section 51 amended

This clause amends the provisions of section 51, to clarify that the option to split a production licence is only available to petroleum licences. It does not apply to GHG injection licences as it would not be appropriate in the context of injection of GHG into a storage formation.

The heading of this section is also amended to now read 'Petroleum production licence for 2 or more blocks may be divided into 2 or more licences'.

Clause 320 - Section 51A amended

Section 51A applies to Commonwealth petroleum production licences that would become WA petroleum production licences in the event of a boundary change. This clause amends section 51A to make it clear that this section only applies to petroleum production licences.

Clause 321 - Section 52 replaced

This clause extends the existing provisions detailing the rights conferred to the holder of a petroleum production licence, to now include GHG injection licences. The rights for a GHG licensee are:

- to inject and store, either permanently or on an appraisal basis, a greenhouse gas substance into an identified GHG storage formation;
- explore for a potential GHG storage formation or for a potential GHG injection site;
- inject and store on an appraisal basis air, or petroleum or water, and
- carry out any operations or execute any works as are necessary for these purposes.

A GHG licensee, with the written consent of the Minister, is able to recover petroleum or a regulated substance discovered as an incidental consequence of GHG injection or exploration operations. Any petroleum or regulated substance recovered does not become the property of the GHG licensee. In addition, a GHG licence does not authorise the licensee to make a well outside the licence area.

Clause 322 - Section 53 amended

This clause extends the existing provisions of section 53, which detail the term of petroleum production licences, to now include that GHG injection licences remain in force indefinitely.

Clause 323 - Section 53A inserted

This clause inserts new section 53A which provides; in relation to a licence, if any kind of resource regulated under this Act, including a regulated substance or potential greenhouse gas storage formation or potential greenhouse gas injection site, is discovered in a licence area, the licensee must immediately inform the Minister of the discovery and give particulars of the discovery in writing within 3 days after the day of the discovery.

Clause 324 - Section 54A amended

This clause extends the existing provisions of section 54A, which cover the conditions for the termination of petroleum production licences, to now include that indefinite term GHG injection licences may be terminated if the licensee has not carried on any GHG injection operations under the licence at any time during a continuous period of at least five years. As with petroleum production licences, dispensation is given for any period where no such operations were carried out due to circumstances beyond the licensee's control (i.e., force-majeure).

Clause 325 - Section 54 amended

This clause amends section 54 to make it clear that an application for the renewal of a licence under section 54 only applies to petroleum production' licence. The heading has accordingly been amended to 'Application for renewal of petroleum production licence'.

Clause 326 - Section 55 amended

This clause amends section 55 to make it clear that the grant or refusal of an application for the renewal of a licence under section 54 only applies to petroleum production' licence. The heading has accordingly been amended to 'Grant or refusal of petroleum production licence'.

Clause 327 - Section 56 amended

This clause extends the provisions of section 56 'Conditions of licence', which provides that petroleum production licences may be granted subject to such conditions as the Minister thinks fit, to also include GHG injection licences.

The clause introduces provisions for regulations which may establish a regime for third party access to services provided by means of the use of (a) identified GHG storage formations; or (b) wells, equipment or structures for use in injecting greenhouse gas substances into identified GHG storage formations; or (c) equipment or structures for use in the processing, compressing or storing of greenhouse gas substances prior to the injection of the substances into identified GHG storage formations.

Clause 328 - Section 60B amended

This clause amends section 60B to correctly refer to 'infrastructure facilities' instead of 'facilities'. No GHG changes are required to Division 4A as the definition of infrastructure facility has been expanded to include GHG activities

Clause 329 - Part 3 Division 4 Subdivision 1 heading inserted

This clause inserts a new subdivision 1 of 'General provisions' in Division 4 for Pipeline licences.

Clause 330 - Sections 60L and 60M inserted

This clause inserts new sections 60L and 60M to explain the terms 'Pipeline operator under the Commonwealth Act or corresponding law' and 'Specified greenhouse gas pipelines' used in Division 4

Clause 331 - Section 63A inserted

This clause inserts a new section 63A to explain the term 'terminal point' used in Division 4.

Clause 332 - Part 3 Division 4 Subdivision 2 heading inserted

This clause inserts a new Subdivision 2 'Obtaining pipeline licences'.

Clause 333 - Sections 64 and 65 replaced

This clause deletes current sections 64 'Application for pipeline licence' and section 65 'Grant or refusal of pipeline licence' and replaces these with new sections 64 and 65. Clause 333 also inserts new sections 64A to 64S inclusive.

The intent of the amendments is to extend the existing provisions, as they apply to an application for a pipeline licence for conveying petroleum, to conveying greenhouse gas substances.

The current provisions of section 64 cover:

1. the conveyance of petroleum that is recovered from State waters and brought onshore for processing. This can either be from a *Petroleum and Geothermal Energy Resources Act 1967* or a *Petroleum (Submerged Lands) Act 1982* production licence. Please note that a *Petroleum (Submerged Lands) Act 1982* pipeline licence is different in that it covers all the State waters. The *Petroleum and Geothermal Energy Resources Act 1967* does not have pipeline provisions and a PPA pipeline only applies on land, and
2. the conveyance of petroleum that is recovered from a Commonwealth production licence, by a Commonwealth pipeline operator and brought onshore for processing.

It should be noted that for 1., a *Petroleum (Submerged Lands) Act 1982* pipeline licence covers all the State waters as the *Petroleum and Geothermal Energy Resources Act 1967* does not have pipeline provisions and a PPA pipeline only applies onshore.

Current section 64(2)(a) provides a preferential right for a petroleum production licensee (either *Petroleum and Geothermal Energy Resources Act 1967* or *Petroleum (Submerged Lands) Act 1982*) to make an application for a (petroleum) pipeline licence in respect of the construction of a pipeline for the conveyance of petroleum recovered from the licence area.

Current section 64(2)(b) provides a preferential right for a Commonwealth pipeline operator to make an application for a (petroleum) pipeline licence in respect of the construction of a pipeline for the conveyance of petroleum recovered from a production licence under the Commonwealth Act or corresponding law.

Current section 65 provides that the Minister may grant or refuse an application for a pipeline licence submitted under section 64.

The proposed greenhouse gas amendments in the Bill are to allow for the conveyance of a GHG substance from onshore to storage sites (depleted petroleum reservoirs) either in State *Petroleum (Submerged Lands) Act 1982* waters or to the Commonwealth Offshore Area, or vice versa.

Amendments are needed to extend the preferential right currently provided to a petroleum production licensee and a pipeline operator under the Commonwealth Act or corresponding law to future GHG injection licensees, under both *Petroleum and Geothermal Energy Resources Act 1967* and *Petroleum (Submerged Lands) Act 1982*, and to Commonwealth pipeline operators that convey greenhouse gas substances to greenhouse gas injection licensees under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth).

The *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) has similar provisions with preferential rights in sections 217 to 220 where:

- section 217 outlines what is required in applying for a pipeline licence – equivalent to section 64 (1) of the *Petroleum (Submerged Lands) Act 1982*.
- section 218 details the rights of a petroleum production licensees following an application for a petroleum-related pipeline licence by ‘other persons’ - equivalent to section 64 (2a) of the *Petroleum (Submerged Lands) Act 1982*.
- section 219 details the rights of a petroleum production licensee following an application for a greenhouse gas-related pipeline licence by ‘other persons’ – new *Petroleum (Submerged Lands) Act 1982* amendment required.
- section 220 details the rights of a greenhouse gas injection licensee following an application for a petroleum-related pipeline licence by ‘other persons’ - new *Petroleum (Submerged Lands) Act 1982* required.

Section 64 - Application for pipeline licence

This new section has been drafted based on Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) section 217. The new provisions cover the process for applying for a pipeline licence and what is required to be provided in the application. These new provisions are currently included in section 64(1) in the *Petroleum (Submerged Lands) Act 1982*.

Proposed section 64A. Request for further information

This section was inserted as a drafting enhancement to enable the Minister to request further information on a section 64 application. This section was not modelled on an existing provision in the *Petroleum (Submerged Lands) Act 1982* or an equivalent provision in the Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth).

Proposed section 64B. Rights of petroleum licensees following application for petroleum pipeline licences by other persons

This new section has been drafted based on Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) section 218. The provisions are currently part of section 64(2)(a) and (3) in the *Petroleum (Submerged Lands) Act 1982* and provide the preferential right for a petroleum production licensee (either *Petroleum and Geothermal Energy Resources Act 1967* or *Petroleum (Submerged Lands) Act 1982*) to make an application for a (petroleum) pipeline licence in respect of the construction of a pipeline for the conveyance of petroleum recovered from the licence area.

Proposed section 64C. Rights of petroleum licensees following application for greenhouse gas pipeline licences by other persons

This new section has been drafted based on Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) section 219. The provisions are similar to current sections 64(2)(a) and (3) in the *Petroleum (Submerged Lands) Act 1982*, and therefore new section 64B, in providing the preferential right for a petroleum production licensee (either *Petroleum and Geothermal Energy Resources Act 1967* or *Petroleum (Submerged Lands) Act 1982*) to make an application for a pipeline licence in respect of the construction of a greenhouse gas pipeline.

Proposed section 64D. Rights of GHG licensees following application for greenhouse gas pipeline licences by other persons

This new section has been drafted based on Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) section 220. While new to the *Petroleum (Submerged Lands) Act 1982*, the provisions in this section are based on those in new 64C.

Proposed section 64E. Rights of pipeline operator following application for petroleum pipeline licences by other persons

There are no equivalent provisions to this new section in the Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth). New section 64E is currently part of sections 64(2)(b) and (3) in the *Petroleum (Submerged Lands) Act 1982* in providing the preferential right for a Commonwealth pipeline operator to make an application for a petroleum pipeline licence in respect of the construction of a pipeline for the conveyance of petroleum recovered from a production licence under the Commonwealth Act or corresponding law.

Proposed section 64F. Rights of pipeline operator following application for greenhouse gas pipeline licences by other persons

The provisions are similar to current sections 64(2)(b) and (3) in the *Petroleum (Submerged Lands) Act 1982*, and therefore new section 64E, in providing the preferential right for a Commonwealth pipeline operator to make an application for a pipeline licence in respect of the construction of a greenhouse gas pipeline. There is no equivalent provision to this new section in the Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth).

Proposed section 64G. Petroleum pipeline licence offer – petroleum recovered in petroleum licence area

Section 64G provides that the Minister gives a written notice to a petroleum licensee of the intention to grant a petroleum pipeline licence. This provision is currently part of section 65(2) and the new section has been drafted based on Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) section 217.

Proposed section 64H. Petroleum pipeline licence offer – petroleum recovered in licence area under Commonwealth Act or corresponding law

Section 64H provides for the Minister to give a pipeline operator under the Commonwealth Act or corresponding law written notice of the intention to grant a petroleum pipeline licence. This provision is currently part of section 65(1). There is no equivalent provision to this new section in the Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth).

Proposed section 64I. Greenhouse gas pipeline licence offer relating to petroleum licence area

Section 64I provides for the Minister to give a petroleum licensee written notice of the intention to grant a greenhouse gas pipeline licence. This new section has been drafted based on Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) section 222. While new to the *Petroleum (Submerged Lands) Act 1982*, the provisions in this section are based on those in new equivalent section 64G for a petroleum pipeline licence offer.

Proposed section 64J. Greenhouse gas pipeline licence offer – GHG licence area

Section 64J provides for the Minister to give a GHG licensee written notice of the intention to grant a greenhouse gas pipeline licence. This new section has been drafted based on Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) section 222. While new to the *Petroleum (Submerged Lands) Act 1982*, the provisions in this section are based on those in new equivalent section 64I for a petroleum licensee.

Proposed section 64K. Greenhouse gas pipeline licence offer – greenhouse gas injection area under Commonwealth Act or corresponding law

There is no equivalent provisions to this new section in the Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth). New section 64K provides for the Minister to give a pipeline operator under the Commonwealth Act or corresponding law written notice of the intention to grant a greenhouse gas pipeline licence. While new to the *Petroleum (Submerged Lands) Act 1982*, the provisions in this section are based on those in new equivalent sections 64I and 64J for a petroleum licensee and GHG licensees respectively.

Proposed section 64L. Form and content of pipeline licence offer notice

New section 64L details the information required in a pipeline licence offer notice. This provision is new to the *Petroleum (Submerged Lands) Act 1982* but has been adopted from Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) section 221.

Proposed section 64M. Request for grant of pipeline licence after offer

New section 64M describes the process for a person, to whom a pipeline licence offer notice has been given, to request the Minister to grant the pipeline licence and the timeframe for this. These provisions are currently contained in *Petroleum (Submerged Lands) Act 1982* sections 65(9) and (11). These provisions are inherent in process for the grant of a pipeline licence in the Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) but not specified in a discrete section in this Act.

Proposed section 64N. Refusal to grant petroleum pipeline licence – petroleum licence area

Section 64N provides that the Minister may refuse to approve an application for a petroleum pipeline licence from a petroleum licensee. These provisions are currently contained in section 65(3) of the *Petroleum (Submerged Lands) Act 1982*. New section 64N has been modelled on equivalent Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) section 223.

Proposed section 64O. Refusal to grant greenhouse gas pipeline licence relating to petroleum licence area

Section 64O provides that the Minister may refuse to approve an application for a greenhouse gas pipeline licence from a petroleum licensee. This new section has been drafted based on Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) section

224. While new to the *Petroleum (Submerged Lands) Act 1982*, the provisions in this section are based on those in new 64N.

Proposed section 64P. Refusal to grant greenhouse gas pipeline licence relating to GHG licence area

Section 64P provides that the Minister may refuse to approve an application for a greenhouse gas pipeline licence from a GHG licensee. This new section has been drafted based on Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) section 224. While new to the *Petroleum (Submerged Lands) Act 1982*, the provisions in this section are based on those in new sections 64N and 64O.

Proposed section 64Q. Refusal to grant petroleum pipeline licence – petroleum production area under Commonwealth Act or corresponding law

Section 64Q provides that the Minister may refuse to approve an application for a petroleum pipeline licence from a pipeline operator under the Commonwealth Act or corresponding law.

These provisions are currently contained in the *Petroleum (Submerged Lands) Act 1982* section 65(5). There is no equivalent provision to this new section in the Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth).

Proposed section 64R. Refusal to grant greenhouse gas pipeline licence - greenhouse gas injection licence area under Commonwealth Act or corresponding law

Section 64R provides that the Minister may refuse to approve an application for a greenhouse gas pipeline licence from a pipeline operator under the Commonwealth Act or corresponding law. While these are new provisions to the *Petroleum (Submerged Lands) Act 1982*, the equivalent for a petroleum pipeline licence is provided for section 65(5). There are no equivalent provisions to this new section in the Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth).

Proposed section 64S. Consultation before refusal of application by petroleum licensee or GHG licensee

Section 64S provides that the Minister must inform the applicant under sections 64N(2), 64O(2) and 64P(2) of the intention to refuse to grant a pipeline licence. These provisions are currently contained in *Petroleum (Submerged Lands) Act 1982* section 65(4). New section 64S has been drafted based on Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) section 262.

Section 65 - Grant of pipeline licence

Section 65 provides that the Minister must grant a pipeline licence if an applicant has been given a pipeline licence offer notice and has made a request for the grant of a pipeline licence within the required timeframe. These provisions are currently contained in *Petroleum (Submerged Lands) Act 1982* section 65(10) and the new section has been drafted based on Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) section 225.

Clause 334 - Section 70 amended

This section provides that a pipeline licence may be granted subject to such conditions as the Minister thinks fit and may include that the pipeline licensee shall complete the construction of the pipeline within the period specified in the pipeline licence. No GHG amendments were to be made to this section as amendments to the term 'pipeline' will include pipelines used for the conveyance of greenhouse gas substances.

Clause 335 - Part 3 Division 4 Subdivision 3 heading inserted

This clause inserts a new subdivision 3 in Division 4 for 'Varying a pipeline licence'.

Clause 336 - Part 3 Division 4 Subdivision 4 heading inserted

This clause inserts a new subdivision 4 in Division 4 for 'Operation of pipeline licence'.

Clause 337 - Section 73 amended

Section 73 provides that the Minister may direct a pipeline licensee to be a common carrier of petroleum in respect of the pipeline. This clause extends these provisions to also include being the common carrier for the conveyance of greenhouse gas substances.

Clause 338 - Part 3 Divisions 4AAA and 4AAB inserted

This clause inserts two new Divisions. Division 4AAA — Petroleum titles and GHG titles may subsist in respect of same blocks and Division 4AAB — Matters relating to GHG injection and storage.

Proposed section 74AA. Petroleum titles and GHG titles may subsist in respect of same blocks

New section 74AA is required to provide that petroleum titles and GHG titles can subsist on the same block. The section provides that petroleum and GHG titles may overlap each other. It allows for the concept of multi-purpose 'land' use by providing that the Minister must write to the registered holder of the existing title, giving at least one month's notice of the Minister's intention to grant a new title and requesting information for the Minister to consider before a new title is granted. This process is a consultation mechanism rather than a right to veto an application.

The heading of this section is also been amended to now read 'Petroleum titles and GHG titles may subsist in respect of same blocks'.

Proposed subdivision 1 – Declaration of identified GHG storage formation

A new subdivision has been inserted for matters specific to the process for the declaration of an identified GHG storage formation.

Proposed section 74AB. Application for declaration of identified GHG storage formation

This new section contains provisions relating to a GHG titleholder applying for an identified GHG storage formation and also provides a mechanism for the holder of petroleum exploration permits, retention leases and production licences to apply for a declaration of an identified GHG storage formation should it be required either through the provisions of section 20A inserted by clause 273 or through the titleholder's geological knowledge of whether a part of a geological formation may be suitable for permanent storage of GHG.

In order for the applicant for an identified GHG storage formation to advance to a GHG injection licence or GHG retention lease, the titleholder must obtain a declaration of a part of a geological formation as an 'identified GHG storage formation'. The identified GHG storage formation must be wholly situated within the titleholder's permit, lease or licence area.

It is possible to have a second and subsequent identified GHG storage formation declared, provided each of them is wholly situated within the titleholder's current permit area, or within an injection licence or retention lease that is derived from that original permit area.

The declaration of an identified GHG storage formation is a core document that corresponds to the declaration of a petroleum location. Unlike a petroleum location, however, the declaration of the identified GHG storage formation retains its significance over the whole life of the GHG project.

An application for declaration of an identified GHG storage formation must set out:

- the applicant's reasons for believing that the geological formation is an 'eligible' GHG storage formation – i.e. that it is suitable for the permanent storage of a particular amount of a particular greenhouse gas substance;
- the 'fundamental suitability determinants' of the eligible GHG storage formation; and
- an estimate of the spatial extent of the eligible GHG storage formation.

Proposed section 74AC. Requirement for further information or further analysis

This new section allows for the Minister to request in writing further information in connection with the application for the declaration of an identified GHG storage formation. If the application fails to provide the required information, the Minister may by written notice, refuse to consider the application, or refuse to take any action or further action.

Proposed section 74AD. Variation of application

This section has been inserted so that prior to a decision on the application, the applicant or the Minister may vary any or all of the fundamental suitability determinants or the spatial extent estimated in the application.

Proposed section 74AE. Declaration of identified GHG storage formation

Following an application under 74AB, if the Minister is satisfied that using the fundamental suitability determinants set out in the application that a part of a geological formation is an eligible GHG storage formation and that the estimate of the spatial extent is a reasonable estimate of the spatial extent set out in the application of the eligible GHG storage formation, the Minister must declare an identified GHG storage formation.

A declaration must set out the estimate of the spatial extent of the identified storage formation and must set out the fundamental suitability determinants specified in the application. A copy of the declaration must be published in the *Gazette*.

Proposed section 74AF. Refusal to make declaration

If an application is made under section 74AB in relation to a part of a geological formation and the Minister is not required by section 74AE to make a declaration then the Minister must, by written notice given to the applicant, refuse to declare that part is to be an identified GHG storage formation.

Proposed section 74AG. Variation of declaration

If a declaration of an identified storage formation is in force, the Minister may by instrument in writing vary the declaration. A variation may be made by the GHG titleholder, or at the Minister's own initiative. An application for a variation must set out the proposed variation and specify the reasons for the proposal.

The Minister must have regard to any new information, any new analysis and any relevant scientific or technological developments. Before varying a declaration on the Minister's own initiative, the Minister must consult with the GHG titleholder and a copy of a variation must be published in the *Gazette*.

Proposed section 74AH. Revocation of declaration

If a declaration of an identified storage formation is in force, the Minister may revoke the declaration if the Minister is satisfied that, following subsequent use of any set of fundamental suitability determinants, that the part is not an eligible GHG storage formation.

A copy of the revocation must be published in the *Gazette* and before revoking a declaration, the Minister must consult with the GHG titleholder. If the Minister proposes to revoke a declaration, the option to instead vary the declaration under section 74AG must be considered.

Proposed subdivision 2 – Approved site plans

A new subdivision has been inserted for matters specific to the process for the approval of site plans.

Proposed section 74AI. Approved site plans

Section 74AI provides that regulations may be made to require a GHG licensee to have an approved site plan for an identified GHG storage formation.

The site plan is the core document for each greenhouse gas injection and storage project and will form the basis for the day-to-day regulatory interaction between the injection licensee and the Minister. A site plan must be kept under constant review and must be updated as operations progress and new information becomes available

The site plan will keep the Minister informed, at an appropriate level of detail, of the geological attributes or features of the storage formation, as they are currently known, current and proposed injection and storage operations, the results of ongoing monitoring and verification programs and predictions as to the short, medium and long-term behaviour and fate of the greenhouse gas in the identified storage formation and associated geological formation(s). Most of the details of the requirements for site plans will be provided for in regulations and may include:

- that a GHG licensee must not carry on any operations in relation to an identified GHG storage formation specified in the licence unless an approved site plan is in force;
- that if an approved site plan is in force in relation to an identified GHG formation specified in a GHG injection licence, the GHG licensee must comply with the approved site plan;
- that the Minister approves draft site plans. If the Minister approves a draft site plan, the approved plan, comes into force at the time of the approval and remains in force indefinitely unless the Minister withdraws approval of the site plan.
- the withdrawal or variation of approved site plans. Regulations made for the variation of an approved site plan may require a GHG licensee to prepare a draft variation periodically, in such circumstances as are specified in the regulations or, when so required by the Minister.

Proposed subdivision 3 – Serious situations

A new subdivision is inserted to provide for circumstances where injection and storage operations do not go as planned and to identify when a serious situation exists, the responsibilities of the GHG licensee and the powers of the Minister.

Proposed section 74AJ. When serious situation exists

This section sets out that a serious situation for an identified GHG storage formation exists if:

- an injected greenhouse gas substance has leaked or will leak;
- a greenhouse gas substance has leaked or will leak in the course of being injected;
- an injected greenhouse gas substance has behaved or will behave otherwise than as predicted in the approved site plan;
- the injection or storage of a greenhouse gas substance has had or will have a significant adverse impact on the geotechnical integrity of a geological formation or structure;
- the identified GHG storage formation is not suitable for the permanent storage of a greenhouse gas substance.

Proposed section 74AK. Reporting of serious situations

This section requires a GHG injection licensee to immediately inform the Minister after becoming aware that a serious situation exists in relation to an identified GHG storage formation and following this to furnish the particulars in writing within 3 days.

Proposed section 74AL. Minister may give directions

This provision provides for various directions the Minister may give a GHG licensee if, in the opinion of the Minister, a serious situation exists. The direction must be in writing and, amongst other possible directions, may include the requirement for the licensee to take all reasonable steps to ensure that a greenhouse gas substance is injected into the identified GHG storage formation in the manner specified in the direction. This section also makes it an offence to not comply with a direction.

Proposed subdivision 4 – Site closing certificates

A new subdivision has been inserted to describe the process for the issue of a site closing certificate.

Proposed section 74AM. Application for site closing certificate

This section provides for a GHG licensee to apply for a site closing certificate in relation to a specified identified GHG storage formation in the licence area.

Proposed section 74AN. Application for site closing certificate required if operations have ceased

This section provides that a GHG licensee must apply for a site closing certificate in relation to a specified identified GHG storage formation in the licence area if injection operations have ceased. The application for a site closing certificate must be made in the application period which is within 30 days of ceasing injection, or for a longer period of not more than 90 days after that day, as the Minister allows.

Proposed section 74AO. Application for site closing certificate may be directed if ground for terminating or cancelling GHG injection licence exist

This section provides that the Minister may direct a GHG licensee to apply for a site closing certificate under section 74AM if there are grounds for terminating a GHG licence under section 64A or cancelling it due to non-compliance with conditions of a licence.

Proposed section 74AP. Application for site closing certificate may be directed if GHG injection licence tied to ceased petroleum lease or license

This section provides that the Minister may direct a GHG licensee to apply for a site closing certificate under section 74AM if

- a GHG injection licence is in force, and
- the GHG injection licence is tied to a petroleum retention lease or petroleum production licence if the GHG licence is derived from a GHG retention lease granted or renewed under section 38BC, and
- the petroleum retention lease or petroleum production licence ceases to be in force as a result of being surrendered, cancelled, terminated or wholly revoked.

Proposed section 74AQ. Requirements for application for site closing certificate

This section details the requirements for an application for a site closing certificate under section 74AM and include:

- a written report setting out the applicant's modelling of the behaviour of the injected greenhouse gas substance and information relevant to that modelling and analysis of that information;
- a written report setting out the applicant's assessment of the behaviour, expected migration pathway or pathways, the short term and long term consequences of the injected greenhouse gas substance, and
- the applicant's suggestions for the approach to be taken by the State after the issue of the certificate for monitoring the behaviour of the injected greenhouse gas substance.

The regulations may specify other information to be provided and the Minister may require further information in writing in connection with the application.

Proposed section 74AR. Variation of application for site closing certificate

Before a decision on an application for a site closing certificate is made by the Minister, the applicant may apply to vary the application. A variation of an application may be made on the applicant's own initiative, or at the request of the Minister.

Proposed section 74AS. Time for decision on application for site closing certificate

Section 74AS provides that a Minister must make a decision on an application for a site closing certificate within 5 years from the date of application.

Proposed section 74AT. Pre-certificate notice

If an application has been made for a site closing certificate and either the Minister is satisfied that injection operations have ceased, or that there have been no injection operations into the identified GHG storage formation, the Minister may give the applicant a 'pre-certificate notice'.

A pre-certificate notice is a written notice telling the applicant that the Minister is prepared to issue a site closing certificate for the identified GHG storage formation.

In deciding whether to give a pre-certificate notice, the Minister must have regard to any significant risk that the greenhouse gas substance injected into an identified GHG storage formation will have a significant adverse impact on navigation, fishing, activities relating to the construction and operation of a pipeline and native title rights.

The Minister must not give the applicant a pre-certificate notice in relation to the identified GHG storage formation unless the Minister is satisfied that either the relevant statutory requirements have been complied with, or if not, that there are sufficient grounds to warrant the issue of the site closing certificate, or any conditions of the injection licence have been satisfied.

Proposed section 74AU. Refusal of pre-certificate notice

Section 74AU provides that the Minister may refuse to give the applicant a pre-certificate notice if the Minister is not satisfied, that the GHG substance injected into the identified GHG storage formation is behaving as predicted in the approved site plan for the formation.

The Minister may also refuse to give a pre-certificate notice if the Minister is satisfied that there is a significant risk that a greenhouse gas substance injected into an identified GHG storage formation will have a significant adverse impact on the conservation of the resources of the soil or the Earth's crust, or the geotechnical integrity of the whole or a part of a geological structure, or the environment or human health or safety.

Proposed section 74AV. Notice of refusal to give pre-certificate notice

If the Minister refuses to give a pre-certificate notice for an application for a site closing certificate made under section 74AM, the refusal must be given in writing.

Proposed section 74AW. Content of pre-certificate notice

Section 74AW prescribes that a pre-certificate notice given to a GHG licensee will include:

- a program for monitoring operations to be carried out by the State, and
- an estimate of the total costs and expenses of this monitoring program, and
- the form and amount of security required to be lodged within a specified timeframe, and
- a statement that the application will lapse if security is not lodged with the Minister within the required timeframe.

The purpose of obtaining this security is that the program of monitoring and verification will be carried out over a considerable time, and there is no certainty that the person responsible for payment of the costs and expenses will still be in existence, or still be in a financial position to reimburse the State.

Proposed section 74AX. Issue of site closing certificate

If the injection licensee lodges the security in compliance with the issue of a pre-certificate notice in section 74AX, the Minister must issue the site closing certificate.

Proposed section 74AY. Transferee of GHG injection licence treated as applicant

If an injection licence is transferred under section 78 after an application is made for a site closing certificate but before the Minister has decided to issue the certificate, the new licensee will be treated as the applicant for the certificate for all purposes.

Proposed section 74AZ. Duration of site closing certificate

This section provides that a site closing certificate remains in force indefinitely.

Proposed section 74AZA. Transfer of site closing certificate

If a transfer of an injection licence is registered under section 78, a site closing certificate held by the previous licensee is transferred to the new licensee.

Proposed section 74AZB. Transfer of securities

Following on from section 74AZB, if there is a security in force this section provides for the transfer of the interest in the security to the transferee.

Proposed section 74AZC. Discharge of securities

This section provides for regulations to be made for the discharge in whole or part by the Minister of securities in force in relation to site closing certificates.

Proposed section 74AZD. Recovery of State's costs and expenses

This section provides that the costs and expenses of the State in carrying out the post site closing work program are recoverable from the holder of the site closing certificate.

Proposed subdivision 5 – Long-term liabilities in respect of GHG storage

A new subdivision has been inserted to describe provisions for long-term liabilities in respect of GHG storage.

Proposed section 74AZF. Closure assurance period

The Minister may declare a closure assurance period if, at least 15 years after a site closing certificate is issued, the Minister is satisfied that:

- the GHG injected is behaving as predicted, and
- there is no significant risk that the GHG will have a significant adverse impact on geological integrity of the formation, the environment, human health or safety.

The closure assurance period extends from the date on which the site closing certificate is granted to the date on which the closure assurance period is declared.

Proposed section 74AZF. Indemnity against long-term liability

Long-term liability refers to risks beyond the operational phase of the project; the risks of harm to health, the environment, or property due to the leakage or migration of injected carbon dioxide. These risks can be minimised by ensuring a rigorous and robust site selection process, and effective monitoring and verification. Long-term liability involves both statutory liability and liability under common law. The issue of liability is complicated by the fact that liabilities for greenhouse gas storage projects will run for centuries and extend far beyond the life of most companies and insurance contracts. In this instance, as with other industries, government would assume liability by default.

If the closure assurance period is declared, then the State will, subject to conditions which may be specified in the regulations, indemnify the GHG title holder for liability for damages for any act or omission done in the carrying out of operations authorised by the GHG title incurred or accrued after the end of the closure assurance period.

Section 74AZF provides for the standing requirement for the amount of any indemnity to be charged to the Consolidated Account.

Proposed section 74AZG. State to assume long-term liability if licensee has ceased to exist

Similar to the circumstances detailed in section 74AZF, this section provides that the State will also assume long-term liability if the GHG titleholder has ceased to exist. Section 74AZG also provides for the standing requirement for the amount of any indemnity to be charged to the Consolidated Account in the event that the licensee has ceased to exist.

Clause 339 - Section 76 amended

This clause extends the existing provisions of this section, in regard to the Minister entering a memorial in the register of all titles and special prospecting authorities granted, to also include instruments for the grant, variation and revocation of a declaration of an identified GHG storage formation.

GHG automatically applies to this section by virtue of the definition of title meaning 'permit, lease, licence, infrastructure licence, pipeline licence or access authority' and these individual titles and special prospecting authorities being amended to include GHG.

Clause 340 - Section 81 amended

GHG automatically applies to section 81, relating to the approval of dealings and creation of interests, by virtue of the definition of title meaning 'permit, lease, licence, infrastructure licence, pipeline licence or access authority' being amended to included GHG.

This clause inserts new section 81(1)(c) to broaden one of the current effects that apply to a dealing where the carrying out of GHG operations has been added to cooperative arrangements for the recovery of petroleum.

This clause also inserts new section 81(1)(d)(iii) to broaden the existing scope of interest to also include 'similar interests' relating to:

- a greenhouse gas substance injected or stored under an existing permit, lease or licence, or
- revenue derived as a result of the carrying out of GHG operations authorised by an existing permit, lease or licence.

Clause 341 - Section 96 amended

Section 96 requires that where a permit, lease, licence, infrastructure licence or pipeline licence is granted and includes a condition that works or operations are required to be carried out, the work or operations shall commence within 6 months from the title coming into force or within another period as directed by the Minister.

This clause amends section 96 to align with equivalent sections in the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) and exclude GHG exploration permits, retention leases, injection licences, infrastructure licences and pipeline licences from this requirement.

Clause 342 - Section 97 amended

Section 97 imposes a series of general and specific requirements or work practices on titleholders to control the flow; prevent the waste or escape; and keep separate petroleum and water resources to conserve and prevent damage to these resources. This is achieved by carrying out operations in a proper and workmanlike manner and following good oil-field practice.

The main amendment by this clause is to extend these work practice requirements to include all GHG operations.

Clause 343 - Section 97A amended

Section 97A provides for the conditions relating to insurance. The section requires a titleholder, where directed by the Minister, to take out adequate insurance against expenses and liabilities including cleaning up or remedying the effects of the escape of petroleum.

This clause extends the section 97A insurance provisions to apply to greenhouse gas substances. Section 97A is not for long-term liability for greenhouse gas storage as that is covered by the provisions of Subdivision 5 in sections 74AZF and 74AZG. The section 97A amendments provide for insurance for such activities as the drilling of a well to cover blow out and cleanup of the well site.

Clause 344 - Section 97B amended

This clause amends section 97B to specify the relevant titles this section relates to are petroleum titles in the context of approvals granted for regulated substances. This clarification seeks to distinguish petroleum titles from the introduction of a new suite of titles for greenhouse gas.

Clause 345 - Section 101 amended

Section 101 provides the Minister power to issue directions in relation to any matter with respect to which regulations may be made. Such directions are served individually on each titleholder. This clause extends section 101 to include GHG operations.

Clause 346 - Section 111 amended

This clause extends the special prospecting authority provisions of the Act to allow for the granting of a GHG special prospecting authority and the conditions under which the Minister may issue another special prospecting authorities over the same area.

A special prospecting authority may currently be issued to petroleum exploration companies over any area that is not covered by a petroleum exploration permit, petroleum retention lease or a petroleum production licence. The authority allows the holder to undertake approved exploration operations but does not allow the drilling of wells.

Clause 347 - Section 112 amended

This clause extends the existing access authority provisions of the Act to allow for the granting of a GHG access authority to a GHG permittee, GHG lessee, GHG licensee or holder of a GHG special prospecting authority.

A petroleum access authority may currently be issued to petroleum titleholders who wish to undertake exploration or development work (not including the drilling of wells) in close proximity to, the boundaries of their title area. The authority may provide access to a vacant area, or an area covered by another title. In the latter case, the Minister must inform and consider submissions from the holder of the title into which the authority provides access. The authority could even be issued to the holder of a title outside of the State.

This clause also inserts a new term of 'GHG title', to accompany existing term 'petroleum title' in subsection (13), to provide the legislative authority to carry on a GHG injection operation and updates the Act references to the *Petroleum and Geothermal Energy Resources Act 1967* to the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*.

Clause 348 - Section 115 amended

This clause expands the provisions of this section, which empower the Minister, or an inspector, to require any person, but not necessarily a titleholder, to provide factual information which is relevant for the proper administration of the legislation, to now include GHG operations in the State.

Clause 349 - Section 123 amended

This clause amends the provisions of the Act, which provide for the Minister to consent to petroleum exploration in the course of a scientific investigation, to include GHG exploration operations.

Clause 350 - Section 124 amended

Section 124 requires that a person must carry on operations under a permit, lease, licence, infrastructure licence, pipeline licence, special prospecting authority, access authority and an instrument of consent granted under section 123 in a manner that does not interfere with:

- (a) navigation, or
- (b) fishing, or
- (c) the conservation of the sea and seabed, or
- (d) any mineral, pipeline and other petroleum operations, or
- (e) the enjoyment of native title rights and interests.

This clause extends the provisions in subsection (d) to now include GHG operations.

Persons undertaking GHG activities are automatically included in this section as it is applicable in the definitions of permit, lease, licence, infrastructure licence, pipeline licence, special prospecting authority, access authority and scientific investigation instrument of consent under section 123.

Clause 351- Section 124B amended

This clause extends the provisions of section 124B, which detail that a person must not intentionally or recklessly cause damage to or interfere with any petroleum structure or operation, to now include GHG operations. The heading of this section has also been amended to now read 'Interfering with petroleum operation or GHG operation'.

Clause 352 - Section 126 amended

This clause amends the provisions in section 126, which detail the powers of inspectors under the Act, to include GHG operations.

Clause 353 - Section 134 amended

Section 134 provides for the forfeiture of specified vessels or aircraft, specified equipment and specified petroleum recovered in the commission of the offence, or the sale price or well-head value of this petroleum, where a person is convicted of an offence of unauthorised exploration or recovery of petroleum or unauthorised construction and operation of an infrastructure facility or a pipeline.

This clause amends this section to now include unauthorised GHG exploration and injection operations. GHG amendments apply to infrastructure licences and pipelines by virtue of the definition of these titles including GHG.

Clause 354 - Section 137A amended

This clause extends the provisions that establish that certain matters in relation to petroleum operations are taken to have been proved in the absence of evidence to the contrary, to now include GHG operations. This section also outlines the matters where, in proceedings for an offence against the Act, proof is not required unless evidence is given to the contrary and provides for the certification of codes of practice, Australian Standards and Australian/New Zealand standards.

Clause 355 - Section 143 amended

This clause revises existing section 143(1). This amendment maintains the terms of the existing subsection (1) and extends its application to regulated substances. This amendment is necessitated by way of the introduction of the introduction of the new suite of greenhouse gas-related titles inserted and the need to distinguish between the various titles as marked by the specific references to the various forms of petroleum titles in the further subsections to section 143.

Clause 356 - Section 145 amended

Section 145 prescribes that royalty is not payable in certain cases by permittees, lessees and licensees. Similar to the amendments for section 143, this clause amends section 145 to clarify that payment of royalty only applies to petroleum recovered and is not payable to any GHG operation.

Clause 357 - Section 146 amended

Section 146 prescribes that the well-head, in relation to any petroleum is such valve station as agreed between the permittee, lessee or licensee and the Minister or, in lieu of an agreement, as determined by the Minister.

Similar to the amendments for sections 143, and 145, this clause amends section 146 to clarify that payment of royalty only applies to petroleum recovered and is not payable to any GHG operation.

Clause 358 - Section 147 amended

Section 147 prescribes that the value at the well-head of any petroleum is such amount as agreed between the permittee, lessee or licensee and the Minister or, in lieu of an agreement, as determined by the Minister.

Similar to the amendments for sections 143, 145 and 146, this clause amends section 147 to clarify that payment of royalty only applies to petroleum recovered and is not payable to any GHG operation.

Clause 359 - Section 148 amended

Section 148 prescribes that the quantity of any petroleum recovered by a permittee, lessee or licensee shall be taken to be the quantity measured by a measuring device approved by the Minister or, in lieu of a measuring device, the quantity determined by the Minister as being the quantity recovered by the permittee, lessee or licensee.

Similar to the amendments for sections 143, 145, 146 and 147, this clause amends section 148 to clarify that payment of royalty only applies to petroleum recovered and is not payable to any GHG operation.

Clause 360 - Section 150 amended

This clause amends section 150 by separating the contents of existing subsection (1) into two separate subsections to provide a specific subsection for the penalty for late payment of royalty and separately, for the penalty for late payment of fees. Additionally, the new subsection (1) inserts specific references to the various petroleum titles which is necessitated by the introduction of a new suite of titles for greenhouse gas. The substance of the existing section 150(1) is retained, and these amendments represent administrative and consequential amendments arising from the introduction of greenhouse gas titles.

Clause 361 - Section 151 amended

Section 151 details that any fee, royalty or any other amount payable under Division 7 are debts due by the permittee, lessee and licensee, infrastructure licensee and pipeline licensee and are recoverable through the court system.

This clause amends section 151 to insert new subsection (2) to make it clear royalty is payable by a petroleum permittee, lessee and licensee.

Clause 362- Section 152A amended

Section 152A details terms used in Part IVA which prescribe release of information provisions. This clause amends the current term 'petroleum mining sample' used in section 152A to delete 'petroleum' thereby allowing mining samples from GHG operations.

Clause 363 - Section 152C amended

This clause amends the current term 'petroleum mining sample' used in section 152C to delete 'petroleum' thereby providing for mining samples from GHG operations.

Clause 364 - Section 152D amended

This clause amends the current term 'petroleum mining sample' used in section 152D to delete 'petroleum' thereby providing for mining samples from GHG operations.

Clause 365 - Section 152F amended

This clause amends the current term 'petroleum mining sample' used in section 152F to delete 'petroleum' thereby providing for mining samples from GHG operations.

Clause 366 - Section 152G amended

This clause amends the current term 'petroleum mining sample' used in section 152G to delete 'petroleum' thereby providing for mining samples from GHG operations.

Clause 367 - Section 152I amended

Section 152I provides that, in relation to the definition of licence in section 10 of the *Personal Property Securities Act 2009* (Commonwealth), certain things are not personal property for the purpose of the Commonwealth legislation.

This clause amends this section to correctly identify and list applicable petroleum titles that are exempt from the *Personal Property Securities Act 2009* and to also add new GHG titles.

Clause 368 - Section 152 amended

This clause extends the provisions of section 152, which sets out the general regulation-making powers of the Act, to now allow for regulations to be made for GHG operations.

This clause also updates the Act references in (2c) to the *Petroleum and Greenhouse Gas Pipelines Act 1969* and the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*.

Clause 369 - Schedule 3 Division 2 inserted

This clause inserts new clause 6 in Schedule 3 Division 2 which provides for transitional provisions in relation to royalty conditions and the extension to regulated substances, to ensure the amendments in relation to section 143(1) apply to new titles issued after the commencement of the amendments as it relates to a condition imposed on a title. This amendment is administrative in nature.

PART 5 – OTHER ACTS AMENDED

DIVISION 1 – BARROW ISLAND ACT 2003 AMENDED

Clause 370 - Act amended

This clause provides that amendments in this Division are to the *Barrow Island Act 2003*.

Clause 371 - Section 7 amended

Currently, section 7(5)(b) of the *Barrow Island Act 2003* provides that nothing in that Act prevents the existence on the same area of the Barrow Island reserve of a *Land Administration Act 1997* licence, a mining, petroleum or a geothermal right. This clause extends this to include a greenhouse gas right.

Clause 372 - Section 11 amended

This clause represents a consequential amendment to update the existing references to the *Petroleum Pipelines Act 1969* to the *Petroleum and Greenhouse Gas Pipelines Act 1969*.

Clause 373 - Section 14 amended

The amendments to section 14 change the name of the *Petroleum Pipelines Act 1969* to the new *Petroleum and Greenhouse Gas Pipelines Act 1969*.

This clause also amends the explanatory notes that follow the definition of **Barrow Island lease** in section 3 and at the end of section 6(4) to change the name of the *Petroleum and Geothermal Energy Resources Act 1967* to the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*.

DIVISION 2 — BUILDING ACT 2011 AMENDED

Clause 374 - Act amended

This clause provides that amendments in this Division are to the *Building Act 2011*.

Clause 375 - Section 73 amended

This clause amends section 73 'Buildings incidental to exploiting petroleum and other resources' to broaden the scope to now cover regulated substances and greenhouse gas operations in the exemptions from building permit requirements.

This clause also amends the names of the three Petroleum Acts. That is, the *Petroleum and Geothermal Energy Resources Act 1967* to the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*, the *Petroleum (Submerged Lands) Act 1982* to the *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982* and the *Petroleum Pipelines Act 1969* to the *Petroleum and Greenhouse Gas Pipelines Act 1969*.

DIVISION 3 — CONSERVATION AND LAND MANAGEMENT ACT 1984 AMENDED

Clause 376 - Act amended

This clause provides that amendments in this Division are to the *Conservation and Land Management Act 1984*.

Clause 377 - Section 3 amended

This clause amends the references to the Acts in the definition of the Minister for Mines and Petroleum to now read the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*, the *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982* and the *Petroleum and Greenhouse Gas Pipelines Act 1969*.

Clause 378 - Section 4 amended

This clause amends section 4(1), which details the relationship that the *Conservation and Land Management Act 1984* has with other Acts, to change the *Petroleum and Geothermal Energy Resources Act 1967* to the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967* and the *Petroleum (Submerged Lands) Act 1982* to the *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982*.

This clause also broadens the scope of section 4(1) to now include regulated substances and greenhouse gas substances along with the minerals and petroleum.

Clause 379 - Section 13A amended

This clause amends section 13A, which details the purpose of marine nature reserves. Sub-section (3) has been amended to extend the current provisions, which stipulate that exploratory drilling for, or production of, petroleum, geothermal energy resources or geothermal energy under the *Petroleum and Geothermal Energy Resources Act 1967* or petroleum under the *Petroleum (Submerged Lands) Act 1982* shall not be carried out in a marine nature reserve, to now include exploratory drilling for regulated substances, potential GHG storage sites or potential GHG injection sites or injection and storage of greenhouse gas substances.

The Act references have also been updated to the '*Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*' and the *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982*.

Clause 380 - Section 13B amended

This clause amends section 13B, which details the purpose of marine parks. Sub-sections (3B) and (9) have been amended to extend the current provisions, which stipulate that exploratory drilling for, or production of, petroleum, geothermal energy resources or geothermal energy under the *Petroleum and Geothermal Energy Resources Act 1967* or petroleum under the *Petroleum (Submerged Lands) Act 1982* shall not be carried out in a marine park classified under section 62, to now include exploratory drilling for regulated substances, potential GHG storage sites or potential GHG injection sites or injection and storage of greenhouse gas substances.

The Act references have also been updated to the '*Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*' and the *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982*.

Clause 381 - Section 13C amended

Section 13C, which details the purpose of marine management areas, is to be amended by this clause. Sub-section (1aa) has been amended to add 'regulated substance' and update the name of the *Petroleum and Geothermal Energy Resources Act 1967* to the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*.

Sub-section (2), which defines 'Commercial purposes' and sub-section (7), which details activities that may be carried out in a marine management area, have been extended to add 'regulated substance', 'potential GHG injection sites' and 'potential GHG storage formations' and the 'injection and storage of greenhouse gas substances' under both the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967* and the *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982* along with the existing petroleum and geothermal activities.

Clause 382 - Section 13E amended

This clause amends definitions in Section 13E which relate to the preservation of licences and other instruments relating to petroleum and provision for further rights.

The name of the Act in the definition of 'drilling reservation' has been updated to the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*.

In the definition of 'petroleum law', the Act references have been amended to now read 'the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*, the *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982* and the *Petroleum and Greenhouse Gas Pipelines Act 1969*'.

The Act reference in the definition of 'pipeline licence' has also been amended to the *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982* and the *Petroleum and Greenhouse Gas Pipelines Act 1969*.

Clause 383 - Section 60 amended

This clause amends section 60, which details that land management plans are to be approved by the Minister for the Environment, to insert 'exploration or production activities related to regulated substances' and 'greenhouse gas related exploration, injection or storage activities' along with existing mining or petroleum or geothermal energy related exploration or production activities.

The clause also changes the Act references to the '*Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*, the *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982* and the *Petroleum and Greenhouse Gas Pipelines Act 1969*.'

DIVISION 4 — DAMPIER TO BUNBURY PIPELINE ACT 1997 AMENDED

Clause 384 - Act amended

This clause provides that amendments in this Division are to the *Dampier to Bunbury Pipeline Act 1997*.

Clause 385 - Section 34 amended

This clause amends section 34 to insert new terms for 'gas' and 'greenhouse gas substance' to allow for the potential location of a pipeline transporting greenhouse gas in the Dampier to Bunbury pipeline corridor.

Clause 386 - Schedule 4 Division 8 heading amended

This clause amends the heading of this division to now read '*Petroleum and Greenhouse Gas Pipelines Act 1969*'.

Clause 387 - Schedule 4 clause 37 amended

This clause amends the reference to the Act contained in clause 37 to now read the *Petroleum and Greenhouse Gas Pipelines Act 1969*.

DIVISION 5 – DANGEROUS GOODS SAFETY ACT 2004 amended

Clause 388 - Act amended

This clause amends the *Dangerous Goods Safety Act 2004* to ensure updated references to the various petroleum legislation are incorporated.

This clause provides that amendments in this Division are to the *Dangerous Goods Safety Act 2004*.

Clause 389 – Section 6 amended

This clause amends section 6 to update the name of the *Petroleum Pipelines Act 1969* and *Petroleum (Submerged Lands) Act 1982* to the *Petroleum and Greenhouse Gas Pipelines Act 1969* and *Petroleum and Greenhouse Gas (Submerged Lands) Act 1982*.

DIVISION 6 — LAND ADMINISTRATION ACT 1997 AMENDED

Clause 390 - Act amended

This clause provides that amendments in this Division are to the *Land Administration Act 1997*.

Clause 391 - Section 3 amended

This clause amends two terms in section 3.

The definition of 'mining, petroleum or geothermal energy right' has been expanded to include greenhouse gas rights and the Act references have been amended to now read 'the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*, the *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982* and the *Petroleum and Greenhouse Gas Pipelines Act 1969*'.

The definition of 'interest' has also been amended with the existing mining, petroleum or geothermal energy rights extended to include greenhouse gas rights.

Clause 392 - Section 5 amended

This clause inserts 'a regulated substance' after the term 'petroleum' is used in recognition of the introduction of regulated substances to the petroleum framework.

Clause 393 - Section 5 replaced

This clause amends section 5 which details that the *Land Administration Act 1997* does not to apply to registration of rights in respect of minerals, petroleum, a regulated substance, geothermal energy or geothermal energy resources. This section has been widened to now include that the *Land Administration Act 1997* does not apply to the registration of rights for the injection or storage of greenhouse gas substances nor for the system of registering greenhouse gas rights. The Act reference to the *Petroleum and Geothermal Energy Resources Act 1967* has also been updated to the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*.

Clause 394 - Section 24

This clause inserts 'a regulated substance' after the term 'petroleum' is used in recognition of the introduction of regulated substances to the petroleum framework.

Clause 395 - Section 24 replaced

This clause amends section 24, which provides that minerals, petroleum, regulated substances and geothermal energy are reserved to the Crown, to include 'potential GHG storage formations and potential GHG injection sites'.

The Act references have also been updated to the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967* and the *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982* and the heading of this Section amended to read 'Minerals, petroleum and other substances and things reserved to Crown'.

Clause 396 - Section 91 amended

Section 91 details the provisions for licences and profits à prendre (the right to take from the land owned by another person part of the natural produce grown on that land or part of the soil, earth or rock comprising the land) in respect of Crown land. This clause amends subsection (5) to include greenhouse gas rights.

Clause 397 - Section 164 amended

Section 164 provides that rights to minerals, petroleum and geothermal energy resources and geothermal energy may be excluded when interests in land are taken. This clause amends subsection (1) by inserting 'regulated substance' and 'greenhouse gas substances' as a new right.

The clause also changes the Act references to the '*Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*, the *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982* and the *Petroleum and Greenhouse Gas Pipelines Act 1969*.'

The heading of this section has also been amended to now read 'Mineral, petroleum and other rights may be excluded when interest in land taken'.

Clause 398 - Section 170 amended

Section 170 provides for the notice of intention to take an interest in land. This clause amends subsection (5) to broaden the rights to now include 'greenhouse gas' as well as mining, petroleum and geothermal energy.

Clause 399 - Section 175 amended

This clause amends section 175, which provides for objections to a proposal to take interests in land. In this clause, subsection (1)(a)(iii) is amended to broaden the rights to now include 'greenhouse gas' as well as mining, petroleum and geothermal energy.

Clause 400 - Section 177 amended

This clause amends section 177 which provides for the making of a taking order in relation to land. In this clause, subsection (5) is amended to broaden the rights to now include 'greenhouse gas' as well as mining, petroleum and geothermal energy.

Clause 401 - Section 266 amended

This clause expands the existing term 'minerals or petroleum' to 'minerals, petroleum or a regulated substance' in the context of section 266 to ensure the operation of this provision is extended to the proposed new resources.

DIVISION 6 — MINING ACT 1978 AMENDED

Clause 402 - Act amended

This clause provides that amendments in this Division are to the *Mining Act 1978*.

Clause 403 - Section 8 amended

This clause amends the definition of minerals to clarify that substances, as regulated pursuant to the two petroleum Acts, do not fall within the definition of a mineral for the purposes of the *Mining Act 1978*.

This clause also amends the name of the Acts in the definition of 'minerals' in sections 8(1) to the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967* and the *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982*.

This clause also amends the Act name in section 8(2), where the Minister may, in the event of a dispute, decide whether a substance is oil shale or not, to *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*.

Clause 404 - Section 8A deleted

This clause deletes section 8A, which details the rights in respect of oil shale and coal. This clause is no longer required as the schedule referred to in section 8A(1) is redundant and has been deleted from the *Petroleum and Geothermal Energy Resources Act 1967*.

Clause 405 - Section 159 amended

This clause amends the name of the Act in section 159(1), which deals with the disputes between licensees and other persons, to the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*.

DIVISION 7 — PETROLEUM AND GEOTHERMAL ENERGY RESOURCES (REGISTRATION FEES) ACT 1967 AMENDED

Clause 406 - Act amended

This clause provides that amendments in this Division are to the *Petroleum and Geothermal Energy Resources (Registration Fees) Act 1967*.

Clause 407 - Long title amended

This clause amends the long title of this Act to now read the '*Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*'.

Clause 408 - Section 1 amended

This clause amends the short title of this Act to now read the '*Petroleum, Geothermal Energy and Greenhouse Gas Storage (Registration Fees) Act 1967*'.

Clause 409 - Section 3 amended

This clause amends the Act reference in this section from the '*Petroleum and Geothermal Energy Resources Act 1967*' to now read the '*Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*'.

The heading to the section is also amended to now read 'Act read with *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*'.

Clause 410 - Section 4 amended

This clause amends the Act references in Section 4, which provides for the payment of registration fees, from the '*Petroleum and Geothermal Energy Resources Act 1967*' to the '*Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*'.

DIVISION 8 — PETROLEUM AND GEOTHERMAL ENERGY SAFETY LEVIES ACT 2011 AMENDED

Clause 411 - Act amended

This clause provides that amendments in this Division are to the *Petroleum and Geothermal Energy Safety Levies Act 2011*.

Clause 412 – Section 21 amended

Section 21 establishes the Petroleum and Geothermal Energy Safety Levies Account

This clause amends section 21 to update the name of the '*Petroleum and Geothermal Energy Resources Act 1967*' to the '*Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*' and extend the scope of this section to include GHG operations along with petroleum operations and geothermal energy operations.

This clause also amends section 21 to clarify that any moneys in the current petroleum and Geothermal Energy Safety Levies Account are to be credited to the new Petroleum, Geothermal Energy and Greenhouse Gas Storage Safety Levies Account.

DIVISION 9 — PETROLEUM (SUBMERGED LANDS) REGISTRATION FEES ACT 1982 AMENDED

Clause 413 - Act amended

This clause provides that amendments in this Division are to the '*Petroleum (Submerged Lands) Registration Fees Act 1982*'.

Clause 414 - Long title amended

This clause amends the long title of this Act to now read the '*Petroleum and Greenhouse Gas Storage (Submerged Lands) Registration Fees Act 1982*'.

Clause 415 - Section 1 amended

This clause amends the short title of this Act to now read the '*Petroleum and Greenhouse Gas Storage (Submerged Lands) Registration Fees Act 1982*'.

Clause 416 - Section 3 amended

This clause amends the Act references in this section from the '*Petroleum (Submerged Lands) Act 1982*' to the '*Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982*'.

This clause also amends the heading of this section to now read 'Act read with *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982*'.

Clause 417 - Section 4 amended

This clause amends the Act references in Section 4, which provides for the payment of registration fees, from the '*Petroleum (Submerged Lands) Act 1982*' to the '*Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982*'.

DIVISION 10 — TRANSFER OF LAND ACT 1893 AMENDED

Clause 418 - Act amended

This clause provides that amendments in this Division are to the *Transfer of Land Act 1893*.

Clause 419 - Section 3 amended

Section (3) details that the *Transfer of Land Act 1893* does not apply to the registration of rights in respect of minerals, petroleum, geothermal energy or geothermal energy resources or prevent or otherwise affect the system of registration under other Acts of mining, petroleum or geothermal energy rights in respect of land whether Crown, freehold or leasehold. This

section has been widened to now include the registration of rights for a regulated substance and the injection and storage of greenhouse gas substances and the system of registering greenhouse gas rights.

The Act references to the *Petroleum and Geothermal Energy Resources Act 1967* in the terms, 'geothermal energy', 'geothermal energy resources' and 'greenhouse gas substances' in new section (1A) have been updated to the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*.

Also, in new section (1A), existing term 'mining, petroleum, and geothermal energy rights' has been amended to 'mining, petroleum, geothermal energy or greenhouse gas rights'

DIVISION 11 — WATERWAYS CONSERVATION ACT 1976 AMENDED

Clause 420 - Act amended

This clause provides that amendments in this Division are to the *Waterways Conservation Act 1976*.

Clause 421 - Section 5 amended

This clause amends section 5(4)(c) to provide an updated reference to the *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982*.

DIVISION 12 — WORK HEALTH AND SAFETY ACT 2020 AMENDED

Clause 422 - Act amended

This clause provides that amendments in this Division are to the *Work Health and Safety Act 2020*.

Clause 423 – Part 16 Division 12 Subdivision 2 heading amended

This clause amends the name in the heading in Subdivision 2 in Division 12 in Part 16 from 'Petroleum and geothermal energy safety levies' to 'Petroleum, geothermal energy and greenhouse gas storage safety levies'.

Clause 424 – Section 424 amended

This clause amends section 424 to change the name of the *Petroleum and Geothermal Energy Safety Levies Act 2011* to the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Safety Levies Act 2011*.

Clause 425 – Section 425 amended

This clause amends section 425(1) and (2) to change the name of the *Petroleum and Geothermal Energy Safety Levies Act 2011* to the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Safety Levies Act 2011*.

Clause 426 - Schedule 1 clause 6 amended

This clause amends clause 6 to change the Act references to the '*Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*, the *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982* and the *Petroleum and Greenhouse Gas Pipelines Act 1969*.'

Clause 427 - Schedule 1 clause 22 amended

This clause amends clause 22 to change the Act references to the '*Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*, the *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982* and the *Petroleum and Greenhouse Gas Pipelines Act 1969*.'

DIVISION 13 — VARIOUS ACTS AMENDED

Clause 428 – Various references to Petroleum and Geothermal Energy Resources Act 1967

This clause amends the following Acts to change the name, where occurring, of the *Petroleum and Geothermal Energy Resources Act 1967* to the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*:

- *Aboriginal Affairs Planning Authority Act 1972*
- *Aboriginal Heritage Act 1972*
- *Barrow Island Royalty Variation Agreement Act 1985*
- *Biosecurity and Agriculture Management Act 2007*
- *Fire and Emergency Services Act 1998*
- *Fish Resources Management Act 1994*
- *Gas Standards Act 1972*
- *Gas Supply (Gas Quality Specifications) Act 2009*
- *Heritage Act 2018*
- *Local Government Act 1995*
- *Petroleum Titles (Browse Basin) Act 2014*
- *Port Authorities Act 1999*
- *Soil and Land Conservation Act 1945*
- *Valuation of Land Act 1978*
- *Waterways Conservation Act 1976*

Clause 429 - Various references to Petroleum Pipelines Act 1969

This clause amends the following Acts to change the name, where occurring, of the *Petroleum Pipelines Act 1969* to the *Petroleum and Greenhouse Gas Pipelines Act 1969*:

- *Aboriginal Heritage Act 1972*
- *Dangerous Goods Safety Act 2004*
- *Energy Coordination Act 1994*
- *Gas Standards Act 1972*
- *Gas Supply (Gas Quality Specifications) Act 2009*
- *Port Authorities Act 1999*

Clause 430 - Various references to Petroleum (Submerged Lands) Act 1982

This clause amends the following Acts to change the name, where occurring, of the *Petroleum (Submerged Lands) Act 1982* to the *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982*:

- *Dangerous Goods Safety Act 2004*
- *Fish Resources Management Act 1994*
- *Gas Supply (Gas Quality Specifications) Act 2009*
- *Offshore Minerals Act 2003*

- *Petroleum Titles (Browse Basin) Act 2014*
- *Port Authorities Act 1999*

Clause 431 - Various references to “Part III” amended

This clause outlines a series of Acts that have been amended to update references of ‘Part III’ to ‘Part 3’.

This clause amends the following Acts to delete ‘Part III’ and insert ‘Part 3’:

- *Gas Supply (Gas Quality Specifications) Act 2009*
- *Petroleum Titles (Browse Basin) Act 2014*