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21 April 2021

The Chair
Senate Economics Legislation Committee

Dear Chairperson

**Re: Inquiry into Offshore Petroleum and Greenhouse Gas Storage Amendment
(Benefit to Australia) Bill 2020. Public Submission.**

Thank you for your invitation to make a Public Submission to the above inquiry.

The *Offshore Petroleum and Greenhouse Gas Storage Amendment (Benefit to Australia) Bill 2020*, seeks to broaden the objects clause of the Offshore Petroleum and Greenhouse Gas Storage Act 2006 to make the ‘benefit of the Australian community’ a guiding principle in the interpretation of the Act.

The Bill states:

“Australia has vast reserves of natural resources, including offshore oil and gas. Australia is also the largest exporter in the world of liquefied natural gas, but these exports have left Australia short of gas and have made Australia the world’s only large gas producer where the international gas price is lower than the domestic price.

Foreign owned integrated gas businesses currently hoard proven and probable gas leases, some for more than 30 years, when they could be capitalised on by businesses that are ready and willing to go into production. Periodically, these long held leases come up for renewal. The addition to the objects clause should make it more likely that, when these leases come up for renewal, some will not be renewed and will instead become available to businesses willing to go into production.”

My suggestion:

The Bill should end with the inclusion [in italics, for the purposes of highlighting my addition]: “...when these leases come up for renewal, some will not be renewed and will instead become available to businesses willing to go into production *provided there are no greenhouse gases over the prescribed levels, either from extraction or production, that will affect the environment.*”

Many other jurisdictions have greenhouse gas limits, but the ‘soft’ approach in Australia has in the past been administered by people, who may know nothing about the various industry norms. Australian regulators put the obligation on the proponent to state what greenhouse gases they expect to emit and what

life forms may be affected by the proposed action, and then the regulator will check however they can, and reflect feedback and concerns from the public back to the proponent. Then the proponent responds with a revised EIS and specific responses to particular concerns, which the regulator balances that against economic and local employment benefits. The regulator then issues an approval with conditions. See for example the EPBC Act EISs in 2002 and 2004 for methanol and LNG projects respectively.

Thus it is recommended that the term “prescribed levels of greenhouse gases” is defined as part of the *Offshore Petroleum and Greenhouse Gas Storage Amendment (Benefit to Australia) Bill 2020*.

Yours Sincerely

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