

Senate Economics Legislation Committee

Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Amendment (Miscellaneous Measures) Bill 2019

Offshore Petroleum and Greenhouse Gas Storage Amendment (Cross-boundary Greenhouse Gas Titles and Other Measures) Bill 2019

Submission from the Government of South Australia

January 2020



Introduction

This is a submission prepared by the South Australian Government's Department for Energy and Mining to the Senate Economics Legislation Committee.

The closing date for submissions to the Inquiry is Friday 17 January 2020 however the Government of South Australia has been granted an extension until Tuesday 28 January 2020.

Background

On 5 December 2019, the Senate referred the provisions of the *Offshore Petroleum and Greenhouse Gas Storage Amendment (Cross-boundary Greenhouse Gas Titles and Other Measures) Bill 2019* and the *Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Amendment (Miscellaneous Measures) Bill 2019* to the Economics Legislation Committee for inquiry and report by 7 February 2020.

The purpose of the *Offshore Petroleum and Greenhouse Gas Storage Amendment (Cross-boundary Greenhouse Gas Titles and Other Measures) Bill 2019* (Cross-boundary Title Bill) is to amend the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (the OPGGS Act) to

- Allow effective title administration and regulation of greenhouse gas storage formations that straddle the boundary between state/territory coastal waters and Commonwealth waters;
- Enable unification of adjacent Commonwealth greenhouse gas titles;
- Strengthen and clarify the monitoring, inspection and enforcement powers of the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) within state/territory jurisdictions during an oil pollution emergency originating in Commonwealth waters; and
- Make minor policy and technical amendments to improve the operations of the OPGGS Act.

The purpose of the *Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Amendment (Miscellaneous Measures) Bill 2019* (the Levies Bill) is to amend the Levies Act to:

- Ensure that levies imposed by the Levies Act are effectively imposed on cross-boundary greenhouse gas storage titles;
- Provide that the Levies Act binds, and is taken always to have bound, the Crown in right of each of the States and the NT; and
- Make a technical correction to section 2 of the *Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Amendment Act 2019*.

NOPSEMA regulation of activities in Australian waters

Since 2012, the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) has been Australia's independent sole expert regulator for health and safety, environmental management, structural and well integrity for offshore petroleum facilities and activities in Commonwealth waters.

NOPSEMA's approach to the regulation of offshore petroleum-related activities is recognised as one of the most robust and precautionary in the world.

NOPSEMA has the advantage of significant expertise and experience in marine safety and environmental protection in regulating offshore oil and gas operations.

The Government of South Australia has confidence in NOPSEMA's expertise, regulatory processes and decision-making in relation to offshore petroleum regulation and environmental management.

The Government of South Australia supports the proposed amendments to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGS Act) to strengthen and clarify the environmental compliance and enforcement powers of NOPSEMA onshore or in South Australian coastal waters for matters originating in Commonwealth waters.

Proposed amendments to the OPGGS Act will empower NOPSEMA inspectors to enter premises used for emergency response obligations without a warrant or consent, whether the premises are located in Commonwealth waters or areas of state/territory jurisdiction for matters arising in Commonwealth waters. The South Australian Government is supportive of initiatives such as these which provide industry with regulatory consistency and certainty in offshore emergency management, and which allows South Australia to benefit from NOPSEMA's regulatory expertise.

Given the increased offshore petroleum exploration activity presently occurring in the Great Australian Bight, offshore South Australia, the Government of South Australia strongly supports the proposal to strengthen the environmental compliance and enforcement powers of NOPSEMA.

Greenhouse Gas Cross-boundary Storage

There are currently no offshore greenhouse gas storage licences granted within South Australian state waters, nor have any greenhouse gas storage permits been granted to date in Commonwealth waters adjacent to South Australia.

Irrespective of the lack of current gas storage interests in offshore South Australia, the Government of South Australia supports the establishment of a mechanism to create a Cross-boundary Authority, consisting of the responsible Commonwealth Minister and the South Australian Minister for Energy and Mining with respect to cross-boundary greenhouse gas permits located in the Commonwealth-South Australian Offshore area. Such a mechanism is seen as a practical step to allow increased efficiency in exploitation of gas storage potential, and will bring potential red tape reduction for operators of offshore greenhouse gas permits.