



AUSTRALIAN PETROLEUM PRODUCTION & EXPLORATION  
ASSOCIATION LIMITED

15 August 2008

Mr John Hawkins  
Committee Secretary, Senate Economics Committee  
Department of the Senate  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

(via e-mail to: [economics.sen@aph.gov.au](mailto:economics.sen@aph.gov.au))

Dear Mr Hawkins

**RE: SENATE ECONOMICS COMMITTEE INQUIRY INTO THE OFFSHORE  
PETROLEUM AMENDMENT (GREENHOUSE GAS STORAGE) BILL 2008 &  
3 RELATED BILLS: APPEA SUBMISSION**

Please find attached a submission from the Australian Petroleum Production & Exploration Association (APPEA) on aspects of Committee's *Inquiry into the Draft Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill*, referred to the Committee by the Senate on 25 June 2008.

APPEA is the peak national body representing the Australian upstream oil and gas industry. APPEA member companies collectively produce around 98 per cent of Australia's oil and gas.

APPEA commends the work of the Minister for Resources and Energy, the Hon Martin Ferguson AM MP, the Department of Resources, Energy and Tourism and the relevant Parliamentary draftsmen in preparing the exposure draft of the Bill and is pleased to provide comment on it. This legislation will be ground breaking in that it will make Australia one of the first jurisdictions to develop a comprehensive legislative and regulatory framework for greenhouse gas (ghg) injection activities.

APPEA notes this submission is made with reference to the Bills as presented to the Parliament on 18 June 2008 and so APPEA has had an opportunity to consider any Government amendments to the Bill or the report of the inquiry by the House of Representatives Standing Committee on Primary Industry and Resources. APPEA's views on the Bill may be altered by any amendments arising from these processes and the comments made here should be read with that distinction in mind. APPEA will provide the Committee with a supplementary submission commenting on the recommendations made by the House of Representatives Committee in their inquiry report, *Down Under: Greenhouse Gas Storage*, released today.

Reliable, secure and competitively priced energy is crucial to our everyday lives in Australia. Within this framework, oil and gas plays a key role in meeting many of our energy needs. At present, petroleum accounts for around 54 per cent of Australia's primary energy needs – this is expected to increase into the foreseeable future. The industry creates significant wealth for the country, including through the employment of many Australians, underpinning the revenue collections of governments and generating valuable export revenue

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for the Australian economy. A strong, vibrant and growing industry is essential to the on-going health of the Australian economy.

The oil and gas industry has considerable expertise in utilising and developing the technologies that are required for greenhouse gas injection and storage both in Australia and on the international stage. In addition, the Act this Bill proposes to amend has underpinned the operation of the upstream oil and gas industry in Commonwealth waters for more than four decades. Any issue that impacts on the administration of the Act is therefore of critical and fundamental interest to the industry.

Any consideration of the development of an appropriate legislative and regulatory framework for greenhouse gas injection and storage projects in Australia needs to take place within the context of the contribution the upstream oil and gas industry, both onshore and offshore, currently makes and will continue to make to the Australian economy and environment.

APPEA's views on the greenhouse gas injection and storage regulatory regime fit within the broader framework of the industry's greenhouse response policy. This policy notes APPEA, and its members, are committed to working towards a profitable, safe, environmentally and socially responsible oil and gas exploration, development and production industry. APPEA's comments on the Bill are also framed against the industry's greenhouse gas injection and storage policy objective: to ensure that the greenhouse gas injection and storage policy framework and associated legislative and regulatory framework:

- does not impede the exploration and development activities of the upstream oil and gas industry in Australia
- provides an efficient and effective regulatory framework for oil and gas project proponents seeking to store greenhouse gases as an integral component of their operations; and
- ensures nationally and internationally consistent regulations are developed for greenhouse gas injection and storage activities.

In addition, a number of APPEA members have made individual submissions to you commenting on the inquiry's terms of reference. APPEA commends these submissions to you.

We would be pleased to discuss the contents of this submission with you at any stage. Should you have any queries, please feel free to contact Mr Damian Dwyer, Director – Energy Markets & Climate Change via phone on 6267 0902 or via e-mail at [ddwyer@appea.com.au](mailto:ddwyer@appea.com.au).

Yours sincerely



Belinda Robinson  
**CHIEF EXECUTIVE**