Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill 2008

(Government)

(1) Schedule 1, item 81, page 22 (line 21), at the end of the definition of significant risk, add “, 15FA, 15FB, 15FC or 15FD”.

[significant risk of significant adverse impact]

(2) Schedule 1, item 109, page 36 (line 23) to page 38 (line 7), omit section 15F, substitute:

15F Significant risk of a significant adverse impact—approval of key petroleum operations

(1) For the purposes of sections 79A, 79B, 114A, 114B, 138A and 138B and paragraph 435B(2)(a), the question of whether there is a significant risk that a key petroleum operation will have a significant adverse impact on:

(a) operations for the injection of a greenhouse gas substance; or
(b) operations for the storage of a greenhouse gas substance;

is to be determined in a manner ascertained in accordance with the regulations.

(2) A manner ascertained in accordance with regulations made for the purposes of subsection (1) must take into account:

(a) the probability, or range of probabilities, of the occurrence of the adverse impact; and
(b) the economic consequences of the adverse impact; and
(c) the economic consequences of the adverse impact relative to the potential economic value of the operations referred to in whichever of paragraph (1)(a) or (b) is applicable.

(3) Subsection (2) does not limit the matters that may be taken into account.

(4) Subsections (1) and (2) have effect subject to subsections (5) and (6).
For the purposes of sections 79A, 79B, 114A, 114B, 138A and 138B and paragraph 435B(2)(a), a key petroleum operation will have an adverse impact on:

(a) operations for the injection of a greenhouse gas substance; or
(b) operations for the storage of a greenhouse gas substance;

the relevant greenhouse gas operations) if, and only if, the key petroleum operation will result in:

(c) an increase in the capital costs (other than prescribed costs) of the relevant greenhouse gas operations; or
(d) an increase in the operating costs (other than prescribed costs) of the relevant greenhouse gas operations; or
(e) a reduction in the rate of injection of the greenhouse gas substance; or
(f) a reduction in the quantity of the greenhouse gas substance that will be able to be stored.

For the purposes of sections 79A, 79B, 114A, 114B, 138A and 138B and paragraph 435B(2)(a), if there is a risk that a key petroleum operation will have an adverse impact on:

(a) operations for the injection of a greenhouse gas substance; or
(b) operations for the storage of a greenhouse gas substance;

then that risk is not to be treated as significant, and that adverse impact is not to be treated as significant, if the amount that, under the regulations, is taken to be the probability-weighted impact cost of the key petroleum operation is less than the amount that, under the regulations, is taken to be the threshold amount.

15FA Significant risk of a significant adverse impact—grant of production licence

For the purposes of sections 145 and 146, the question of whether there is a significant risk that any of the operations that could be carried on under a production licence will have a significant adverse impact on operations that are being, or could be, carried on under:

(a) a greenhouse gas assessment permit; or
(b) a greenhouse gas holding lease; or
(c) a greenhouse gas injection licence;

is to be determined in a manner ascertained in accordance with the regulations.

A manner ascertained in accordance with regulations made for the purposes of subsection (1) must take into account:

(a) the probability, or range of probabilities, of the occurrence of the adverse impact; and
(b) the economic consequences of the adverse impact; and
(c) the economic consequences of the adverse impact relative to the potential economic value of the operations that are being, or could be, carried on under the permit, lease or licence referred to in whichever of paragraph (1)(a), (b) or (c) is applicable.

Subsection (2) does not limit the matters that may be taken into account.

Subsections (1) and (2) have effect subject to subsections (5) and (6).

For the purposes of sections 145 and 146, an operation that could be carried on under a production licence (the production licence operation) will have an adverse impact on operations (the relevant greenhouse gas operations) that are being, or could be, carried on under:
(a) a greenhouse gas assessment permit; or 
(b) a greenhouse gas holding lease; or 
(c) a greenhouse gas injection licence; 
if, and only if, the production licence operation will result in:  
(d) an increase in the capital costs (other than prescribed costs) of the relevant greenhouse gas operations; or 
(e) an increase in the operating costs (other than prescribed costs) of the relevant greenhouse gas operations; or 
(f) a reduction in the rate of injection of the greenhouse gas substance; or 
(g) a reduction in the quantity of the greenhouse gas substance that will be able to be stored.

(6) For the purposes of sections 145 and 146, if there is a risk that an operation that could be carried on under a production licence (the production licence operation) will have an adverse impact on operations that are being, or could be, carried on under: 
(a) a greenhouse gas assessment permit; or 
(b) a greenhouse gas holding lease; or 
(c) a greenhouse gas injection licence; 
then that risk is not to be treated as significant, and that adverse impact is not to be treated as significant, if the amount that, under the regulations, is taken to be the probability-weighted impact cost of the production licence operation is less than the amount that, under the regulations, is taken to be the threshold amount.

15FB Significant risk of a significant adverse impact—approval of key greenhouse gas operations

(1) For the purposes of sections 249AF and 249BD and paragraph 435B(2)(b), the question of whether there is a significant risk that a key greenhouse gas operation will have a significant adverse impact on petroleum exploration operations, or petroleum recovery operations, that are being, or could be, carried on under: 
(a) an existing exploration permit; or 
(b) an existing retention lease; or 
(c) an existing production licence; or 
(d) a future exploration permit; or 
(e) a future retention lease; or 
(f) a future production licence; 
is to be determined in a manner ascertained in accordance with the regulations.

(2) A manner ascertained in accordance with regulations made for the purposes of subsection (1) must take into account: 
(a) the probability, or range of probabilities, of the occurrence of the adverse impact; and 
(b) the economic consequences of the adverse impact; and 
(c) the economic consequences of the adverse impact relative to the potential economic value of the petroleum exploration operations, or petroleum recovery operations, that are being, or could be, carried on under the permit, lease or licence referred to in whichever of paragraph (1)(a), (b), (c), (d), (e) or (f) is applicable.

(3) Subsection (2) does not limit the matters that may be taken into account.

(4) Subsections (1) and (2) have effect subject to subsections (5) and (6).
(5) For the purposes of sections 249AF and 249BD and paragraph 435B(2)(b), a key greenhouse gas operation will have an adverse impact on petroleum exploration operations, or petroleum recovery operations, that are being, or could be, carried on under:

(a) an existing exploration permit; or
(b) an existing retention lease; or
(c) an existing production licence; or
(d) a future exploration permit; or
(e) a future retention lease; or
(f) a future production licence;

if, and only if, the key greenhouse gas operation will result in:

(g) an increase in the capital costs (other than prescribed costs) of the petroleum exploration operations or petroleum recovery operations; or
(h) an increase in the operating costs (other than prescribed costs) of the petroleum exploration operations or petroleum recovery operations; or
(i) a reduction in the rate of recovery of the petroleum; or
(j) a reduction in the quantity of the petroleum that will be able to be recovered.

(6) For the purposes of sections 249AF and 249BD and paragraph 435B(2)(b), if there is a risk that a key greenhouse gas operation will have an adverse impact on petroleum exploration operations, or petroleum recovery operations, that are being, or could be, carried on under:

(a) an existing exploration permit; or
(b) an existing retention lease; or
(c) an existing production licence; or
(d) a future exploration permit; or
(e) a future retention lease; or
(f) a future production licence;

then that risk is not to be treated as significant, and that adverse impact is not to be treated as significant, if the amount that, under the regulations, is taken to be the probability-weighted impact cost of the key greenhouse gas operation is less than the amount that, under the regulations, is taken to be the threshold amount.

15FC Significant risk of a significant adverse impact—grant of greenhouse gas injection licence

(1) For the purposes of sections 249CI and 249CR and paragraph 435B(2)(c), the question of whether there is a significant risk that any of the operations that could be carried on under a greenhouse gas injection licence will have a significant adverse impact on operations that are being, or could be, carried on under:

(a) an existing exploration permit; or
(b) an existing retention lease; or
(c) an existing production licence; or
(d) a future exploration permit; or
(e) a future retention lease; or
(f) a future production licence;

is to be determined in a manner ascertained in accordance with the regulations.

(2) A manner ascertained in accordance with regulations made for the purposes of subsection (1) must take into account:
(a) the probability, or range of probabilities, of the occurrence of the adverse impact; and
(b) the economic consequences of the adverse impact; and
(c) the economic consequences of the adverse impact relative to the potential economic value of the operations that are being, or could be, carried on under the permit, lease or licence referred to in whichever of paragraph (1)(a), (b), (c), (d), (e) or (f) is applicable.

(3) Subsection (2) does not limit the matters that may be taken into account.

(4) Subsections (1) and (2) have effect subject to subsections (5) and (6).

(5) For the purposes of sections 249CI and 249CR and paragraph 435B(2)(c), an operation that could be carried on under a greenhouse gas injection licence (the *injection licence operation*) will have an adverse impact on operations (the *relevant petroleum operations*) that are being, or could be, carried on under:
   (a) an existing exploration permit; or
   (b) an existing retention lease; or
   (c) an existing production licence; or
   (d) a future exploration permit; or
   (e) a future retention lease; or
   (f) a future production licence;
if, and only if, the injection licence operation will result in:
   (g) an increase in the capital costs (other than prescribed costs) of the relevant petroleum operations; or
   (h) an increase in the operating costs (other than prescribed costs) of the relevant petroleum operations; or
   (i) a reduction in the rate of recovery of the petroleum; or
   (j) a reduction in the quantity of the petroleum that will be able to be recovered.

(6) For the purposes of sections 249CI and 249CR and paragraph 435B(2)(c), if there is a risk that an operation that could be carried on under a greenhouse gas injection licence (the *injection licence operation*) will have an adverse impact on operations that are being, or could be, carried on under:
   (a) an existing exploration permit; or
   (b) an existing retention lease; or
   (c) an existing production licence; or
   (d) a future exploration permit; or
   (e) a future retention lease; or
   (f) a future production licence;
then that risk is not to be treated as significant, and that adverse impact is not to be treated as significant, if the amount that, under the regulations, is taken to be the probability-weighted impact cost of the injection licence operation is less than the amount that, under the regulations, is taken to be the threshold amount.

15FD  Significant risk of a significant adverse impact—power of responsible Commonwealth Minister to protect petroleum

(1) For the purposes of section 249CZC and paragraph 435B(2)(d), the question of whether there is a significant risk that any of the operations that are being, or could be, carried on under a greenhouse gas injection licence will have a significant adverse impact on:
(a) operations to recover petroleum; or
(b) the commercial viability of the recovery of petroleum;
is to be determined in a manner ascertained in accordance with the regulations.

(2) A manner ascertained in accordance with regulations made for the purposes of
subsection (1) must take into account:
(a) the probability, or range of probabilities, of the occurrence of the adverse impact; and
(b) the economic consequences of the adverse impact; and
(c) the economic consequences of the adverse impact relative to the potential economic
value of the operations or recovery referred to in whichever of paragraph (1)(a) or
(b) is applicable.

(3) Subsection (2) does not limit the matters that may be taken into account.

(4) Subsections (1) and (2) have effect subject to subsections (5) and (6).

(5) For the purposes of section 249CZC and paragraph 435B(2)(d), an operation that could
be carried on under a greenhouse gas injection licence (the injection licence operation)
will have an adverse impact on:
(a) operations to recover petroleum; or
(b) the commercial viability of the recovery of petroleum;
if, and only if, the injection licence operation will result in:
(c) an increase in the capital costs (other than prescribed costs) of the recovery of the
petroleum; or
(d) an increase in the operating costs (other than prescribed costs) of the recovery of the
petroleum; or
(e) a reduction in the rate of recovery of the petroleum; or
(f) a reduction in the quantity of the petroleum that will be able to be recovered.

(6) For the purposes of section 249CZC and paragraph 435B(2)(d), if there is a risk that an
operation that is being, or could be, carried on under a greenhouse gas injection licence
(the injection licence operation) will have an adverse impact on:
(a) operations to recover petroleum; or
(b) the commercial viability of the recovery of petroleum;
then that risk is not to be treated as significant, and that adverse impact is not to be treated
as significant, if the amount that, under the regulations, is taken to be the
probability-weighted impact cost of the injection licence operation is less than the amount
that, under the regulations, is taken to be the threshold amount.

[significant risk of significant adverse impact]