Offshore Petroleum (Safety Levies) Amendment (Greenhouse Gas Storage) Bill 2008

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Offshore Petroleum (Safety Levies) Amendment (Greenhouse Gas Storage) Bill 2008

Date introduced: 18 June 2008
House: House of Representatives
Portfolio: Department of Resources, Energy and Tourism
Commencement: The day after the Offshore Petroleum Amendment (Greenhouse Gas Storage) Act 2008 receives Royal Assent

Links: The relevant links to the Bill, Explanatory Memorandum and second reading speech can be accessed via BillsNet, which is at http://www.aph.gov.au/bills/. When Bills have been passed they can be found at ComLaw, which is at http://www.comlaw.gov.au/.

Purpose

The Offshore Petroleum (Safety Levies) Amendment (Greenhouse Gas Storage) Bill 2008 (the Bill) proposes to amend the Offshore Petroleum (Safety Levies) Act 2003 (the Act) by extending the imposition of safety levies under the Act to greenhouse gas facilities and pipelines.

Background

For a comprehensive background to the proposed greenhouse gas storage regime, please refer to the Bills Digest on the Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill 2008.

Financial implications

The government has stated that:

The operator of a greenhouse gas sequestration title will face many compliance costs analogous to the operation of offshore petroleum titles. Lodgement of documents, compilation of plans, requests for permission and record keeping are expected to be broadly consistent with that under the OPA. In the absence of detail on regulation and

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guidelines, it is impossible to quantify such costs at this stage with traditional tools such as the OPBR Business Cost Calculator.¹

Main provisions

**Items 3-29** of **Schedule 1** of the Bill proposes to change references from the name ‘Offshore Petroleum Act’ to ‘Offshore Petroleum and Greenhouse Gas Storage Act’.

Currently, the Act imposes the following levies with respect to petroleum facilities and pipelines in Commonwealth waters, as well as State and Territory coastal waters:

- safety case levies
- pipeline safety management levies, and
- safety investigation levies.²

It is worth noting that the government points out that:

> The levies will not become payable in respect of any greenhouse gas injection and storage infrastructure in State or Northern Territory coastal waters, even though the amendments made by this Bill will potentially extend the levies to such facilities.

> This is because the States and Northern Territory are not at present moving to extend the operation of their Offshore Petroleum Acts to greenhouse gas injection and storage operations. The required State and Northern Territory legislative underpinning that is necessary for these levies to apply will therefore not be in place.³

**Schedule 2** of the Bill simply proposes consequential amendments regarding the renumbering of provisions in the Act.

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