



Wide Bay Burnett Environment Council
PO Box 97, Maryborough, Queensland, 4650

6 March 2024

Senate Economics Legislation Committee Inquiry:

Offshore Petroleum and Greenhouse Gas Storage Legislation Amendment (Safety and Other Measures) Bill 2024 [Provisions]

Dear Committee Secretariat,

On behalf of the Wide Bay Burnett Environment Council Inc (WBBEC), thank you for the opportunity to make a submission to the Inquiry into the Offshore Petroleum and Greenhouse Gas Storage Legislation Amendment (Safety and Other Measures) Bill 2024 [Provisions] (the 'Bill').

WBBEC is an apolitical not-for-profit member-based environmental advocacy organisation in the Wide Bay Burnett region of Queensland. Further information about WBBEC and its activities can be found at <https://wbbec.wordpress.com/>.

Our submission is as follows:

Recommendations

WBBEC recommends the Bill be amended as proposed in the House of Representatives by Zali Steggall MHR; should the amendment proposed by Ms Steggall MHR be rejected by either House or Senate, or if any other measures that might exclude offshore petroleum activities from the provisions of the Environment Protection and Biodiversity Conservation Act 1999 (the 'EPBC Act') are inserted in the Bill, then the Bill should be rejected in its entirety and not progress to legislation.

Submission in detail



WBBEC suggestions on various components of the Bill

WBBEC has no comment to make regarding amendments of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* to implement the outcomes of the Offshore Oil and Gas Safety Review, and likewise has no comment on amendments to the *Navigation Act 1912* and *Offshore Petroleum and Greenhouse Gas Storage Act 2006* that clarify the validity of vessel safety certificates when a disconnectable facility transitions between the maritime and offshore petroleum regimes.

Further, WBBEC has no comment to make regarding proposed amendments to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* intended to;

- enable the National Offshore Petroleum Safety and Environmental Management Authority ('NOPSEMA', 'the Agency') to specify the timeframe for a person to comply with a remedial direction;

- clarify the spatial extent of an eligible greenhouse gas storage formation;

- and make minor and technical amendments.

WBBEC is, however, greatly concerned by proposed amendments to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* intended to ensure that an approval of taking actions in accordance with a policy, plan or program remains effective following amendments to environmental regulations.

Reviews of environmental laws and offshore oil and gas regulation

At present, the National Offshore Petroleum Safety and Environmental Management Authority with oversight by both Resources Minister and Environment Minister; the Resources Minister has oversight of the Safety aspects of the Agency's function, and the Environment Minister has oversight of Environmental Management.

WBBEC understands that the Resources Minister is currently overseeing a review into the regulation of the offshore oil and gas industry to determine what regulatory changes should be made and how, and that the Environment Minister is presently overseeing a review looking at overhauling and updating Australia's environment laws. The legal basis underlying the offshore oil and gas industry is therefore in a state of uncertainty.

WBBEC considers it remarkable that any amending legislation has been brought before the Parliament before these reviews are completed. In particular, the proposition that the Environment Minister's authority might be delegated to the National Offshore Petroleum Safety and Environmental Management Authority ('NOPSEMA') before the review of environment laws is complete seems hasty rather than characteristic of government by competent decision-makers.



Why, then, is the Bill being introduced before completion of these reviews?

Why now?

WBEC notes the reported remarks of Takayuki Ueda, the chief executive of Japanese oil and gas exploration and production company Inpex in his address to a private function in the Australian Parliament House in March 2023¹.

Mr Ueda is reported to have described the regulatory regime around Australian gas exploration and production as tantamount to “quiet quitting”. Mr Ueda reportedly went on to remind his audience that if Australia does not accelerate its gas production in order to meet Japanese demand for LNG (“liquefied natural gas”) then Japan will have little choice other than to source its LNG from Iran, Russia or China.

Suggestions for Australian gas producers and their international customers.

WBEC notes that with global climate deterioration now rapidly accelerating, Japan will come under strong international pressure to abandon LNG consumption sooner rather than later so that any new gas development in Australia is at risk of prematurely losing its export market; that is such developments are likely to become “stranded assets”.

WBEC suggests that Australian gas producers comply with the IEA’s 2021 finding by ceasing development of new gas production. Not only would this avoid losing money by developing what will be stranded assets, but it would allow the gas producers to invest in renewable energy generation, storage or transmission.

Aligning Australia’s environment laws with international expectations

WBEC expects that as of 2024, a review of Australia’s environmental laws would incorporate the determination of the International Energy Agency’s 2021 Review (“Net Zero by 2050”) that if global warming is limited to 1.5°C above pre-Industrial global average temperatures in 2050 (as required under the 2015 Paris Accord to which Australia is a signatory), then no new fossil fuel projects may commence “From 2021: no new oil and gas fields approved for development. No new coal mines or mine extensions”².

WBEC position on amendment moved by Zali Steggall MHR

¹ “Australia’s gas policies threaten world peace, says Japanese giant”, by Jason Greber, *Australian Financial Review*, 30 March 2023, <https://www.afr.com/politics/federal/australia-s-gas-policies-threaten-world-peace-japanese-giant-warns-20230330-p5cwsd>. Downloaded on 5 March 2024

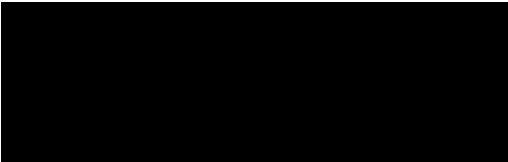
² <https://www.iea.org/reports/net-zero-by-2050>



WBBEC also notes that Zali Steggal MHR recognises the same flaws in the Bill as ourselves, and has moved an amendment in the House of Representatives that "Part 2 of Schedule 2" be omitted from the Bill. WBBEC accordingly recommends that the Bill be amended as proposed by Ms Steggall.

Thank you for considering our submission. Should further clarification be required, please contact the writer.

Yours sincerely



David Arthur
President, Wide Bay Burnett Environment Council

