



**HOUSE OF REPRESENTATIVES STANDING COMMITTEE
ON PRIMARY INDUSTRIES AND RESOURCES**

Draft Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill

MEDIA RELEASE

Issued: 15 August 2008

Chair: The Hon Dick Adams MP

Deputy Chair: Mr Alby Schultz MP

Greenhouse Gas Storage

- Carbon capture & storage draft legislation report tabled today -

The House of Representatives Primary Industries and Resources Committee tabled its report into the **Draft Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill 2008** today (15 August), which provides for carbon dioxide sequestration in offshore Commonwealth waters. The report's key recommendations are that the Bill be amended to establish a **formal process to transfer long term liability from the greenhouse gas (GHG) operator to the Government**, and that the **responsible Commonwealth Minister be endowed with the authority to direct parties to negotiate in good faith where there is overlapping greenhouse gas storage and petroleum titles, and to direct an outcome in such negotiations**.

Committee Chair, Dick Adams (Lyons, Tas), said "Australia has some of the best sites for carbon dioxide storage in the world. This legislation provides an enabling framework to establish a commercial greenhouse gas storage industry in Australia".

Mr Adams stressed the need for mitigation strategies for Australia's carbon dioxide emissions. "Carbon capture and storage (CCS) could be a vital element in Australia's response to climate change. This new technology allows for the continued exploitation of our vast coal reserves, while also making deep cuts to our CO₂ emissions," Mr Adams said.

The report's 19 recommendations include:

- The inclusion of an objects clause within the legislation
- A transparent and systematic process for short-listing possible GHG storage acreage
- The provision for a renewal of the GHG assessment permit for a maximum of 3 years
- Delaying the passage of the legislation until such time as the supporting regulations and guidelines are released
- Offering incumbent petroleum operators a one-off opportunity to incorporate a GHG storage title over their current licence area
- Preferential consideration for GHG acreage bids with a readily available CO₂ stream
- Financial incentives to promote the uptake of commercial CCS
- The publication of formal site closure criteria
- That no suitable GHG storage acreage be excluded on the grounds of pre-existing petroleum activities
- That injection and storage rights currently held by petroleum title holders under S.137 be preserved.

For further media comment: please contact the committee chair, Dick Adams MP, on (02) 6277 4293 at parliament or at his electorate office on (03) 6398 1115 or email Dick.Adams.MP@aph.gov.au

Copies of the report can be obtained from the committee's website at: <http://www.aph.gov.au/house/committee/pir/exposedraft/report.htm> or by contacting the committee secretariat on (02) 6277 4500 or emailing pir.reps@aph.gov.au