



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

Sharon Scully
Law and Bills Digest Section

Contents

Purpose.	2
Background.	2
Financial implications	2
Main provisions.	3

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

Warning:

This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.

This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.

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.

-
1. Regulatory Impact Statement, Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill 2008, p. 40
 2. *Offshore Petroleum (Safety Levies) Act 2003* sections 5–10.
 3. Explanatory Memorandum, op. cit., p. 109.

Warning:

This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.

This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.

© Copyright Commonwealth of Australia

This work is copyright. Except to the extent of uses permitted by the *Copyright Act 1968*, no person may reproduce or transmit any part of this work by any process without the prior written consent of the Parliamentary Librarian. This requirement does not apply to members of the Parliament of Australia acting in the course of their official duties.

This work has been prepared to support the work of the Australian Parliament using information available at the time of production. The views expressed do not reflect an official position of the Parliamentary Library, nor do they constitute professional legal opinion.

Feedback is welcome and may be provided to: web.library@aph.gov.au. Any concerns or complaints should be directed to the Parliamentary Librarian. Parliamentary Library staff are available to discuss the contents of publications with Senators and Members and their staff. To access this service, clients may contact the author or the Library's Central Entry Point for referral.

Members, Senators and Parliamentary staff can obtain further information from the Parliamentary Library on (02) 6277 2442.

Warning:

This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.

This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.