General

This Bill re-enacts the Petroleum (Submerged Lands) Act 1982 (the PSL Act). This Bill proposes conspicuous changes to the structure and style of the legislation but seeks to implement only a modest number of minor policy changes from the framework set out in the PSL Act.

The purpose of this Bill is to provide a more user-friendly enactment that will reduce compliance costs for the upstream petroleum industry and for the governments that are charged with administering it. However, the management regime for offshore petroleum exploration, production, processing and conveyance that is proposed by this Bill is unchanged in all its essential features from what is set out in the PSL Act.

To this end, this Bill provides for the grant of petroleum exploration permits, petroleum retention leases, petroleum production licences, infrastructure licences, pipeline licences, petroleum special prospecting authorities and petroleum access authorities. These titles are to have effect in the Victorian offshore area. The Victorian offshore area starts from the baseline from which the breadth of the territorial sea is measured off Victoria and extends to 3 nautical miles from that baseline.

The Bill also provides for the regulation of greenhouse gas operations, including providing for the granting of authorities that enable exploration for geological storage formations and injection and storage of greenhouse gas substances.

The administration of this legislation in relation to the Victorian offshore area is to be vested in the Minister for Energy and Resources.

This Bill also includes occupational health and safety provisions and maintains the operation of the National Offshore Petroleum Safety Authority for their administration.
CHAPTER 1—INTRODUCTION

PART 1.1—LEGISLATIVE FORMALITIES AND BACKGROUND

Clause 1 sets out the purpose of the Bill, which is to provide for the regulation of petroleum activities and facilities as well as the geological storage of carbon in the Victorian offshore area. The Bill re-enacts provisions contained in the PSL Act for the regulation of petroleum operations in the Victorian offshore area.

Clause 2 provides that the Bill commences on a day or days to be proclaimed. This enables a degree of flexibility around when the Bill is brought into operation. The clause provides if any provision in the Bill has not commenced 1 January 2012, then that provision commences on that day. The default commencement date is set as 1 January 2012 to enable sufficient time for the requisite regulations to be remade, incorporating regulations that prescribe matters provided for in the Bill. It is anticipated that Victoria will similarly mirror as far as practicable the Commonwealth regulations, which are being developed at the time of the drafting of this Bill.

Clause 3 sets out the object of the Bill, which is to provide an effective regulatory framework for petroleum exploration and recovery and the injection and storage of greenhouse gas substances in the Victorian offshore area.

Clause 4 sets out a simplified outline of the whole Bill. This outline does not form part of the operative text of the Bill.

Clause 5 sets out a map to enable the reader to understand the meaning of certain terms used in the Bill, the most commonly occurring ones being the "offshore area", the "Commonwealth defined offshore area" and the "scheduled area for Victoria". The map is simplified and its scale interpretation cannot serve as an accurate guide to the precise location of the boundaries within which the Bill would be operative.
PART 1.2—INTERPRETATION

Division 1—General

Clause 6  sets out definitions applying to the whole Bill. This clause generally replicates, with additions, amendments and deletions, the content of section 4 of the PSL Act.

Some definitions that occur in section 4(1) of the PSL Act have been renamed, for example inspector has become petroleum project inspector. The definition of explore, with application to the whole Bill, is a change of policy which is explained under clause 21.

The definition of good processing and transport practice is proposed to be extended from the one appearing in section 4(1) of the PSL Act by specifying that it can relate to the conveyance and transport of petroleum as well as to the processing and storage of petroleum and the preparation of petroleum for transport.

The Victorian offshore area is described in the definition of offshore area.

For petroleum, a more lucid definition is proposed than the one appearing in section 4(1) of the PSL Act, so that it is quite clear that when "sales" gas, i.e. processed gas, is to be conveyed via a pipeline, it is classed as petroleum for all purposes under the Bill. The purpose of paragraph (f) of the definition is to cover the situation where gas has been reinjected into a petroleum pool and is later recovered. Without this paragraph, questions might arise as to whether the mixture of hydrocarbons and gases then produced from the well is "naturally occurring".

Clause 7  provides that where reference is made in the Bill to a numbered Part, that reference is taken to mean that respective Part of the Bill.

Clause 8  provides that, for the purposes of this Bill, the space above or below the offshore area is taken to be in that area, and the space above or below an area that is part of the offshore area is taken to be in that part.

Clause 9  clarifies that the term of a petroleum title is not necessarily a fixed period that is always accurately predictable when the title is granted. While, for example, a petroleum exploration permit is set down as having a duration of 6 years if it is the initial grant of a permit and 5 years if it is a renewal, in either case the term could be extended or shortened by the impact of various provisions of the Bill.
The clause also clarifies that the date on which a year of the term of a title is completed is determined by when the title comes into force, which could be a date later than the one on which the Minister grants the title. The clause further clarifies that the expiry date of a title, like the term, and for the same reason, is not always accurately predictable when the title is granted.

Clause 10 sets out the term of greenhouse gas titles, in a manner similar to clause 9 which sets out the term of petroleum titles.

Clause 11 makes clear that the renewal of a petroleum title is a new title. However, there is continuity from the expiring title in the sense that the identity of the party who can obtain the renewal, which blocks and how many blocks it can cover and the date when the renewal can come into force, are all determined by what is set down in the expiring title.

Clause 12 provides for the renewal of greenhouse gas titles, in a manner similar to clause 11 which provides for the renewal of petroleum titles.

Clause 13 provides that if a petroleum title is varied, a reference in this Bill to the title is a reference to the title as varied.

Clause 14 provides that if a greenhouse gas title is varied, a reference in this Bill to the title is a reference to the title as varied.

Clause 15 applies where the holder of a petroleum retention lease is granted a greenhouse gas holding lease. The clause ties the greenhouse gas title deriving from the grant of the greenhouse gas holding lease, to a title that derives from the petroleum lease held at the time the greenhouse gas holding lease was granted.

Clause 16 defines vacated area under various scenarios through which a title under the Bill can come to an end. This definition is relevant because certain obligations fall on the holder or ex-holder of the title to carry out remedial actions in the vacated area either before or after the title has come to an end.

In relation to a pipeline licence, the vacated area under item 7 or 8 is to be understood as including whatever area on either side of the pipeline contains scatterings of construction debris or discarded parts or equipment resulting from the construction or maintenance of the pipeline.
Clause 17 defines infrastructure facilities in a way that makes it clear that these are not drilling or production platforms being used for that purpose by petroleum explorers or producers. They could, however, be former drilling or production platforms that have been retrofitted for a new use.

The reference to the remote control of facilities, structures or installations used to recover petroleum in the licence area of a production licence could be a reference to a "monopod" positioned outside the licence area which serves as the control centre for a number of submerged production plants in the licence area. Such a facility might accommodate personnel or might merely house computer and other hardware to control pumping activity at the production facilities.

Where this clause refers to "a facility", "the facility" and "facilities", it refers to the term in its common usage, not to the specialised meaning "facility" has in clause 63 and Schedule 3.

Clause 18 provides for the declaration of terminal stations, which serve a purpose in defining where a secondary line ends and a pipeline begins. The purposes of secondary lines are explained in the definition in clause 6, but secondary lines are not pipelines within the meaning of the Bill.

Clause 19 enables the Minister to declare a point on a pipe or system of pipes to be a terminal point.

Clause 20 enables the Minister to declare a greenhouse gas facility. The concept of a declared greenhouse gas facility is distinct from that of the declared petroleum titles. A declared greenhouse gas facility is a structure or plant in an injection licence area used for greenhouse gas-related operations and which can be constructed and operated under the authority of the injection licence. No infrastructure licence is required. This definition is part of a group of definitions designed to permit flexibility for an injection licensee in deciding on the configuration of the structures and plant that are used in injection and storage operations.

Clause 21 extends the common, dictionary meaning of the word "explore" in order to regulate all seismic surveying, seabed sampling surveys and various airborne remote sensing techniques such as gravity, magnetic and laser fluorimetry surveys that are designed to assist in locating petroleum reserves. Such surveys can be carried out by various titleholders under the Bill or by parties who are not themselves petroleum explorers. In the latter case, the surveys are performed by speculative survey companies (normally working under a special prospecting
authority) who aim to sell the survey results to titleholders. Without this clause, there is doubt whether such speculative activities could be regulated under the Bill.

The inclusion of this definition, with application to the entire Bill, means that any provision in the Bill that prohibits exploration also prohibits surveys by commercial interests which are not directly involved in exploration. Conversely, any title under the Bill that confers a right to explore confers a right to carry out a survey, subject to the title conditions and operational approval.

Clause 22 defines potential greenhouse gas storage formation as a part of a geological formation that is suitable, with or without engineering enhancements, for the permanent storage of a greenhouse gas substance. A greenhouse gas titleholder is required to notify the Minister if the titleholder reasonably suspects that the title area contains a potential greenhouse gas storage formation.

Clause 23 defines an eligible greenhouse gas storage formation as a part of a geological formation that is suitable, with or without engineering enhancements, for the permanent storage of a particular amount (at least 100 000 tonnes) of a particular greenhouse gas substance injected at a particular point or over a particular period.

Subclause (3) defines the spatial extent of an eligible greenhouse gas storage formation as the vertical and horizontal extent of the expected migration pathway(s) of the injected greenhouse gas substance. The subclause defines the period for the pathway(s) as starting at the point of injection (or the start of the period of injection) and ending at the notional site closing certificate time.

Subclause (5) provides that the expected migration pathway is worked out using assumptions and methodologies which may be specified in the regulations (if any), to a level of probability specified in the regulations.

The notional site closing certificate time is the earliest estimated time when there will be sufficient certainty about the fate of the injected greenhouse gas substance to enable the Minister to issue a site closing certificate.

Subclause (6) defines that time with respect to eligible greenhouse gas storage formations that are suitable for storage without engineering enhancements.
Subclause (7) defines that time with respect to eligible greenhouse gas storage formations that require engineering enhancements to be suitable for storage.

Clause 24 defines what constitutes a potential greenhouse gas injection site. A potential greenhouse gas injection site must be wholly situated within the offshore area and must be suitable for the making of wells for injection of the greenhouse gas substances.

Clause 25 defines what constitutes an incidental greenhouse gas-related substance, which in broad terms can be a substance derived from the process of capturing, transporting or injecting a primary greenhouse gas substance.

Clause 26 defines a site plan that relates to an identified greenhouse gas storage formation as a document, meeting prescribed requirements, predicting the behaviour of a greenhouse gas substance in that formation.

Clause 27 enables the regulations to specify the manner in which a determination is made about whether a significant risk of an adverse impact exists, in relation to approval of key petroleum operations. Subclause (2) sets out certain factors which the regulations must take into account.

Clause 28 enables the regulations to specify the manner in which a determination is made about whether a significant risk of an adverse impact exists, in relation to the grant of petroleum production licence. Subclause (2) sets out certain factors which the regulations must take into account.

Clause 29 enables the regulations to specify the manner in which a determination is made about whether a significant risk of an adverse impact exists, in relation to the approval of key greenhouse gas operations. Subclause (2) sets out certain factors which the regulations must take into account.

Clause 30 enables the regulations to specify the manner in which a determination is made about whether a significant risk of an adverse impact exists, in relation to the grant of a greenhouse gas injection licence. Subclause (2) sets out certain factors which the regulations must take into account.
Clause 31 enables the regulations to specify the manner in which a determination is made about whether a significant risk of an adverse impact exists, in relation to operations or activities carried out under a greenhouse gas injection licence. Subclause (2) sets out certain factors which the regulations must take into account in prescribing the manner for making such a determination. Subclause (5) sets out certain instances in which activities will result in having an adverse impact on operations. Subclause (6) sets out a test as to whether or not a significant risk exists and whether or not an adverse impact is significant or not.

Clause 32 provides for instances in which a security, that is not wholly discharged, is taken to be in force.

Clause 33 defines designated agreements.

Clause 34 defines where the wellhead for petroleum operations is taken to be, for the purposes of the Bill.

Clause 35 sets out how to determine the value of petroleum at the wellhead.

Clause 36 sets out how to determine the quantity of petroleum recovered at the wellhead.

Clause 37 sets out what constitutes a block in relation to the offshore area, for the purposes of the Bill. The dimensions of graticular sections are 5 minutes by 5 minutes and in some instances in the offshore area. In some instances blocks in the offshore area may be smaller in dimension than 5 minutes by 5 minutes, this is since only part of a graticular section is needed to constitute a block in the offshore area.

Division 2—Datum provisions

Clause 38 deals with the objects of this Division. The term datum is defined in clause 6(1), but, to fully grasp its meaning, one needs to understand that, if the latitude and longitude of a point are given, that information does not in itself provide the means of identifying the position of that point on the surface of the Earth with any accuracy. A datum, the reference surface for the latitude and longitude, also needs to be specified. If the coordinate and datum of a point are specified and one then keeps the same coordinate and specifies a different datum, that will send anyone trying to find the point to a different location. The issue is similar to quoting a volume with
appropriate units, for example 100 imperial gallons is different from 100 US gallons.

In onshore surveying, the traditional technique for accurately locating a specified point on the ground has been to measure to existing trig points with known positions on surrounding elevated land features. The coordinates of these trig points are not in themselves the datum but they are derived from the datum and can be said to represent it. The coordinate of each trig point was originally obtained by a process of working outwards from a primary reference point. For some decades from the 1960s, that primary reference point in Australia was the Johnston Geodetic Station in the Northern Territory. The latitude and longitude of that Station had been determined very accurately, and also its elevation above the spheroid representing the Earth (the Earth not being a perfect sphere).

When it comes to surveying offshore, the coordinate of a point can be given with reference to the (Australian Geodetic Datum) just as it can be onshore. Until 2001, for purposes of title management, the PSL Act specified the AGD as the datum both for determining and describing the position of a point, line or area. However, in 2001, amendments were passed to the PSL Act so that regulations could be made prescribing a new datum for describing that position.

This was because of the general move in Australia to adopt the Geocentric Datum of Australia (GDA), which provides benefits in terms of direct compatibility with the Global Positioning System used in satellite navigation. But simply accepting existing AGD coordinates as GDA coordinates in the PSL Act would have meant that holders of existing titles under the PSL Act would have found that the area in which they could operate had shifted by about 200 metres over the seabed. Following consultation with stakeholders, the Parliament agreed that adoption of the GDA in the PSL Act must not lead to that result.

Instead, the amendments to the PSL Act made in 2001 allowed the GDA to be adopted in petroleum title administration so that the gridlines that delineate the 5 minute by 5 minute blocks were relabelled with the new datum but without moving the title areas from their existing position on the seabed. To do this, the coordinates of corner points of title areas, which were expressed as whole multiples of 5 minutes, were transformed to unwhole numbers of minutes under the GDA, for example 16°40'00" South, 118°15'00" East under the AGD converted to 16°39'55.09" South, 118°15'4.63" East under the GDA.
Overall, then, the objects of Division 2 are to maintain the AGD as the determinant for the position of the grid on which title areas under the Bill depend and, secondly, to provide the means for a new datum (other than the GDA) to be prescribed at some future time for describing that position if there are good reasons for doing so.

Clause 39 sets out a number of definitions for purposes of this Division. The definition of *title* does not include a scientific investigation consent because this would be included under the definition of an *instrument under this Act*.

Clause 40 is the basic provision maintaining the AGD as the determinant for the position on the surface of the Earth of a graticular section or block, on which title areas under the Bill are based. Subclause (2) provides that, in an instrument under the Bill, there is no impediment to describing the point, line or area by reference to another datum.

Clause 41 sets out how to determine the position on the surface of the earth set out in Schedules 1 and 2 of the Bill.

Clause 42 provides that regulations may in future declare a new datum for describing the position on the surface of the Earth of a point, line or area in a title or other instrument under the Bill. This new datum is here referred to as the *current datum*, as distinct from the *previous datum*.

Subclause (2) defines the previous datum for purposes of making a declaration of the kind referred to above.

Subclause (3) provides for the time of effect of a declaration of the kind referred to above to be called the *changeover time*.

Clause 43 refers to all the different titles and other types of instruments that may be granted or issued under the Bill in the context of what would need to be done if a new datum were declared. This clause deals only with titles or other instruments granted or issued after the changeover time and provides that then any area, route (for pipelines), line or point that is referred to in any one of these titles or other instruments is to be described by reference to the "current datum", i.e. the new datum. The title or other instrument may be annotated accordingly.
Clause 44 refers to all the different titles and other types of instruments that may be granted or issued under the Bill in the context of what would need to be done if a new datum were declared. This clause deals only with titles or other instruments that are in force immediately before the changeover time. Any area, route (for pipelines), line or point that is referred to in any of these titles or other instruments is to be described by reference to the previous datum. Subclause (2) makes the point that this is the situation as long as no regulations have been made under clause 45. However, if regulations have been made only under some subclauses of clause 45, the titles or other instruments that have not been dealt with under these subclauses will still be described by reference to the previous datum.

If there were going to be a second changeover date, i.e. the declaration of another new datum, it is the intention that the variation power under clause 45 would be used in respect of any title or instrument still continuing in force from before the first changeover time. Thus, when the second changeover date became imminent, all titles and instruments would be referenced to the datum that had been declared starting from the first changeover time.

Clause 45 refers to what could be done (as an option) if a new datum were declared. This clause enables regulations to be made to authorise variations to be made by the Minister to titles and other instruments that have been granted or issued under the Bill before the changeover time. Under items 1 to 6 of the table, the purpose of the variation would be for relabelling, using coordinates based on the current datum, any area or route (for pipelines) that is referred to in the title to which the regulations relate. If a regulation were made under item 7, the purpose of the variation would be for relabelling, using coordinates based on the current datum, any point, line or area in some other instrument under the Bill. Item 8 provides a regulation-making power so that the Minister may insert an annotation in any title or other instrument stating what datum applies to that title or other instrument.

Clause 46 refers to what could be done (as an option) if a new datum were declared. This clause provides a regulation-making power so that the Minister may vary an application for a title if the area for which the title is sought is referenced to the previous datum. The coordinates of the area in the application would then be relabelled under the current datum and the title, if granted, would refer to that relabelled area.
Clause 47  is an overarching provision that makes it clear that no change in the position on the surface of the Earth of any point, line, block, pipeline route or other title area is authorised, either as a result of describing any of them or as a result of relabelling any of them.

Clause 48  provides a power to make regulations to cover matters of a transitional nature arising from any future datum change. This is to cover contingencies not identified or foreseen in drafting this Division.

**Division 3—Apportionment of petroleum recovered from adjoining title areas**

Clause 49  provides that this Division applies only to petroleum exploration permits, petroleum retention leases and petroleum production licences. This is because the Bill does not allow commercial petroleum recovery under any other title. If small amounts of petroleum are recovered under a scientific investigation consent, this will be for purposes to which issues of apportionment are not relevant.

Clause 50  provides local definitions, applying only to this Division, to enable the following provisions to be set out with less repetition of words.

Clause 51  sets out the way in which petroleum is taken to be recovered when it is recovered through an inclined well. This clause is relevant because the title area from which petroleum is taken to have been recovered by the titleholder could be significant for the calculation of royalties. This clause would be decisive in determining whether the titleholder would be liable to pay a royalty.

Clause 52  deals with the situation in which a company has two different titles such that a petroleum pool straddles the two title areas. In this situation, it is normal to assume that, if there is a well in just one of the title areas, petroleum will flow from the side of the pool which is in the other title area into the title area where the well is located. Thus one well will tap petroleum from two title areas. Likewise, if in this situation there is a well in both title areas, all the petroleum recovered from each well will not necessarily originate in the title area where the well is located.

This clause provides how the proportion of petroleum derived from each title area is to be determined.
Clause 53 addresses a similar issue as clause 52 in cases where one of the two title areas is in the Victorian offshore jurisdiction and the other is in the Commonwealth offshore jurisdiction. The clause sets out the method by which the proportions of petroleum recovered from each title area are to be determined.

Clause 54 addresses a similar issue as clause 52 in cases where one of the two title areas is in the Victorian offshore jurisdiction and the other is in another State's offshore jurisdiction. The clause sets out the method by which the proportions of petroleum recovered from each title area are to be determined.

Clause 55 provides that where a unit development agreement is in place, the most fundamental issue addressed in that agreement would be the proportions of petroleum deemed to be recovered from each title area. This clause provides that, when petroleum is recovered in a unitised production operation, the proportions specified in an agreement (if approved and registered) will have legal effect for all purposes.

Clause 56 provides that a determination made by the Supreme Court of Victoria under this Division must not be inconsistent with a determination made by the Supreme Court of another State, relating to matters set out in the clause.

PART 1.3—ADMINISTRATION OF THE COMMONWEALTH OFFSHORE AREA

Clause 57 provides that the Minister is able to exercise in respect of Victoria, any power which the Commonwealth Act expressly authorises him or her to exercise as a member of the Joint Authority. The clause requires the Minister to perform any function which is required by virtue of the Minister being a member of the Joint Authority.

Clause 58 enables the Minister to perform the functions and exercise the powers as expressed in the Commonwealth Act, as Designated Authority.

Clause 59 enables the Minister to delegate to the persons listed in the clause, a power conferred upon the Designated Authority by the Commonwealth Act.

Clause 60 enables the Minister to require an employee of the Victorian public service, to perform any function in the Commonwealth defined offshore area, which the Minister requires pursuant to the Minister's membership of the Joint Authority or role as Designated Authority.
PART 1.4—SUSTAINABILITY PRINCIPLES

Clause 61 sets out the principles of sustainability, for which regard should be given in the administration of the Bill.

PART 1.5—APPLICATION PROVISIONS

Clause 62 sets out the offshore area to which the Bill applies.

Clause 63 sets out instances in which prescribed Victorian occupational health and safety laws do not apply.

Clause 64 provides that the Bill is not intended to affect the operation of the Acts listed in subclause (1). Subclause (2) provides that if a provision in this Bill is inconsistent with a provision in an Act listed in subclause (1) the provision of the Act referred to in that subclause prevails. Subclause (3) provides that nothing in the Bill affects the operation of the Acts listed in that subclause.

Clause 65 provides that the Crown owns all underground geological storage formations below the surface of any submerged land in the offshore area. The clause also indemnifies the Crown from any claims for compensation by virtue of it's ownership of underground geological storage formations.

Clause 66 is consistent with clause 65, which asserts the Crown's ownership over underground geological storage formations. The clause provides that the Crown retains all rights to an underground geological storage formation subject to a lease, licence or other tenure. The Crown retains these rights unless otherwise stated in the document granting the lease, licence or tenure.

Clause 67 provides that the Crown becomes the owner of any greenhouse gas substances injected into an underground geological storage formation, once that greenhouse gas injection licence is cancelled or surrendered.

Clause 68 provides that the Bill binds the Crown in right of Victoria. The clause also provides for when the Bill binds the Crown in all its other capacities.

Clause 69 recognises the application of international law obligations on Australia. The clause provides that the Bill has application subject to those obligations.
CHAPTER 2—REGULATION OF ACTIVITIES RELATING TO PETROLEUM

PART 2.1—INTRODUCTION

Clause 70 gives a summary of Chapter 2 covering the regulation of activities relating to petroleum. This summary does not form part of the operative text of the proposed Act.

PART 2.2—PETROLEUM EXPLORATION PERMITS

Division 1—General provisions

Clause 71 gives a summary of Part 2.2 covering exploration permits. This summary does not form part of the operative text of the proposed Act.

Clause 72 makes it mandatory for a person or company to have authority under the Bill before that person or company explores for petroleum in areas forming part of the Victorian offshore area. If the regulations under the Bill impose further requirements before exploration may proceed, those requirements must also be met.

Exploration includes the carrying out of seismic and other surveys, whether by the exploration permittee or by a company (operating under a special prospecting authority) which aims to sell the survey results to petroleum explorers. Exploration could also be authorised under the Bill by a petroleum retention lease, petroleum production licence, petroleum access authority, or petroleum scientific investigation consent. This is referred to in paragraph (b) of the clause by the words "otherwise authorised or required by or under this Act." The notion that exploration could be "required" refers primarily to the fact that something connected with exploration might be required. For example, if the Minister issues a direction to a permittee to collect a core, cutting or sample from the seabed, the permittee is then required to perform an act that amounts to exploration. The permittee can also be said to be subject to a requirement imposed by and under the Bill.

Clause 73 gives the holder of a petroleum exploration permit rights to do everything required in the permit area to explore for petroleum, including surveys, the drilling of wells and the recovery of petroleum (if discovered) for appraisal purposes.
The rights are subject to conditions that are entered on the permit. The most usual conditions impose a work program with specific milestones to be achieved by specified dates over the term of the permit.

The mention in subclause (4) of these rights also being subject to "this Act and the regulations" refers to a number of other processes that need to be gone through before actual activity may occur. In the case of drilling, this would include the submission of an environment management plan and the obtaining of approval to drill the particular well. It also refers to other provisions such as the fact that the permit could be suspended, cancelled, revoked, surrendered or simply expire. (The difference between expiry, cancellation and revocation is that expiry implies the life of the permit ends merely through the passage of a certain amount of time, cancellation is a considered act of bringing the permit to an end before the expiry date because of some infringement of the Bill or regulations, and revocation is the occurrence of an event that brings the permit to an end before the expiry date without there being any infringement of the Bill or regulations.)

Clause 74 provides power to insert conditions in exploration permits exists to ensure that the individual characteristics of each exploration project are able to be dealt with in a way that satisfies the regulator and is accepted by the permittee. Thus the conditions typically impose a specific work program to be carried out over the term of the permit, especially for permits granted under the work program bidding system, where the amount, timing and type of work proposed is the basis for awarding permits.

Permit conditions could also include temporal and spatial restrictions to address issues such as avoiding conflict with navigation in a shipping lane or exclusion from a marine park area. While the Minister may grant a permit subject to whatever conditions the Minister thinks appropriate, the conditions must conform to the general scope and purposes of the Act.

Clause 75 sets out various conditions that may be imposed on work-bid petroleum exploration permits or special petroleum exploration permits.

Clause 76 precludes the conditions listed in the clause from being imposed on a cash-bid petroleum exploration permit.
Clause 77 provides that, pursuant to the other provisions of the clause, a permittee must not carry out activities under a declared petroleum exploration permit unless the Minister has approved the operations under clause 78.

Clause 78 provides for the holder of a declared petroleum exploration permit to apply to the Minister for approval of one or more key petroleum operations under the permit.

Clause 79 sets out various matters that the Minister must have regard to, before approving key petroleum operations. Some of these matters include considering whether there are likely to be significant risks of a significant adverse impact on greenhouse gas operations.

Clause 80 provides that the Minister must not approve a key petroleum operation if a significant risk of a significant adverse impact to greenhouse gas injection or storage operations exists. The Minister may give approval notwithstanding a significant risk of a significant adverse impact if the holder of the greenhouse gas title agrees in writing to the key petroleum operations being conducted.

Clause 81 provides that rights conferred by the grant of a petroleum exploration permit do not imply that the holder of the permit is by virtue of being a permit holder, entitled to be given approval for key petroleum operations to be conducted.

Clause 82 provides that suspension of rights under clause 470 will not impact on the operation of clause 78, 79 and 80.

Clause 83 provides for the declaration, by the Minister, of a post-commencement petroleum exploration permit as a declared petroleum exploration permit in cases where the Minister is satisfied that there is a significant risk that key petroleum operations will have a significant adverse impact on greenhouse gas operations.

Clause 84 sets out the basic provisions about the term of a petroleum exploration permit, but, in subclause (2), provides that the term could be longer or shorter depending on whether various scenarios dealt with in other parts of the Bill arise. These are indicated by the notes at the end of the clause. The initial term of a permit is 6 years. With a permit granted for the first time under the Bill, there would be the possibility of two 5 year renewals, i.e. a total permit life of 16 years, provided there is compliance with other provisions of the Bill and regulations.
The area covered by a permit normally decreases at each renewal.

Clause 85 clause sets out the provisions that will apply if a permittee whose permit cannot be renewed applies for a petroleum retention lease or a petroleum production licence and that title has not been granted at the time when the permit would expire. The term of the permit is then extended as set out in the table in subclause (1).

Subclause (2) provides that this extension is subject to Chapter 2. This means that the permit could, for example, be surrendered or cancelled, meaning it could come to an end earlier than the table indicates.

Division 2—Obtaining a work-bid petroleum exploration permit

Clause 86 sets out the procedure for advertising areas for competitive bidding under work program criteria and the requirements that apply to making applications in response to such an invitation. While subclause (2) refers to another procedure for securing applicants for vacant areas, i.e. cash bidding, tendering under work program bidding has been, for many years, the normal way in which companies have obtained petroleum exploration permits.

Subclause (4) sets the maximum area of a permit at 400 blocks, each normally 5 minutes by 5 minutes in size. These tenements are large by international standards, reflecting the size and relative lack of exploration maturity of Australia's continental shelf. On the other hand, provided there is adherence to the rules under subclauses (5), (6) and (8), it is not compulsory for an applicant to apply for all blocks offered in a particular set of blocks. There is no statutory limitation on the number of permits any particular operator may hold.

Clause 87 provides that the decision of the Minister about any work program permit application is to be conveyed to the applicant in writing.

Clause 88 sets out the process by which the Minister issues an offer document for work-bid petroleum exploration permits.

Clause 89 enables the Minister, using published selection criteria, to rank bids for petroleum exploration permits, exclude undeserving bids from the ranking and, if two or more parties have tendered the best and equal work program bids, invite them to submit supplementary bids as a further basis for the selection of a successful applicant. The ranking also enables the field of
applicants to be revisited if a permit offer is not taken up. These provisions ensure that there is no need in these situations for the Minister to recommence the entire process by issuing a new public invitation for permit applications.

Clause 90 ensures that, once the Minister has given an offer document to the applicant, the Minister cannot renge on granting the petroleum exploration permit provided the applicant requests the permit within 30 to 60 days after the document was given to the applicant. This would even preclude the Minister from attempting to renge on the offer by seeking to reserve the blocks. As in every other case where there is a duty to grant a title, the Minister is to grant the permit as soon as practicable.

Clause 91 provides for permit applicants to withdraw their applications before the grant of the permit and deals with the implications of a withdrawal by a subset of the parties to a joint application. In the latter case, the application remains in effect for the remaining party or parties, but only if all parties to the application agree that those parties may withdraw. Assuming this is so, the remaining party or parties do not benefit from any offer of a permit that may already have been made, but the application is reassessed in competition with any other applications, as the change in the composition of the applicant group may be relevant to how the bid is assessed. However, if one or more parties withdraw from a joint application without the agreement of all the other parties, the application will lapse because not all the parties who made the application will be available to sign the written notice requesting the grant of the permit.

Clause 92 deals with the implications of permit applications being withdrawn before the grant of the permit and of applications lapsing (i.e. an offer not being taken up within the specified period). The application is removed from any assessment or offer process and the Minister is required to continue assessing any remaining applications. However, if the Minister originally excluded from the ranking an application on the grounds that, in the Minister’s opinion, it was not deserving of the grant of the exploration permit, that application does not need to be reassessed or again refused.
Division 3—Obtaining a cash-bid petroleum exploration permit

Clause 93 sets out the invitation and application procedure for cash-bid petroleum exploration permits. There are therefore some differences between provisions applying to cash-bid and work-bid petroleum exploration permits. Specifically, under subclause (3), a cash-bid petroleum exploration permit may not be renewable and advice about this needs to be included the notice inviting bids. Under subclause (5), an application must cover all the advertised blocks.

Under subclause (6), details need to be provided about the technical qualifications of the applicant and of the applicant's employees, the technical advice available to the applicant, and the financial resources available to the applicant. This information will be used by the Minister to determine whether the applicant could viably carry on an exploration operation. If there is doubt about this, the Minister may reject the bid under the following two clauses regardless of the cash amount tendered.

Clause 94 sets out the procedure if only one cash-bid petroleum exploration permit application is received in response to an invitation. Then it is up to the Minister to determine, on the basis of the published criteria, information provided in the application and any other information the Minister seeks and obtains from the applicant, whether to grant the permit or not. The decision is to be conveyed to the applicant in writing.

Clause 95 sets out the procedure if two or more cash-bid petroleum exploration permit applications are received in response to an invitation. Firstly, the Minister has to determine, on the basis of the published criteria, information provided in the applications and any other information the Minister seeks and obtains from the applicants, whether any or all of the applications should be rejected. Only after this is the level of the cash bids looked at, and only in the case of the unrejected applications. If there is one highest bidder, that applicant is to be given an offer document for the permit. If there are two or more equal highest bidders, the Minister must determine, on the basis of the criteria and information referred to above, which of those applicants should be offered the permit. If an offer document is given and the applicant fails to take up the offer, i.e. the application lapses, then the remaining unrejected application(s) may be reassessed for the award of the permit.
Clause 96 ensures that once the Minister has given an offer document to the applicant, the Minister cannot renege on granting the permit, provided the applicant requests the permit, and pays the cash bid amount, within 30 days after the offer document being given to the applicant. This would even preclude the Minister from attempting to renege on the offer by seeking to reserve the block(s). As in every other case where there is a duty to grant a title, the Minister is to grant the permit as soon as practicable.

Clause 97 addresses issues related to the fact that a cash-bid petroleum exploration permit, being either a 6 year title or, at best, renewable only once, could, in the ordinary course of events, expire before all the steps to gaining a petroleum retention lease or petroleum production licence over a petroleum discovery had been completed.

This clause identifies various scenarios and process stages following on from the discovery of petroleum in a cash-bid petroleum exploration permit area where the permit may continue in force past the expiry to a date that depends on the individual case, as set out in subclauses (2) and (3). If none of the processes referred to in the clause commence before the expiry date, the permit will come to an end on the expiry date.

**Division 4—Obtaining a special petroleum exploration permit over a surrendered block or certain other blocks**

Clause 98 provides for the granting of special petroleum exploration permits. These are broadly intended to enable continuation of exploration in blocks in which petroleum is known or presumed to occur but which have ceased to be covered by a petroleum exploration permit, petroleum retention lease or petroleum production licence at a time when any petroleum resource in the block has not been developed or fully exploited. This could happen in the case of a surrender, cancellation, revocation or termination of a permit with a declared location, a lease or a licence over the block in question. Applying for a special petroleum exploration permit requires both a cash bid and a work bid. The application must also cover all the blocks advertised by notice published in the Government Gazette inviting applications. Unlike the situation applying with an ordinary cash-bid petroleum exploration permit, 10% of the cash bid is to accompany the application. This is refunded if the applicant is not granted the permit. However, to discourage frivolous applications, there is no refund if an applicant who is offered the special petroleum exploration permit fails to take up the offer. In other respects, the application procedure is as for work-bid petroleum exploration permits.
Clause 99 sets out the procedure if only one special petroleum exploration permit application is received in response to an invitation. Then it is up to the Minister to determine, on the basis of information provided in the application and any other information the Minister seeks and obtains from the applicant, whether to grant the permit or not. The decision is to be conveyed to the applicant in writing.

Clause 100 sets out the procedure if two or more special petroleum exploration permit applications are received in response to an invitation. Firstly, the Minister has to determine, on the basis of information provided in the applications and any other information the Minister seeks and obtains from the applicants, whether any or all of the applications should be rejected. Only after this is the level of the cash bids looked at, and only in the case of the unrejected applications. If there is one highest bidder, that applicant is to be given an offer document for the permit. If there are two or more equal highest bidders, the Minister must determine, on the basis of the information referred to above, which of those applicants should be offered the permit. If an offer document is given and the applicant fails to take up the offer or to pay the required amount, i.e. the application lapses, then the remaining unrejected applications may be reassessed for the award of the permit.

Clause 101 ensures that once the Minister has given an offer document to the applicant, the Minister cannot renege on granting the special petroleum exploration permit, provided the applicant requests the permit within 90 to 180 days after the document was given to the applicant, and pays the balance of the cash amount tendered within the same period. This would even preclude the Minister from attempting to renege on the offer by seeking to reserve the block(s). As in every other case where there is a duty to grant a title, the Minister is to grant the special exploration permit as soon as practicable.

**Division 5—Renewal of petroleum exploration permits**

Clause 102 delineates the rights of the holder of a petroleum exploration permit to apply for renewal of the permit by pointing out the other provisions which impact on whether and how many times a renewal may be sought. The basic provisions about the application procedure set out here are complemented by Part 2.10.
This clause also provides for the continuation in force of the permit past the expiry date (if necessary) until the application is resolved one way or another. If the Minister refuses to grant the renewal, the permit ceases to have effect at that time (if it is past the expiry date). If the Minister offers the renewal and the applicant accepts it, the existing permit continues in force until the new one is granted. If the Minister offers the renewal and the applicant does not take it up, the permit ceases to have effect when the application is deemed to have lapsed, i.e. 30 days after the offer document was given to the applicant.

Clause 103 makes it clear that, if the notice inviting applications for a cash-bid petroleum exploration permit stated that the permit would not be renewable, then the holder is not permitted to even apply for a renewal of the permit. Any such application would be invalid.

Clause 104 makes it clear that a cash bid petroleum exploration permit may be renewed at most once, and, if such a renewal has already been granted, then the holder is not permitted to even apply for another renewal. Any such application would be invalid.

Clause 105 refers to the fact that petroleum exploration permit renewals are generally granted over a smaller area, for example a half, of the area of the expired permit, eventually leading to a point where the permit can no longer be renewed, and that there may additionally be a cap on the number of possible renewals.

This clause addresses the fact that there are 3 different policies that could be applied to the renewal of a permit, depending on when the permit was first granted. This multiple arrangement reflects a greater emphasis in the early days of existence of the PSL Act to giving permittees maximum time to explore their areas, and a different emphasis in more recent times, namely to encouraging the recycling of seabed areas to other parties.

Clause 106 provides that when a permittee applies to renew a permit to which the standard halving rules apply, the permittee is normally obliged to omit from the renewal application about half the blocks held under the existing permit, but any location (i.e. discovery) blocks can be held in addition to what the halving rules allow. As set out in clause 107, the rule has an inbuilt adjustment when the number of blocks in a permit area falls to 6 or less so as to give the permittee maximum opportunity to explore the remaining small number of blocks.
If item 1 or 2 of the table in clause 105(2) applies, and the holder of an 80 block permit chooses to apply for every renewal available and is on each occasion successful, the permit will be renewed 2 times and the number of blocks held under the renewed permits will be respectively 40 and 20.

Clause 107 sets out additional rules relating to the renewal of cash-bid petroleum exploration permits.

Clause 108 ensures that, within the renewal rules set out in the preceding clauses, a permittee cannot be denied an offer of renewal of the permit if the permittee has complied with the permit conditions and with the Bill and regulations to the extent that they place obligations on the permittee as a permittee. If the term of the expiring permit straddles the commencement date of the Bill, Schedule 5 provides that compliance with the PSL Act and regulations is also relevant.

If the permittee has not complied with the permit conditions and with the Bill and regulations but the Minister is satisfied that there are sufficient grounds to justify the granting of the renewal of the permit, this clause provides that the Minister may offer the permittee a renewal. However, the Minister is not obliged to do so.

Clause 109 refers to a situation where a permittee has not complied with the permit conditions or with the Bill or regulations and the Minister is not satisfied that there are sufficient grounds to justify the granting of a renewal of the permit. The Minister is obliged to enter into a consultation procedure, possibly involving other parties as well as the permittee, so that information may be brought forward that may cause the Minister to come to a different view. If that procedure does not yield information that causes the Minister to come to a different view, this clause provides that the Minister must refuse to renew the permit and advise the applicant in writing of this decision.

Clause 110 ensures that once the Minister has given an offer document to the applicant, the Minister cannot reneg on granting the permit renewal provided the applicant requests the permit within 30 days after the document was given to the applicant. As in every other case where there is a duty to grant a title, the Minister is to grant the renewal as soon as practicable.
Division 6—Locations

Clause 111 gives a summary of Part 2.2 Division 6 covering locations. This summary does not form part of the operative text of the Bill.

Clause 112 enables the permittee to nominate a block or blocks for declaration as a location and establishes the rules for doing so. For a location to be nominated, petroleum must have been recovered, although not necessarily from within the nominating permittee's area. It is sufficient if a petroleum pool has been identified extending into the permit area in question and an operator outside the permit area has drilled a well and recovered petroleum from the same pool.

Clause 113 gives the Minister a power to require a permittee to nominate blocks as a location. If the permittee does not do so even when required, the Minister has power to nominate the blocks of his or her own volition. This power is intended to counter the possibility of a permittee engineering an inordinate delay in progressing a significant petroleum discovery to either a petroleum retention lease application or a petroleum production licence application.

Clause 114 provides that the Minister must consider the available geoscientific evidence supporting a location nomination by a permittee, and, if the Minister considers there are reasonable grounds for accepting that evidence, the Minister is obliged to declare the nominated block(s) as a location. If the Minister is the one who has nominated the block(s), the Minister is likewise obliged to formalise the declaration.

If there has been a nomination by the permittee, the declaration will come into effect on the date of its issue rather than on the date of its gazettal as currently provided under the PSL Act. Only a copy of the declaration will be published in the Government Gazette. This change is intended to deal with a situation where a permittee has a need to secure a prompt declaration of a location over a block (for example for purposes of a renewal application). If the date of gazettal were significant, any inadvertent delay in the process of arranging that gazettal could be disadvantageous. However, if the Minister has nominated the block(s), the declaration of the location will come into effect on gazettal, as is currently the case under the PSL Act.
Clause 115 allows the Minister to revoke a declaration of the location under a number of scenarios. If the holder of the permit over a location block requests it, the Minister may revoke the location. The Minister could be expected to do so if new geoscientific information gained through exploration suggests the limits of the discovery are different from those originally identified, or the discovery is assessed as being non-commercial.

Under the other scenarios envisaged for revocation under this clause, the requirements are imposed to ensure administrative tidiness so that blocks which revert to vacant status, and possibly then get awarded to another party, do not remain covered by any location declared during the previous titleholder's tenure.

Clause 116 enables the Minister to vary a location by adding or deleting a block or blocks to or from the location. The considerations impacting on a decision to do so would be similar to those affecting a location declaration or revocation decision. The action may be taken in response to a request from the permittee or on the Minister's own volition. A consultation procedure applies in the latter case, which includes, for reasons of adhering to good administrative principles, a number of new steps which are not explicitly provided for in the PSL Act. The gazettal arrangement matches the one proposed for the declaration and revocation of a location at the permittee's request.

**PART 2.3—PETROLEUM RETENTION LEASES**

**Division 1—General provisions**

Clause 117 gives a summary of Part 2.3 covering retention leases. This summary does not form part of the operative text of the Bill.

Clause 118 gives the holder of a petroleum retention lease rights to do everything required in the lease area to explore for petroleum, including seismic surveys, gravity surveys, magnetic surveys or seabed sampling, the drilling of wells and the recovery of petroleum for appraisal purposes. The rights are subject to conditions that are entered on the lease.

The mention in subclause (4) of these rights also being subject to "this Act and the regulations" refers to a number of other processes that need to be gone through. For example, before new drilling may occur, the lessee would need to obtain approval to drill the particular well. It also refers to other
provisions such as the fact that the lease could be suspended, cancelled, surrendered or simply expire.

Clause 119 provides the power to insert conditions in petroleum retention leases exists to ensure that the individual characteristics of each exploration project are able to be dealt with in a way that satisfies the regulator and is accepted by the lessee. Thus the conditions typically impose a specific work program to be carried out over the term of the lease. This may include the drilling of appraisal wells, new wells, seismic surveying or other work, and the program may be different from one lease to the next.

Lease conditions could also include temporal and spatial restrictions to address issues such as avoiding conflict with navigation in a shipping lane or exclusion from a marine park area. While the Minister may grant a lease subject to whatever conditions the Minister thinks appropriate, the conditions must conform to the general scope and purposes of the Bill.

Clause 120 sets out certain conditions that are automatically applicable to petroleum retention leases.

Under subclause (1), a petroleum retention lease is subject as a matter of course to a condition that the lessee re-evaluate the commercial viability of petroleum production in the lease area when directed to do so by the Minister, but no more than once during the term of the lease. However, if such a direction were given, in many cases the lessee would in practice need to carry out another re-evaluation of commercial viability towards the end of the term of the lease, as this would be required information if the lessee were to seek a renewal.

As it may not be possible to define precisely all lease obligations at the outset, subclause (9)(c) provides for flexibility through the use of directions concerning lease conditions. This will enable the conditions to recognise changed circumstances which may arise in the course of petroleum exploration operations.

Clause 121 provides for conditions that apply to declared petroleum retention leases. The clause enables the Minister to vary a lease by imposing conditions.

Clause 122 enables the holder of a declared petroleum retention lease to apply to the Minister for approval to carry out one or more key petroleum operations.
Clause 123 sets out the matters to which the Minister must have regard to when making a determination to approve or not approve key petroleum operations applied for under clause 122.

Clause 124 sets out circumstances in which approval of key petroleum operations must not be given. In particular, the clause is focussed on circumstances where there exists a significant risk of key petroleum operations having a significant averse impact on greenhouse gas injection and storage operations. Notwithstanding a significant risk of a significant adverse impact occurring, the Minister may still approve key petroleum operations, pursuant to the provisions of the clause.

Clause 125 provides that the holder of a petroleum retention lease is not, simply by virtue of holding that lease, vested with the right to approval of key petroleum operations under the lease.

Clause 126 provides that rights suspended by operation of section 470 must not be taken to be suspended for the purposes of sections 122, 123 and 124.

Clause 127 enables the Minister to determine that a petroleum retention lease is a declared petroleum retention lease, where the Minister is satisfied that there is a significant risk of key petroleum operations having a significant adverse impact on greenhouse gas injections and storage operations.

Clause 128 sets out the basic provisions about the term of a petroleum retention lease, but, in subclause (2), provides that the term could be longer or shorter depending on whether various scenarios dealt with in other parts of the Bill arise. These are indicated by the notes at the end of the clause.

Clause 129 sets out the provisions that will apply if a lessee applies for a petroleum retention lease and that title has not been granted at the time when the lease would expire. The term of the lease is then extended as set out in the table in subclause (1). Subclause (2) provides that this extension is subject to Chapter 2 but despite clause 128. This means that the lease could, for example, be surrendered or cancelled, meaning it could come to an end earlier than the table indicates.
Division 2—Obtaining a petroleum retention lease

Subdivision 1—Application for petroleum retention lease by the 
holder of a petroleum exploration permit

Clause 130  sets out basic provisions applicable to holders of petroleum 
exploration permits about applying for a petroleum retention 
lease. These are complemented by other provisions set out in 
Part 2.10.

The timeframe for a petroleum retention lease application, 
which depends on the date when a location was declared over 
the block(s) in question and whether and by how much the 
Minister is prepared to extend the application period past 2 
years (to a maximum 4 years), is intended to ensure that the 
initial evaluation of the commercial viability of the discovery is 
carried out without undue delay.

Clause 131  provides that one of the things about which the Minister must 
be satisfied before offering a petroleum retention lease is that 
the block(s) specified in the application contain(s) petroleum. 
The second issue about which the Minister must be satisfied is 
that the petroleum resource is currently commercially unviable 
but likely to become viable within the next 15 years.

The Minister may seek further information from the applicant 
about these matters, and, if it is satisfied in relation to them, this 
clause requires the Minister to offer the applicant a petroleum 
retention lease and to do so in writing. This obligation exists in 
view of the permittee's investment in making the discovery.

Clause 132  sets out the grounds on which a petroleum retention lease 
application is to be refused and provides that an application 
could be refused in part, i.e. in respect of only a subset of the 
blocks to which the application relates.

The application is to be refused if the Minister is not satisfied 
that the block(s) contain(s) petroleum. On the other hand, if the 
Minister believes that petroleum is present and is currently 
commercially viable, the Minister must likewise refuse the 
application. If the Minister believes that petroleum is present 
and is currently commercially unviable, but is not satisfied that 
it is likely to become viable within the next 15 years, the 
Minister must then also refuse the application.
If two or more blocks are covered by the application, the Minister can come to a different conclusion about one, or some, of them than about the other, or others, of them. The Minister is then required to refuse the application only in respect of the block(s) about which the above criteria imply the application must be refused.

In each case, the notice of refusal is to be conveyed to the applicant in writing.

Clause 133 ensures that once the Minister has given an offer document to the applicant, the Minister cannot renege on granting the petroleum retention lease provided the applicant requests the lease within 30 to 60 days after the document was given to the applicant (the detailed rule about the timeframe is set out in clause 256). As in every other case where there is a duty to grant a title, the Minister is to grant the lease as soon as practicable.

Clause 134 brings the exploration permit to an end over the blocks in respect of which a petroleum retention lease has been granted. Among other things, this ensures that the lessee will not be charged two lots of annual fees.

Clause 135 covers the situation where a petroleum exploration permit is transferred (within the meaning of Chapter 4) in the period between the lodgement of a petroleum retention lease application and the grant or refusal of the retention lease. The new holder of the permit will then be treated as the applicant for all purposes.

If a petroleum retention lease is offered and the new permittee does not want to be bound by the undertakings of the previous holder of the permit, the permittee has the option of not taking up the offer by allowing the retention lease application to lapse. If the permittee takes that option, then, in most cases, a new, modified retention lease application may be lodged. The only situation where re-applying for a retention lease might be problematic would be if the relevant application period of 2 to 4 years were very near its end. If the end date were imminent, the feasibility of lodging a new retention lease application could depend on whether the Minister were prepared to revoke the location over the block(s) in question, with a new location declaration to follow. Otherwise, if no new retention lease application were received by the end of the application period, the permit would be revoked in respect of the blocks included in the application.
Subdivision 2—Application for petroleum retention lease by the holder of a life-of-field petroleum production licence

Clause 136 refers to the fact that petroleum production licences granted for the first time on or provide a "life of field" term, but may be terminated if there have been no operations for the recovery of petroleum for a period of 5 years. However, if the only reason why operations in a licence area have never commenced, or have ceased, is current lack of commercial viability, it could be unfair to terminate the licence and deprive the licensee of all continuing rights in relation to the petroleum discovery. Accordingly, this clause enables a licensee facing that situation to seek a petroleum retention lease for the whole or a part of the licence area which, if granted, could be upgraded to another production licence at some later time when the resource became, or again became, commercially viable.

This clause stipulates that the application for a petroleum retention lease by a licensee must be made within 5 years of the cessation of petroleum recovery operations. If no operations under the licence have ever been carried out in the unused area, the application must be made within 5 years of the day on which the licence was granted.

Clause 137 provides that, in considering a petroleum retention lease application from a petroleum production licensee, the only issue about which the Minister must satisfy himself or herself is that the petroleum resource is currently commercially unviable but likely to become viable within the next 15 years.

To this end, the Minister may seek further information from the applicant, and, if the Minister forms this view, this clause requires the Minister to offer the applicant a retention lease and to do so in writing.

Clause 138 refers to a situation where the Minister is not satisfied that the petroleum resource in the unused area is currently commercially unviable but likely to become viable within the next 15 years. The Minister is obliged to enter into a consultation procedure as set out in clause 258, possibly involving other parties as well as the licensee. If that procedure does not yield information that causes the Minister to come to a different view, this clause provides that the Minister must refuse to grant the petroleum retention lease and advise the applicant in writing of this decision.
Clause 139 ensures that once the Minister has given an offer document to the applicant, the Minister cannot renege on granting the retention lease provided the applicant requests the lease within 30 to 60 days after the document was given to the applicant. As in every other case where there is a duty to grant a title, the Minister is to grant the lease as soon as practicable.

Clause 140 brings a petroleum production licence to an end in respect of the unused area. Among other things, this ensures that the lessee will not be charged two lots of annual fees.

Clause 141 covers the situation where a petroleum production licence is transferred (within the meaning of Chapter 4) in the period between the lodgement of a petroleum retention lease application and the grant or refusal of the petroleum retention lease. The new holder of the licence will then be treated as the applicant for all purposes. For example, the proposals for work and expenditure identified by the party who made the application will be considered to be the proposals of the new licensee and the Minister may require further information from the new licensee. If a petroleum retention lease is offered and the new licensee does not want to be bound by the undertakings of the previous holder of the licence, the licensee has the option of not taking up the offer, and, in most cases, of lodging a new, modified petroleum retention lease application.

Division 3—Renewal of petroleum retention leases

Clause 142 outlines the rights of the holder of a petroleum retention lease to apply for renewal of the lease. The basic provisions about the application procedure set out here are complemented by Part 2.10.

The clause also provides for the continuation in force of the lease past the expiry date (if necessary) until the application is resolved one way or another. If the Minister refuses to grant the renewal, the lease ceases to have effect at that time. If the Minister offers the renewal and the applicant accepts it, the existing lease continues in force until the new one is granted. If the Minister offers the renewal and the applicant does not take it up, the lease ceases to have effect when the application is deemed to have lapsed, i.e. 30 days after the offer document was given to the applicant.

Subclause (6) provides that this extension of effect of the lease is subject to Chapter 2. This means that the lease could, for example, be surrendered or cancelled, meaning it could come to an end earlier than this clause indicates.
Clause 143 ensures that, if the commercial viability criteria are met, a lessee cannot be denied an offer of renewal of the petroleum retention lease if the lessee has complied with the lease conditions and with the Bill and regulations to the extent that they place obligations on the lessee as a lessee. If the term of the expiring lease straddles the commencement date of the Bill, clauses 12, 13 and 14 of Schedule 5 to the Bill provide that compliance with the PSL Act and regulations is also relevant. If the lessee has not complied with the lease conditions and with the Bill and regulations but the Minister is satisfied that the commercial viability criteria are met and there are sufficient grounds to justify the granting of the renewal of the lease, this clause provides that the Minister may offer the lessee a renewal. However, the Minister is not obliged to do so.

Clause 144 sets out the circumstances in which a petroleum retention lease renewal application must be refused. If that appears to be the appropriate decision, the Minister is obliged to enter into a consultation procedure as set out in clause 258, possibly involving other parties as well as the lessee. If that procedure does not yield information that causes the Minister to come to a different view, the Minister must refuse to renew the lease and advise the applicant in writing of this decision.

A special provision applies if the basis of the refusal is the current commercial viability of the discovery. In that case, the existing petroleum retention lease usually continues in force past the expiry date. If the lessee does not apply for a petroleum production licence, the lease continues in force for 12 months from the date of the notice of refusal of the lease renewal. If the lessee applies for a petroleum production licence and the application is refused, the lease continues in force to the date of that refusal. If the lessee applies for a petroleum production licence and the Minister gives the lessee an offer document for the licence but the lessee does not take up the offer, the lease continues in force for 90 to 180 days after the date of the offer. If the lessee does take up the offer, the lease continues in force until the petroleum production licence is granted.

Subclause (8) provides that this extension is subject to Chapter 2. This means that the lease could, for example, be surrendered or cancelled, meaning it could come to an end earlier than this clause indicates.
Clause 145 ensures that once the Minister has given an offer document to an applicant, the Minister cannot renege on granting the renewal of the petroleum retention lease provided the applicant requests the lease within 30 days of the offer document being given to the applicant. As in every other case where there is a duty to grant a title, the Minister is to grant the renewal as soon as practicable.

Division 4—Revocation of petroleum retention leases

Clause 146 refers to the provisions of clause 120(1) which provides that a petroleum retention lease is subject to a condition that, if the Minister gives the lessee a written notice requesting the lessee to re-evaluate the commercial viability of petroleum production in the lease area and inform the Minister in writing of the results of the re-evaluation, the lessee must comply as set out in that subclause.

If the re-evaluation demonstrates that the petroleum discovery is commercially viable, the lessee may lodge a petroleum production licence application for the area. This clause sets out the course of action open to the Minister if the lessee does not do so.

The notice that the Minister may give the lessee and other parties under subclause (2) cannot include any information about the lease other than what is set out in subclause (2)(a). The Minister could not divulge anything about the re-evaluation of commercial viability or its results.

Clause 147 gives the Minister the power to revoke a lease in the situation outlined in clause 146 but provides that the revocation cannot then come into effect immediately. This is so as to give the lessee the opportunity to apply for a production licence over the block(s) covered by the lease.

PART 2.4—PETROLEUM PRODUCTION LICENCES

Division 1—General provisions

Clause 148 gives a summary of Part 2.4 covering petroleum production licences. This summary does not form part of the operative text of the Bill.
Clause 149 makes it mandatory for a person or company to have authority under this Act before that person or company can engage in petroleum recovery operations in areas forming part of the Victorian offshore area. This means, for example, that it would be an offence for persons without authority under the Bill to drill a well into a known petroleum pool with the intention of producing petroleum from it or to attempt to activate an abandoned production platform.

A petroleum production licence is required for a company to produce petroleum as a commercial enterprise. Limited quantities of petroleum may, however, be recovered from the seabed under a petroleum exploration permit, petroleum retention lease or petroleum scientific investigation consent. This would be for trial or research purposes only. This is provided for under paragraph (b) of the clause.

Clause 150 gives the holder of a petroleum production licence rights to do in the licence area everything required to recover petroleum, including the drilling of new wells, if required, and the construction and operation of production platforms, processing plant, secondary lines and water lines. If the licensee holds another petroleum production licence covering a block outside the licence area, an inclined well could also be drilled from that outside block into the licence area and petroleum could be recovered through that well.

In addition, a petroleum production licence confers on the holder the same rights to explore the licence area as would be held if the title were a petroleum exploration permit or a petroleum retention lease. This is because the licensee is expected to be keen to explore the whole licence area thoroughly in the hope of finding other petroleum-bearing structures.

The mention in subclause (6) of these rights also being subject to “this Act and the regulations” refers to a number of other processes that need to be gone through before recovery may occur, for example the submission of an environment management plan and the obtaining of approval to drill a particular well. It also refers to other provisions such as the fact that the licence could be cancelled or surrendered.

Clause 151 enables the Minister to grant a petroleum production licence subject to whatever conditions the Minister thinks appropriate.

Clause 152 enables the Minister to grant a petroleum production licence subject to a general condition requiring exploration in the licence area.
Clause 153 sets out certain conditions which are precluded from being imposed on a petroleum production licence.

Clause 154 sets out certain matters the Minister must have regard to, when deciding what condition to impose on a renewed petroleum production licence.

Clause 155 sets out conditions to which a declared petroleum production licence is subject.

Clause 156 enables and provides for the holder of a declared petroleum production licence to apply to the Minister for approval to carry out key petroleum operations under the licence.

Clause 157 sets out certain matters to which the Minister must have regard in deciding whether to approve key petroleum operations. The matters relate to whether there is a significant risk that the operations will have a significant adverse impact on greenhouse gas injection and storage operations.

Clause 158 sets out circumstances in which the Minister must not approve key petroleum operations.

Clause 159 provides that a petroleum production licence granted under section 150 does not imply a right to have key petroleum operations approved.

Clause 160 provides that rights suspended under section 470, are not suspended for the purposes of sections 156, 157 and 158.

Clause 161 enables the Minister to declare certain petroleum production licences to be declared petroleum production licences.

Clause 162 sets out the basic provisions about the duration of a petroleum production licence, dependent on whether it is a fixed-term petroleum production licence or a life-of-field petroleum production licence. In each case, the effect of subclause (2) is that the term could be longer or shorter depending on whether various scenarios dealt with in other parts of the Bill arise. These are indicated by the notes at the end of the clause.

Clause 163 sets out the other component of the "life of field" licence duration policy referred to above, namely the possible termination of the licence if there have been no petroleum recovery operations in the licence area for a continuous period of at least 5 years. Even then, the Minister is not required to terminate the licence, and the Minister must in any case discount any part of the period of inactivity during which no
operations were carried on because of circumstances beyond the licensee's control.

This clause also sets out the consultation procedure, possibly involving other parties as well as the licensee, that the Minister must complete before terminating a licence.

In this Bill, the word "termination" is used only in relation to petroleum production licences, pipeline licences and infrastructure licences and is a considered act of bringing the title to an end on grounds of economic inactivity. Termination does not connote any infringement of the Bill or regulations.

**Division 2—Obtaining a petroleum production licence as a result of an application made by a petroleum exploration permittee or a petroleum retention lessee**

Clause 164 sets out the basic provisions for a permittee to apply for a petroleum production licence. The procedure is complemented by the provisions set out in Part 2.10.

The permittee does not have to seek a petroleum production licence over all blocks in the permit area over which a location has been declared. However, normally an application for a petroleum production licence over a smaller area than the full location would be made only in circumstances where it had been determined, since the discovery of petroleum, that one or more of the blocks in the location contained a discrete pool instead of being linked to the main pool in the location. In that situation, a petroleum retention lease could be sought over that subset of blocks instead of them being included in the petroleum production licence application, but a new location would first need to be declared over them.

The details the applicant must provide about proposals for work and expenditure in respect of the application area are not intended to have any effect on whether the applicant is offered a licence or not. Rather, these details need to be submitted so that the Minister can formulate appropriate licence conditions as required.

Clause 165 sets out the timeframe for making a petroleum production licence application. This is intended to ensure that the initial evaluation of the commercial viability of a discovery is carried out without undue delay, as is the submission of a petroleum production licence application if a decision is taken not to lodge a petroleum retention lease application.
The starting and finishing dates of the application period depend on when the location was declared over the block(s) in question, on whether and by how much the Minister is prepared to extend the application period past 2 years (to a maximum 4 years), and on whether there is first an unsuccessful petroleum retention lease application.

At the end of the application period, if a licence application (or a petroleum retention lease application) has not been made, the permit is revoked to the extent to which it relates to the location block(s) concerned. The permittee can, however, try to prevent this from occurring by seeking a revocation of the location under clause 115(1) before the end of the application period. An application for revocation of a location would be justifiable if a petroleum discovery were made and a location declared but subsequent assessment revealed the discovery to be non-commercial.

If the Minister agrees and revokes the location, the risk of the permit being revoked is avoided because clause 180(1) applies only if the permittee could apply under clause 164 for a petroleum production licence in relation to a block. The permittee could not apply for a petroleum production licence in respect of a block which is no longer the subject of a location.

Clause 166 sets out the basic provisions for a lessee to apply for a petroleum production licence. The procedure is complemented by the provisions set out in Part 2.10.

The details the applicant must provide about proposals for work and expenditure in respect of the application area are not intended to have any effect on whether the applicant is offered a licence or not. Rather, these details need to be submitted so that the Minister can formulate appropriate licence conditions as required.

Clause 167 sets out the criteria for determining whether an applicant is to be offered a petroleum production licence. The same criteria apply whether the applicant is a permittee or a lessee.

If the applicant has given the Minister any additional information that may have been required and the Minister is satisfied that the block, or all the blocks, specified in the application contain(s) petroleum, the Minister is obliged to offer the applicant a petroleum production licence in respect of the block(s) and to do so in writing. This obligation exists in view of the permittee's investment in making the discovery.
Clause 168 sets out the grounds on which a petroleum production licence application must be refused and provides that an application could be refused in part, i.e. in respect of only a subset of the blocks to which the application relates.

The application must be refused if the Minister is not satisfied that the block(s) contain(s) petroleum.

If two or more blocks are covered by the application, the Minister can come to a different conclusion about one, or some, of them than about the other, or others, of them. The Minister is then required to refuse the application only in respect of the block(s) about which the abovementioned criterion demands that the application be refused.

Clause 169 provides that the Minister may defer making a decision to grant or not to grant a petroleum production licence if an application has been made for a greenhouse gas assessment permit, covering the same area.

Clause 170 ensures that once the Minister has given an offer document to the applicant, the Minister cannot renege on granting the petroleum production licence provided the applicant requests the licence within 90 to 180 days after the document was given to the applicant (the detailed rule about the timeframe is set out in clause 256). As in every other case where there is a duty to grant a title, the Minister is to grant the licence as soon as practicable.

As indicated by the notes at the end of the clause, if the applicant does not make a request within the set time, this has notable repercussions for the application and for the applicant's existing permit or lease.

Clause 171 this clause brings the petroleum exploration permit or petroleum retention lease to an end over the block(s) in respect of which a petroleum production licence has been granted. Among other things, this ensures that the licensee will not be charged two lots of annual fees.

Clause 172 covers the situation where a petroleum exploration permit or petroleum retention lease is transferred (within the meaning of Chapter 4) in the period between the lodgement of a petroleum production licence application and the grant or refusal of the licence. The new holder of the permit or lease will then be treated as the applicant for all purposes. For example, a new permittee may vary the application without paying another application fee. The Minister may require the new permittee or lessee to elaborate on information given by the previous holder.
of the permit or lease. The consequences of not requesting an
offered licence within the timeframe indicated are also identical
for the new holder of the permit or lease to what would have
applied to the previous holder if the permit or lease had not
been transferred.

If a permit or lease transfer transaction is being contemplated
and does not get completed and approved before the Minister
gives the permittee or lessee an offer document for a petroleum
production licence, the appropriate course of action would be to
wait until the licence has actually been granted and then to
apply to the Minister for the approval of its transfer.

**Division 3—Obtaining a cash-bid petroleum production licence
over a surrendered block or similar block**

Clause 173 provides for the granting of cash-bid petroleum production
licences over single blocks. These are broadly intended to
enable the development of, or continuation of petroleum
recovery in, blocks in which petroleum is known or presumed to
occur but which have ceased to be covered by a petroleum
exploration permit, petroleum retention lease or petroleum
production licence at a time when any petroleum resource in the
block has not been developed or fully exploited. This could
happen in the case of a surrender, cancellation, revocation or
termination of a permit with a declared location, a lease or a
licence over the block in question. However, the expiry of a
title has not been identified as a situation that could lead to the
granting of a cash-bid petroleum production licence. This is
because the expiry of a petroleum exploration permit normally
means that no useful petroleum resource has been discovered,
the expiry of a retention lease normally means the discovered
petroleum resource is not going to be commercially viable for at
least 15 years, if ever, and the expiry of a petroleum production
licence normally means the commercially recoverable
petroleum in the block has been exhausted.

Applying for a cash-bid petroleum exploration licence requires
details to be given of the proposed work program and a cash
bid, 10% of which is to accompany the application.

Clause 174 makes provision for the payment of a deposit, to be
accompanied by an application for a cash-bid petroleum
production licence.
Clause 175 sets out the procedure if only one cash-bid petroleum production licence application is received in response to an invitation. Then it is up to the Minister to determine, on the basis of information provided in the application and any other information the Minister seeks and obtains from the applicant, whether to grant the licence or not. The decision is to be conveyed to the applicant in writing.

Clause 176 sets out the procedure if two or more cash-bid petroleum production licence applications are received in response to an invitation. Firstly, the Minister has to determine, on the basis of information provided in the applications and any other information the Minister seeks and obtains from the applicants, whether any or all of the applications should be rejected. Only after this is the level of the cash bids looked at, and only in the case of the unrejected applications. If there is one highest bidder, that applicant is to be given an offer document for the licence. If there are two or more equal highest bidders, the Minister must determine, on the basis of the information referred to above, which of those applicants should be offered the licence. If an offer document is given and the applicant fails to take up the offer or pay the required amount, i.e. the application lapses, then the remaining unrejected applications may be reassessed for the award of the permit.

Clause 177 ensures that once the Minister has given an offer document to the applicant, the Minister cannot renege on granting the cash-bid petroleum production licence, provided the applicant requests the licence within 90 to 180 days after the document was given to the applicant, and pays (if applicable) the balance of the cash amount tendered within the same period. This would even preclude the Minister from attempting to renege on the offer by seeking to reserve the block. As in every other case where there is a duty to grant a title, the Minister is to grant the licence as soon as practicable.

The balance of the cash amount is not payable if there is only one applicant. The provision is proposed for retention, as the possible exemption from paying 90% of the cash bid could improve the economics of bidding for a block that petroleum companies might otherwise consider of marginal interest and thereby increase the likelihood of a bid being submitted.
Division 4—Obtaining petroleum production licences over individual blocks

Clause 178 is intended to facilitate transfers of, and dealings in, the potentially wealth-creating assets that are inherent in the holding of a petroleum production licence, specifically one covering 2 or more blocks. This clause enables the licensee to apply to effectively split the initial petroleum production licence into 2 or more separate licences, each covering at least one block, thereby enhancing opportunities for making advantageous commercial arrangements.

Clause 179 provides that the Minister is obliged to grant 2 or more petroleum production licences in exchange for an initial production licence as sought by an applicant under clause 178.

If the initial licence had a fixed term, the new licences must expire on the same date as the initial one. If the initial licence had an indefinite duration, the new licences must likewise be of indefinite duration.

Division 5—What happens if a block is not taken up

Clause 180 sets out provisions by which a petroleum exploration permit or petroleum retention lease could be revoked in respect of a particular block by force of the Bill, and this could occur before or after the set expiry date of the permit or lease.

If petroleum is discovered in a permit block and a location is declared over that block, the permittee will have 2 years, extendable up to 4 years if the Minister so agrees, to make a petroleum retention lease application or a petroleum production licence application. Unless the Minister agrees to revoke the location in the meantime, and the permittee lodges neither a petroleum retention lease application nor a petroleum production licence application before the end of the abovementioned period, the permit is then revoked, but only in respect of that particular block.

The wording of subclause (1) refers only to the consequences of not applying for a petroleum production licence. If the permittee, within the application period, applies instead for a petroleum retention lease and gains it, subclause (1) has no negative effect on that lessee as there is then no longer a permit or permittee in respect of the block.
If, on further consideration, a permittee with one or more location blocks decides not to seek a petroleum retention lease or a petroleum production licence over those blocks, the permittee could avoid revocation of the permit in relation to those blocks if the Minister agreed to revoke the location. This is because, if there is no location, the permittee could not apply for a petroleum production licence in relation to the block, as subclause (1)(a) envisages. There could then no longer be any repercussions for the permittee under subclause (1).

If the location is not revoked and the permittee fails to seek either a petroleum retention lease or a petroleum production licence within the application period, whether that choice is based on solid commercial grounds or not, the permittee is deemed to have forgone any further rights to explore or develop that block and it may be considered appropriate to give some other party the opportunity to do work in that block. This could be done under a new work-bid petroleum exploration permit, cash-bid petroleum exploration permit or special petroleum exploration permit.

The same end result will follow under this clause if the permittee unsuccessfully applies for a petroleum retention lease within the abovementioned period but thereafter fails to apply for a petroleum production licence. Then the timing of the revocation could be later, as provided under subclause (3).

**Division 6—Petroleum field development**

**Subdivision 1—Directions about the recovery of petroleum**

Clause 181 replicates a power of the Minister which exists under section 58 of the PSL Act and which was considered important in the early days of existence of that Act for reasons of enhancing Australia’s fuel self-sufficiency.

Use of this power would nowadays be considered less appropriate in the ordinary course of events but this provision could have relevance in a situation of national or global fuel emergency.
Clause 182 is an elaboration of the Minister's abovementioned power to direct a petroleum production licensee to recover petroleum.

The fact that the Minister may direct a licensee not only to increase, but also to reduce, the rate of recovery of petroleum, was considered important in the early days of existence of the PSL Act for reasons of countering possible problems of overproduction in the petroleum industry.

The Minister's power to make a direction about the rate at which petroleum is to be recovered can also be used to address resource management issues, such as pressure depletion.

As set out in subclause (5), the power of the Minister to give directions under this clause, whether based on revenue or any other considerations, is circumscribed by the provision that no direction requiring action that is contrary to good oilfield practice may be given.

**Subdivision 2—Unit development**

Clause 183 sets out the meaning of various terms used throughout the Subdivision. Notably, it defines unit development. Unit development means the carrying out of petroleum recovery operations, where a petroleum pool extends beyond the licence area of a particular petroleum production licence.

Clause 184 provides for the entering into of a written agreement regarding unit development.

Clause 185 enables the Minister to give written directions to the holder of a petroleum production licence for the purpose of ensuring the more effective recovery of petroleum from a petroleum pool.

Clause 186 provides for consultation requirements relating to a petroleum pool that extends outside of the Victorian offshore area.

**PART 2.5—INFRASTRUCTURE LICENCES**

**Division 1—General provisions**

Clause 187 gives a summary of Part 2.5 covering infrastructure licences. This summary does not form part of the operative text of the Bill.
Clause 188 makes it mandatory for a person or company to have authority under the Bill before that person or company can construct, alter or operate infrastructure facilities in the Victorian offshore area.

This means that it would be an offence for persons without authority under the Bill, to build, modify or operate a petroleum processing plant in the Victorian offshore area.

Clause 189 gives the holder of an infrastructure licence rights to construct and operate infrastructure facilities in the infrastructure licence area, which is defined as a place, i.e. not covering a whole block or blocks as do petroleum exploration permits, petroleum retention leases and petroleum production licences.

An infrastructure licence area could be in a vacant area or in an area in which some other party holds a title under the Bill. Most typically, an infrastructure facility would be plant that is engaged in some way in handling or processing recovered petroleum but which, for technical or economic reasons, is situated outside a petroleum production licence area in which the petroleum is being recovered. These technical or economic reasons could include the possibility that the facility is servicing more than one production platform or that it is a recycled structure previously used for some other purpose.

Infrastructure licences do not cover pipelines, pumping stations, tank stations or valve stations, as these would all be constructed and operated under pipeline licences.

Conceivably, the rights conferred under an infrastructure licence could go beyond what is permitted under petroleum production licences. Construction and operation of a petroleum to methanol conversion plant is one possible example of such a right.

The rights are subject to conditions that are entered on the licence. The mention in subclause (2) of these rights also being subject to “this Act and the regulations” refers to a number of processes that need to be gone through before construction or operation of an infrastructure facility may occur, for example the submission of a safety case. It also refers to other provisions such as the fact that an infrastructure licence could be cancelled or surrendered.

Clause 190 gives the Minister the power to insert conditions in infrastructure licences exists to ensure that the individual characteristics of each infrastructure facility are able to be dealt with in a way that satisfies the regulator and is accepted by the licensee.
While the Minister may grant a licence subject to whatever conditions the Minister thinks appropriate, the conditions must conform to the general scope and purposes of the Bill.

Clause 191 provides for the indefinite duration of an infrastructure licence, subject to surrender, cancellation or termination.

Clause 192 sets out provisions for the possible termination of an infrastructure licence if there has been neither construction work nor use of facilities constructed under the licence for a continuous period of at least 5 years. Even then, the Minister is not required to terminate the licence, and the Minister must in any case discount any part of the period of inactivity during which no construction or operations were carried on because of circumstances beyond the licensee's control.

These circumstances could include events such as the failure by a manufacturer of vital plant or equipment to deliver on time under contract. However, the depletion of recoverable petroleum in a production licence area that the infrastructure facility is linked to is not a factor that could influence the timeframe after which the licence could be terminated.

This clause also sets out the consultation procedure, possibly involving other parties as well as the licensee, that the Minister must complete before terminating an infrastructure licence.

In this Bill, the word "termination" is used only in relation to production licences, pipeline licences and infrastructure licences and is a considered act of bringing the title to an end on grounds of economic inactivity. Termination does not connote any infringement of the Bill or regulations.

**Division 2—Obtaining an infrastructure licence**

Clause 193 sets out the basic provisions for a person or company to apply for an infrastructure licence. The procedure is complemented by the provisions set out in Part 2.10.

Clause 194 provides that the offer of an infrastructure licence is at the discretion of the Minister. If the applicant has given the Minister any additional information that may have been required and the Minister is inclined to offer the applicant the infrastructure licence sought, the next step depends on whether the proposed site of the facility is in an area to which another party has rights under the proposed Act. If so, the Minister may need to consult with that party. If no consultation is required, this clause provides that the Minister may offer the applicant an infrastructure licence without further delay and must do so in
writing. In the other case, the Minister may give the offer document to the applicant after the consultation has been completed.

Clause 195 provides for notice of a refusal to grant an infrastructure licence to be conveyed to the applicant in writing. This has not been expressly provided under the PSL Act.

Clause 196 ensures that once the Minister has given an offer document to the applicant, the Minister cannot renege on granting the infrastructure licence, provided the applicant requests the licence within 90 to 180 days after the document was given to the applicant (the detailed rule about the timeframe is set out in clause 256). This would even preclude the Minister from attempting to renege on the offer by seeking to reserve the block within which the infrastructure licence area will be located. As in every other case where there is a duty to grant a title, the Minister is to grant the licence as soon as practicable.

Clause 197 sets out the consultation procedure that may apply if the proposed site of the infrastructure facility is in an area to which another party has rights under the Bill.

No consultation by the Minister is required if the other party has already given written consent for the grant of the proposed infrastructure licence, or if the other party is the holder of a petroleum special prospecting authority or a petroleum access authority that will have expired before any construction or operations under the infrastructure licence could occur. This is because a petroleum special prospecting authority always is, and a petroleum access authority usually is, a short-term title.

Clause 198 sets out consultation procedures where an application has been made for an infrastructure licence in respect of a block, or part of a block, subject to certain greenhouse gas titles listed in subclause (1)(b).

**Division 3—Varying an infrastructure licence**

Clause 199 sets out the procedure by which an infrastructure licensee may seek a variation of the licence. The procedure is complemented by provisions set out in Part 2.10.

Clause 200 provides that the variation of an infrastructure licence is at the discretion of the Minister. The Minister may first require consultation with any other party that has rights under the Bill in the area in which the infrastructure facility is situated. The variation, or refusal of it, is to be notified in writing to the licensee. However, a variation does not come into effect on the
date of the notice to the licensee but on the date of publication of a notice about it in the Government Gazette.

Clause 201 sets out the consultation procedure that may apply if the site of the infrastructure facility to which the variation application relates is in an area to which another party has rights under the Bill.

No consultation by the Minister is required if the other party has already given written consent for the variation of the infrastructure licence, or if the other party is the holder of a petroleum special prospecting authority or a petroleum access authority that will have expired before any new construction or varied operations under the infrastructure licence could occur. This is because a petroleum special prospecting authority always is, and a petroleum access authority usually is, a short-term title.

Clause 202 provides the consultation requirements that relate to a variation of an application for an infrastructure licence, where that licence is in respect of a block relating to a greenhouse gas title listed in subclause (1)(b) of this clause.

PART 2.6—PIPELINE LICENCES

Division 1—General provisions

Clause 203 gives a summary of Part 2.6 covering pipeline licences. This summary does not form part of the operative text of the Bill.

Clause 204 prohibits unauthorised work on constructing or altering a pipeline in the Victorian offshore area and unauthorised operation of a pipeline that has already been constructed. The distinction between starting and continuing the work or operation is made for reasons of clarity, for example so that the clause is not misunderstood to mean that only a pipeline constructed to completion could be evidence of a contravention of this provision.

Clause 205 makes it an offence for a person to start operating a pipeline unless the pipeline has been constructed and tested in accordance with a pipeline licence. The Minister must also be satisfied of that fact and must also be satisfied that the pipeline to be operated is fit for operation. The effect of this clause is that a pipeline cannot be operated unless it is subject to a pipeline licence granted under the Pipelines Act 2005.
Clause 206 makes it an offence to recommence to operate a pipeline which has been discontinued, without the written consent of the Minister and subject to any conditions with that consent.

Clause 207 sets out various defences to prosecution of offences under clause 205 or clause 206.

Clause 208 enables the Minister to refuse to grant consent or a certificate for the purposes of the Division. It also provides that Minister may grant consent to recommence a pipeline that has been discontinued, subject to any conditions.

Clause 209 provides that the rights conferred by a pipeline licence cover all aspects of the design, construction and operation of the pipeline and installations such as pumping stations that form part of it. Certain details of these matters are to be specified in the pipeline licence. The licence may also be subject to other conditions.

A pipeline licence does not specifically have a licence area. If a pipeline were planned to be constructed so as to pass through more than one area that is an offshore area under the offshore Petroleum and Greenhouse Gas Storage Act 2006 of the Commonwealth and the offshore area under this Bill, a separate pipeline licence granted in relation to those offshore areas would be required.

Clause 210 gives the Minister the power to insert conditions in pipeline licences to ensure that the individual characteristics of each pipeline are able to be dealt with in a way that satisfies the regulator and is accepted by the licensee.

While the Minister may grant a pipeline licence subject to whatever conditions the Minister thinks appropriate, the conditions must conform to the general scope and purposes of the Bill.

Subclause (3) alerts applicants for pipeline licences to the fact that a condition could be imposed requiring the pipeline to be constructed within a specified time. This could be important in relation to, say, minimising the disruption caused by pipeline construction to shipping or other activities.

Clause 211 provides for an application to be made to the Minister, by a pipeline licensee, for approval to convey a greenhouse gas substance by means of that pipeline.

Clause 212 provides for the indefinite duration of a pipeline licence, subject to surrender, cancellation or termination.
Clause 213 sets out provisions for the possible termination of a pipeline licence if there has been neither construction work nor use of the pipeline, or a given part of the pipeline, for a continuous period of at least 5 years. If only a part of the pipeline has been out of use for this period, then the termination of the licence can relate to only that part of the pipeline. Even then, the Minister is not required to terminate the licence, and the Minister must in any case discount any part of the period of inactivity during which no construction or operations were carried on because of circumstances beyond the licensee's control.

These circumstances could include events such as the failure by a manufacturer of vital plant or equipment to deliver on time under contract, whether to the pipeline construction project itself or to a production facility from which petroleum pumped through the pipeline is drawn. However, the depletion of recoverable petroleum in a production licence area that the pipeline is linked to is not a factor that could influence the timeframe after which the licence could be terminated.

This clause also sets out the consultation procedure, possibly involving other parties as well as the licensee, that the Minister must complete before terminating a pipeline licence.

Clause 214 gives powers to the Minister to deal with the situation where the construction of a pipeline is started, continued or completed, or a pipeline is altered or reconstructed, in breach of the Bill. This may have occurred with or without there being a pipeline licence in force that was in any way linked to the contravention. This is borne out by the fact that any directions by the Minister under this clause are to be addressed to the owner, or prospective owner, of the pipeline, rather than to anyone identified as the pipeline licensee.

Division 2—Obtaining a pipeline licence

Clause 215 sets out the basic provisions for a person or company to apply for a pipeline licence. The procedure is complemented by the provisions set out in Part 2.10. The applicant is not required to have had any previous involvement with the production operation(s) which is/are the source of the petroleum that is planned to be conveyed through the pipeline.

The reference in subclause (3)(c) to the pumping stations, tank stations or valve stations that the applicant wants to be declared terminal stations is for purposes of defining where the pipeline would start. Declaration of a terminal station means the pipe downstream of the terminal station would be a pipeline requiring a pipeline licence. Upstream of the terminal station,
the pipe would be called a secondary line, which would be covered by the petroleum production licence provisions.

Clause 216 provides that a petroleum production licensee may apply for a pipeline licence in the same way as any other party, but, when it comes to obtaining a pipeline licence for conveying petroleum recovered under that production licence, this clause sets out the preferential right of the production licensee to be granted a pipeline licence for that purpose and how that right may be exercised.

Clause 217 enables a petroleum production licensee to apply to the Minister for a pipeline licence, which has been applied for by another person for the purpose of conveyance of greenhouse gas substances within the petroleum production licensee's production licence area. The clause also enables the petroleum production licensee to request that the Minister reject the other person's application for the pipeline licence.

Clause 218 enables a greenhouse gas injection licensee to apply to the Minister for a pipeline licence, which has been applied for by another person for the purpose of conveyance of greenhouse gas substances within a greenhouse gas injection licensee's injection licence area. The clause also enables the greenhouse gas injection licensee to request that the Minister reject the other person's application for the pipeline licence.

Clause 219 sets out the provisions governing the offer of a petroleum-related pipeline licence to an applicant under four different scenarios.

The only scenario under which the Minister is obliged to offer a pipeline licence to the applicant is the one set out in subclause (3). This is the case of a petroleum production licence holder applying for a pipeline licence for conveying petroleum recovered in that licensee's production operation and there has been compliance with the petroleum production licence conditions and with the Bill and regulations to the extent that they place obligations on the licensee as a licensee.

If the scenario set out in subclause (4) applies, i.e. there has not been compliance with the petroleum production licence conditions or with the Bill and regulations to the extent that they place obligations on the licensee as a licensee but there are sufficient grounds to justify the granting of the pipeline licence, and if there is an application from the another party as well, it will be up to the Minister to decide which applicant should be offered the licence, if either. The Minister would make his or her decision on the basis of information presented in the
competing applications, including details about available financial and technical resources and proposed or concluded commercial agreements.

If there has not been compliance with the petroleum production licence conditions or with the Bill and regulations to the extent that they place obligations on the licensee as a licensee and there are no sufficient grounds to justify the granting of the pipeline licence to the petroleum production licensee, then that licensee is precluded from obtaining the pipeline licence and the competing applicant, if there is one, would be the party who could be offered a pipeline licence at that time.

Subclause (5) refers to a pipeline licence for the conveyance of petroleum recovered from outside of the offshore area.

Clause 220 sets out the provisions governing the offer of a greenhouse gas-related pipeline licence to an applicant under four different scenarios.

The only scenario under which the Minister is obliged to offer a pipeline licence to the applicant is the one set out in subclause (3). This is the case of a petroleum production licence holder applying for a pipeline licence for conveying a greenhouse gas substance within or into the petroleum production licence area and there has been compliance with the petroleum production licence conditions and with the Bill and regulations to the extent that they place obligations on the licensee as a licensee.

If the scenario set out in subclause (4) applies, i.e. there has not been compliance with the petroleum production licence conditions or with the Bill and regulations to the extent that they place obligations on the licensee as a licensee but there are sufficient grounds to justify the granting of the pipeline licence, and if there is an application from the another party as well, it will be up to the Minister to decide which applicant should be offered the licence, if either. The Minister would make its decision on the basis of information presented in the competing applications, including details about available financial and technical resources and proposed or concluded commercial agreements.

If there has not been compliance with the petroleum production licence conditions or with the Bill and regulations to the extent that they place obligations on the licensee as a licensee and there are no sufficient grounds to justify the granting of the pipeline licence to the petroleum production licensee, then that licensee is precluded from obtaining the pipeline licence and the
competing applicant, if there is one, would be the party who could be offered a pipeline licence at that time.

Clause 221 sets out the grounds on which a petroleum-related pipeline licence application must be refused. If the Minister deems those grounds to apply to a particular application, it must enter into a consultation procedure as set out in clause 258, possibly involving other parties as well as the petroleum production licensee. This is because the findings of fact will determine the course of action that the Minister is permitted to take and it is therefore important to ensure that the finding is correct, and consultation with the applicant and other parties provides the best opportunity for doing so.

If that procedure does not yield information that causes the Minister to come to a different view, the Minister must refuse to grant the petroleum production licensee the pipeline licence and advise the applicant in writing of this decision.

Clause 222 sets out the grounds on which a greenhouse gas-related pipeline licence application must be refused. If the Minister deems those grounds to apply to a particular application, it must enter into a consultation procedure, possibly involving other parties as well as the petroleum production licensee. This is because the findings of fact will determine the course of action that the Minister is permitted to take and it is therefore important to ensure that the finding is correct, and consultation with the applicant and other parties provides the best opportunity for doing so.

If that procedure does not yield information that causes the Minister to come to a different view, the Minister must refuse to grant the petroleum production licensee the pipeline licence and advise the applicant in writing of this decision.

Clause 223 ensures that once the Minister has given an offer document to the applicant, the Minister cannot renege on granting the pipeline licence, provided the applicant requests the licence within 90 to 180 days after the document was given to the applicant. This would even preclude the Minister from attempting to renege on the offer by seeking to reserve one or more of the blocks which the proposed route of the pipeline transects. As in every other case where there is a duty to grant a title, the Minister is to grant the licence as soon as practicable.
**Division 3—Varying a pipeline licence**

Clause 224 sets out the procedure for applying for a variation of a pipeline licence. This is complemented by provisions set out in Part 2.10.

In subclause (3) there is a reference to the Government Gazette notice referred to in clause 731, which must be published in respect of any application for variation of a pipeline licence. This is to enable other interested parties to make submissions about the proposal.

The variation, or refusal of it, is to be notified in writing to the licensee. However, a variation does not come into effect on the date of the notice to the licensee but on the date of publication of a notice about it in the Government Gazette under clause 731.

Clause 225 envisages a situation where a Minister of the Commonwealth, a State or the Northern Territory, or a statutory body of the Commonwealth, a State or a Territory, approaches the Minister, seeking changes in the design, construction, route or position of a pipeline for some reason that is unrelated to petroleum production and conveyance operations. This could be to facilitate some other activity which is in the public interest, such as the construction of a wharf or other port facility.

**Division 4—Pipeline operation**

Clause 226 ensures that full use will be made of any pipeline which has been licensed under the Bill. There is no impediment to a pipeline licensee ceasing pipeline operations under an established operating schedule, for repairs or maintenance or in an emergency.

However, if a proposed cessation is for another reason, most likely a commercial one, this clause provides that the Minister's consent must be sought before the step is taken. This is primarily to ensure that the pipeline licensee makes adequate provision for decommissioning the pipeline and takes safety issues properly into account.
PART 2.7—PETROLEUM SPECIAL PROSPECTING AUTHORITIES

Division 1—General provisions

Clause 227 gives a summary of Part 2.7 covering petroleum special prospecting authorities. This summary does not form part of the operative text of the Bill.

Clause 228 gives the holder of a petroleum special prospecting authority rights to do everything required in the authority area to explore for petroleum except drilling a well. A petroleum special prospecting authority may be granted where the authority area is not subject to a petroleum exploration permit, petroleum retention lease or petroleum production licence at the time when the petroleum special prospecting authority is sought. Normally, a petroleum special prospecting authority is granted for carrying out seismic surveys, aerogravity surveys, aeromagnetic surveys, airborne laser fluorimetry surveys or seabed sampling. The rights are to be subject to conditions that are entered on the authority. The making of a well is prohibited by subclause (2).

The mention in subclause (3) of these rights also being subject to "this Act and the regulations" refers to other provisions such as the fact that the petroleum special prospecting authority could be cancelled, surrendered or simply expire.

Clause 229 gives the Minister the power to insert conditions in petroleum special prospecting authorities to ensure that the individual characteristics of each exploration project are able to be dealt with in a way that satisfies the regulator and is accepted by the authority holder.

Conditions could include temporal and spatial restrictions to address issues such as avoiding conflict with navigation in a shipping lane or exclusion from a marine park area.

Clause 230 sets out the basic provisions about the term of a petroleum special prospecting authority but, in subclause (4), contemplates that the term could be shorter depending on whether a surrender or cancellation takes place.

Clause 231 makes provision for precluding the transfer of a petroleum special prospecting authority, based on the short (maximum 180 day) term of a petroleum special prospecting authority. The administrative procedures involved in transferring a title under the Bill would be disproportionate to the duration of a petroleum special prospecting authority. As there is no
enduring title to an area under a petroleum special prospecting authority, there is no loss in requiring any new party to apply for an entirely new petroleum special prospecting authority.

**Division 2—Obtaining a petroleum special prospecting authority**

Clause 232 provides that a petroleum special prospecting authority application may be lodged by any person or company over blocks that are not under a petroleum exploration permit, petroleum retention lease or petroleum production licence.

A petroleum special prospecting authority could be sought over blocks that are totally vacant, over blocks in which a pipeline or infrastructure facility has been, or may be, constructed under the relevant licence, over blocks covered by access authorities, over blocks covered by one or more other special prospecting authorities or over blocks in respect of which a scientific investigation consent has been given.

The main reasons for acquiring a petroleum special prospecting authority would be situations where an explorer (permittee) wants to gather data outside the permit area to better understand the regional geological or structural setting or where a seismic contractor wants to undertake a speculative survey with the intention of making the data available for sale to explorers. However, in the first case, permittees, being existing titleholders, could achieve the same end by applying for an access authority. Doing so would have a number of advantages such as the possibility of acquiring access even when the block is under a petroleum exploration permit, petroleum retention lease or petroleum production licence held by another party.

The basic application procedure set out in this clause is complemented by provisions in Part 2.10.

Clause 233 confers on the Minister the power to grant or refuse to grant a petroleum special prospecting authority.

Clause 234 requires the Minister to notify the holder of a petroleum special prospecting authority when another search authority is granted over a block subject to the first authority.

Clause 235 requires the Minister to notify the holder of a petroleum special prospecting authority when a greenhouse gas search authority is granted over a block subject to the petroleum special prospecting authority.
PART 2.8—PETROLEUM ACCESS AUTHORITIES

Division 1—General provisions

Clause 236 gives a summary of Part 2.8 covering petroleum access authorities. This summary does not form part of the operative text of the Bill.

Clause 237 gives the holder of a petroleum access authority rights to carry out specified operations in the authority area, as long as these do not involve the making of a well. The rights are further defined elsewhere by the fact that the holder must be, in an adjoining area, the holder of a petroleum exploration permit, petroleum retention lease, petroleum production licence, petroleum special prospecting authority or a State or Northern Territory equivalent title. The authorised operations must consist of exploration or operations related to the recovery of petroleum in the access authority holder's other title area.

Thus a permittee, lessee or special prospecting authority holder could seek an access authority for obtaining geoscientific information about a block adjoining the permit, lease or authority area to set geoscientific information about the permit, lease or authority area into a broader picture for reasons of improved interpretation. In practice, this could involve the permittee, lessee or authority holder carrying out seismic surveys, aerogravity surveys, aeromagnetic surveys, airborne laser fluorimetry surveys or seabed sampling in the adjoining block.

Clause 238 provides the power to insert conditions in access authorities to ensure that the individual characteristics of each authorised project are able to be dealt with in a way that satisfies the regulator and is accepted by the authority holder.

Conditions could include temporal and spatial restrictions to address issues such as avoiding conflict with navigation in a shipping lane or exclusion from a marine park area.

Clause 239 sets out provisions for the duration of an access authority. While this could be any period that is specified in the authority, the duration is normally short and would not extend, or be extended, beyond the date when the applicant's other title would be expected to come to an end through expiry, revocation or termination.

Subclause (3) provides that the term could be shorter depending on whether a surrender or cancellation takes place.
Division 2—Obtaining a petroleum access authority

Clause 240 sets out the prerequisites for applying for a petroleum access authority, the purposes for which the authority could be used and the basic information that must be set out in the application. The basic application procedure set out in this clause is complemented by provisions in Part 2.10.

Clause 241 confers on the Minister the power to grant or refuse to grant a petroleum access authority. The decision on granting an access is to be conveyed to the applicant in the form of the approved access authority document or as a written notice of refusal.

The reference in subclause (1)(b) to the access authority potentially being necessary for the proper performance of the applicant’s duties refers to situations such as one in which a permittee has a work-bid commitment to drill a well in an area that is close to the boundary of the permit area and the permittee needs to fine-tune the available geophysical information to determine the most prospective site for the well.

Clause 242 provides for consultation with certain title holders before a petroleum access authority is granted.

In subclause (1)(b), the reference to the application area being to any extent the subject of a petroleum exploration permit, petroleum retention lease, petroleum production licence or petroleum special prospecting authority is a reference to the possibility that, if, for example, the access authority application relates to 2 blocks, only one of them may be the subject of one of the abovementioned titles.

Subclause (1)(c) indirectly acknowledges that the holder of a petroleum exploration permit, petroleum retention lease, petroleum production licence or petroleum special prospecting authority in one block could apply for an access authority over another block despite the fact that the titleholder has a separate exploration permit, retention lease, production licence or special prospecting authority over that other block.

Division 3—Variation of petroleum access authorities

Clause 243 provides for the variation of a petroleum access authority.

Clause 244 provides for a similar consultation procedure to that under clause 242 where a petroleum access authority application is made with one additional detail.
The additional requirement is that, in every case, under subclause (2)(b)(i), the Minister must give a copy of the notice setting out the proposed variation to the holder of the access authority as well as to the other parties mentioned in the clause. This is because the proposed variation does not necessarily originate from an application by the access authority holder. The variation may be proposed of the Minister's own volition, because the access authority holder has requested it or because some other party has requested it.

Division 4—Reporting obligations of holders of petroleum access authorities

Clause 245 recognises the generally exclusive right that holders of petroleum exploration permits, petroleum retention leases and petroleum production licences enjoy to explore their petroleum title areas for as long as the petroleum title is held. Accordingly, any other petroleum titleholder who is granted a petroleum access authority to the area is placed under a reporting obligation to the principal titleholder so that any useful information gleaned from exploration under the access authority is passed on to the party who could convert that information into economic gain.

Division 5—Revocation of petroleum access authorities

Clause 246 gives the Minister the power to revoke an access authority without consultation procedures of the kind that apply, for example, to cancelling titles. However, if the authority has covered an area that is under a petroleum exploration permit, petroleum retention lease or petroleum production licence, the holder of that title needs to be informed of the revocation, just as that holder must be advised of the results of the authority holder's investigations.

PART 2.9—PETROLEUM SCIENTIFIC INVESTIGATION CONSENTS

Clause 247 gives a summary of Part 2.9 covering scientific investigation consents. This summary does not form part of the operative text of the Bill.

Clause 248 sets out the sights that are conferred under a petroleum scientific investigation consent.
The rights are to be subject to conditions that are entered on the consent and to compliance, which provides, essentially, that the holder must minimise interference with the marine environment and the rights of other users of the marine areas in which the scientific investigation is carried out.

Clause 249 gives the Minister power to set conditions in petroleum scientific investigation consents. These conditions could be more wide-ranging in their scope than those applying to other titleholders under the Bill because these conditions are in fact the main legal instrument for regulating the consent-holder's activities.

Clause 250 provides that the Minister has power to decide whether to grant a petroleum scientific investigation consent. It also provides that the petroleum exploration operations for which consent is sought must be carried on in the course of a scientific investigation. This means that the Minister, before agreeing to grant a consent, would require a relevant amount of information about the credentials of the proponents and the objectives and plan of the scientific investigation.

PART 2.10—STANDARD PROCEDURES

Clause 251 provides that various applications that may be made under Chapter 2 must be made in an approved manner, which means that they must be made in a manner approved in writing by the Minister.

Clause 252 sets out the requirement for applicants for certain titles and renewals under Chapter 2 to submit a prescribed fee with their application. This is merely to recover administrative costs in processing the application. This is provided for in subclause (4), which precludes fees from being set at a level that amounts to taxation.

Subclause (2) acknowledges, by the use of the words "if any", that fees may not have been prescribed for an application relating to every one of the grants or variations mentioned in subclause (1).

Subclause (5) clarifies that moneys offered, required and paid as cash bids under various provision of Chapter 2 are not classed as fees.
Clause 253 makes provisions for an applicant to set out additional information in an application under Chapter 2 except an application for the renewal of a petroleum exploration permit or petroleum retention lease. This is because, in the case of these renewal applications, if the Minister is inclined to refuse the application, the Minister is required to give the applicant the opportunity to make additional submissions at that later stage.

In other cases, for example an application for a petroleum special prospecting authority or for the variation of an infrastructure licence or a pipeline licence, there is no provision for an applicant to set out additional information in the application because, under the relevant clause, the ambit of what may go into the application is wide to the point that it would be superfluous to refer to "additional matters". In one other case once the Minister has been presented with certain facts as required under the clause, the grant of the petroleum production licence must follow as a matter of course and any other information submitted cannot influence the outcome one way or another.

Clause 254 gives the Minister the power to require additional information from an applicant. The power does not extend to every type of application, for example to the renewal of a petroleum exploration permit or the first renewal of a fixed-term petroleum production licence. This is because, in these cases, the Minister is entitled to consider only certain information, which is fully within the Minister's knowledge, i.e. whether the applicant has complied as required with the Bill, regulations and title conditions. A power to require any other information would be inconsistent with this policy. If the Minister's finding is a negative one, then the Minister is required to give the applicant an opportunity to make additional submissions to establish sufficient grounds to justify a renewal.

In the case of an application for a petroleum production licence over individual blocks, there is no provision for the Minister to seek further information. In the case of an application for a petroleum special prospecting authority, petroleum access authority or petroleum scientific investigation consent, the PSL Act has made no provision for additional information to be required. This can be justified on the grounds of administrative efficiency, given that these are generally titles of short duration. If an application for one of these latter titles were rejected on the basis of the information provided, or lack of it, the applicant could try again, setting out a different case. No change from this policy is proposed in the Bill.
The Minister's power to require an applicant to provide further information could be used more than once in connection with any particular application.

Clause 255 sets out the details that must be included in offer documents under Chapter 2. This is to ensure that the applicant receiving the document is made fully aware of what the applicant must do to secure the grant or renewal of the title concerned.

The fact that the conditions need to be summarised in the offer document is a means to ensuring that the company concerned will not be operating under conditions that it finds unacceptable. In the course of preparing the title conditions, in practice there would be consultations between the Minister and the applicant. In the final analysis, if the applicant cannot accept the conditions, the applicant can allow the application to lapse by not taking up the offer.

Under the PSL Act, there is no provision for the use of offer documents for petroleum special prospecting authorities, petroleum access authorities or petroleum scientific investigation consents. This can be justified on the grounds of administrative efficiency, given that these are generally titles of short duration. No change from this policy is proposed in the Bill.

Clause 256 sets out the time limits for taking up the offer of a title under the Bill. The longer acceptance periods generally reflect the higher degree of capital expenditure to which the applicant could be making a commitment if the offer were taken up in relation to a petroleum production licence, infrastructure licence or pipeline licence.

The PSL Act has provided a longer acceptance period for special exploration permit offers than for other permits offers. This can be justified on the grounds that an invitation for bids for a special exploration permit is likely to occur as an unexpected event and the successful applicant may accordingly need more time to find the funds to meet the cash-bid commitment. No change from this provision is proposed in the Bill.

Clause 257 provides that, in those cases where a non-fee payment is required, even if the applicant has requested the grant of the title within the timeframe, the application will lapse if the payment is not also made within that same timeframe under clause 256(1).
Clause 258 replicates and enhances provisions that appear in the PSL Act for consultation before the Minister may make adverse decisions in relation to certain types of applications. The scenarios all involve an application either for renewal of a title or a new development in the life of an established operation under a title. Thus all applications covered by this clause would be preceded by some financial investment by the titleholder over a number of years.

In all these cases, a finding of the Minister will determine the course of action that the Minister is permitted to take, for instance whether there are sufficient grounds to justify the renewal of a title despite non-compliance with specified requirements. It is therefore important to ensure that the finding is correct, and consultation with the applicant and other parties provides the best opportunity for doing so.

Clause 259 sets out the circumstances in which the Minister may request an applicant to supply the Minister with written reports about negotiations or attempts at negotiations relating to designated agreements.

PART 2.11—VARIATION, SUSPENSION AND EXEMPTION

Division 1—Variation, suspension and exemption decisions relating to petroleum exploration permits, petroleum retention leases, petroleum production licences, infrastructure licences and pipeline licences

Clause 260 sets out the rules that apply for the consideration of a variation to, suspension of, or exemption from, the conditions of a petroleum related title under Chapter 2 of the Bill. The principle behind this clause is that, in the ordinary course of events, the conditions under which a titleholder operates should not change during the term of the title. Before the conditions may be revisited, either the titleholder needs to apply for a variation, suspension or exemption or something else affecting the title needs to happen. These scenarios are set out in the table under subclause (1).

The PSL Act requires the variation of a petroleum production licence, infrastructure licence or pipeline licence to be notified in the Government Gazette but not that of a petroleum exploration permit or petroleum retention lease. This can be justified on the grounds of administrative efficiency, given that permits and leases are more numerous and have a shorter duration than do these licences. This distinction is accordingly retained in the Bill.
Clause 261 refers primarily to conditions imposing some work program on a permittee or lessee. If the work program is suspended, or the permittee or lessee is temporarily exempted from having to meet work program milestones, this would have to be for a reason that the Minister considers valid grounds. The same reason could then justify the Minister extending the term of the permit or lease under this clause so that the permittee or lessee is not forced into non-compliance with the title conditions because the set work program was not achieved by the end of the term of the permit or lease.

Clause 262 provides for a suspension of all rights under a petroleum exploration permit or petroleum retention lease if it is necessary to do so in the public interest. This could be for reasons such as a newly discovered area of high environmental sensitivity.

Under the PSL Act, this power to suspend does not apply to rights conferred under production licences, infrastructure licences or pipeline licences. The distinction can be understood in terms of the higher capital investment and the smaller total areas of the seabed that operations under these licences involve. No change to this policy is therefore proposed in this Bill.

Clause 263 provides for the extension of the term of a permit or lease that has been suspended under clause 262. This would normally be done so that the permittee or lessee is not forced into non-compliance with the title conditions because the set work program was not achieved by the end of the term of the permit or lease.

**Division 2—Variation, suspension and exemption decisions relating to petroleum special prospecting authorities and petroleum access authorities**

Clause 264 sets out the circumstances under which conditions attached to a special prospecting authority or access authority may be varied or suspended or be the subject of an exemption. This clause reflects the more limited rights conferred by petroleum special prospecting authorities and petroleum access authorities when compared to other titles.

Item 1 of the table in subclause (1) envisages a petroleum access authority being in effect over a block that is the subject of a petroleum exploration permit, petroleum retention lease or petroleum production licence. Then the very fact of one of these other titles being held in relation to the block means that the conditions of the access authority could be varied or suspended or be the subject of an exemption at any time.
Item 2 of the table in subclause (1) envisages two or more petroleum access authorities being in effect over a block that is the subject of a petroleum exploration permit, petroleum retention lease or petroleum production licence. The variation of one of these access authorities opens the way for the Minister to vary the other, or others, as well. Item 2 points to a variation, suspension or exemption decision being made because such an action has been carried out in relation to another access authority in the same block. That decision may or may not have anything to do with the fact that a permit, lease or licence is also in force over the block.

Items 3 and 4 of the table in subclause (1) are identical provisions to those which apply to other titles under clause 260.

PART 2.12—SURRENDER OF TITLES

Division 1—Surrender of petroleum exploration permits, petroleum production licences, petroleum retention leases, infrastructure licences and pipeline licences

Clause 265 sets out the rules about making valid applications for consent to surrender a title. The reasons why a consent for surrender is pertinent are discussed under the next clause.

As set out in subclause (1), petroleum exploration permits, petroleum production licences and pipeline licences may be surrendered in whole or in part, but petroleum retention leases and infrastructure licences must be surrendered in their entirety. This is because a petroleum retention lease area does not normally contain blocks determined to be totally unprospective (which a permit area might have) or blocks that have been exploited to exhaustion (which a petroleum production licence area might have). In the case of an infrastructure licence, the characteristics of the title make an application for its variation more apposite than a partial surrender.

Clause 266 sets out the matters that a titleholder must have attended to before the Minister will consent to the surrender of a title, in whole or in part. If the requirements have not been met and are not met, a decision to disallow a surrender does not mean that the company concerned will continue to hold the title for any lengthy period. The Minister can proceed to cancel the title on those grounds, and this is in addition to the possibility of criminal prosecution. However, a cancellation, which must be notified in the Government Gazette, carries a stigma that could affect the company's reputation and future access prospects to exploration areas, not only in Australia but possibly also
overseas. A surrender, on the other hand, maintains the company's good standing.

Clause 267 provides that, if the Minister has given a titleholder written notice under clause 266 of the Minister's consent to a surrender, then the surrender needs to be effected by the titleholder giving a written notice to the Minister, followed by publication of a Government Gazette notice which will mark the date of effect of the surrender.

**Division 2—Surrender of petroleum special prospecting authorities and petroleum access authorities**

Clause 268 allows the surrender of a petroleum special prospecting authority to be effected by a simple written notice from the holder to the Minister.

Clause 269 provides that in view of the fact that a petroleum access authority is generally a short-term title, this clause allows the surrender of an access authority to be effected by a simple written notice from the holder to the Minister.

**PART 2.13—CANCELLATION OF TITLES**

**Division 1—Cancellation of petroleum exploration permits, petroleum production licences, petroleum retention leases, infrastructure licences and pipeline licences**

Clause 270 deals only with medium to long term titles under Chapter 2 of the Bill (omitting petroleum special prospecting authorities, petroleum access authorities and petroleum scientific investigation consents), and sets out the actions or omissions of titleholders that can lead to cancellation of the title as one of the possible sanctions available to the Minister. Other sanctions could include criminal prosecution, refusal to renew the title if and when it expires and, in some cases, civil action for cost recovery.

Essentially, the grounds for cancellation are failure to comply with the title conditions, directions and the Bill and regulations, to the extent to which they place obligations on the titleholder as a titleholder.
Clause 271 provides for the Minister to cancel any one of the titles listed, but only after a consultation procedure as set out in clause 272, possibly involving other parties as well as the titleholder. That procedure may or may not yield information that causes the Minister to come to a different view about the cancellation proposal.

Subclause (2) and the consultation provisions in clause 272 are intended to ensure that a cancellation may be performed only after careful deliberation and if any identified mitigating circumstances have been deemed insufficient to prevent it.

Clause 272 sets out the consultation procedure that must be undertaken before a title under Chapter 2 of the Bill may be cancelled. The third parties to whom the Minister may give a copy of the notice could include, for example, a contractor of the titleholder who has been involved in operations under the title. Submissions from such parties could, in some cases, cause the Minister to come to a different view of whether the title should be cancelled.

Clause 273 provides that the cancellation of a title under Chapter 2 of the Bill and conviction for a related offence are not mutually exclusive, nor are the cancellation of a title and the liability of a titleholder to pay overdue moneys to the State.

Whenever legislation provides more than one set of possible consequences for a default or infringement by a person, a question may arise as to whether the person may be subjected to both sets of consequences or whether the regulator or prosecuting authority must choose between them. In each case, the answer will depend on a consideration of the statutory provisions concerned and the nature of the consequences. The inclusion of this clause eliminates any vestige of uncertainty about the situation that applies to cancellation and the other matters mentioned above.

**Division 2—Cancellation of petroleum special prospecting authorities**

Clause 274 gives the Minister the power to cancel a petroleum special prospecting authority without consultation procedures of the kind that apply to the titles dealt with under Divisions 1 and 2 of the Part.
PART 2.14—OTHER PROVISIONS

Clause 275 gives the Minister the power to reserve blocks from being the subject of any petroleum title under Chapter 2 of the Bill. Use of this power is restricted to the conditions which must be satisfied, as listed in the clause.

Clause 276 places a titleholder under Chapter 2 of the Bill under an overriding responsibility to take into account the needs of other users of the marine environment and the protection of the environment itself.

Clause 277 provides that conditions must not be used to impose cost recovery or taxation on titleholders under Chapter 2 of the Bill.

Clause 278 provides for the continuing application of petroleum titles granted under Chapter 2 when there is a change in the boundary in the offshore area and the area to which the title applies falls within the Commonwealth defined offshore area for Victoria. Section 283(3) of the Commonwealth Offshore Petroleum and Greenhouse Gas Storage Act 2006 also provides for this scenario.

Clause 279 requires the immediate reporting of petroleum discoveries in petroleum exploration permit or petroleum retention lease areas. This will ensure that the Minister has the full range of options open to him or her, such as instructing the permittee or lessee to collect a specific type of core, cutting or sample from the seabed when the drilling operations are still on-going.

Clause 280 gives a permittee, lessee or licensee title to any petroleum recovered under a petroleum exploration permit, petroleum retention lease or petroleum production licence. This establishes, among other things, the identity of the party that is liable for the payment of petroleum related taxation and the point in time when the wealth-producing asset passes into that party's possession.

However, while the quantity of petroleum recovered from a particular pool is an objective fact, the proportion of that petroleum that is taken to have been recovered in a particular title area and become the property of that titleholder could be determined by the provisions regarding the apportionment of petroleum recovered from adjoining title areas: see Division 3 of Part 1.2 of the Bill.

Clause 281 provides for payments that must be made by the State to the Commonwealth.
Clause 282 provides that where the Minister has made a determination under clause 691 relating to the reduction of royalty for petroleum recovered, that determination will not apply in determining the value of B in clause 281(1).

CHAPTER 3—REGULATION OF ACTIVITIES RELATING TO INJECTION AND STORAGE OF GREENHOUSE GAS SUBSTANCES

PART 3.1—INTRODUCTION

Clause 283 gives a summary of Chapter 3. This summary will not form part of the operative text of the Bill.

PART 3.2—GREENHOUSE GAS ASSESSMENT PERMITS

Division 1—General provisions

Clause 284 gives a summary of Part 3.1 covering greenhouse gas assessment permits. This summary will not form part of the operative text of the Bill.

Clause 285 makes it an offence to explore in an offshore area for a potential greenhouse gas storage formation or potential greenhouse gas injection site unless the exploration is authorised by a greenhouse gas assessment permit or is otherwise authorised or required by or under this Bill. The purpose of this prohibition is to ensure that all greenhouse gas exploration in the offshore area is brought under the regulatory supervision of the Minister. For example, this is so that any activity having the potential to cause damage to the environment or to resources or interfere with the operations of other users of the sea or seabed is subject to regulatory approval. The activity will be covered by an environment plan that is in force under the regulations.

Clause 286 authorises the permittee to explore in the permit area for a "potential greenhouse gas storage formation" or a "potential greenhouse gas injection site".

Subclause (1) authorises the holder of an assessment permit to carry out all forms of exploration in the permit area, including surveys and the drilling of wells. Subclause (1) expressly extends the right to explore to injection and storage in a geological formation, on an appraisal basis, of a greenhouse gas substance, air, petroleum or water. (Appraisal of a resource is, in any case, a form of exploration.)
The right of a permittee to explore is subject to the conditions of the permit. The conditions include a requirement to obtain the approval of the Minister to carry out "key greenhouse gas operations".

The right is also subject to compliance with the Bill and regulations. This refers to (among other things) the requirements under the regulations that must be complied with, and other regulatory approval processes that need to be gone through, before actual exploration activity may commence. For example, no exploration activity can be commenced unless there is an environment plan in force under the regulations and in the case of drilling an exploration well, a range of regulatory approvals would have to be obtained.

In a case where a greenhouse gas exploration well yields petroleum, subclause (1)(g) authorises the permittee, with the approval of the Minister, to recover petroleum for the purpose only of appraising the petroleum discovery. (Any petroleum recovered does not become the property of the permittee.) A greenhouse gas permittee cannot be compelled to carry out this appraisal work, however, the absence of appraisal data will make it difficult for the Minister, when considering an application for a subsequent greenhouse gas title over the relevant block(s), to reach the necessary state of satisfaction as to the potential impacts of future greenhouse gas activities in the block(s).

A greenhouse gas assessment permit also authorises the permittee to carry on such operations, and execute such works in the permit area as are necessary for the purposes of carrying on the above exploration activities.

There is no statutory requirement that a substance injected on an appraisal basis be permanently stored, because the very purpose of the injection is to appraise the ability of the storage formation to retain injected substances permanently. It is possible that the substance injected will remain permanently stored but it is also possible that it will not. The quantities injected will be small, however, so escape from the storage formation, even into the atmosphere, should not cause problems. Any appraisal injection will be a "key greenhouse gas operation" and therefore subject to prior approval by the Minister, including as to the substance to be injected.

Clause 287 enables the Minister to grant a greenhouse gas assessment permit subject to whatever conditions the Minister thinks appropriate. Conditions must be specified in the permit, except for those conditions imposed by clause 288.
Clause 288 provides that a greenhouse gas assessment permit is subject to the condition that no work can be carried out under the permit unless approved under clause 291.

Clause 289 sets out certain conditions that may be specified in a work-bid greenhouse gas assessment permit.

Clause 290 precludes certain conditions from being imposed on a cash-bid greenhouse gas assessment permit.

Clause 291 imposes a statutory condition that a greenhouse gas assessment permittee must obtain the approval of the Minister in order to carry out "key greenhouse gas operations" in the permit area. The term "key greenhouse gas operations" is defined in section 6.

Subclauses (1) and (2) provide for a greenhouse gas assessment permittee to apply to the Minister for approval of one or more key greenhouse gas operations. The Minister may give the approval, with or without conditions, or refuse to give the approval.

In deciding whether or not to give an approval, the Minister must comply with clauses 292 and 293.

Clause 292 provides that, in deciding whether to approve key greenhouse gas operations, the Minister must have regard to potential impacts on petroleum exploration or recovery operations under any existing or future petroleum exploration permit, retention lease or production licence. This applies both to pre-commencement and post-commencement petroleum titles. In the case of potential impacts on a future petroleum title, there need not be any petroleum title in existence over the relevant blocks.

Subclause (2) applies if the Minister is satisfied that there is a significant risk that any of the key greenhouse gas operations will have a significant adverse impact on operations that are being, or could be, carried on under an existing (pre-commencement or post-commencement) petroleum exploration permit, retention lease or production licence held by a person other than the applicant. In that case, the subclause provides that the Minister must have regard to whether the holder of the petroleum title has agreed in writing to the carrying out of the key greenhouse gas operations and, if so, to the terms of that agreement. In relation to the risk of impacts on a post-commencement exploration permit or retention lease, there does not have to be an agreement in order for the Minister
to give the approval. But if there is an agreement, the Minister must have regard to it.

Subclause (3) makes the same provision in relation to a future (pre-commencement or post-commencement) petroleum exploration permit, retention lease or production licence, except that the relevant agreement (if any) will be with the holder of the existing petroleum title (if any) over the block or blocks in question.

Subclause (4) provides that, where the key greenhouse gas operations for which approval is sought is, or includes, injection or storage on an appraisal basis, the Minister must have regard to the composition of the substance.

Subclause (5) requires the Minister to have regard to the public interest. For example, the Minister might consider that there was a public interest in enabling an onshore electricity generation plant to be constructed on a zero-greenhouse gas emissions basis. Alternatively, the Minister might consider that there was a public interest in ensuring that commerciality of a major new petroleum discovery was not compromised by drilling of greenhouse gas exploration wells.

Clause 293 provides that approval must not be given under clause 291 if the operations will have a significant adverse impact on existing or future pre-commencement petroleum titles or existing post-commencement production licences, unless the relevant title or licence holder has agreed to the approval. (An existing post-commencement production licence is given the same level of ‘impacts’ protection as a pre-commencement title. This is because of the level of investment required in order to develop a petroleum discovery to the production stage.)

Subclause (2) applies if the Minister is satisfied that there is a significant risk that the key greenhouse gas (exploration) operations will have a significant adverse impact on petroleum exploration or recovery under an existing pre-commencement petroleum title, or an existing post-commencement production licence, held by a person other than the applicant. In that case, the Minister must not approve the greenhouse gas operations unless the existing petroleum title-holder has agreed to the greenhouse gas title-holder carrying on the operations.

Clause 294 provides that a greenhouse gas assessment permit remains in force for 6 years. The notes to this clause refer to statutory processes under other clauses that can affect the duration of a permit.
Clause 295 is one of the clauses that can extend the duration of an assessment permit. The clause applies where, before the time when the assessment permit would otherwise expire, the permittee applies for a declaration of an identified greenhouse gas storage formation. If the assessment permit would otherwise have expired before the Minister makes a decision on the application for a declaration, the permit will instead continue in force by operation of this clause until—

- if the Minister makes the declaration—the end of the period of 12 months after the making of the declaration; or
- if the Minister refuses to make the declaration—the time when notice of the refusal is given to the permittee; or
- the time when the permit would otherwise expire, should this clause not be in operation.

Clause 296 provides that if the holder of a greenhouse gas assessment permit applies for a greenhouse gas holding lease or greenhouse gas injection licence, prior to the permit expiring, the permit will continue in force for the duration specified in the table in the clause.

**Division 2—Obtaining a work-bid greenhouse gas assessment permit**

Clause 297 provides for the Minister to release acreage for the making of applications for greenhouse gas assessment permits. There could be a general release of a substantial number of blocks, perhaps on an annual basis, as is the case with the release of petroleum acreage, or there could be a release of individual blocks or small numbers of blocks, either on request or where blocks previously held under title have become vacant.

The provisions for applying for a work-bid greenhouse gas assessment permit are the same as the equivalent provisions for obtaining a work-bid petroleum exploration permit, with the exception that clause 303(c) has provision for requiring the applicant to provide a security prior to the making of the grant.
Clause 298 provides that where the Minister proposes to release acreage in respect of a block which is already subject to a petroleum retention lease or petroleum production licence then the Minister must give notice to the lessee or licensee of the proposed publication of the intention to release acreage, at least 60 days prior to publication of the notice advising of that acreage release.

Clause 299 enables the Minister to give an offer document, as notice, to the applicant for a greenhouse gas assessment permit, notifying the applicant of the fact that the Minister is offering to the applicant the blocks specified in the document. Alternatively, the Minister may issue written notice to the applicant informing the applicant that the Minister is refusing to grant a greenhouse gas assessment permit to the applicant. The Minister is required to make a decision within 12 months after the end of the period specified in the notice releasing acreage.

Clause 300 sets out that where 2 or more applications have been received for the grant of a greenhouse gas assessment permit, the Minister may give an offer document to the most deserving applicant. In determining which applicant is most deserving, the Minister must have regard to the criteria under clause 301, and may rank the applicants in accordance with clause 302.

Clause 301 sets out the criteria the Minister must consider in determining the most deserving applicant for a greenhouse gas assessment permit, where more than 2 applications are received.

Clause 302 enables the Minister to rank applicants for work-bid greenhouse gas assessment permits.

Clause 303 provides that the Minister must grant an applicant a greenhouse gas assessment permit, where the applicant has been given an offer document and where the applicant makes a request for accepting the offer document.

Clause 304 provides that an applicant, or all applicants where an application has been submitted jointly by a few persons, may withdraw an application for a greenhouse gas assessment permit. If some but not all of the applicants who form part of a joint application wish to withdraw, then the application continues in force.

Clause 305 sets out certain instances where a request for withdrawal is taken to have not been made. It also sets out the instances where a refusal to grant a permit is taken not to have been made.
Division 3—Obtaining a cash-bid greenhouse gas assessment permit

Clause 306 enables the Minister to invite applications for cash-bid greenhouse gas assessment permits and sets out the process for doing so.

Clause 307 provides that if the Minister intends to invite applications under clause 306 in relation to a block that is already subject to a petroleum retention lease or petroleum production licence, the Minister must first notify the holder of the retention lease or production licence.

Clause 308 applies where only one application is received in response to the Minister's invitation for applications under clause 306. The clause provides that the Minister must give written notification to the applicant of the outcome of their application.

Clause 309 sets out the procedure to be followed if 2 or more applications are received in response to the Minister's invitation for applications under clause 306. Subclause (2) authorises the Minister to reject any or all of those applications received.

Clause 310 provides the circumstances in which the Minister must grant a permit where an application has been made in response to the Minister's invitation for applications under clause 306.

Division 4—Renewal of greenhouse gas assessment permits

Clause 311 enables the holder of a greenhouse gas assessment permit to apply for a renewal of that permit. The clause sets out the process to be followed in applying for such a renewal and also provides certain limitations on when a renewal may be applied for.

Clause 312 enables the Minister to give an applicant under clause 311 an offer document offering the applicant a renewal of their assessment permit. Subclause 2 sets out the circumstances in which the Minister is obliged to give an applicant an offer document.

Clause 313 sets out certain instances in which the Minister must not renew a greenhouse gas assessment permit. These instances include where conditions imposed on the existing assessment permit have not been met.
Clause 314 sets out the circumstances in which the Minister must renew a greenhouse gas assessment permit. The applicant for the renewal must have complied with requirements for the payment of securities and must have responded to the offer document within 30 days.

Division 5—Declaration of identified greenhouse gas storage formation

Overview

In order for the holder of a greenhouse gas assessment permit to advance to a greenhouse gas holding lease or an injection licence, the permittee must obtain from the Minister a declaration of a part of a geological formation as an "identified greenhouse gas storage formation". The identified greenhouse gas storage formation must be wholly situated within the permittee's permit area.

It is possible to have a second or subsequent identified greenhouse gas storage formation declared in an assessment permit area, holding lease area or injection licence area, provided each of them is wholly situated within the title-holder's current title area.

An application for a declaration of an identified greenhouse gas storage formation may also be made by a petroleum production licensee. This declaration of an identified greenhouse gas storage formation is a core document that broadly corresponds to the declaration of a petroleum location. Unlike a petroleum location, however, the declaration of the identified greenhouse gas storage formation retains its significance over the whole life of the greenhouse gas project. This is because the injection activities that may be carried out under the eventual injection licence will be controlled, via licence conditions, by the matters specified in the declaration of the identified storage formation.

There is scope for the declaration of the identified greenhouse gas storage formation to be varied by the Minister, either at the request of the title-holder or, if circumstances warrant, at the Minister's own instigation. This allows for (e.g.) variation of one or more fundamental suitability determinants as new information about the storage formation becomes available.

Once there is an injection licence in force over the area where an identified greenhouse gas storage formation is located, the declaration and the licence must be kept consistent with each other. A variation to one may therefore require a variation to be made to the other.

Clause 315 An application for a declaration of an identified greenhouse gas storage formation is made under this clause. An application may be made by a greenhouse gas assessment permittee, holding lessee or injection licensee, or a petroleum production licensee, who has reasonable grounds to believe that an "eligible
Subclause (3) requires an application to set out—

- the applicant's reasons for believing that the "part" of the geological formation is an "eligible greenhouse gas storage formation";
- the "fundamental suitability determinants" of the "eligible greenhouse gas storage formation", i.e.—
  - the amount of greenhouse gas substance that it is suitable to store;
  - the chemical composition of the greenhouse gas substance that it is suitable to store;
  - the proposed injection point or points;
  - the proposed injection period;
  - any proposed engineering enhancements;
  - the effective sealing feature, attribute or mechanism that makes it suitable;
- an estimate of the spatial extent of the "eligible greenhouse gas storage formation"; and
- any other information (including analysis) that is prescribed in the regulations.

Clause 316 enables the Minister to require the applicant to provide further information or to carry out further analysis of information. Subclause (2) provides that, if the applicant fails to provide the required information or analysis, the Minister may refuse to progress the application further.

Clause 317 provides for the variation of the application with respect to the fundamental suitability determinants or the estimate of the spatial extent.

Clause 318 provides that, if the Minister is satisfied that—

(i) the part of a geological formation that is the subject of the application is (provided any engineering enhancements nominated in the application are carried out) suitable for the permanent storage of the nominated amount of the nominated greenhouse gas substance, if injected at the
nominated injection point or points over the nominated period; and

(ii) the estimate of the spatial extent set out in the application is a reasonable estimate—

the Minister must declare that part of the geological formation to be an "identified greenhouse gas storage formation".

If satisfied of the matters in (i) and (ii) above, the Minister must also declare that the spatial extent of the identified greenhouse gas storage formation is the spatial extent estimated in the application, and set out that estimate in the declaration.

The Minister must also declare that the fundamental suitability determinants specified in the application are the fundamental suitability determinants of the identified greenhouse gas storage formation and set them out in the declaration.

Subclause (5) provides that the Minister must refuse to make the declaration where the application is made in respect to part of a geological formation, where the Minister is not required under subclause (1) to make such a declaration in respect of a part of a geological formation.

Clause 319 provides for the variation of a declaration of an identified greenhouse gas storage formation, either on application by the holder of the relevant permit, lease or licence, or on the Minister's own initiative. An application by the title-holder must set out the proposed variation and specify the applicant's reason for the proposed variation.

Subclause (5) provides that, in deciding whether to vary the declaration, the Minister must have regard to any new information, any new analysis, any relevant scientific or technological developments and such other matters (if any) as the Minister considers relevant. Subclause (5) does not limit the matters to which the Minister may have regard or the circumstances in which the Minister may decide to vary the declaration.

For example, where an application for a variation is made by the title-holder, the reason for seeking the application may be that the title-holder wishes to increase the amount of greenhouse gas substance to be injected, because new information indicates that the injectivity of the storage formation is better than previously thought. The varied fundamental suitability determinants must still "work", however. That is, with the fundamental suitability determinants varied, the Minister must still be satisfied in terms of subclause 318(1)(b)(i) and (ii).

Another example is that the title-holder may have expected a
source of greenhouse gas substance to become available that in fact will not materialise. The title-holder may therefore wish to vary downwards the amount to be injected, or the injection rate.

An example of the circumstances in which the Minister might vary the declaration on the Minister's own initiative is where new information indicates that the storage formation is not suitable for the storage of the amount of greenhouse gas substance specified in the original declaration but would be suitable for the storage of a lesser amount. Subclause (6) requires the Minister to consult the title-holder before making a variation on the Minister's own initiative.

Clause 320 provides that the Minister may revoke the declaration if satisfied that, using any set of fundamental suitability determinants, the storage formation is not suitable for the permanent storage of at least 100 000 tonnes of a greenhouse gas substance. This power will be exercisable in circumstances where, had more been known at the time, the original declaration would not have been made.

Before revoking the declaration, the Minister must consult with the title-holder and also consider whether to vary the declaration under clause 319.

Clause 321 requires the Minister to maintain a Register of Identified Greenhouse Gas Storage Formations.

**Division 6—Directions**

Clause 322 confers power on the Minister to give a greenhouse gas assessment permittee a direction for the purpose of eliminating, mitigating or managing the risk that operations under the permit could have a significant adverse impact on operations under an existing or future petroleum title. The Minister can give a direction under this section whether or not there is a petroleum title in existence over the relevant blocks. A direction can therefore be given to protect potential petroleum acreage that has not yet been released.

Clause 323 makes it an offence to contravene a direction given under clause 322.
PART 3.3—GREENHOUSE GAS HOLDING LEASES

Overview

A greenhouse gas holding lease broadly corresponds to a petroleum retention lease. As is the case with a petroleum retention lease, obtaining a greenhouse gas holding lease is not an obligatory step for an assessment permittee in moving towards a greenhouse gas injection licence.

A holder of a greenhouse gas assessment permit who has had an identified greenhouse gas storage formation declared in the permit area can proceed directly to a greenhouse gas injection licence, if there will be a source of a greenhouse gas substance available to commence injection within 5 years of the grant of the injection licence. An assessment permittee who does not have a source of a greenhouse gas substance that will be available to commence injection within 5 years, however, can obtain a greenhouse gas holding lease instead. This will enable the lessee to retain tenure over the block(s) to which the identified greenhouse gas storage formation extends while the lessee secures a source of greenhouse gas.

A holder of a greenhouse gas injection licence also can choose to revert to a greenhouse gas holding lease over the same blocks.

The motivation in each of the above cases to obtain a greenhouse gas holding lease rather than an injection licence is that, if an injection licensee fails to carry out any injection and storage operations in the licence area for a continuous period of 5 years, the Minister may cancel the injection licence.

The holder of a greenhouse gas holding lease can continue to explore for additional storage formations in the lease area (as well as in blocks of the original permit area that the permit is still in force over). If the title-holder finds one or more new storage formations, they can have them declared as identified greenhouse gas storage formations and proceed to storage licence(s) in respect of the blocks to which they extend.

Division 1—General provisions

Clause 324 gives a summary of Part 3.3 covering greenhouse gas holding leases. This summary will not form part of the operative text of the Bill.

Clause 325 authorises the lessee to explore in the lease area for a "potential greenhouse gas storage formation" or a "potential greenhouse gas injection site". (These terms are defined in clause 6.) Subclause (1) authorises the holder of a holding lease to carry out all forms of exploration in the lease area, including surveys and the drilling of wells. Subclause (1) expressly extends the right to explore to injection and storage in a geological formation, on an appraisal basis, of a greenhouse gas substance,
air, petroleum or water. (Appraisal of a resource is, in any case, a form of exploration.)

The right of a lessee to explore is subject to the conditions of the lease. The conditions include a requirement to obtain the approval of the Minister to carry out "key greenhouse gas operations".

The right is also subject to compliance with the Bill and regulations. This refers to requirements under the regulations that must be complied with, and other regulatory approval processes that need to be gone through, before actual exploration activity may commence. For example, no exploration activity can be commenced unless there is an environment plan in force under the regulations that covers the activity and in the case of drilling an exploration well, a range of regulatory approvals would have to be obtained.

In a case where a greenhouse gas exploration well yields petroleum, subclause (1)(g) authorises the lessee, with the approval of the Minister, to recover petroleum for the purpose only of appraising the petroleum discovery. (Any petroleum recovered does not become the property of the lessee.) A greenhouse gas lessee cannot be compelled to carry out this appraisal work, however, the absence of appraisal data will make it difficult for the Minister, when considering an application by the lessee for a subsequent greenhouse gas title over the relevant block(s), to reach the necessary state of satisfaction as to the potential impacts of future greenhouse gas activities in the block(s).

A greenhouse gas holding lease also authorises the lessee to carry on such operations, and execute such works in the lease area as are necessary for the purposes of carrying on the above exploration activities.

There is no statutory requirement that a substance injected on an appraisal basis be permanently stored, because the very purpose of the injection is to appraise the ability of the storage formation to retain injected substances permanently. It is possible that the substance injected will remain permanently stored but it is also possible that it will not. The quantities injected will be small, however, so escape from the storage formation, even into the atmosphere, should not cause problems. Any appraisal injection will be a 'key greenhouse gas operation' and therefore subject to prior approval by the Minister, including as to the substance to be injected.
Clause 326 enables the Minister to grant a greenhouse gas holding lease subject to whatever conditions the Minister thinks appropriate. Conditions must be specified in the lease, except for those conditions imposed under clause 327.

Clause 327 sets out the standard conditions to which a greenhouse gas holding lease is subject.

Clause 328 sets out various conditions that may be specified in a greenhouse gas holding lease.

Clause 329 provides for a greenhouse gas holding lessee to apply to the Minister for approval of one or more key greenhouse gas operations. The Minister may give the approval, with or without conditions, or refuse to give the approval.

In deciding whether or not to give an approval, the Minister may have regard to any matters that the Minister considers relevant. There are, however, some matters to which the Minister must have regard and there are some circumstances in which an approval must not be given see (clauses 330 and 331).

Clause 330 provides that, in deciding whether to approve key greenhouse gas operations, the Minister must have regard to potential impacts on petroleum exploration or recovery operations under any existing or future petroleum exploration permit, retention lease or production licence. This applies both to pre-commencement and post-commencement petroleum titles. In the case of potential impacts on a future petroleum title, there need not be any petroleum title in existence over the relevant blocks. The Minister may therefore have regard to impacts on petroleum still to be discovered in acreage not yet released.

Subclause (2) applies if the Minister is satisfied that there is a significant risk that any of the key greenhouse gas operations will have a significant adverse impact on operations that are being, or could be, carried on under an existing (pre-commencement or post-commencement) petroleum exploration permit, retention lease or production licence held by a person other than the applicant. In that case, the subclause provides that the Minister must have regard to whether the holder of the petroleum title has agreed in writing to the carrying out of the key greenhouse gas operations and, if so, to the terms of that agreement. In relation to the risk of impacts on a post-commencement exploration permit or retention lease, there does not have to be an agreement in order for the Minister to give the approval. But if there is an agreement, the Minister must have regard to it.
Subclause (3) makes the same provision in relation to a future (pre-commencement or post-commencement) petroleum exploration permit, retention lease or production licence, except that the relevant agreement (if any) will be with the holder of the existing petroleum title (if any) over the block or blocks in question.

Subclause (4) provides that, where the key greenhouse gas operations for which approval is sought is, or includes, injection or storage on an appraisal basis, the Minister must have regard to the composition of the substance.

Subclause (5) requires the Minister to have regard to the public interest. For example, the Minister might consider that there was a public interest in enabling an onshore electricity generation plant to be constructed on a zero-greenhouse gas emissions basis. Alternatively, the Minister might consider that there was a public interest in ensuring that commerciality of a major new petroleum discovery was not compromised by drilling of greenhouse gas exploration wells.

Clause 331 provides that approval must not be given under clause 329 if the operations will have a significant adverse impact on existing or future pre-commencement petroleum titles or existing post-commencement production licences, unless the relevant title or licence holder has agreed to the approval. (An existing post-commencement production licence is given the same level of "impacts" protection as a pre-commencement title. This is because of the level of investment required in order to develop a petroleum discovery to the production stage.)

Subclause (1) applies if the Minister is satisfied that there is a significant risk that the key greenhouse gas operations will have a significant adverse impact on petroleum exploration or recovery under an existing pre-commencement petroleum title, or an existing post-commencement production licence, held by a person other than the applicant. In that case, the Minister must not approve the greenhouse gas operations unless the existing petroleum title-holder has agreed to the greenhouse gas title-holder carrying on the operations.

Subclause (2) makes the same provision in relation to a future pre-commencement petroleum exploration permit, retention lease or production licence, except that the relevant agreement must be with the holder of the existing pre-commencement petroleum title over the block or blocks in question.
Clause 332 provides that a greenhouse gas holding lease (other than a special greenhouse gas holding lease) remains in force for 5 years. It can be renewed once, for a further period of 5 years. There are special rules about the continuation in force of a holding lease after it would otherwise have expired in a number of other clauses.

Subclause (2) provides that a special greenhouse gas holding lease remains in force indefinitely. The purpose of a special greenhouse gas holding lease is to enable the lessee to retain tenure over the block or blocks where an identified greenhouse gas storage formation is located during the time required for the petroleum operations to be completed. An indefinite duration for a special holding lease is therefore appropriate.

Clause 333 provides for the extension of a greenhouse gas holding lease, if a lessee applies for a greenhouse gas holding lease or a greenhouse gas injection licence before the expiry of the greenhouse gas holding lease. The durations for extension of that lease are set out in the table. The clause overrides any provisions in clause 332.

Division 2—Obtaining a greenhouse gas holding lease

Subdivision 1—Application for greenhouse gas holding lease by the holder of a greenhouse gas assessment permit

Clause 334 provides for the making of an application for a greenhouse gas holding lease by the holder of a greenhouse gas assessment permit who has one or more identified greenhouse gas storage formations wholly located in the permit area. This clause sets out the rules for determining whether multiple storage formations are to be covered by a single holding lease or whether multiple holding leases are to be obtained. Generally speaking, the outcome depends on whether there is horizontal overlapping of the storage formations or, if there is no horizontal overlapping, whether the storage formations extend to the same block or to blocks that have a side or a corner point in common. Otherwise, a separate holding lease is to be obtained.

Clause 335 sets out the details to be supplied with an application for a greenhouse gas holding lease and also provides for the application period for a lease.

Clause 336 makes provision for an applicant to vary their application for a greenhouse gas holding lease, prior to an offer document being given by the Minister.
Clause 337 applies where an application for a greenhouse gas holding lease has been made under proposed section 334. It sets out the criterion for the grant of a holding lease to the holder of a greenhouse gas assessment permit. The Minister must be satisfied that the applicant is not, at the time of the application, in a position to inject a greenhouse gas substance into the identified greenhouse gas storage formation, or in the case of an application in respect of multiple greenhouse gas storage formations, into each of the storage formations, but is likely to be in such a position within 15 years.

If the Minister is satisfied of this, the Minister must give the applicant an offer document telling the applicant that the Minister is prepared to grant a greenhouse gas holding lease over the block or blocks specified in the application.

Clause 338 provides for matters relating to the Minister's refusal to grant a greenhouse gas holding lease.

Clause 339 sets out the instances where the Minister must grant an application for a greenhouse gas holding lease.

Clause 340 provides that when a greenhouse gas holding lease comes into force in relation to one or more blocks, a greenhouse gas assessment permit ceases to be in force in relation to that block or those blocks. (The greenhouse gas assessment permit will remain in force in relation to any other blocks in the permit area for the remainder of the term of the permit, unless it ceases to be in force for any reason under the Bill.)

Clause 341 provides that where a greenhouse gas assessment permit has been transferred, the transferee is to be taken to be the applicant where an application has been made for a greenhouse gas holding lease.

Subdivision 2—Application for greenhouse gas holding lease by the holder of a greenhouse gas injection licence

Clause 342 provides for the holder of a greenhouse gas injection licence to apply for a holding lease over a block or blocks containing one or more identified greenhouse gas storage formations. A reason why an injection licensee might choose to revert to a greenhouse gas holding lease is that if an injection licensee fails to carry out any injection and storage operations in the injection licence area for a continuous period of 5 years, the Minister may cancel the injection licence. Reverting to a greenhouse gas holding lease will give the injection licensee more time to...
secure a supply of greenhouse gas substance for injection into the greenhouse gas storage formation or formations.

The application must be made within 5 years of the grant of the greenhouse gas injection licence.

Clause 343 enables an application for a greenhouse gas holding lease by the holder of a greenhouse gas injection licence to be varied by the applicant. Such a variation must be made prior to the Minister giving an offer document or giving notice of a decision regarding that application.

Clause 344 provides that the Minister must grant a greenhouse gas holding lease to an injection licensee if the applicant is not, at the time of the application, in a position to inject a greenhouse gas substance into the identified greenhouse gas storage formation or formations, but is likely to be in a position to do so within 15 years.

Clause 345 provides for instances in which the Minister must refuse to grant a greenhouse gas holding lease.

Clause 346 provides for instances in which the Minister must grant a greenhouse gas holding lease.

Clause 347 provides that where the holder of a greenhouse gas injection licence applies for and is granted a greenhouse gas holding lease, then the injection licence ceases to be in force when the lease comes into force.

Clause 348 provides that where a greenhouse gas injection licence has been transferred, and an application for a holding lease has been made in relation to the blocks covered by that injection licence, then the transferee is to be taken to be the applicant for the holding lease.

**Subdivision 3—Application for special greenhouse gas holding lease by an unsuccessful applicant for a greenhouse gas injection licence**

Clause 349 applies where the holder of a greenhouse gas assessment permit or a greenhouse gas holding lease whose permit or lease area contains one or more identified greenhouse gas storage formations has applied for a greenhouse gas injection licence over the block or blocks containing the identified greenhouse gas storage formation(s) and the Minister refuses to grant the injection licence for a reason relating to the risk of a significant adverse impact on petroleum operations under a petroleum title.
The clause provides that, in these circumstances, the greenhouse gas assessment permittee or greenhouse gas holding lessee may, within the application period, apply to the Minister for a special greenhouse gas holding lease over the relevant block or blocks. The application period is 90 days beginning on the day on which the permittee or lessee was notified of the refusal.

Clause 350 provides that an applicant who lodges an application under clause 349 may vary the application before an offer document or notice of decision regarding that application has been given.

Clause 351 provides that the Minister must give an applicant for a special greenhouse gas holding lease an offer document telling the applicant that the Minister is prepared to grant the special greenhouse gas holding lease.

Clause 352 provides for the circumstances in which the Minister must grant an applicant a special greenhouse gas holding lease.

Clause 353 provides that when a special greenhouse gas holding lease comes into force over a block or blocks covered by a greenhouse gas assessment permit, that permit ceases to be in force for the area covered by the special greenhouse gas holding lease.

Clause 354 provides that when a special greenhouse gas holding lease comes into force over a block or blocks covered by a greenhouse gas holding lease (ordinary lease), that ordinary lease ceases to be in force for the area covered by the special greenhouse gas holding lease.

Clause 355 provides that where a transfer of a greenhouse gas assessment permit is registered under clause 572, any reference in an application for a greenhouse gas holding lease relating to the area subject to the transferred assessment permit is taken to be a reference to the transferee.

Clause 356 provides that where a transfer of a greenhouse gas assessment permit is registered under clause 572, any reference in an application for a special greenhouse gas holding lease relating to the area subject to the transferred assessment permit is taken to be a reference to the transferee.
Subdivision 4—Application for greenhouse gas holding lease by the holder of a petroleum retention lease

Clause 357 enables the holder of a petroleum retention lease to apply for a greenhouse gas holding lease, pursuant to the provisions of the clause.

Clause 358 enables an applicant under clause 357 to vary the application at any time before a decision on that application is made.

Clause 359 requires the Minister to give an applicant under clause 357 written notice informing the applicant of the Minister’s decision to grant a greenhouse gas holding lease for the area covered in the application.

Clause 360 sets out the procedure for the Minister to grant a greenhouse gas holding lease, after an offer document has been given to the applicant.

Clause 361 provides that where an application has been lodged for a greenhouse gas holding lease in respect of an area covered by a petroleum retention lease, if the petroleum retention lease is transferred, then references to the applicant in clauses 359, 360 and Part 3.8 should be construed as references to the transferee.

Division 3—Renewal of greenhouse gas holding lease

Clause 362 provides for applications for renewal of a greenhouse gas holding lease (other than a special greenhouse gas holding lease, which is indefinite). A greenhouse gas holding lease may only be renewed once. Like the initial holding lease, a renewed holding lease has a duration of 5 years.

An application for renewal of a holding lease must be accompanied by details of the lessee’s proposals for work and expenditure in relation to the lease area, which the Minister may incorporate into the conditions of the holding lease.

Subclause (6) provides for an extension of the period of the lease if the lease would otherwise expire before the Minister makes a decision on the application or before the application is taken to lapse.

Clause 363 sets out two alternative sets of circumstances and provide that, in those circumstances, the Minister must, or may, respectively, grant the renewal of the greenhouse gas holding lease.
Subclause (2) provides that, if the applicant has, during the term of the initial lease, complied with the conditions of the initial lease and the applicable provisions of the Bill and the regulations, and if the Minister is satisfied that the applicant is not, at the time of the application, in a position to inject a greenhouse gas substance into the identified greenhouse gas storage formation or formations, but is likely to be in a position to do so within 15 years, the Minister must give the applicant an offer document.

Subclause (3) provides that, if any of the conditions of the initial lease or of the applicable provisions of the Act and the regulations have not been complied with, but the Minister is satisfied that there are sufficient grounds to warrant the grant of the renewal of the lease, and the Minister is satisfied as set out above in relation to injection of a greenhouse gas into the storage formation, the Minister may give the applicant an offer document.

Clause 364 sets out circumstances in which the Minister must refuse to grant a renewal of a greenhouse gas holding lease.

Subclause (2) provides that, if any of the conditions of the initial lease or of the applicable provisions of the Bill or the regulations have not been complied with, and the Minister is not satisfied that there are sufficient grounds to warrant the grant of the renewal of the lease, the Minister must refuse to renew the lease.

Subclause (3) provides that, if the Minister is satisfied that the applicant is, at the time of the application, in a position to inject and store a greenhouse gas substance into the identified greenhouse gas storage formation or formations, the Minister must refuse to renew the lease.

Subclauses (4) and (5) provide for the continuation in force of the applicant's holding lease after the date when it would otherwise have expired, in a case where the Minister refuses to grant a renewal under subclause (3).

Clause 365 provides that if an applicant who has been given an offer document has made a request for the grant of a holding lease and lodged any security in the amount and in the form required, the Minister must grant the renewal of the greenhouse gas holding lease.
Division 4—Directions

Clause 366 confers power on the Minister to give a greenhouse gas holding lessee a direction for the purpose of eliminating, mitigating or managing the risk that operations under the lease could have a significant adverse impact on operations under an existing or future petroleum title. The Minister can give a direction under this clause whether or not there is a petroleum title in existence over the relevant blocks. A direction can therefore be given to protect potential petroleum acreage that has not yet been released.

Clause 367 makes it an offence to contravene a direction given under clause 366.

Division 5—Special greenhouse gas holding lessee may be requested to apply for a greenhouse gas injection licence

Clause 368 provides that if identified greenhouse gas storage formations exist in the lessee's area, and the Minister is confident that he or she would not refuse an application for an injection licence by the holder of the lease, the Minister may request the lessee to apply for an injection licence. The intention of this clause is that identified greenhouse gas storage formations can be fully utilised.

Division 6—Cancellation of certain greenhouse gas holding leases granted to the holders of petroleum retention leases

Clause 369 provides that where a greenhouse gas holding lease is related to a petroleum retention lease, then if that petroleum retention lease is cancelled, surrendered or revoked, the holding lease must be cancelled.

PART 3.4—GREENHOUSE GAS INJECTION LICENCES

Overview
A greenhouse gas injection licence is the injection and storage project licence. It authorises the injection and storage of a greenhouse gas substance in one or more identified greenhouse gas storage formations that are wholly situated in the licence area.

The injection licence authorises injection and storage operations in accordance with the specifications that were set out in the declaration of the identified greenhouse gas storage formation. That declaration will have been updated (i.e. varied) as necessary to take account of any new information about the characteristics of the storage formation or any changes in the current title-holder's proposed operations, and can be further varied during
the term of the injection licence. The specifications in the declaration
become part of the injection licence by being attached as licence conditions.
If the declaration is varied during the term of the injection licence, the licence
will also be varied so that the two remain consistent.

An injection licence remains in force until injection operations have ceased,
the site closing work program has been completed by the licensee, the
licensee has lodged any required security for the ongoing monitoring
program and the Minister has granted a site closing certificate. At that point,
the licensee has no further statutory responsibility in relation to the stored
greenhouse gas substance and can abandon the site.

**Division 1—General provisions**

**Clause 370** gives a summary of Part 3.4 but is not included in the operative
provisions of the Part.

**Clause 371** makes it an offence to inject or store a substance in the seabed
or subsoil in an offshore area unless that injection or storage is
authorised by a greenhouse gas injection licence or is otherwise
authorised or required by or under the Bill.

**Clause 372** provides that a greenhouse gas injection licence authorises the
licensee to inject and store a greenhouse gas substance in an
identified greenhouse gas storage formation that is wholly
situated in the licence area. The injection must take place at a
well situated in the licence area. This requires, in relation to the
injection well, that the top of the hole in the seabed must be in
the injection licence area and that the point at which the well
enters the greenhouse gas storage formation must be in the
injection licence area. The clause does not permit injection
operations by means of an inclined well, as is the case with
petroleum recovery operations. The clause also does not
impose any requirement as to the location of the valves and
other equipment by means of which the flow of greenhouse gas
substance into the well is controlled and which may be regarded
as part of the well. The location of such equipment will depend
on the licensee's own operations. Injection of a greenhouse gas
substance takes place as the greenhouse gas substance enters the
top of the hole in the seabed, not at any earlier point where the
pumping or compression may take place that causes it to enter
the well.

**Clause 373** provides that the Minister may grant a greenhouse gas injection
licence subject to whatever conditions the Minister thinks
appropriate. The conditions must be specified in the licence,
except for certain conditions imposed by the section itself which
do not have to be specified in the licence. The condition
imposed by clause 374 does have to be set out in the licence, including the particular specifications for each greenhouse gas storage formation. This means that the particular specifications for each greenhouse gas storage formation in an injection licence area will be publicly available, because they will appear in the Register of greenhouse gas titles.

Clause 374 imposes the condition that gives effect to the fundamental suitability determinants and other matters specified in the declaration of the identified greenhouse gas storage formation. The condition requires the injection licensee to carry out injection and storage operations under the licence consistently with the specifications in the declaration. The condition sets out various requirements in subclause (1).

Subclause (2) is the provision that 'staples' the injection licence to the declaration of the identified greenhouse gas storage formation. It requires that the matters specified in the licence as required above not be inconsistent with the fundamental suitability determinants in the declaration.

Because the matters set out above must be specified in the licence in relation to each identified greenhouse gas storage formation in the licence area, it means that injection and storage operations in relation to each storage formation must be compliant.

Clause 375 sets out various conditions which a greenhouse gas injection licence is subject to, including the condition to comply with the other standard conditions as provided for in the clause.

Clause 376 enables the Minister to vary an injection licence by imposing one or more additional conditions.

Clause 377 provides that a greenhouse gas injection licence remains in force indefinitely, i.e. for the life of the project. Where injection and storage operations have been carried on under the injection licence, the licence will remain in force until injection operations have ceased, the site closing work program has been completed by the licensee, the licensee has lodged any required security for the ongoing monitoring program and the Minister has granted a site closing certificate. Injection operations may cease for a number of reasons, including that the Minister has directed the licensee to cease injection operations and to apply for a site closing certificate.
Clause 378 provides that, if no operations for the injection and storage of a greenhouse gas substance have been carried on in an injection licence area for a period of 5 years, the Minister may, after the expiry of the notice period and having carried out the consultation process required by the section, terminate the licence.

Division 2—Obtaining a greenhouse gas injection licence

Subdivision 1—Application for greenhouse gas injection licence by the holder of a greenhouse gas assessment permit or greenhouse gas holding lease

Clause 379 provides for the making of an application for a greenhouse gas injection licence by the holder of a greenhouse gas assessment permit or greenhouse gas holding lease who has one or more identified greenhouse gas storage formations wholly located in the permit or lease area. This clause sets out the rules for determining whether multiple storage formations are to be covered by a single injection licence or whether multiple injection licences are to be obtained.

Subclause (2) provides that, if there is a single identified greenhouse gas storage formation, the permittee or lessee may apply for an injection licence over the block or blocks to which the identified greenhouse gas storage formation extends.

Subclauses (3) and (4) provide that, if there are 2 or more identified greenhouse gas storage formations which together extend to only one block, the permittee or lessee may apply for an injection licence over that block. It makes no difference whether or not a horizontal line would pass through each of the storage formations, because only one block is affected and a block is the smallest area over which a greenhouse gas injection licence can be obtained.

Subclause (4) also provides that if there are 2 or more identified greenhouse gas storage formations which together extend to 2 or more blocks and a vertical line would pass through each of the storage formations, the permittee or lessee may apply for an injection licence over those blocks.

Subclause (5) applies if there are 2 or more identified greenhouse gas storage formations which together extend to 2 or more blocks and a vertical line would not pass through each of the storage formations. Subclause (5)(c) provides that if, for each identified greenhouse gas storage formation, at least one of the blocks to which the storage formation extends immediately adjoins a block to which the other, or another
storage formation extends, the permittee or lessee may apply for an injection licence over the blocks to which the storage formations together extend. The operation of subclause (5) is not confined to circumstances where none of the identified greenhouse gas storage formations horizontally overlaps another. The subclause applies whenever a single vertical line would not pass through all of the storage formations, even if some of them do overlap.

Subclause (6) provides that, for the purpose of subclause (5), blocks "immediately adjoin" each other either if they have a side in common or if they meet at a point.

Clause 380 requires that the application set out matters corresponding to, and consistent with, the fundamental suitability determinants in the declaration of the identified greenhouse gas storage formation.

Subclause (3) requires that an application set out (among other things) a draft site plan. A decision by the Minister that the draft site plan meets requirements is an important part of the process for granting the injection licence. The regulations will set out the matters that must be covered by the site plan and the objectives that it must meet.

Clause 381 enables an applicant for a greenhouse gas injection licence to vary their application prior to the Minister giving an offer document or notice of having made a decision on the application.

Clause 382 makes provision for a decision to be made by the Minister on an application for a greenhouse gas injection licence by a greenhouse gas assessment permittee.

If the Minister is satisfied as to the matters set out in subclause (1), the Minister must give the applicant an offer document telling the applicant that the Minister is prepared to grant a greenhouse gas injection licence to the applicant. The matters as to which the Minister must be satisfied relate primarily to the potential for significant adverse impacts on existing and future petroleum operations.

Under paragraph (b), the Minister must be satisfied that, if the licence is granted, the applicant will commence injection and storage of a greenhouse gas substance in at least one identified greenhouse gas storage formation in the licence area within 5 years.
Under paragraph (c), if the Minister is satisfied that there is a significant risk of a significant adverse impact on petroleum operations under an existing post-commencement exploration permit or retention lease, or under a future post-commencement production licence in the same series as an existing exploration permit or retention lease, the Minister must be satisfied that the grant of the greenhouse gas injection licence is in the public interest.

Under paragraph (d), if the Minister is satisfied that there is a significant risk of a significant adverse impact on petroleum operations under an existing pre-commencement petroleum title, or under an existing post-commencement production licence, held by a person other than the applicant, the Minister must be satisfied that the holder of the petroleum title has agreed in writing to the grant of the injection licence and that the agreement either has been approved for registration in the Registers maintained under the Act or is reasonably likely to be so approved.

Paragraph (e) makes the same provision in relation to a future pre-commencement petroleum title, except that the agreement must be between the applicant for the greenhouse gas injection licence and the holder of the existing pre-commencement petroleum title.

A special test is applied where the proposed injection licence area overlaps a pre-commencement petroleum title or a production licence area. If there is known to be commercial petroleum in the area of the overlap, the Minister must be satisfied that there will be no significant adverse impact. The difference in this case is that the petroleum title-holder cannot agree to the grant of the injection licence where there is a risk to the petroleum. The public interest in the development of the petroleum resource is paramount.

Under paragraph (f), the Minister must be satisfied that the applicant's technical and financial resources are adequate, having regard to the nature and scale of the applicant's proposed operations.

Under paragraph (g), the Minister must be satisfied that the draft site plan satisfies the criteria specified in the regulations.

Clause 383 makes provision for a decision to be made by the Minister on an application for a greenhouse gas injection licence by a greenhouse gas holding lessee.
Subclause (1) provides that if the Minister is satisfied as to the matters set out in that subsection, the Minister must give the applicant an offer document telling the applicant that the Minister is prepared to grant a greenhouse gas injection licence to the applicant. The matters as to which the Minister must be satisfied relate primarily to the potential for significant adverse impacts on existing and future petroleum operations.

Under paragraph (b), the Minister must be satisfied that, if the licence is granted, the applicant will commence injection and storage of a greenhouse gas substance in at least one identified greenhouse gas storage formation in the licence area within 5 years.

Under paragraph (c), if the Minister is satisfied that there is a significant risk of a significant adverse impact on petroleum operations under an existing post-commencement exploration permit or retention lease, or under a future post-commencement production licence in the same series as an existing exploration permit or retention lease, the Minister must be satisfied that the grant of the greenhouse gas injection licence is in the public interest.

Under paragraph (d), if the Minister is satisfied that there is a significant risk of a significant adverse impact on petroleum operations under an existing pre-commencement petroleum title, or under an existing post-commencement production licence, held by a person other than the applicant, the Minister must be satisfied that the holder of the petroleum title has agreed in writing to the grant of the injection licence and that the agreement either has been approved for registration in the Registers maintained under the Act or is reasonably likely to be so approved.

Paragraph (e) makes the same provision in relation to a future pre-commencement petroleum title, except that the agreement must be between the applicant for the greenhouse gas injection licence and the holder of the existing pre-commencement petroleum title.

A special test is applied where the proposed injection licence area overlaps a pre-commencement petroleum title or a production licence area. If there is known to be commercial petroleum in the area of the overlap, the Minister must be satisfied that there will be no significant adverse impact. The difference in this case is that the petroleum title-holder cannot agree to the grant of the injection licence where there is a risk to the petroleum. The public interest in the development of the petroleum resource is paramount.
Under paragraph (g) the Minister must be satisfied that the applicant's technical and financial resources are adequate, having regard to the nature and scale of the applicant's proposed operations, and under paragraph (h) that the draft site plan satisfies the criteria specified in the regulations.

Clause 384 provides for a public interest test in relation to the Minister's decision under clauses 382(1)(c) and 383(1)(c).

Clause 385 provides for different matters the Minister must be satisfied of in order to determine whether the recovery of petroleum passes the commercial viability test.

Clause 386 provides that, where the applicable requirements of clauses 382 or 383 are not met, the Minister must refuse to grant the injection licence.

Clause 387 provides that if an applicant who has been given an offer document under clause 382 or 383 has made a request under clause 463 for the grant of an injection licence and lodged any security in the amount and in the form required, the Minister must grant the greenhouse gas injection licence.

Clause 388 deals with the situation where an application is made for a greenhouse gas injection licence and, at the time when the application is made, there is already an application for a post-commencement exploration permit being considered by the Minister. In such a case, the Minister's decision-making process may be different according to whether the petroleum exploration permit is, or is not, in existence at the time when the decision on the injection licence is made. The clause provides that the Minister may make a decision in the public interest to defer the decision on the grant of the injection licence until the decision on the petroleum exploration permit has been finalised by one means or another.

Clause 389 provides that a greenhouse gas assessment permit or greenhouse gas holding lease ceases to be in force when a greenhouse gas injection licence comes into force.

Clause 390 provides that where a greenhouse gas assessment permit is transferred and it relates to a block or blocks subject to an application for a greenhouse gas injection licence, then the transferee is taken to be the applicant.

Clause 391 provides that where a greenhouse gas holding lease is transferred and it relates to a block or blocks subject to an application for a greenhouse gas injection licence, then the transferee is taken to be the applicant.
Subdivision 2—Application for greenhouse gas injection licence by the holder of a production licence

Clause 392 applies where a petroleum production licensee has obtained from the Minister a declaration of one or more identified greenhouse gas storage formations wholly situated within the production licence area. The production licensee may apply for an injection licence over the relevant block or blocks, provided that there is not already a greenhouse gas title in force over that block or those blocks.

The clause sets out the rules for determining whether multiple storage formations are to be covered by a single injection licence or whether multiple injection licences are to be obtained. Generally speaking, the outcome depends on whether there is horizontal overlapping of the storage formations or, if there is no horizontal overlapping, whether the storage formations extend to the same block or to blocks that have a side or a corner point in common. Otherwise, a separate injection licence is to be obtained.

Subclause (2) provides that, if there is a single identified greenhouse gas storage formation, the permittee or lessee may apply for an injection licence over the block or blocks to which the identified greenhouse gas storage formation extends.

Subclauses (3) and (4) provide that, if there are 2 or more identified greenhouse gas storage formations which together extend to only one block, the permittee or lessee may apply for an injection licence over that block. It makes no difference whether or not a horizontal line would pass through each of the storage formations, because only one block is affected and a block is the smallest area over which a greenhouse gas injection licence can be obtained.

Subclause (4) also provides that, if there are 2 or more identified greenhouse gas storage formations which together extend to 2 or more blocks and a vertical line would pass through each of the storage formations, the permittee or lessee may apply for an injection licence over those blocks.

Subclause (5) applies if there are 2 or more identified greenhouse gas storage formations which together extend to 2 or more blocks and a vertical line would not pass through each of the storage formations. Subclause (5)(c) provides that if, for each identified greenhouse gas storage formation, at least one of the blocks to which the storage formation extends immediately adjoins a block to which the other, or another storage formation extends, the permittee or lessee may apply for...
an injection licence over the blocks to which the storage formations together extend. The operation of subclause (5) is not confined to circumstances where none of the identified greenhouse gas storage formations horizontally overlaps another. The subsection applies whenever a single vertical line would not pass through all of the storage formations, even if some of them do overlap.

Subclause (6) provides that, for the purpose of subclause (5), blocks 'immediately adjoin' each other either if they have a side in common or if they meet at a point.

Clause 393 requires that the application under section 392 set out matters corresponding to, and consistent with, the fundamental suitability determinants in the declaration of the identified greenhouse gas storage formation.

Subclause (3) requires that an application set out (among other things) a draft site plan. A decision by the Minister that the draft site plan meets requirements is an important part of the process for granting the injection licence. The regulations will set out the matters that must be covered by the site plan and the objectives that it must meet.

Clause 394 provides that an applicant for a greenhouse gas injection licence may vary their application any time before the Minister gives an offer document or gives notice of a decision relating to that application.

Clause 395 applies where a petroleum production licensee has made an application for a greenhouse gas injection licence. There is an important difference between the circumstances in which a petroleum production licensee applies for a greenhouse gas injection licence under this clause and those in which a greenhouse gas assessment permittee or a greenhouse gas holding lessee applies for an injection licence. The difference is that the petroleum production licensee has not had to compete with other applicants for the blocks over which the injection licence is sought. By contrast, a greenhouse gas title-holder will have had to compete via a work program bid for the initial assessment permit over the blocks. In order to maintain competitive neutrality between petroleum production licensees and greenhouse gas permit and lease-holders, it is considered appropriate that there be some restriction on the operations that can be carried on under an injection licence granted under this section. That restriction is in paragraph (c). The clause sets out the matters as to which the Minister must be satisfied in order to grant the injection licence.
Under paragraph (b), the Minister must be satisfied that, if the licence is granted, the applicant will commence injection and storage of a greenhouse gas substance in at least one identified greenhouse gas storage formation in the licence area within 5 years.

Paragraph (c), which is applicable only to applications under this clause, requires the Minister to be satisfied that all of the greenhouse gas substance injected into the identified greenhouse gas storage formation will be obtained as a by-product of petroleum recovery operations carried on under the production licence. This does not extend to by-product greenhouse gas sourced from other petroleum title areas, even those held by the same person. This ensures that a petroleum production licensee's concessional access to a greenhouse gas injection licence does not give an unfair competitive advantage to the petroleum industry when entering the greenhouse gas injection and storage industry.

Paragraph (d) provides that, if the Minister is satisfied that there is a significant risk of a significant adverse impact on petroleum operations under an existing post-commencement exploration permit or retention lease, or under a future post-commencement production licence in the same series as an existing exploration permit or retention lease, the Minister must be satisfied that the grant of the greenhouse gas injection licence is in the public interest or that the petroleum title-holder has agreed to the grant of the injection licence.

Under paragraph (e), if the Minister is satisfied that there is a significant risk of a significant adverse impact on petroleum operations under an existing pre-commencement petroleum title held by a person other than the applicant, the Minister must be satisfied that the holder of the petroleum title has agreed in writing to the grant of the injection licence.

Paragraph (f) makes the same provision in relation to a future pre-commencement petroleum title, except that the agreement must be between the applicant for the greenhouse gas injection licence and the holder of the existing pre-commencement petroleum title.

Under paragraph (g), if the Minister is satisfied that there is a significant risk of a significant adverse impact on petroleum operations under another existing production licence held by a person other than the applicant, the Minister must be satisfied that the holder of the other production licence has agreed to the grant of the injection licence.
Under paragraph (h) the Minister must be satisfied that the applicant's technical and financial resources are adequate, having regard to the nature and scale of the applicant's proposed operations, and under paragraph (i) that the draft site plan satisfies the criteria specified in the regulations.

Clause 396 requires the Minister to provide written notice of a decision to refuse to grant a greenhouse gas injection licence applied for under clause 392.

Clause 397 provides that if an applicant who has been given an offer document under clause 395 has made a request under clause 463 for the grant of an injection licence and lodged any security in the amount and in the form required, the Minister must grant the greenhouse gas injection licence.

Clause 398 provides that where a petroleum licence covering a block or blocks which are subject to an application for a greenhouse gas injection licence is transferred, the transferee is taken to be the applicant.

**Division 3—Variations**

Clause 399 enables a greenhouse gas injection licensee to apply to the Minister for a variation of the specification (i.e. description) in the licence of the identified greenhouse gas storage formation or of one of the matters corresponding to the fundamental suitability determinants. The Minister has a discretion as to whether to make the variation. If the Minister varies the licence, the varied matter must not be inconsistent with the fundamental suitability determinants in the declaration of the identified greenhouse gas storage formation. The effect of this requirement is that if an injection licensee wishes to vary a matter in the licence in a way that would make the licence inconsistent with the fundamental suitability determinants in the declaration of the identified greenhouse gas storage formation, the licensee will have to seek a variation to the declaration.

Clause 400 is another provision that 'staples' the injection licence to the declaration of the identified greenhouse gas storage formation. The clause provides that, if the Minister varies the identified greenhouse gas storage formation so that it is inconsistent with the injection licence, the Minister must vary the injection licence to make it consistent.
Division 4—Directions

Clause 401 enables the Minister to give a direction to an injection licensee for the purpose of eliminating, mitigating or managing the risk that operations under the injection licence could have a significant adverse impact on a geological formation that contains petroleum or otherwise compromise the exploitation of any petroleum. For example, the drilling of a well by the injection licensee might break the geological seal holding an accumulation of petroleum in place, or it might so reduce pressure in the geological formation that the petroleum became irrecoverable, or not commercially viable to recover.

A direction may require the licensee to do something inside or outside the licence area. This power to require the licensee to do something outside the licence area is a new feature introduced by this Bill and is specific to greenhouse gas licensees.

Clause 402 provides that where a declaration of identified greenhouse gas storage formation is varied in a way that is not consistent with the greenhouse gas injection licence, the Minister must vary the licence pursuant to the provisions in the clause.

Clause 403 sets up a consultation process in a case where a direction requires an injection licensee to do something outside the injection licence area in an area over which another person holds a greenhouse gas title.

Clause 404 is an offence provision and provides that a person must not contravene, without reasonable excuse, a direction given under clause 401. A penalty of 120 penalty units applies.

Division 5—Dealing with serious situations

Clause 405 lists the circumstances in which a "serious situation" is considered to exist. Under subclause (1)(a) and (b), these include a situation where an injected greenhouse gas substance has leaked or is leaking, or there is a significant risk that it will leak, from the identified greenhouse gas storage formation. (This refers to the injected greenhouse gas substance migrating outside the expected migration path. It does not necessarily mean that there is a risk of leakage into the atmosphere or into a place where there is potential damage to a resource, although these would of course be included.)
Subclause (1)(c) and (d) refer to the situation where the greenhouse gas substance has leaked, or is leaking, or there is a significant risk of it leaking, in the course of being injected into the greenhouse gas storage formation.

Subclause (1)(e) and (f) refer to the greenhouse gas substance behaving otherwise than as predicted in the site plan. There may be no identifiable risk attaching to these circumstances. However, it means that the licensee’s predictions have been wrong, and that there will at least have to be a review by the licensee of the available information to ascertain whether the mistake was a material one, and if so, a revision to the site plan or a modification to the licensee’s operations, to the satisfaction of the Minister.

Subclause (1)(g) and (h) refer to the injection and storage of the greenhouse gas substance having a significant adverse impact on the geotechnical integrity of the geological formation or geological structure of which the identified greenhouse gas storage formation forms a part. For example, the greenhouse gas substance may react chemically with the rock that forms the storage formation in a manner that impacts adversely on the storage capacity of the formation. Alternatively, there may be an unexpected build-up of pressure at a particular point.

Finally, subclause (1)(i) lists the situation where the identified greenhouse gas storage formation turns out not to be "suitable" for the injection and storage of the particular amount of the particular greenhouse gas substance set out in the declaration of the identified greenhouse gas storage formation, if injected at the point(s) and over the period set out in the declaration.

Clause 406 sets out the range of powers available to the Minister where the Minister is satisfied that one of the situations listed in the clause exists. With one exception, the powers are expressed in very general terms, because the actions that the injection licensee might be directed to take, or refrain from taking, will depend on the particular operations and the particular circumstances. The greenhouse gas injection and storage industry is a very new industry. The technological processes involved and the conditions that might be encountered within geological formations, perhaps 30 or 40 years from now, must be dealt with legislatively in broad terms so as to enable the regulator to take the most appropriate and effective action when the time comes.

The one exception to the general drafting of the powers is in subclause (1)(d). This is merely an example of the actions that the Minister might require the injection licensee to undertake.
Where the problem that has arisen is that there has been a build-up of pressure at a point in the storage formation that might not be capable of withstanding it, the remedy might be to inject a greenhouse gas substance or another substance such as air or water on one side or other of the weak point. Alternatively, the remedy might be to recover some of the stored greenhouse gas.

A direction may require the licensee to do something inside or outside the licence area.

Clause 407 provides that in the case of a direction inconsistent with the licence, the Minister may vary the licence to remove the inconsistency. In the case of an inconsistency with the site plan, the licensee must submit a proposed variation of the site plan for the approval of the Minister.

Clause 408 sets up a consultation process in a case where a direction under clause 406 requires an injection licensee to do something outside the injection licence area in an area over which another person holds a greenhouse gas title.

Clause 409 is an offence provision. It provides that a person must not contravene, without reasonable excuse, a direction given by the Minister under clause 406. A penalty of 120 penalty units applies.

**Division 6—Protection of petroleum discovered in the title area of a pre-commencement petroleum title**

Clause 410 applies where a greenhouse gas injection licence overlaps in whole or in part over a pre-commencement petroleum title and there is a discovery of commercial, or potentially commercial, petroleum in the area of the overlap. Subclause (1) provides that, if the Minister is satisfied that there is a significant risk that injection and storage operations under the injection licence will have a significant adverse impact on the recovery of the petroleum and the petroleum title-holder has not agreed to the injection and storage operations going ahead, the Minister must give a direction to the injection licensee for the purpose of eliminating the risk, or suspend any or all of the rights under the injection licence or cancel the injection licence.

Subclause (3) is in the same terms, except that the direction must be given for the purpose of mitigating, managing or remediating the risk.
Clause 411 provides that in the case of a direction inconsistent with the licence, the Minister may vary licence to remove the inconsistency. In the case of an inconsistency with the site plan, the licensee must submit a proposed variation of the site plan for the approval of the Minister.

Clause 412 sets up a consultation process in a case where a direction under clause 410 requires an injection licensee to do something outside the injection licence area in an area over which another person holds a greenhouse gas title.

Clause 413 is an offence provision. It provides that a person must not contravene, without reasonable excuse, a direction given under clause 410. A penalty of 120 penalty units applies.

Division 7—Site closing certificates

Clause 414 provides that an injection licensee who has injected a greenhouse gas substance into one or more identified greenhouse gas storage formations in the licence area must apply for a site closing certificate when injection operations in the whole licence area have ceased permanently. The application must be accompanied by a written report setting out various matters listed.

Clause 415 is an offence provision which provides that where operations under a greenhouse gas injection licence have ceased, the licensee must apply for a site closing certificate. The clause also sets out the time within which this application must be made. Should the licensee not comply with this provision, a penalty of 120 penalty units applies.

Clause 416 provides that if there exists a grounds for cancellation of a greenhouse gas injection licence, pursuant to Division 1 of Part 3.11, the Minister may direct that a licensee apply for a site closure certificate pursuant to the provisions in the clause.

Clause 417 is an offence provision which provides that a person must not contravene, without reasonable excuse, a direction given under clause 416(1).

Clause 418 provides that where a greenhouse gas injection licence is related to a petroleum retention lease or a petroleum production licence, and the lease or production licence cease to be in force, the holder of the greenhouse gas injection licence must apply for a site closure certificate.
Clause 419 provides that an applicant for a site closing certificate may vary their application at any time prior to a decision being made on the application.

Clause 420 sets out the circumstances in which a site closing certificate may be granted.

Clause 421 requires the Minister to have regard to any significant risk that the injected greenhouse gas substance will have a significant adverse impact on navigation, fishing, pipeline construction or operation or the enjoyment of native title rights. These matters are relevant to determining whether or not to grant a pre-certificate notice to an applicant.

Clause 422 provides that the Minister may refuse to grant a pre-certificate notice if he or she is not satisfied that the injected greenhouse gas substance is behaving as predicted in the site plan, or if he or she is satisfied that there is a significant risk to the conservation or exploitation of natural resources, or to the geotechnical integrity of a geological formation or structure or to the environment or human health or safety.

Clause 423 provides that the Minister must not give the applicant a pre-certificate notice in relation to the identified greenhouse gas storage formation unless the Minister is satisfied of the matters set out in the clause.

Clause 424 provides that the Minister must give an applicant for a site closing certificate a receipt confirming that the application has been received.

Clause 425 requires the Minister to give written notice to the applicant for a site closing certificate of the Minister's decision to refuse the application.

Clause 426 applies where the Minister has made the decision to grant a site closing certificate to an injection licensee. The pre-certificate notice requires the injection licensee to provide security to cover the cost of the program of monitoring of the future behaviour of the greenhouse gas substance stored in the identified greenhouse gas storage formation. The purpose of obtaining this security is that the program of monitoring and verification will be carried out over a considerable time, and there is no certainty that the person responsible for payment of the State's costs and expenses will continue to be in existence, or continue to be in a financial position to reimburse the State.
Clause 427 provides that if the injection licensee lodges the security in compliance with the pre-certificate notice, the Minister must issue the site closing certificate.

Clause 428 provides that where a site closing certificate has been applied for in respect of an identified greenhouse gas storage formation that is subject to a greenhouse gas injection licence and the greenhouse gas injection licence is transferred, the transferee is taken to be the applicant for the site closing certificate.

Clause 429 provides that a site closing certificate remains in force indefinitely, subject to the provisions in Chapter 3.

Clause 430 provides that where a greenhouse gas injection licence is transferred, a site closing certificate is also transferred to the person to whom the licence was transferred. This transfer of the site closing certificate does not require a formal site closing certificate transfer process; it is deemed to be transferred by application of the clause.

Clause 431 provides for a transfer of the interest in a security. This is necessary so that, if the whole or part of the security is discharged, the return can be made by the State to the right person.

Clause 432 provides that regulations may be made for the purpose of authorising the Minister to discharge the securities in force in relation to site closing certificates.

Clause 433 makes the costs and expenses of the State in carrying out the post site closing work program recoverable from the holder of the site closing certificate.

PART 3.5—GREENHOUSE GAS SEARCH AUTHORITIES

Division 1—General provisions

Clause 434 provides a simplified outline of Part 3.5. This is not an operative provision of the Act.

Clause 435 provides that a greenhouse gas search authority authorises the holder of the authority to, in the authority area, do everything required to explore for potential greenhouse gas storage formations and injection sites, except for making a well. For example, the titleholder may carry out seismic surveys and seabed sampling.

The section provides that these titleholder rights are subject to the Bill and the regulations (for example, a greenhouse gas
search authority may be surrendered under Part 3.10 of the Bill, or cancelled under Part 3.11, if the requirements in those Parts are met).

Clause 436 provides that the Minister may grant a greenhouse gas search authority subject to whatever conditions the Minister thinks fit. Those conditions (if any) must be specified in the authority. Conditions could include, for example, temporal or spatial restrictions to avoid conflict with navigation in a shipping lane.

Clause 437 deals with the period during which a greenhouse gas search authority is in force. The clause provides that an authority comes into force on the day specified in the authority, and remains in force for the period specified in the authority. This period must not exceed 180 days (see subclause (3)). Subclause (4) provides that this clause has effect subject to this Chapter. For example, a greenhouse gas search authority may be surrendered (under Part 2A.10). If that occurred, the authority would no longer be in force even if the period specified in the authority had not yet expired.

Clause 438 provides that a greenhouse gas search authority cannot be transferred from one person to another. The relatively short duration of a search authority (maximum 180 days) means that the administrative procedures which are involved in transferring a title under this Bill would be disproportionate to the duration of the authority. Further, as there is no enduring title to an area under a greenhouse gas search authority, it is not inconsistent with the nature of the title to require any new party to apply for a new search authority.

Division 2—Obtaining a greenhouse gas search authority

Clause 439 sets out the basic application procedure for greenhouse gas search authorities. This procedure is complemented by the standard procedures in Part 3.8.

Subclause (1) specifies that a person may apply for a greenhouse gas search authority over a block or blocks, provided that none of the following are in force over the block or blocks the subject of the application: a greenhouse gas assessment permit, a greenhouse gas holding lease, a greenhouse gas injection licence, an exploration permit, a retention lease or a production licence.

An application may be made in respect of blocks in relation to which another permit, licence consent or authority has been granted under the Bill.
For example a company which was not a titleholder under the Bill may apply for a greenhouse gas search authority if it wished to undertake speculative surveys in the offshore area, in order to sell the data obtained from those surveys.

The application must specify the operations which the applicant wishes to carry on, and the blocks within which the applicant wishes to carry on those operations. The application must be accompanied by the application fee.

Clause 440 provides that where an application has been made for a greenhouse gas search authority, the Minister must consider the application, and then either grant the authority to the applicant or refuse to grant the authority to the applicant. If the Minister refuses to grant the authority, the Minister must notify the applicant in writing of the refusal. If the Minister decides to grant the authority, the Minister may do so with or without conditions.

Clause 441 provides that more than one greenhouse gas search authority may be granted in respect of a block (that is, a search authority is not an exclusive right over the blocks in respect of which the authority is granted). This section provides for notification to be given to any existing holder of a search authority over a block if a new search authority is granted over the same block. The Minister must provide written notification, setting out the operations authorised by the new greenhouse gas search authority, and any conditions of the authority.

The Minister is also required to notify the new search authority holder of the existing search authority or authorities in force in respect of that block, including the operations authorised by, and any conditions of, the authority or authorities.

Clause 442 provides for notification to be given to any existing holder of a greenhouse gas search authority over a block if a special prospecting authority is granted over the same block. The Minister must inform the search authority holder or holders of the operations authorised by, and any conditions of, the special prospecting authority. The Minister must inform the person who has been granted the special prospecting authority of the existence of, the operations authorised by, and any conditions of, any greenhouse gas search authorities in force in respect of the block.
PART 3.6—GREENHOUSE GAS SPECIAL AUTHORITIES

Division 1—General provisions

Clause 443 provides a simplified outline of Part 3.6. This is not an operative provision.

Clause 444 authorises the holder of a greenhouse gas special authority to carry on, in the authority area, the operations specified in the authority. The holder must do so in accordance with any conditions to which the authority is subject. The operations authorised by the special authority must relate to greenhouse gas exploration, injection or storage. The greenhouse gas special authority cannot authorise the holder to make a well.

Only a person who holds a greenhouse gas assessment permit, greenhouse gas holding lease, greenhouse gas injection licence or greenhouse gas search authority may apply for a greenhouse gas special authority. Further, the person can only be granted a special authority over an area which is either in the same offshore area as the existing title held by the person, or in an adjoining offshore area.

A person may apply for a greenhouse gas special authority if, for example, the person wished to obtain geoscientific information about a block adjacent to the person's title area. The operations for which authorisation is sought could, as an example, involve carrying out seismic surveys or seabed sampling.

Clause 445 provides that a greenhouse gas special authority may be granted subject to any conditions the Minister thinks appropriate. Any conditions placed on a greenhouse gas special authority must be set out in the authority.

Clause 446 provides for the period in which a greenhouse gas special authority will be in force. A special authority comes into force on the day specified in the authority, and remains in force for the period specified in the authority. The period may be extended by the Minister for a further period.

Subclause (3) provides that this clause has effect subject to this Chapter. For example, a greenhouse gas special authority may be surrendered. If one of those events occurred, the authority would no longer be in force even if the period specified in the authority had not yet expired.
Division 2—Obtaining a greenhouse gas special authority

Clause 447 sets out who may apply for a greenhouse gas special authority. It also sets out what operations the person may apply to have authorised under a greenhouse gas special authority, and in respect of which areas the person may apply for a greenhouse gas special authority.

Additional procedures relating to obtaining a greenhouse gas special authority are set out in Part 3.8 of the Bill.

Clause 448 sets out limits on the Minister's discretion to grant a greenhouse gas special authority to an applicant under clause 447. The Minister may only grant a greenhouse gas special authority to a person if the Minister is satisfied that it is necessary or desirable to do so, either for the more effective use of the applicant's rights, or for the proper performance of the applicant's duties, in the applicant's capacity as the registered titleholder of one of the titles set out in that section.

The Minister also has a power to refuse to grant a greenhouse gas special authority to the applicant, by notice in writing.

Consultation procedures apply to the consideration of certain applications for a greenhouse gas special authority.

Clause 449 provides that a consultation process must take place before a greenhouse gas special authority is granted if any of the area over which the greenhouse gas special authority is sought is already the subject of a greenhouse gas assessment permit, a greenhouse gas holding lease, a greenhouse gas injection licence or a greenhouse gas search authority held by a person who is not the applicant for the greenhouse gas special authority. The consultation process is set out in subclauses (2) to (4).

There is an exception to the requirement for consultation if the titleholder has given written consent to the grant of the greenhouse gas special authority (see subclause (1)(d)).

No consultation process is required if the greenhouse gas special authority applicant holds a separate title over the blocks over which the greenhouse gas special authority is granted. This may occur, for example, if the applicant's title over that block is about to expire or be terminated, but the applicant wishes to continue operations in the block for a period after the expiration or termination.
Division 3—Variation of greenhouse gas special authority

Clause 450 gives the Minister power to vary a greenhouse gas special authority by written notice given to the holder of the authority. Consultation is required in most cases before a variation is made.

Clause 451 sets out the consultation procedures which apply in relation to a proposed variation of a greenhouse gas special authority. Consultation must take place where the authority area is, to any extent, the subject of a greenhouse gas assessment permit, greenhouse gas holding lease, greenhouse gas injection licence or greenhouse gas search authority which is held by a person other than the person who holds the greenhouse gas special authority.

There is an exception to the requirement for consultation where the holder of the other title gives written consent to the variation—see subclause (1)(d).

Division 4—Reporting obligations of holders of greenhouse gas special authorities

Clause 452 provides for monthly reporting by registered holders of greenhouse gas special authorities of the operations carried out under the authority and the facts ascertained from those operations. The report must be given to any holder of a greenhouse gas assessment permit, greenhouse gas holding lease, or greenhouse gas injection licence which is in force in the same area as the greenhouse gas special authority. The reporting requirements are intended to benefit the holders of those other titles, by making data available which is relevant to those titles. The titleholders may be able to use that data for commercial purposes.

Division 5—Revocation of greenhouse gas special authorities

Clause 453 provides the Minister with a power to revoke a greenhouse gas special authority. The clause does not require that consultation take place prior to the Minister making the revocation. The generally short period of duration of a greenhouse gas special authority means that, in many cases, the greenhouse gas special authority would expire before a consultation process could have been completed.
The Minister is required to notify any holder of a greenhouse gas assessment permit, greenhouse gas holding lease or greenhouse gas injection licence (which is in force in the same area as the greenhouse gas special authority) of the revocation. This is consistent with the requirement that the greenhouse gas special authority holder notify any such of the results of the greenhouse gas special authority operations.

**Part 3.7—Greenhouse gas research consents**

Clause 454 provides a simplified outline of Part 3.7. It is not an operative provision in the Bill.

Clause 455 sets out the rights conferred on the holder of a greenhouse gas research consent.

A greenhouse gas research consent relates to one offshore area only. It authorises the holder to carry out, in the course of the scientific investigation specified in the consent, operations relating to the exploration for potential greenhouse gas storage formation and injection sites that are specified in the consent. A separate research consent would need to be sought if the applicant wished to carry on scientific investigations that required access to more than one offshore area.

These rights are subject to the conditions set out in the greenhouse gas research consent. The research consent holder must not interfere with the rights of other users of the marine areas in which the scientific investigation is carried out, to a greater extent than is necessary for the exercise of the research consent holder's rights.

Clause 456 provides that the Minister may grant a greenhouse gas research consent subject to whatever conditions the Minister thinks appropriate. The Minister must specify the conditions in the research consent.

Conditions in greenhouse gas research consents may be more wide-ranging in scope than conditions imposed in relation to other titles. This is because the conditions imposed in relation to a research consent are the primary legal instrument for regulating the research consent holder's activities.

Clause 457 provides the Minister with a power to grant a greenhouse gas research consent to a person. The Minister may only grant a research consent which authorises a person to carry on, in an offshore area, operations which relate to the exploration for potential greenhouse gas storage formations or injection sites, in the course of a scientific investigation. This means that the
Minister would require relevant information to be able to assess whether the activities in respect of which a research consent was sought fit within these requirements. This would be likely to include information about the credentials of the person or company seeking the research consent, and the objectives and plan of the scientific investigation in relation to which the research consent is sought.

**PART 3.8—STANDARD PROCEDURES**

Clause 458 provides that the types of applications listed in the section must be made in the manner approved in writing by the Minister. The Minister may approve a different manner of application for the different types of applications.

Clause 459 provides that applications of the kind listed in the clause must be accompanied by the application fee (if any) specified in the regulations. A different application fee may be prescribed in the regulations for the different types of applications. The imposition of application fees enables the State to recover the costs incurred in processing applications under the Bill.

No application fee is required for an application for a greenhouse gas special authority or greenhouse gas research consent. Generally, an applicant for a greenhouse gas special authority will already be a titleholder, and the special authority work will be auxiliary to the work done under the title.

Clause 460 provides that applicants submitting the types of applications set out in the clause may, in the application, set out any additional matters that the applicant wishes the Minister to consider when assessing the application.

This provision does not apply to every type of application.

Clause 461 provides the Minister with a power to require the applicant (in respect of the applications listed in subclause (1)) to give the Minister further specified information relating to the application. This power could be used more than once in connection with any particular application.

If the person who is required to provide additional information does not do so, the Minister may refuse to consider, or take any further action in relation to, the application.

The power to require further information does not relate to every type of greenhouse gas title application under the Bill.
Clause 462 deals with the issuing of an offer document for the grant of a greenhouse gas assessment permit, greenhouse gas holding lease or greenhouse gas injection licence, and the renewal of a greenhouse gas holding lease. The clause sets out what must be included in an offer document in respect of one of those titles. These requirements are intended to ensure that the applicant receives all the necessary information to be able to progress the grant or renewal of the title, and that the applicant is aware of the conditions which will operate in respect of the title. In practice, the applicant should be aware of these conditions prior to the issue of the offer document, through consultation about the conditions with the applicant during the application process. The clause also provides that the offer document may require the applicant to lodge a security in respect of compliance with the applicant's relevant statutory obligations (see subclauses (4) and (5)).

If the applicant cannot accept the conditions set out in the offer document, the applicant can allow the application to lapse by not making a request that the grant or renewal (as the case may be) be made.

There is no offer document issued in relation to greenhouse gas search authorities, special authorities or research consents. These titles are of short duration, and may simply be issued by the Minister in accordance with the relevant legislative requirements for each title.

Clause 463 provides for the next step after an offer document is issued to an applicant under clause 462.

An applicant who has received an offer document must accept the offer under this clause in order for the title the subject of the application to be granted or renewed (as the case may be). Subclause (1) provides a table which sets out the time period within which the applicant must accept the offer. The time period for most types of applications is 30 days, however, the time period is longer for an application for a greenhouse gas injection licence. In respect of applications for a grant of a work bid greenhouse gas assessment permit, a grant of a greenhouse gas holding lease (but not a renewal) and a grant of a greenhouse gas injection licence, the Minister may extend the period in accordance with the requirements set out in the table and subclauses (2) and (3).
The application lapses if the applicant does not accept the offer within the relevant timeframe, or pay a security if one is required. In the case of an application for a cash-bid greenhouse gas assessment permit, the application will also lapse if the offer document specified an amount which must be paid to the State for the grant of the permit, and the application does not pay the amount within the same timeframe under this clause.

Clause 464 relates to applications for cash-bid greenhouse gas assessment permits. The clause provides that an application will lapse if an offer document has been given to the applicant which specifies an amount that must be paid to the State for the grant of the permit, and the applicant does not pay that amount within the timeframe that applies for accepting the offer.

Clause 465 applies where an offer document has been given to an applicant and that offer document requires a security to be lodged. The clause provides that, if the security is not lodged within the time period for accepting the offer, then the application lapses.

Clause 466 provides for consultation with an applicant where, in relation to an application of the type set out in subclause (1), the Minister is considering refusing to make the relevant grant, renewal or variation. These applications relate to situations where the applicant is already a titleholder, and so would generally have made significant financial investment in the title in the preceding years.

The consultation process requires the Minister to advise the applicant of the Minister's reasons for the proposed refusal, and to take into account any submissions that the applicant makes to the Minister in relation to the proposed refusal. The clause also provides for consultation with other relevant persons. This could include, for example, contractors of the titleholder who carry out operations in the title area.

Clause 467 provides that the Minister may, by written notice, request information from an applicant regarding entering into a designated agreement and the terms of such a designated agreement.
PART 3.9—VARIATION, SUSPENSION AND EXEMPTION

Division 1—Variation, suspension and exemption decisions relating to greenhouse gas assessment permits, greenhouse gas holding leases and greenhouse gas injection licences

Clause 468 provides that conditions placed on a title are expected to apply for the full period of the title. However, there are some circumstances where it may be appropriate for a condition to be varied or suspended, or an exemption granted from compliance with a condition. This clause deals with when and how variation, suspension and exemption of conditions of greenhouse gas assessment permits, holding leases and injection licences may take place.

Subclause (1) sets out when the conditions of a title may be varied or suspended, or an exemption granted (see the table in that subclause). Subclause (2) provides the Minister with the power of variation, suspension and exemption, by issue of a written notice to the titleholder. The Minister may impose conditions on the variation, suspension or exemption, and any conditions must be specified in the notice. However, the Minister's power under this clause does not extend to altering the term of a title.

If a greenhouse gas injection licence is varied under this clause, the variation must be published in the Government Gazette, and the variation takes effect on that day. A variation of a greenhouse gas assessment permit or greenhouse gas holding lease takes effect on the day on which the notice of the variation is given to the titleholder.

Clause 469 provides that where a suspension or exemption has been made in relation to any condition of a greenhouse gas assessment permit or greenhouse gas holding lease (but not a greenhouse gas injection licence), and the Minister considers that it is reasonable in the circumstances of the case to extend the term of the permit or lease, the Minister can extend the term of the permit or lease, but not beyond the term of the suspension or exemption.

The extension may be set out in the notice of suspension or exemption given to the titleholder, or in a later written notice given to the titleholder.
Clause 470 requires the Minister to suspend rights conferred by a greenhouse gas assessment permit or greenhouse gas holding lease if the Minister is satisfied that it is necessary to do so in the national interest. This could occur, for example, as a result of a new discovery of an area of high environmental sensitivity, or for defence or national security reasons. The suspension may be of all or any of the rights conferred by the permit or lease, and may be indefinite or for a specified period. The term of the permit or lease may be extended accordingly.

This power does not extend to greenhouse gas injection licences, which generally involve a higher capital investment and a smaller seabed area than a greenhouse gas assessment permit or greenhouse gas holding lease.

Clause 471 provides that if the Minister has suspended any or all of the rights of a greenhouse gas assessment permit or greenhouse gas holding lease, the Minister has a related power to extend the term of that permit or lease for a period which is equal to (or less than) the period of the suspension. This power is expected to be exercised where, for example, the suspension means that the titleholder cannot keep to a work plan which is imposed as a condition of the title. If an extension was not granted in these circumstances, the titleholder may not be able to complete the work plan requirements before the end of the period of the title.

Division 2—Variation, suspension and exemption decisions relating to greenhouse gas search authorities and greenhouse gas special authorities

Clause 472 deals with when and how variation, suspension and exemption of conditions of greenhouse gas search authorities and special authorities may take place.

Subclause (1) sets out when the conditions of a title may be varied or suspended, or an exemption granted (see the table in that subclause). Subclause (2) provides the Minister with the power of variation, suspension and exemption, by issue of a written notice to the titleholder.

The Minister may impose conditions on the variation, suspension or exemption. Any conditions must be specified in the notice.
PART 3.10—SURRENDER OF TITLES

Division 1—Surrender of greenhouse gas assessment permits, greenhouse gas holding leases and greenhouse gas injection licences

Clause 473 sets out who may apply for a consent to surrender a greenhouse gas assessment permit, holding lease or injection licence, and whether the application must be in respect of the whole of the title or could also be made in respect of part of the title only.

An application may be made by the registered titleholder in writing. An application for consent to surrender a greenhouse gas assessment permit or a greenhouse gas holding lease must be for the whole permit or lease. However, an application to surrender made in respect of a greenhouse gas injection licence can be for either the whole licence, or some or all of the blocks in relation to which the licence is in force.

Clause 474 provides the Minister with the power to give consent to a surrender application, and sets out the criteria which must be met before consent can be given.

Clause 475 provides that if some or all of the criteria are not met, the Minister may still consent to the surrender if the Minister is satisfied that there are sufficient grounds to warrant giving the consent.

Clause 476 provides that if an application for consent to surrender is made by the holder of a greenhouse gas assessment permit who is required to carry out any specified work during the period in which the application for consent is made, the permit holder is taken to not have complied with that condition unless the holder has completed the specified work.

Clause 477 sets out what is meant by the surrender area.

Clause 478 provides for the surrender of a permit, lease or licence and provides for when the surrender comes into force.

Division 2—Surrender of greenhouse gas search authorities and greenhouse gas special authorities

Clause 479 provides that the holder of a greenhouse gas search authority may surrender the authority by written notice to the Minister.

Clause 480 provides that the holder of a greenhouse gas special authority may surrender the authority by written notice to the Minister.
PART 3.11—CANCELLATION OF TITLES

Division 1—Cancellation of greenhouse gas assessment permits, greenhouse gas holding leases and greenhouse gas injection licences

Clause 481 sets out a list of grounds for cancelling a greenhouse gas assessment permit, greenhouse gas holding lease or greenhouse gas injection licence. The grounds generally relate to non-compliance with obligations or follow from a revocation of a declaration in relation to the title (see paragraphs (e) and (f)).

Clause 482 provides the Minister with power to cancel a greenhouse gas assessment permit, greenhouse gas holding lease or greenhouse gas injection licence if there is a ground for doing so.

The Minister must follow the consultation procedures set out in clause 483 before exercising the power of cancellation. The Minister must also, in deciding whether to cancel the title, take into account any action the titleholder has taken to remove the ground of cancellation and to prevent the recurrence of similar grounds. After undertaking the consultation process and taking these matters into account, the Minister may decide not to cancel the title. If the Minister does decide to cancel the title, the cancellation must be published in the Government Gazette, and the cancellation takes effect on the day of publication.

Clause 483 sets out the consultation process which the Minister is required to undertake prior to exercising the right to cancel a title under clause 482. Broadly, the Minister is required to notify the titleholder, and any other person that the Minister sees fit (for example, a contractor who has been working on the title operations), of the proposed cancellation and the reasons for it, and invite each of those persons to make a submission about the proposal. When considering whether to go ahead with the cancellation, the Minister must take into account those submissions.

Clause 484 provides that, where a titleholder has not complied with specified provisions of the Bill (which could give rise to both cancellation of the title and criminal prosecution), the Minister may exercise the power of cancellation even if the titleholder has been convicted of an offence in respect of that non-compliance. Likewise, the titleholder can still be prosecuted even if the Minister has exercised the power of cancellation as a result of the non-compliance.
Division 2—Cancellation of greenhouse gas search authorities

Clause 485 provides the Minister with a power to cancel a greenhouse gas search authority if the titleholder has breached a condition of the authority. The cancellation is by written notice to the titleholder.

There is no requirement to undertake consultation with the titleholder prior to cancelling the title (unlike in relation to the cancellation of greenhouse gas assessment permits, holding leases and injection licences). This difference reflects the shorter term of a search authority, which would generally mean that the search authority term would expire before a consultation process was complete.

PART 3.12—OTHER PROVISIONS

Clause 486 requires that the Minister be notified by a permittee, lessee or licence holder who has reasonable grounds to suspect that a part of the permit, lease or licence area has an eligible greenhouse gas storage formation.

Clause 487 requires the holder of a greenhouse gas assessment permit to notify the Minister if petroleum is discovered in the areas listed in subclause (1). The clause also requires the holder of the greenhouse gas assessment permit to provide further details for the discovery of the petroleum.

Clause 488 makes it an offence to add waste or other matter to a greenhouse gas substance with the intention and result of the mixture being injected into the seabed or subsoil of an offshore area. The penalty is a term of imprisonment not exceeding 5 years.

Clause 489 applies to the holder of a greenhouse gas assessment permit, holding lease or injection licence. It provides that, in addition to the right of the Minister to require that an applicant provide security for compliance with statutory obligations prior to the grant of the permit, lease or licence, the Minister may, at any time during the term of the title, require the title-holder to provide security, or an additional security, in the form and in the amount specified by the Minister. This will enable the Minister, to require the title-holder to top-up the amount of security provided to a sufficient amount if it appears that insufficient security has been obtained from the title-holder.
Clause 490 ensures that, once a security is in force in relation to a greenhouse gas title, it will remain in force even though the title may have changed hands one or more times since the security was lodged. Usually, when a title-holder sells a title, any security lodged by that title-holder is discharged and it is necessary for the regulator to obtain a fresh security from the purchaser of the title. This clause will have the effect that, when a greenhouse gas assessment permit, holding lease or injection licence is transferred, the interest of the transferor in the security is transferred to the transferee along with the title. Any reference to the transferor in the security documentation has effect as if it were a reference to the transferee. The transferee of the title therefore holds the reversionary interest in the security. The value of the security has effectively become part of the value of the title and will be paid for by the transferee as part of the purchase price.

Clause 491 provides that discharge of securities will be handled under the regulations.

Clause 492 is a regulation-making power in relation to site plans. It provides that the regulations may provide that a greenhouse gas injection licensee must not carry on any operations in relation to an identified greenhouse gas storage formation unless an approved site plan is in force in relation to the formation (subclause (1)). The clause also provides that the regulations may make provision for the Minister to withdraw approval of approved site plans.

The reason for including these express regulation-making powers in the Bill in relation to site plans is that the decision as to whether the site plan satisfies the requirements of the regulations is, under the provisions inserted by this Bill, an important pre-requisite for the grant of an injection licence.

If the title-holder fails to comply with obligations in the regulations in relation to updating the plan, or if operations differ materially from those described in the plan or other significant failures of risk management occur, the Minister can withdraw approval of the plan and it ceases to be in force.

The express regulation-making power is therefore included as a precautionary measure, in view of the particular status of the site plan in the injection licence-granting process under the Bill.

Clause 493 enables the regulations to make provision for the variation of approved site plans.
Clause 494 provides that nothing in the Bill prevents a greenhouse gas title and a petroleum title being in force in relation to the same title area.

Clause 495 enables the Minister to declare, by publishing a notice in the Government Gazette, that a block is not to be subject to any of the greenhouse gas titles that can be granted under the Bill. An infrastructure licence or pipeline licence cannot be granted in respect of an area that is reserved under this clause.

Clause 496 provides that greenhouse gas operations carried out under a greenhouse gas assessment permit, greenhouse gas holding lease, greenhouse gas injection licence, greenhouse gas search authority, greenhouse gas special authority or greenhouse gas research consent must not interfere with the activities listed in the clause.

Clause 497 provides that the Minister cannot require a payment of money as a condition in a greenhouse gas assessment permit, greenhouse gas holding lease or greenhouse gas injection licence.

Clause 498 sets out that in some circumstances, portions of blocks can be construed to be blocks. The clause also provides for the Minister to amalgamate certain blocks.

Clause 499 sets out how State titles are to be treated where the title is in respect of an area that ceases to be part of the Victorian offshore area.

Clause 500 enables the Minister to monitor the behaviour of a greenhouse gas substance stored in a part of a geological storage formation.

Clause 501 provides that certain information related to the monitoring of the behaviour of a stored greenhouse gas substance may be made publically available.

**CHAPTER 4—REGISTRATION OF TRANSFER OF, AND DEALINGS IN, PETROLEUM TITLES**

**PART 4.1—INTRODUCTION**

Clause 502 gives a summary of Chapter 3 covering registration and dealings. This summary does not form part of the operative text of the Bill.
Clause 503 defines the term Register as used in Chapter 4, and also defines the term title for this Chapter to mean a petroleum exploration permit, petroleum retention lease, petroleum production licence, infrastructure licence, pipeline licence or petroleum access authority.

Clause 504 provides for all dealings forming a part of the issue of a series of debentures in relation to a particular title to be treated as one dealing for the purposes of this Chapter.

**PART 4.2—REGISTER OF TITLES AND PETROLEUM SPECIAL PROSPECTING AUTHORITIES**

Clause 505 requires that the Minister maintain a Register of petroleum titles and petroleum special prospecting authorities.

The Register is, and will be, essentially a collection of memorials or entries about specified events and facts. It can include copies of documents rather than memorials or entries detailing information in them. On the other hand, not every document that the Minister is required to retain under this Chapter strictly forms part of the Register.

Clause 506 requires that the Minister must enter certain details in the Register as set out in the table, and in subclause (3), in respect of each title or petroleum special prospecting authority. For example, the name of the holder of a title or petroleum special prospecting authority must be specified in the Register. Additionally, under subclause (5), the memorial or copy entered in the Register must show a memorandum of the date of that entry in the Register.

This clause also rectifies a drafting anomaly in the equivalent provision of the PSL Act relating to information about retention leases and special prospecting authorities that may be entered in the Register.

Clause 507 requires that information about certain events signifying the coming to an end of a title must be entered in the Register. This clause applies only to events that are not accompanied by the issue of a specific instrument bringing about that result.

**PART 4.3—TRANSFER OF TITLES**

Clause 508 requires the registration of the transfer of a title before the transfer can have any effect. This clause enables the Minister to vet any proposed transfer.
Clause 509 sets out the procedure for seeking approval of a transfer. It is sufficient if one of the parties makes the application. The concurrence of the other party is evidenced by the documents that must accompany the application.

Clause 510 describes the documents and copies of them that are, or may be, required to accompany a transfer approval and registration application and the information that those documents must contain.

Clause 511 provides that, unless the Minister allows a longer period in cases where he or she finds sufficient grounds for doing so, an application for approval of a transfer must be lodged within 90 days after the last party to the transfer executed the instrument of transfer. The time limit is of relevance so as to keep the Register as current as possible and to protect the interests of investors and potential investors.

Clause 512 provides that the Minister must enter a notation in the Register of the date of lodgement of the application for the approval of a transfer, and other details as it considers appropriate.

Clause 513 provides that the Minister must either approve or refuse to approve a transfer, and in either case, the Minister must provide a written notice to the applicant. This action is to be taken only after the Minister has considered the transfer application.

Clause 514 requires that, on approval of a transfer of title, the Minister must endorse the approval on the original and copy of the instrument of transfer.

This does not yet amount to registration of the transfer. That registration will occur only on payment of the registration fee. The transfer is taken to be registered when an entry to that effect is made in the Register and the transferee then becomes the registered holder of the title.

Clause 515 reinforces the same point as clause 514, i.e. that the registration of the transfer of a title is necessary before the transfer can have any effect.

Clause 516 clarifies that any transfer that is approved by the Minister is not given any force, effect or validity that it would not have had if this Chapter had not been enacted. The onus is on the applicant to ensure the legality of the transfer and its effect in law (e.g. in contract law).
PART 4.4—DEVOLUTION OF TITLE

Clause 517 provides that a party upon whom the rights of the registered holder of a title have devolved by operation of law may apply in writing to have its name entered in the Register in place of the original registered holder.

Clause 518 sets out the procedure that the Minister must follow when an application has been made under clause 517. The fee that is payable for registering rights to a title that have devolved on the applicant by operation of law is to be prescribed in regulations under the Bill and will serve only to recover costs.

PART 4.5—CHANGE IN NAME OF COMPANY

Clause 519 provides that, where a company is the registered holder of a title and it has changed its name, it may apply in writing to have its new name registered in the Register in relation that title.

This means that, if the one company is the registered holder of two or more titles, separate applications would need to be lodged for the name change to be registered in relation to all of them.

Clause 520 sets out the procedure that the Minister must follow when an application has been made under clause 519. The fee that is payable for registering the new name of a company in relation to a title is to be prescribed in regulations under the Bill and will serve only to recover costs.

PART 4.6—DEALINGS RELATING TO EXISTING TITLES

Clause 521 defines the various types of commercial dealings and agreements to which this Part applies.

Clause 522 requires the registration of a dealing before it can have any force. This clause enables the Minister to vet any proposed dealing.

Clause 523 sets out the procedure for seeking approval of a dealing. It is sufficient if one of the parties to the dealing makes the application. The concurrence of the other party or parties is evidenced by the documents that must accompany the application.

If a dealing relates to two or more titles, separate applications are required if approval of the dealing is sought in relation to each title.
Clause 524 describes the documents that must or could accompany an application for the approval and registration of a dealing. The purpose of the supplementary instrument that may be lodged by the applicant is to provide certain prescribed details about the dealing so that, if the dealing is approved, a member of the public may access this instrument instead of seeing a copy of the actual instrument evidencing the dealing.

Clause 525 refers to section 263 of the Corporations Act 2001 of the Commonwealth. In summary, that section provides that, where a company creates a charge, the company must, within 45 days, lodge with the Australian Securities and Investments Commission a notice in the prescribed form setting out certain particulars, and, depending on the type of charge, various originals or copies of instruments. For convenience, this clause provides that a copy of the set of documents lodged under that Act can be lodged for registration purposes under the Bill and will have the same standing as an instrument evidencing the dealing would have in any other case. The copy of this set of documents may likewise be accompanied by a supplementary instrument if the company deems that not all the information provided to the Australian Securities and Investments Commission should be made publicly accessible.

Clause 526 provides that, unless the Minister allows a longer period in cases where he or she finds sufficient grounds for doing so, an application for approval of a dealing must be lodged within 90 days after the last party to the dealing executed the instrument evidencing the dealing. The time limit is of relevance so as to keep the Register as current as possible and to protect the interests of investors and potential investors.

Clause 527 provides that the Minister must enter a notation in the Register of the date of lodgement of the application for the approval of a dealing, and other details as it considers appropriate.

Clause 528 provides that the Minister must either approve or refuse to approve a dealing, and in either case, the Minister must provide a written notice to the applicant. Where the Minister refuses to approve the dealing, a notation of the refusal must be made in the Register.

Clause 529 requires that, immediately upon approval of a dealing, the Minister must endorse the approval on the original and copy of the instrument evidencing the dealing, or on two copies, if that was what was lodged. This does not yet amount to registration of the dealing. That registration will occur only on payment of the registration fee.
Clause 530 prescribes the procedure that the Minister must adopt after the Minister makes an entry in the Register of the approval of a dealing.

Clause 531 ensures that, if the Minister fails to comply with any of the requirements of this Part, the approval and registration of a dealing is not rendered ineffective.

Clause 532 clarifies that any dealing that is approved by the Minister is not given any force, effect or validity that it would not have had if this Chapter had not been enacted. The onus is on the applicant to ensure the legality of the dealing and its effect in law, for example, in contract law.

**PART 4.7—DEALINGS IN FUTURE INTERESTS**

Clause 533 refers to the possibility that if, for example, a party holding a petroleum exploration permit has applied for a petroleum production licence which has not yet been granted, that party may, in the meantime, conclude a dealing with another party about equity in the licence in anticipation that the licence will be granted.

The main benefit of lodging a provisional application for approval of a dealing is that, if and when the title is granted, the applicant can expect an earlier decision from the Minister about the dealing than would otherwise have been possible.

Clause 534 requires or permits the same documents and copies to accompany a provisional application for approval of a dealing as would be required if the dealing were in relation to a title that already exists.

Clause 535 sets out that if a provisional application for approval of a dealing is made, copies of documents are taken to have been supplied in the instances listed in the clause.

Clause 536 sets out the timeframe within which a provisional application for approval of a dealing may be made. In no case except that of a petroleum access authority may a provisional application be made unless and until an offer document has been given to the applicant.

This clause makes no stipulations about the date on which the dealing might have been concluded between the parties. That commercial transaction could have occurred before the title application was lodged, or after it was lodged but before an offer document for the title is issued, or could occur after the offer document is issued.
Clause 537 provides that a provisional application for approval of a dealing, lodged in accordance with the abovementioned requirements, will become, from the date of grant of the title, an actual application for approval of the dealing under clause 523.

Clause 538 provides an alternative to lodging a provisional application for approval of a dealing, assuming the dealing was concluded before the title came into effect.

If no provisional application has been made, then, unless the Minister allows a longer period in special circumstances, an application for approval of the dealing must be lodged within 90 days of the title coming into effect. This differs from the arrangement noted under clause 526 in that the date when the instrument evidencing the dealing was last executed by a party to the dealing is not relevant to the timeframe within which the registration application must be lodged.

On the other hand, if a provisional application has been lodged, the parties to the dealing need do nothing more when the title comes into effect than await advice of the Minister's decision. If the decision is affirmative, the parties will then need to remit the required registration fee in order to bring the registration of the dealing into effect.

PART 4.8—CORRECTION AND RECTIFICATION OF REGISTER

Clause 539 allows the Minister to make alterations to the Register without first publishing the intention or as a result of the matter having been heard by a court. This clause applies only in the event that there is a clerical error or an obvious defect in the Register.

Clause 540 provides that the Minister may make correcting entries that ensure the accurate representation of interests and rights in relation to a title. In all cases, even if there is a written application from a titleholder for this to occur, the Minister must publish in the Government Gazette a notice setting out the proposed alteration and inviting submissions from members of the public.

If one or more persons make submissions within the specified period (at least 45 days), the Minister must consider them. If the Minister decides to make an alteration to the Register, whether or not submissions have been received and whether or not the alteration is identical to the one earlier proposed, another Government Gazette notice must be published setting out the final form of the alteration.
Clause 541 refers to the kinds of grievances that a person may have in relation to the Register and provides that the person may seek an order for rectification of the Register by an application to Supreme Court.

PART 4.9—INFORMATION-GATHERING POWERS

Clause 542 allows the Minister, when assessing the application in question, to require the applicant to provide such additional information as seems necessary or advisable.

Clause 543 enables the Minister to seek such information as seems necessary or advisable from a person who is party to a registered dealing. Among other things, this provision is proposed so that the Register is kept up to date, reflecting alterations in relevant interests or rights over time.

Clause 544 refers to all types of applications that companies or individuals can make under this Chapter in relation to the Register. This clause enables the Minister, when assessing the application in question, to require the applicant to produce to the Minister any documents held by the applicant that may be relevant to the application.

Under subclause (4), failure by a person to produce or make available a document as required under subclause (2) is an offence.

Clause 545 adds to the Bill some provisions related to information-gathering involving documents and provides for the Minister to retain documents produced under clause 544.

PART 4.10—OTHER PROVISIONS

Clause 546 clarifies that any instrument lodged with the Minister for any purpose under this Chapter takes effect according to its own terms.

Clause 547 refers to the fact that the amount of the registration fee payable on a transfer or dealing depends on the value of the consideration involved. This clause is intended to ensure that an instrument of transfer or an instrument evidencing a dealing will set out the true consideration for the transfer or dealing and any other factors that may affect the level of the registration fee. A person who does not comply with this clause is guilty of an offence.

Clause 548 sets out the offence that applies to knowing involvement in making a false entry in the Register.
Clause 549 sets out the offence that applies to producing a document in evidence that falsely purports to be an extract from, or copy of, an entry in the Register or some other document given to the Minister under the provisions of this Chapter. In other words, this offence relates to the use in evidence of forged or counterfeit documents.

Clause 550 provides public access to the Register and to copies held of instruments of transfer, instruments evidencing a dealing and supplementary instruments. The applicable fee is to be prescribed under this Bill.

Clause 551 confers status on the Register and certified copies or extracts from it as prima facie evidence in all courts and proceedings. For practical purposes, copies would normally be photocopies. Extracts could be manual transcripts from a hard copy volume which is inconvenient to photocopy or they could be printouts of segments of text in a database kept in electronic form.

Clause 552 enables evidentiary certificates to be prepared, particularly for confirming facts that may not be obvious from a single entry in the Register or a single document held by the Minister. Such certificates will likewise have the status of prima facie evidence. This clause also provides procedural safeguards consistent about the use of evidentiary certificates in view of the fact that their use may affect the fairness of proceedings.

Clause 553 provides that where a certificate is submitted as evidence, it must at least 14 days prior to admission, have a copy given to the person charged with the offence or the barrister or solicitor appearing for that person.

Clause 554 provides that the person who signed the certificate may be called as a witness in court proceedings, or to be cross examined.

Clause 555 allows the Minister to determine the amount of fees payable in relation to an entry in the Register.

Subclause (2) is intended to ensure that if a person who applies for approval of a transfer or dealing is convicted of an offence under clause 547 in relation to submitting an instrument containing a false or misleading statement, that conviction will not nullify the entry in the Register nor the person's liability to pay the amount of registration fee that the person temporarily avoided paying by submitting that instrument.
Clause 556 enables a person who is not satisfied with a determination made by the Minister under clause 555(1) or (2), to appeal that decision to the Supreme Court.

Clause 557 provides for fees relating to entries in the Register of memoranda of transfers of title.

Clause 558 provides that a fee is payable in respect of an entry in the Register of an approval of a dealing under clause 529.

Clause 559 provides for certain instances in which a duty under the Duties Act 2000, is not payable.

**CHAPTER 5—REGISTRATION OF TRANSFERS OF, AND DEALINGS IN, GREENHOUSE GAS TITLES**

**PART 5—INTRODUCTION**

Clause 560 provides a simplified outline of Chapter 5. This is not an operative provision of the Bill.

Clause 561 provides definitions of the terms Register and title for the purposes of Chapter 5.

Clause 562 provides that, for the purposes of Chapter 5, if a dealing forms part of the issue of a series of debentures, then all of the dealings constituting the issue of that series of debentures are taken to be one dealing. The purpose of this clause is to enable greater administrative efficiency where there is an issue of a series of debentures.

**PART 5.2—REGISTER OF TITLES AND GREENHOUSE GAS SEARCH AUTHORITIES**

Clause 563 requires the Minister to keep a Register of greenhouse gas titles and greenhouse gas search authorities. The Register will essentially be a collection of memorials or entries relating to specified events, facts, documents or instruments relating to greenhouse gas titles and search authorities. The information that must be included in the Register is set out in the provisions below.

Clause 564 deals with the Register, and provides general rules for what must be included in the Register in respect of greenhouse gas titles and greenhouse gas search authorities. (Other clauses in Part 5.2 and other Parts of Chapter 5 provide for additional registration requirements.)
Subclause (1) requires the Minister to make an entry (called a "memorial") in the Register in respect of each greenhouse gas title and greenhouse gas search authority. The information that must be entered in the memorial for each title is set out in the table in subclause (2). The Minister must also make a memorial of any notice or other instrument which varies, cancels, surrenders (in whole or part) or has any other effect on a greenhouse gas title or greenhouse gas search authority (see subclause (3)). The requirements in subclauses (1) to (3) will be taken to be sufficiently complied with if, instead of making a separate memorial, the Minister enters in the Register a copy of the relevant greenhouse gas title, greenhouse gas search authority, notice or instrument.

The Minister must endorse, on every memorial or document copy entered in the Register, the date on which it was entered in the Register (subclause (5)).

Clause 565 provides that if any of the events specified in this clause occur in relation to a greenhouse gas title or a greenhouse gas search authority, the Minister must enter a memorial of that fact in the Register. Those events relate to particular circumstances where a title or search authority expires or otherwise ceases to be in force.

**PART 5.3—TRANSFER OF TITLES**

Clause 566 provides that a transfer of a greenhouse gas title has no force until it has been approved by the Minister and an instrument of transfer has been registered under Part 5.3.

The following clauses in this Part deal with applications and approvals of transfer, and registration of instruments of transfer.

Clause 567 provides that either party to a proposed transfer of a greenhouse gas title may apply to the Minister for approval of the transfer. The application must be in writing.

Clause 568 sets out what documents must accompany an application for a transfer, and certain content and execution requirements for those documents.

Clause 569 provides that, in general, an application for transfer must be made within 90 days after the last party executes the transfer document. This time limit is intended to keep the Register as current as possible, which assists in providing certainty for investors and potential investors. However, where there are sufficient grounds to warrant allowing a longer time period for making an application, the Minister may do so.
Clause 570 provides that the Minister must enter the date of an application for transfer in the Register. This requirement is aimed at ensuring there is no uncertainty about the date of application. The Minister may also make other notations if the Minister considers it appropriate to do so.

Clause 571 provides that if an application is made for approval of a transfer, the Minister must consider the application and then either approve or refuse to approve the transfer. The Minister must notify the applicants of the decision and, if the decision was to refuse to approve the transfer, make a note of this refusal in the Register.

Clause 572 provides that if the Minister approves the transfer of a greenhouse gas title, the Minister must make a note of the approval on the instrument of transfer and a copy of that document. Once the transfer fee has been paid, the Minister must enter certain details of the transfer in the Register.

The transfer takes effect once the specified details of the transfer have been entered in the Register. After this, the Minister must retain and make available for inspection the copy of the instrument of transfer which was endorsed with the Minister's approval. The original endorsed instrument must be returned to the applicant.

Clause 573 provides that merely executing a transfer does not create an interest in the title for the person to whom the title is proposed to be transferred. See the provisions above, which provide that registration is required in order for a transfer to take effect.

Clause 574 provides that the approval of a transfer does not give the transfer any force, effect or validity that the transfer would not have had if Chapter 5 had not been enacted. For example, the approval of a transfer could not remedy a legal defect in the contract between the transferor and the transferee.

**PART 5.4—DEVOLUTION OF TITLE**

Clause 575 provides for some cases where the rights of the registered holder of a greenhouse gas title may devolve on another person by operation of law. Where this has occurred, the person to whom the rights have devolved may apply to the Minister for their name to be entered into the register.

Clause 576 provides for matters which the Minister must be satisfied of before entering a person's name into the register under clause 575. The applicant under clause 575 becomes the registered holder of the title when the register entry is made.
PART 5.5—CHANGE IN NAME OF COMPANY

Clause 577 provides the process for having the name of a company altered in the Register, where that company (which is the registered holder of a greenhouse gas title) changes its name.

Clause 578 provides that the company may apply to the Minister in writing to have its new name substituted for its previous name in the Register in relation to a title for which it is the registered holder.

Separate applications need to be made for each title for which the company is the registered holder.

PART 5.6—DEALINGS RELATING TO EXISTING TITLES

Clause 579 sets out the various types of dealings and agreements to which Part 5.6 applies. These do not include transfers of titles, which are dealt with in Part 5.3. Creation and assignment of rights and interests in relation to greenhouse gas titles are covered, as well as other specified dealings in relation to titles and other greenhouse gas permits, licences and leases.

Clause 580 provides that a dealing covered by this Part is of no force, unless it has been approved by the Minister and has been entered in the Register under clause 586. This allows the Minister to consider any proposed dealing before it takes effect.

Clause 581 provides that an application for an approval of a dealing must be made in writing. A separate application must be made for each title in respect of which approval of the dealing is sought.

Any party to the dealing may make the application.

Clause 582 sets out the documents which must accompany an application for approval of a dealing. As well as providing the instrument evidencing the dealing (or a copy if that instrument has been lodged with a separate application), the applicant may choose to provide a supplementary instrument. This option is provided so that, if the dealing is approved, a member of the public may access and view the supplementary instrument rather than the original instrument (which may contain information which the applicant wishes to keep confidential). The prescribed details to be included in the supplementary instrument will be set out in regulations.

Subsection (5) provides that, where a company creates a charge, and lodges documents with ASIC under section 263 of the Corporations Act 2001 of the Commonwealth in relation to the creation of that charge, the applicant for approval of a dealing...
may provide a copy of the documents lodged with ASIC instead of the instrument evidencing the dealing.

Subclause (4) requires certain document copies to accompany the application.

Clause 583 provides that, in general, an application for approval of a dealing must be made within 90 days after the last party executes the instrument evidencing the dealing. This time limit is intended to keep the Register as current as possible, which assists in providing certainty for investors and potential investors. However, where there are sufficient grounds to warrant allowing a longer time period for making an application, the Minister may do so.

This clause is subject to clause 595 (see below), which deals with approval of a dealing where the dealing was entered into before the relevant greenhouse gas title came into existence.

Clause 584 provides that the Minister must enter the date of an application for approval of a dealing in the Register. This requirement is aimed at ensuring there is no uncertainty about the date of application. The Minister may also make other notations in the Register if the Minister considers it appropriate to do so.

Clause 585 provides that if an application is made for approval of a dealing in respect of a particular title, the Minister must consider the application and then either approve or refuse to approve the dealing. The Minister must notify the applicant of the decision and, if the decision was to refuse to approve the dealing, make a note of this refusal in the Register.

Clause 586 provides that if the Minister approves a dealing in respect of a particular title, the Minister must make a note of the approval on the instrument evidencing the dealing and the copy of that document (or, if a copy of the instrument was lodged in place of the original, on both of the copies). Once the relevant fee has been paid, the Minister must enter certain details of the approval in the Register. The Register entry must consist of an entry on the memorial relating to the relevant title, or the copy of the title.

Clause 587 provides for certain documents relating to approved dealings to be retained by the Minister and made available for inspection by the public.

If no supplementary instrument was lodged with the application, the original instrument evidencing the dealing (or the copy, if no original was lodged), endorsed with the Minister's approval
of the dealing, must be made available for inspection in accordance with Chapter 5. If a supplementary instrument was lodged with the application, that supplementary instrument must be made available for inspection in accordance with Chapter 5 of the Bill (endorsed with the Minister's approval), and the instrument evidencing the dealing must not be made available for inspection.

The clause also requires the Minister to return the original instrument evidencing the dealing, and the supplementary instrument if one was lodged, to the applicant. The returned instrument/s evidencing the dealing must be endorsed with the approval of the Minister, to provide the applicant with certification of the approval of the dealing.

Clause 588 has the effect that any failure of the Minister to comply with any of the requirements of this Part relating to approval of a dealing will not render the approval or registration of a dealing ineffective.

Clause 589 provides that the approval of a dealing does not give a dealing any force, validity or effect that it would not have had if Chapter 5 had not been enacted. This means that the approval of a dealing under this Chapter will not overcome a legal failing in the dealing arrangements between the parties to the dealing.

PART 5.7—DEALINGS IN FUTURE INTERESTS

Clause 590 provides that where two parties enter into a dealing relating to a title that may come into existence in the future, a party to the dealing may make a provisional application for approval of that dealing. In order for this clause to apply, the dealing must be one to which, if the title came into existence, Part 5.6 would apply. As for applications for approval under Part 5.6, a separate application must be made in for each title in respect of which approval of the dealing is sought.

Clause 591 requires and permits (as relevant) the same documents to accompany a provisional application for approval of a dealing as would be provided for under clause 590 if the dealing were in relation to a title which already existed.

Clause 592 provides that in certain instances where a provisional application is made for approval of a dealing, the requirements set out in clause 591(1) and (4) can be taken to complied with.
Clause 593 provides for when a provisional application may be made. A provisional application for approval of a dealing relating to a greenhouse gas assessment permit, a greenhouse gas holding lease, or a greenhouse gas injection licence may be made on or after the day on which an offer document relating to the application for the title is given to the applicant for the title. A provisional application for approval of a dealing relating to a greenhouse gas special authority may be made on or after the day that an application for the grant of the special authority is made. The difference exists because there is no offer document given for a greenhouse gas special authority.

A provisional application cannot be made after the relevant title comes into existence (after that time, an application for approval of a dealing would be made under Part 5.6).

Clause 594 provides that, if a provisional application has been made in respect of a title which may come into existence, and that title comes into existence, then the provisional application will be treated as though it was an application for approval of a dealing (made under clause 581 of Part 5.6) which was made on the date that the title came into existence. This is provided that the dealing is one to which Part 5.6 applies.

Clause 595 provides a limit on approvals of dealings in respect of a title which took place before the title came into existence, by providing that these types of dealings may only be approved if one of two courses is taken. Either a provisional application must have been lodged under Part 5.7 in respect of that dealing (in which case the application will be treated as an application under Part 5.6 when the title comes into existence), or an application for approval of the dealing must be lodged under Part 5.6 within 90 days of the title coming into existence (or, if there are sufficient grounds to warrant allowing a longer period and the Minister allows a longer period, within that period).

**PART 5.8—CORRECTION AND RECTIFICATION OF REGISTER**

Clause 596 allows the Minister to alter the Register without first publishing the Minister’s intention to do so and without the matter being heard by a Court. This power is restricted to the correction of clerical errors and obvious defects.
Clause 597 provides the Minister with a general power to make entries to correct the Register, to ensure the accurate record of the interests and rights which exist in relation to a title. The Minister may do so on Minister's own initiative, or in response to a written application by another person. To protect the interests of persons who have an interest in the accuracy of the Register, before the Minister makes any entry in the Register under this section, the Minister is required to publish the proposed entry and allow for interested persons to make a submission about the entry. If submissions are made, the Minister must take them into account when deciding whether or not to make the proposed entry. If the Minister makes an entry under this section, the final form of the entry must be published in the Government Gazette.

Clause 598 provides a list of grievances that a person may have in relation to the Register and provides an avenue for aggrieved persons to apply to the Supreme Court. The Court may then make any orders it sees fit in relation to the rectification of the Register, and the Minister must comply with those orders.

**PART 5.9—INFORMATION-GATHERING POWERS**

Clause 599 refers to all types of applications that companies or individuals can make under this Chapter in relation to the Register, and provides the Minister with a power to require the applicant to provide such additional information as the Minister considers necessary or advisable. The Minister exercises this power by providing a written notice to the applicant.

This provision is intended to ensure that the Minister is able to provide proper vetting of the credentials of applicants seeking to register an interest in the title.

Clause 600 provides the Minister with a power to require a party to a dealing in relation to a title (which has been approved under clause 585) to give the Minister information about alterations in the interests or rights existing in relation to the title. The Minister exercises this power by providing a written notice to the applicant, and can require such information as the Minister considers necessary or advisable.

This provision will, amongst other things, enable the Minister to obtain information relevant to keeping the Register information up to date in respect of rights and interests in titles.

Clause 601 provides the Minister with a power to require a person, by written notice, to produce or make available a document which is related to an application under this Part.
Clause 602 provides the Minister with a power to take possession of a document produced under clause 601 and to retain it for as long as is necessary. The clause contains protections for the person who would otherwise be entitled to the possession of the document and who may need or wish to access or use the document while it is in the possession of the Minister. That person is entitled to be supplied with a certified copy of the document, and until a certified copy is supplied, the Minister or inspector must provide that person (or another person authorised by the person) with reasonable access to the document for purposes of inspecting the document, and making copies of or taking extracts from it.

**PART 5.10—OTHER PROVISIONS**

Clause 603 is intended to clarify that any instrument lodged with the Minister under this Chapter takes effect according to its own terms. That is, the Minister is not responsible for verifying that the instrument has the effect in law that it purports to have.

Clause 604 is an offence provision. It provides that a person must not make a statement relating to the consideration for a transfer or dealing, or any other fact or circumstance affecting the amount of the fee payable in relation to a transfer or dealing, knowing that that statement is false or misleading in a material particular. The maximum penalty for this offence is 120 penalty units.

Clause 605 creates an offence directed to ensuring the accuracy of the contents of the Register. The clause provides that a person commits an offence if the person makes an entry, causes an entry to be made or concurs in the making of an entry in the Register, and does so knowing that the entry is false.

Clause 606 provides that a person commits an offence if the person produces or tenders in evidence a document which falsely purports to be a copy of or extract from either a Register entry or an instrument given to the Minister under this Chapter. The maximum penalty for this offence is 60 penalty units.

Clause 607 provides for public access to the Register, and to instruments which are subject to inspection under Chapter 5. The clause requires the Minister to ensure that the Register and instruments are available, at all convenient times, on payment of the relevant fee (prescribed by the regulations).
Clause 608 confers status on the Register (and certified copies of and extracts from it) as prima facie evidence in all courts and tribunals of the matters required or authorised to be contained, and which are contained, in the Register.

Clause 609 allows for evidentiary certificates to be prepared. This option may be used to confirm facts which may not be obvious from a single entry in the Register or a single document held by the Minister. These certificates have status as prima facie evidence of the statements contained within them.

Clause 610 provides that where an evidentiary certificate is to be admitted in evidence, it must be provided to the defendant or the barrister or solicitor who has appeared for the defendant, at least 14 days prior to its admission.

Clause 611 provides that the person who signs an evidentiary certificate may be called to give evidence or be subject to cross-examination.

Clause 612 provides the Minister with a power to determine the amount of a fee payable in relation to an entry in the Register.

Clause 613 enables a person to appeal a determination made by the Minister under clause 612(1) or (2).

CHAPTER 6—ADMINISTRATION

PART 6.1—OPERATIONS

Clause 614 gives a summary of Part 6.1 covering operations. This summary does not form part of the operative text of the Bill.

Clause 615 refers to the possibility that certain titles may be granted subject to a condition that specified works or operations are to be carried out under the title. This clause provides for a commencement date for those works or operations.

The provision that the Minister has discretion under subclause (2) to set a commencement date later than 180 days after the grant of the title derives from the fact that, in offshore operations, the unexpected will sometimes occur. A rig may be damaged in transit or there may be delays in obtaining some particular equipment, the damage or delay being beyond the titleholder's control. Then it would be reasonable for the Minister to vary the commencement date.
Clause 616 imposes a series of general and specific requirements on titleholders. More extensive requirements are imposed under item 1 of the table under subclause (1) on titleholders who are entitled to perform operations involving the drilling of one or more wells. The requirements in item 1 are to ensure that good reservoir engineering practices are followed at all times, enabling the conservation not only of petroleum resources but also of water resources. The term *good oilfield practice* is defined in clause 6.

Subclause (2) recognises that there could be circumstances where permission might be given for doing something that overrides a specific requirement of the table, for example flaring small amounts of petroleum, which would override item 1(c) of the table.

Subclauses (3), (4) and (5) are intended to provide that, in items 1, 2 and 3 of the table under subclause (1), paragraph (a) takes precedence in each case. For example, subclause (3) ensures that the titleholder is not permitted to take steps to prevent damage to petroleum-bearing strata in ways that go beyond doing things in a proper and workmanlike manner and in accordance with good oilfield practice.

The purpose of subclause (8) is to ensure that the operator is not able to avoid any specific duties imposed elsewhere. For example, if the Minister gives an operator a direction, the operator must not fail to comply with it on the grounds that the operator's understanding of good oilfield practice might suggest some different action should be taken. The mention of "any other law" refers to scenarios such as the possibility that there are other State laws covering the construction and operation of an industrial plant, for example setting out minimum design specifications. This subclause means that, if work of that type is being performed on a petroleum platform in the offshore area then performing it in a proper and workmanlike manner includes compliance with those laws.

Clause 617 sets out various practices and activities which must be carried out by various title holders. The provisions in the clause apply but subject to requirements elsewhere in the Bill, regulations, a Ministerial direction or any other Act.

Clause 618 is inserted to ensure that certain petroleum titleholders take out adequate insurance to cover certain works and expenses of complying with directions relating to the clean-up or other remediation of the effects of the escape of petroleum. The clause applies to holders of petroleum exploration permits,
petroleum retention leases, petroleum production licences, infrastructure licences and pipeline licences.

Clause 619 provides that the conditions of a petroleum special prospecting authority or a petroleum access authority may include a condition to take out and maintain, as directed by the Minister, insurance against expenses of complying with directions relating to the clean up or other remediation of the effects of the escape of petroleum.

Clause 620 is inserted to ensure that greenhouse gas titleholders take out adequate insurance to cover certain works and expenses of complying with directions relating to the clean-up or other remediation of the effects of the escape of a greenhouse substance.

Clause 621 imposes duties for the maintenance, repair and removal of structures, equipment and other property in title areas set out in the table in subclause (1) that are used in connection with operations authorised by titles set out in that table.

In item 5 of the table, "the part of the offshore area in which the pipeline is constructed" is intended to cover construction debris or discarded equipment on either side of the pipeline.

PART 6.2—DIRECTIONS RELATING TO PETROLEUM

Division 1—Simplified outline

Clause 622 gives a summary of Part 6.2 covering directions. This summary does not form part of the operative text of the Bill.

Division 2—General power to give directions

Clause 623 provides for the issuing of directions in relation to any matters about which regulations may be made. Such directions are served individually on each titleholder to whom the Minister wants them to apply.

Clause 624 places on a titleholder to whom a direction is given the responsibility for ensuring that all relevant persons are aware of the direction. Nevertheless, subclause (3) leaves the way open for the Minister to specify how and where copies of the direction are to be displayed. The latter power would more likely be used if the Minister were of the opinion that persons at a number of separate locations needed to be aware of the substance of the direction.
Clause 625 makes it an offence to contravene a direction given under clause 623.

**Division 3—Minister may take action if there is a breach of a direction**

Clause 626 provides the necessary machinery for ensuring that things directed to be done are done even if the petroleum titleholder or another party who is bound by the direction does not comply with it.

**Division 4—Defence of taking reasonable steps to comply with a direction**

Clause 627 provides for a defence in a case of prosecution for a contravention of a direction that may be given to a petroleum titleholder by the Minister under a number of provisions of the Bill and the regulations.

**PART 6.3—DIRECTIONS RELATING TO GREENHOUSE GAS**

**Division 1—Simplified outline**

Clause 628 provides a summary of the provisions of Part 6.3. The clause does not form the operative provisions of the Bill.

**Division 2—General power to give directions**

Clause 629 confers on the Minister a broad power to give directions to greenhouse gas titleholders and others engaged in offshore greenhouse gas operations.

Clause 630 requires certain persons specified in subclause (1) to make available, in the manner set out in subclause (1)(c) and (d), any notice of a direction issued under clause 629.

Clause 631 makes it an offence to contravene a direction given under clause 629.

**Division 3—Minister may take action if there is a breach of a direction**

Clause 632 provides that, if a direction given under the greenhouse gas provisions of Bill is not complied with, the Minister may carry out whatever work the person subject to the direction failed to carry out and recover the costs from that person.
Division 4—Defence of taking reasonable steps to comply with a direction

Clause 633 provides for a defence in a case of a prosecution for a contravention of a direction that may be given to a greenhouse gas titleholder by the Minister under a number of the provisions of the Bill and the regulations.

PART 6.4—RESTORATION OF THE ENVIRONMENT

Division 1—Petroleum

Clause 634 gives a summary of Division 1 of Part 6.4 covering restoration of the environment. This summary does not form part of the operative text of the Bill.

Clause 635 empowers the Minister to give a holder of petroleum exploration permit, a petroleum retention lease, a petroleum production licence, an infrastructure licence or a pipeline licence a direction to remove disused installations and structures and to protect and preserve the marine environment.

Clause 636 empowers the Minister to give directions to the former holder of a petroleum title (or, if a title has been revoked, cancelled or terminated only in part, the holder of the remaining portion of the title) in similar terms to the directions provided for under clause 635 for current petroleum titleholders.

Clause 637 sets out the steps that the Minister may take if there has not been compliance with a direction under clause 635 or 636 within the period specified in the direction.

Subclause (2) deals with all breaches of a direction other than failure to remove property from the vacated area.

Subclause (3) addresses the question of property not removed from the vacated area despite a direction given under clause 636. This clause enables the Minister to then direct the owner or owners of the property, who may not be the same party as the former titleholder, to remove it and dispose of it to the Minister's satisfaction. If the owner or owners did remove the property, the ability of the owner or owners to recover costs through civil action against the former titleholder would depend on the nature of the contractual arrangements the owner or owners had with the former titleholder.

Clause 638 sets out the Minister's right to remove, dispose of or sell any property that has not been removed within the specified time following the gazettal of a notice under clause 637(5).
Division 2—Greenhouse gas

Clause 639 gives a summary of Division 2 of Part 6.4 covering restoration of the environment. This summary does not form part of the operative text of the Bill.

Clause 640 empowers the Minister to give a holder of a greenhouse gas assessment permit, a greenhouse gas holding lease or a greenhouse gas injection licence a direction to remove disused installations and structures and to protect and preserve the marine environment.

Clause 641 empowers the Minister to give directions that relate to the closure of operations under a greenhouse gas injection licence. Generally, these directions can be given to ensure that environmental obligations are met.

Clause 642 sets out the consultation procedure to be followed, where a direction given under clause 641 will require the persons being directed to do something outside of their title area.

Clause 643 empowers the Minister to give directions to the former holder of a greenhouse gas title (or, if a title has been revoked, cancelled or terminated only in part, the holder of the remaining portion of the title) in similar terms to the directions provided for under clause 640 for current greenhouse gas titleholders.

Clause 644 sets out the steps that the Minister may take if there has not been compliance with a direction under clause 641 or 643 within the period specified in the direction.

Clause 645 sets out the Minister's right to remove, dispose of or sell any property that has not been removed within the specified time in a direction under clause 644.

PART 6.5—OFFENCES AND ENFORCEMENT

Division 1—Petroleum

Clause 646 gives a summary of Division 1 of Part 6.5 covering offences and enforcement. This summary does not form part of the operative text of the Bill.

Clause 647 provides for the appointment of petroleum project inspectors by the Minister. A petroleum project inspector may perform functions such as examining or observing engineering or well operations on offshore facilities, but the most usual duties of a petroleum project inspector would relate to examining documentation held by the operators of those facilities.
Clause 648 provides for the issuing of identity cards by the Minister to persons appointed as petroleum project inspectors.

Clause 649 confers on petroleum project inspectors monitoring powers. The powers include wide-ranging access, inspection and testing rights offshore. For purposes of examining documents, a petroleum project inspector is intended to have access rights offshore and onshore, but the rights are to be circumscribed onshore by restrictions on access to residential premises. The powers of petroleum project inspectors do not extend to the seizure of documents or other items or the detention of persons, vessels or aircraft.

Clause 650 provides for the circumstances in which a petroleum project inspector may exercise powers to enter residential premises.

Clause 651 provides that a petroleum project inspector may direct the occupier or person in charge of a facility to provide any necessary assistance to the inspector, in order to assist the discharge of the inspector's powers.

Clause 652 makes it an offence to hinder or obstruct a petroleum project inspector in the discharge of functions or powers.

Clause 653 sets out the procedures and requirements that apply to a petroleum project inspector seeking a warrant to enter residential premises and the conditions subject to which the warrant may be granted.

Clause 654 makes it an offence to intentionally damage or interfere with any structure or vessel used in exploring for, recovering, processing, storing, preparing for transport, or transporting petroleum or any equipment attached to such structures or vessels or operations of activities. The minimum penalty is 10 years imprisonment. The penalty is equal to the severest penalty provided under the Petroleum (Submerged Lands) Act 1982.

Division 2—Greenhouse gas

Clause 655 gives a summary of Division 1 of Part 6.5 covering offences and enforcement. This summary does not form part of the operative text of the Bill.

Clause 656 provides the appointment of greenhouse gas project inspectors by the Minister.

Clause 657 provides for the issuing of identity cards by the Minister to persons appointed as greenhouse gas project inspectors.
Clause 658 confers on greenhouse gas project inspectors monitoring powers. The powers include wide-ranging access, inspection and testing rights offshore. For purposes of examining documents, a greenhouse gas project inspector is intended to have access rights offshore and onshore, but the rights are to be circumscribed onshore by restrictions on access to residential premises. The powers of greenhouse gas project inspectors do not extend to the seizure of documents or other items or the detention of persons, vessels or aircraft.

Clause 659 provides for the circumstances in which a greenhouse gas project inspector may exercise powers to enter residential premises.

Clause 660 provides that a greenhouse gas project inspector may direct the occupier or person in charge of a facility to provide any necessary assistance to the inspector, in order to assist the discharge of the project inspector's powers.

Clause 661 makes it an offence to hinder or obstruct a greenhouse gas project inspector in the discharge of functions or powers.

Clause 662 sets out the procedures and requirements that apply to a greenhouse gas project inspector seeking a warrant to enter residential premises and the conditions subject to which the warrant may be granted.

Clause 663 makes it an offence to intentionally damage or interfere with any structure or vessel in the offshore area used in greenhouse gas operations in that area or any equipment attached to such structures or vessels. The maximum penalty 10 years imprisonment. The penalty is equal to the severest penalty provided for under the Petroleum (Submerged Lands) Act 1982.

PART 6.5—SAFETY ZONES AND THE AREA TO BE AVOIDED

Division 1—Introduction

Clause 664 gives a summary of Part 6.5 covering safety zones and the area to be avoided. This summary does not form part of the operative text of the Bill.

Clause 665 provides a map of the area described in Schedule 2 to the Bill, which contains the area to be avoided. The Schedule 2 area extends approximately 40 nautical miles seaward of the coast of Victoria. The map is simplified and its scale interpretation
should not be relied on as an accurate guide to the precise location or extent of the Schedule 2 area.

Clause 666 sets out definitions of terms that have relevance only for Part 6.5 of the Bill.

Clause 667 defines authorised persons, whose function is to enforce the provisions governing safety zones and the area to be avoided. Authorised persons carry out duties which petroleum and greenhouse gas project inspectors and OHS inspectors are not empowered to perform, namely policing general navigation in the proximity of offshore petroleum and greenhouse gas facilities.

Subclause (2) applies only in a case where the Minister chooses to add to the personnel who already have the designation of authorised persons. Officers of the Federal, State or Territory police and personnel of the Australian Defence Force are to have that designation by virtue of this clause and their status does not need to be confirmed by the publication of any notice to that effect in the Government Gazette.

**Division 2—Petroleum safety zones**

Clause 668 sets out the petroleum safety zone provision, applicable in the offshore area, which is designed to ensure the protection of offshore petroleum facilities from impact by a vessel or unauthorised boarding.

Clause 669 sets out certain offences in relation to the petroleum safety zone. This provision recognises the isolation of offshore petroleum facilities and the potentially serious consequences of damage to, or interference with, such facilities or petroleum operations.

**Division 3—Greenhouse gas safety zones**

Clause 670 sets out the greenhouse gas safety zone provision, applicable in the offshore area, which is designed to ensure the protection of offshore greenhouse gas facilities.

Clause 671 sets out certain offences in relation to the greenhouse gas safety zone. This provision recognises the isolation of offshore greenhouse gas facilities and the potentially serious consequences of damage to, or interference with, such facilities or greenhouse gas operations.
Division 3—Unauthorised vessel not to enter area to be avoided

Clause 672 allows the Minister to permit entry into the area to be avoided by a vessel upon application by its owner. In other words, the application must be lodged by the person who owns the vessel or, if the vessel has been leased, by the lessee of the vessel.

Clause 673 sets out the circumstances in which an offence is committed if a vessel enters or is present in the area to be avoided.

Division 4—Powers of authorised persons

Clause 674 sets out the powers that an authorised person may exercise in all cases without a warrant. The powers all relate to moving a vessel out of, or away from the vicinity of, the area to be avoided or a safety zone. Unless the master of the vessel voluntarily allows the authorised person to board the vessel, these powers would normally be exercised using radio communication or a loudspeaker.

Clause 675 makes it an offence not to comply with a requirement under clause 674, relating to moving a vessel out of the area to be avoided or out of the safety zone.

Clause 676 makes it an offence to hinder or obstruct an authorised person who is exercising powers under clause 674.

Clause 677 sets out the powers that an authorised person may normally exercise only with a warrant or after obtaining the permission of the master of the vessel in question. This reflects the fact that these powers are of a more intrusive nature than the ones set out in clause 674.

Clause 678 makes it a requirement for a person subject to a requirement under clause 677(1)(b)(i), (ii) or (iii) or (c), to comply with the requirement.

Clause 679 provides that a person must facilitate, by all reasonable means, the boarding of a vessel, where an authorised person is exercising their powers to board a vessel under a warrant.

Clause 680 makes it an offence to hinder or obstruct a person exercising the powers under clause 677(1), allowing that authorised person to, for example, board a vessel or request information.

Clause 681 makes it an offence for a person to knowingly give false or misleading information to an authorised person exercising powers under clause 677(1).
Clause 682 sets out the procedures and requirements that apply to seeking and obtaining a warrant to exercise any or all of the powers referred to in clause 677(1) and the conditions subject to which the warrant may be granted.

Clause 683 provides that, in serious circumstances of a kind that justify immediate action, an authorised person may exercise without a warrant the powers set out in clause 677(1). For example, if an authorised person on assignment in the area to be avoided makes observations which suggest that a vessel is about to be used in an act of terrorist sabotage against a petroleum facility and the master fails to respond to an instruction from the authorised person to take the vessel outside the area to be avoided, the authorised person could justifiably board the vessel and detain it without obtaining a warrant.

PART 6.7—COLLECTION OF FEES AND ROYALTIES

Division 1—Fees for petroleum titles

Clause 684 enables the regulations to set out fees payable for certain petroleum exploration permits.

Clause 685 enables the regulations to set out fees payable for petroleum retention leases.

Clause 686 enables the regulations to set out fees payable for petroleum production licences.

Clause 687 enables the regulations to set out fees payable for infrastructure leases.

Clause 688 enables the regulations to set out fees payable for pipeline licences.

Division 2—Fees for greenhouse gas titles

Clause 689 enables the regulations to set out various fees payable in respect of greenhouse gas titles.

Division 3—Royalties for petroleum

Clause 690 provides that royalties are payable to the State, by the holders of petroleum exploration permits, petroleum retention leases and petroleum production licences. The rate for royalties is 10 percent of the value of the petroleum at the wellhead. As to what is a wellhead, see clause 34.
Clause 691 provides that the Minister may determine and specify a reduction in the rate of a royalty under clause 690.

Clause 692 provides for certain instances where a royalty is not payable.

Clause 693 provides for the period in respect of which a royalty under Division 3 of Part 6.7 is payable.

Division 4—Royalties for greenhouse gas injection and storage

Clause 694 provides that a royalty is payable by the holder of a greenhouse gas injection licence, at the rate specified in the licence. The clause also enables the Minister to waive the requirement to pay a royalty under this clause.

Clause 695 enables the Minister to vary the royalty rate specified or to be specified in a greenhouse gas injection licence.

Clause 696 sets out the timing for the payment of royalties under this Division.

Division 5—Late payment and recovery of fees and royalties

Clause 697 provides that a late payment penalty is payable, if a royalty for petroleum or greenhouse gas has not been paid by the due date. The clause sets out how the penalty rate is calculated.

Clause 698 provides that a fee or royalty debt (under clause 697) is payable to the State and may be recovered by the Minister in a court of competent jurisdiction.

PART 6.8—OCCUPATIONAL HEALTH AND SAFETY

Clause 699 gives effect to Schedule 3. However, since Schedule 3 applies only in relation to "facilities" and a facility as defined in Schedule 3 is located in the offshore area, the effect of the clause is to apply Schedule 3 only to "facilities" that are engaged in relevant petroleum activities in the offshore area.

Clause 700 defines the listed OHS laws for the purposes of the Bill. However, this clause does not operate to apply these laws; it merely provides a convenient means by which to refer to this group of laws within other provisions of the Bill. The listed OHS laws are the substantive occupational health and safety laws for which the regulatory responsibility lies with the National Offshore Petroleum Safety Authority.
Clause 701 provides that regulations may be made in relation to the occupational health and safety of persons at or near a facility, where those persons are under the control of a person who is carrying out a regulated operation. Subclause (2) provides that these regulations may require persons who are carrying out regulated operations to establish and maintain systems of management to secure the occupational health and safety of persons under their control.

PART 6.9—NATIONAL OFFSHORE PETROLEUM SAFETY AUTHORITY

Division 1—Introduction

Clause 702 gives a summary of Part 6.9. This summary does not form part of the operative text of the Bill.

Clause 703 defines terms used in Part 6.8 that are relevant to the establishment, administration and functions of the National Offshore Petroleum Safety Authority (the Safety Authority). The terms Board, Board member and CEO all relate to the Safety Authority.

The term facility has the meaning that it has in Schedule 3. A facility therefore means a facility located in the Victorian offshore area. The term facility is fundamental to the occupational health and safety regime in Schedule 3 that is established by this Bill.

The term offshore petroleum operations describes the scope of the petroleum operations in respect of which the Safety Authority will exercise safety regulatory functions.

Division 2—Functions and powers of the Safety Authority

Clause 704 confers general functions on the Safety Authority.

The functions of the Safety Authority are all concerned with the occupational health and safety of persons engaged in offshore petroleum operations, which are a large subset of the activities that make up the offshore petroleum industry. The Safety Authority will therefore not regulate the safety of every petroleum-related activity. For example, seismic survey vessels are not facilities, and operations carried out on those vessels, except for diving activities, will not be within the Safety Authority's regulatory functions and powers. The activities that will be regulated by the Safety Authority are, generally speaking, those activities that pose a health and safety risk to a
significant number of people because of the presence of hydrocarbons (oil and gas).

Clause 705 provides that the Safety Authority has power to do all things necessary or convenient to be done for or in connection with the performance of its functions. Subclause (2) specifies some of the more important examples of what this means, but does not attempt to exhaustively list everything the Authority is empowered to do.

Under subclause (2)(b), the Safety Authority will have the ordinary powers of an incorporated statutory authority to enter into contracts. This would include, for example, a power to enter into a contract with the Commonwealth or a State or Territory, or a Commonwealth, State or Territory body for the provision of services to the Safety Authority. However, a person could not, under such a contract, exercise any statutory powers on behalf of the Safety Authority unless the person were properly authorised under the Bill to exercise such powers, e.g. by the holding of a delegation or by appointment as an OHS inspector.

Clause 706 recognises the status of the seal of the Safety Authority, as affixed to any document and the presumption that the document was duly sealed.

Clause 707 provides that the Safety Authority may refer a matter to the body that is known as the National Oil and Gas Safety Advisory Committee (an industry-government committee), or, if that body is disbanded, any successor body with similar membership and function. Such matters must be of a general nature, and not related to a particular case.

**Division 3—Safety Authority Board**

Clause 708 confers functions on the Board in respect of advising and making recommendations to various persons and bodies.

Clause 709 confers powers on the Board by reference to its functions as set out in clause 708. The Board has power to do all things necessary or convenient to be done for, or in connection with, the performance of its functions.

Clause 710 provides that a vacancy on the board, does not affect the performance of its functions or the exercise of its powers under the Act.
Division 4—Chief Executive Officer and staff of the Safety Authority

Clause 711 provides that anything done by the CEO in the name of the Safety Authority is taken to be done by the Safety Authority.

Clause 712 establishes the working relationship between the CEO and the Board.

Subclause (1) requires the CEO to request the Board's advice on strategic matters relating to the performance of the functions of the Safety Authority. Subclause (2) requires the CEO to have regard to that advice, but does not require the CEO to follow it. Subclause (3) requires the CEO to keep the Board informed about the Safety Authority's operations and to give the Board such reports, documents and information as the Chair requires.

Clause 713 establishes provisions for the delegation of the CEO's functions and powers. Subclause (2) requires that persons exercising powers under a delegation made pursuant to subclause (1) must do so in accordance with any directions of the CEO.

Clause 714 provides that an employee of the State or of a public authority of the State may assist the Safety Authority in discharging its functions under the legislative instruments listed in the clause.

Division 5—Other Safety Authority provisions

Clause 715 provides that the Minister may require the Safety Authority, by written notice, to prepare a report or a document setting out information in relation to one or more specified matters arising from the performance of its functions or the exercise of its powers. Copies of any such report or document are to be provided to the Minister. Any such report or document is to be prepared in the time specified in the notice requesting it.

Clause 716 sets out the powers of the Minister to request the Commonwealth Minister to give directions to the Safety Authority. This is another of the key provisions that establishes the accountability of the Safety Authority to the Commonwealth and State Ministers.

Clause 717 requires the Safety Authority to comply with a direction given by the Commonwealth Minister under clause 716.
Clause 718 provides that a person acting under the Bill in the role of the Safety Authority, the CEO of the Safety Authority, an OHS inspector or any person acting under the direction of the Safety Authority or the CEO, is not to be held personally liable for anything set out in subclause (2)(a) or 2(b) that is done or omitted to be done in good faith.

CHAPTER 7—INFORMATION RELATING TO PETROLEUM

PART 7.1—DATA MANAGEMENT AND GATHERING OF INFORMATION

Division 1—Introduction

Clause 719 sets out a simplified outline of Part 7.1 about data management and information gathering. This outline does not form part of the operative text of the Bill.

Division 2—Data management

Clause 720 confers on the Minister a power to give directions to titleholders or persons working under them about documenting a petroleum operation, including action to collect cores, cuttings and samples.

Clause 721 enables regulations to be made for data collection, including requirements for a titleholder to submit a data management plan. This is consistent with the move to using objective-based regulations to deal with other detailed issues related to offshore petroleum management.

Division 3—Information-gathering powers

Clause 722 empowers the Minister or a project inspector to require any person (not necessarily a titleholder) to provide factual information which is relevant for the proper administration of the legislation. This would include information not documented in writing, in most cases because the company's procedures did not require it to be so documented. The powers set out in this clause could be used by the Minister in investigating, for example, an oil spill incident on a production platform.

Clause 723 refers to costs involved in copying documents at the Minister's or project inspector's direction and giving those copies to the Minister or project inspector.
Clause 724 replicates a power of the Minister or a project inspector provided for in the PSL Act. Examination of a witness on oath or affirmation could be appropriate, for example, in the course of an investigation into damage to a petroleum production facility to ascertain whether charges could be laid against a person (other than the witness).

Clause 725 sets out a provision that is commonly used to override the usual rule that a person is not bound to incriminate himself or herself. This clause also discharges the person providing information or a document from any threat of civil proceedings on the basis of that information or document.

If a person questioned under the powers conferred by clause 722 gives information which, in other circumstances, would amount to a confession of an infringement against the Bill or an admission of liability, no effective prosecution or legal action can generally be launched against that person unless other sufficiently strong evidence is found. This partial immunity from legal consequences has the obvious benefit that it increases the likelihood of a successful investigation.

Where incidents related to petroleum operations are concerned, it may occasionally be more important to establish the facts than to be able to use the facts in a prosecution or legal action.

However, as set out in subclause (2), information or a document given under clause 722 could be admissible in criminal proceedings if it provides evidence of less than full compliance with a requirement to give information or a document under that clause.

Clause 726 provides for what may be done with documents produced to the Minister or a project inspector.

Clause 727 provides for the Minister or project inspector to retain documents produced under this Division.

Clause 728 makes it an offence against the Bill for a person to knowingly give information that is false or misleading in a material particular when under a requirement under clause 722(2).

Clause 729 makes it an offence against the Bill for a person to knowingly produce a document that is false or misleading in a material particular when under a requirement under clause 722(2).
Clause 730 supports the provisions inserted in clause 722. The clause provides that a person must not knowingly give false or misleading evidence under clause 722, relating to the production of information or documents to the Minister or a greenhouse gas project inspector.

PART 7.2—RELEASE OF REGULATORY INFORMATION

Clause 731 aims to provide an appropriate level of transparency to the management of petroleum resources in Australia's offshore marine jurisdiction. As such, this clause sets out a requirement for certain administrative actions under the Bill to be publicly notified in the Government Gazette.

PART 7.3—RELEASE OF TECHNICAL INFORMATION

Division 1—Introduction

Clause 732 sets out a simplified outline of Part 7.3 dealing with the release of technical information. This outline does not form part of the operative text of the Bill.

Clause 733 inserts definitions which apply to the whole of this Part.

The definition of petroleum mining sample is proposed to be expanded to include samples of fluids other than petroleum. These could be water samples or samples of gases that are not regarded as petroleum. Such samples could, however, have a geoscientific significance for petroleum exploration.

Division 2—Protection of confidentiality of information and samples

Subdivision 1—Information and samples obtained by the Minister

Clause 734 places a general prohibition on publishing or disclosing documentary information except as specified. This clause specifies or acknowledges the scenarios under which documentary information may be released or disclosed by the Minister.

As implied under subclause (2)(b), the Minister may release any information to any Commonwealth Minister, for example the Minister administering Commonwealth environment legislation. Equally, the Minister may release information to any State Minister (including a Minister of another State) or a Northern Territory Minister. This is to ensure proper coordination of
programs in the various government agencies that are concerned with Australia's marine jurisdiction.

Under subclause (2)(c), the Minister may release information if it is, and on the terms that it is, allowed by the regulations. It is only by this mechanism that the Minister may grant public access to technical information.

Under subclause (2)(d), the Minister may release any information for the purposes of the administration of the Bill or the regulations. An information release under this provision might be made, for example, to Australian Government geoscientists, who will have a role in administering the Bill.

Clause 735 sets out provisions about the Minister making details about petroleum mining samples publicly known or permitting persons to inspect samples.

Clause 736 makes explicit what is implied by clauses 734(2)(b) and 735(2)(b), i.e. that the Minister may release any information or petroleum mining sample to any Commonwealth Minister, State Minister or Northern Territory Minister.

**Subdivision 2—Information and samples obtained by a Victorian Minister**

Clause 737 refers to documentary information made available to a Victorian Minister other than the Minister administering the Bill. This clause places on that Minister the same restrictions regarding the public release of that information as apply under clause 734 to the Minister who passed on the information.

Clause 738 refers to petroleum mining samples made available to the Minister administering the Bill. This clause places on the Minister the same restrictions regarding public access to that sample, or information about it, as apply under clause 734 to the Minister who made the sample available.

**Subdivision 3—Miscellaneous**

Clause 739 enables the regulations to prescribe fees that relate to making information available to a person or allowing a person to inspect a sample. The clause references the relevant clauses, to which the regulations will relate.
Clause 740 enables the regulations to include provision for a Minister's decisions in relation to information release or access to a sample to be reviewed by the Minister administering the Bill. The basic principle behind this policy is that if the public release of information would disclose a trade secret or adversely affect a company's lawful business or financial affairs, that information should not be released, or release should at least be deferred. Decision on issues of this type can occasionally be disputed, and it is therefore desirable for them to come within the ambit of administrative review.

Clause 741 deals with personal information about an individual. Relatively little information of this type would be in the possession of a Minister. To the extent that it is, this clause makes it clear that, under the regulations, the Information Privacy Act 2000, or some stronger prohibition, would apply to its release. For example, particulars about the technical qualifications of an applicant for a title could not be disclosed to third parties in contravention of the Information Privacy Act 2000.

CHAPTER 8—INFORMATION RELATING TO PETROLEUM

PART 8.1—DATA MANAGEMENT AND GATHERING OF INFORMATION

Division 1—Introduction

Clause 742 sets out a simplified outline of Part 8.1 about data management and information gathering. This outline does not form part of the operative text of the Bill.

Division 2—Data management

Clause 743 confers on the Minister a power to give directions to titleholders or persons working under them about documenting a greenhouse gas operation, including action to collect cores, cuttings and samples.

Clause 744 enables regulations to be made for data collection, including requirements for a titleholder to submit a data management plan. This is consistent with the move to using objective-based regulations to deal with other detailed issues related to offshore greenhouse gas operations.
Division 3—Information-gathering powers

Clause 745 empowers the Minister or a project inspector to require any person (not necessarily a titleholder) to provide factual information which is relevant for the proper administration of the legislation. This would include information not documented in writing, in most cases because the company's procedures did not require it to be so documented. The powers set out in this clause could be used by the Minister in investigating, for example, an oil spill incident on a production platform.

Clause 746 refers to costs involved in copying documents at the Minister's or project inspector's direction and giving those copies to the Minister or project inspector.

Clause 747 replicates a power of the Minister or a project inspector provided for in the PSL Act. Examination of a witness on oath or affirmation could be appropriate, for example, in the course of an investigation into damage to a greenhouse gas production "facility" to ascertain whether charges could be laid against a person (other than the witness).

Clause 748 sets out a provision that is commonly used to override the usual rule that a person is not bound to incriminate himself or herself. This clause also discharges the person providing information or a document from any threat of civil proceedings on the basis of that information or document.

If a person questioned under the powers conferred by clause 745 gives information which, in other circumstances, would amount to a confession of an infringement against the Bill or an admission of liability, no effective prosecution or legal action can generally be launched against that person unless other sufficiently strong evidence is found. This partial immunity from legal consequences has the obvious benefit that it increases the likelihood of a successful investigation. Where incidents related to petroleum operations are concerned, it may occasionally be more important to establish the facts than to be able to use the facts in a prosecution or legal action.

However, as set out in subclause (2), information or a document given under clause 745 could be admissible in criminal proceedings if it provides evidence of less than full compliance with a requirement to give information or a document under that clause.
Clause 749 provides for what may be done with documents produced to the Minister or a project inspector.

Clause 750 provides for the Minister or project inspector to retain documents produced under this Division.

Clause 751 makes it an offence against the Bill for a person to knowingly give information that is false or misleading in a material particular when under a requirement under clause 745(2).

Clause 752 makes it an offence against the Bill for a person to knowingly produce a document that is false or misleading in a material particular when under a requirement under clause 745(2).

Clause 753 supports the provisions inserted in clause 745. The clause provides that a person must not knowingly give false or misleading evidence under clause 745, relating to the production of information or documents to the Minister or a greenhouse gas project inspector.

PART 8.2—RELEASE OF REGULATORY INFORMATION

Clause 754 aims to provide an appropriate level of transparency to the management of greenhouse gas resources in the Victorian offshore area. As such, this clause sets out a requirement for certain administrative actions under the Bill to be publicly notified in the Government Gazette.

PART 8.3—RELEASE OF TECHNICAL INFORMATION

Division 1—Introduction

Clause 755 sets out a simplified outline of Part 8.3 dealing with the release of technical information. This outline does not form part of the operative text of the Bill.

Clause 756 inserts definitions, specific to greenhouse gas operations information gathering, which apply to the whole of this Part.

Clause 757 provides that certain documents already supplied to the Minister are not relevant for the purposes of Part 8.3.
Division 2—Protection of confidentiality of information and samples

Subdivision 1—Information and samples obtained by the Minister

Clause 758 places a general prohibition on publishing or disclosing documentary information except as specified. This clause specifies or acknowledges the scenarios under which documentary information may be released or disclosed by the Minister.

As implied under subclause (2)(b), the Minister may release any information to any Commonwealth Minister. This is to ensure proper coordination of programs in the various government agencies that are concerned with Australia’s marine jurisdiction.

Under subclause (2)(c), the Minister may release information if it is, and on the terms that it is, allowed by the regulations. It is only by this mechanism that the Minister may grant public access to technical information.

Under subclause (2)(d), the Minister may release any information for the purposes of the administration of the Bill or the regulations. An information release under this provision might be made, for example, to Australian Government geoscientists, who will have a role in administering the Bill.

Clause 759 sets out provisions about the Minister making details about petroleum mining samples publicly known or permitting persons to inspect samples.

Clause 760 makes explicit what is implied by clauses 758(2)(b) and 759(2)(b), i.e. that the Minister may release any information or an eligible sample to any Commonwealth Minister, State Minister or Northern Territory Minister.

Subdivision 3—Miscellaneous

Clause 761 enables the regulations to prescribe fees that relate to making information available to a person or allowing a person to inspect a sample. The clause references the relevant sections, to which the regulations will relate.

Clause 762 deals with personal information about an individual. Relatively little information of this type would be in the possession of a Minister. To the extent that it is, this clause makes it clear that, under the regulations, the Information Privacy Act 2000, or some stronger prohibition, would apply to its release.

For example, particulars about the technical qualifications of...
an applicant for a title could not be disclosed to third parties in contravention of the Information Privacy Act 2000.

CHAPTER 9—MISCELLANEOUS

PART 9.1—RECONSIDERATION AND REVIEW OF DECISIONS

Clause 763 sets out a simplified outline of Part 9.1 about reconsideration and review of decisions. This outline does not form part of the operative text of the Bill.

Clause 764 sets out definitions of certain terms that are used in this Bill in the provisions concerning the reconsideration and review of decisions. Replicating the equivalent provisions in the PSL Act, only two categories of decisions are proposed to be subject to reconsideration or review. The first consists of decisions of the delegate of the Minister, that relate generally to the offshore areas and exercise of functions or powers under the Bill. The second consists of decisions by Minister.

Clause 765 sets out the rights of reconsideration available to, and procedures to be followed by, any person who is affected by a decision of the Minister's delegate in relation to the management of the Victorian offshore area. This could be a decision on any matter under the Bill or regulations, for example a decision not to renew an exploration permit.

Clause 766 provides for the review of reviewable Ministerial decisions, i.e. decisions by the Minister of the type discussed under clause 764.

PART 9.2—EXPERT ADVISORY COMMITTEES

Clause 767 enables the Minister to establish an advisory committee, by writing.

Clause 768 sets out the functions of an expert advisory panel established by the Minister under clause 767. The purpose of the committee is to provide advice to the Minister on matters referred to it by the Minister. It does not have regulatory functions or powers.

Clause 769 sets out the procedure for members to be appointed to the expert advisory committee.

Clause 770 enables the Minister to set out the procedures for the functioning of the expert advisory committee.
Clause 771 enables the Minister to determine the remuneration to be given to members of the expert advisory committee. The clause precludes certain persons from receiving paid remuneration as a committee member. The regulations may prescribe allowances that may be paid to members of the committee.

Clause 772 enables the minister to grant leave of absence to a committee member, on any terms or conditions determined by the Minister.

Clause 773 sets out procedures for a committee member to resign from membership on the committee.

Clause 774 requires a member of the expert advisory committee to disclose all interests to the Minister, where those interests do or could conflict with membership on the committee and the functions and duties of the committee.

Clause 775 supports clause 774 and sets out instances in which a committee member must disclose to the committee any actual or potential interests which may conflict with a matter to be considered by the committee.

Clause 776 provides that a committee member is bound by any terms and conditions imposed by the Minister, where the Bill is silent.

Clause 777 provides that a person must not disclose any information obtained while serving as a member of the expert advisory committee.

PART 9.3—INFORMATION RELEVANT TO THE MAKING OF DESIGNATED AGREEMENTS

Division 1—Information gathering powers

Clause 778 empowers the Minister to obtain information and documents pertaining to various applications made under the Bill. The Minister is also empowered to issue a written notice to an applicant requiring information to be given.

Clause 779 provides for the costs of copying documents required to be in complying with clause 778. The person complying with clause 778 is entitled to reasonable compensation for expenses incurred in copying documents.

Clause 780 sets out a provision that is commonly used to override the usual rule that a person is not bound to incriminate himself or herself. This clause also discharges the person providing information or a document from any threat of civil proceedings on the basis of that information or document.
If a person questioned under the powers conferred by clause 778 gives information which, in other circumstances, would amount to a confession of an infringement against the Bill or an admission of liability, no effective prosecution or legal action can generally be launched against that person unless other sufficiently strong evidence is found. This partial immunity from legal consequences has the obvious benefit that it increases the likelihood of a successful investigation. Where incidents related to petroleum operations are concerned, it may occasionally be more important to establish the facts than to be able to use the facts in a prosecution or legal action.

However, as set out in subclause (2), information or a document given under clause 778 could be admissible in criminal proceedings if it provides evidence of less than full compliance with a requirement to give information or a document under that clause.

Clause 781 provides for what may be done with documents produced to the Minister.

Clause 782 provides for the Minister to retain documents produced under this Division.

Clause 783 makes it an offence against the Bill for a person to knowingly give information that is false or misleading in a material particular when under a requirement under clause 778(2).

Clause 784 makes it an offence against the Bill for a person to knowingly produce a document that is false or misleading in a material particular when under a requirement under clause 778(2).

Division 2—Protection of information etc.

Clause 785 protects information submitted under clause 778. It forbids the Minister or the Minister’s delegate from disclosing any information submitted under clause 778.

Clause 786 provides for certain instances in which the Minister may disclose information submitted under clause 778. For example, where the information is not of a commercially sensitive nature.

PART 9.4—LIABILITY FOR ACTS AND OMISSIONS

Clause 787 is primarily intended to ensure that persons or companies requesting approval of plans or proposals under the Bill or regulations are liable for any deficiencies in those plans or approvals provided the official concerned gives the approval in good faith.
PART 9.5—SERVICE OF DOCUMENTS

Clause 788 sets out the various approved methods of serving documents that the Bill requires or permits to be given to individuals or corporations or to the Minister. The provisions in this clause would have significance, for example, if a document serving a purpose under the Bill went astray because a wrong mailing address had been written on it. This clause sets out the rules by which the consequences of such an action would be determined.

Clause 789 elaborates on clause 778 to make it clear that, if a member of the public produces a document destined for the Minister and gives it to the Minister's delegate, then, for all purposes of the Bill, that member of the public is deemed to have given the document to the Minister.

Clause 790 is intended to provide an efficient arrangement for the service of documents to titleholders in cases where a petroleum title is held by more than one party. However, the use of this arrangement will be entirely at the behest of the parties holding the title.

The fact that subclause (3) mentions that the nomination of the party through whom the service of documents is to occur must be executed "in an approved manner" means that the Minister has power to specify the manner of executing the notice of nomination. In arriving at a position on this, the Minister might need to consider matters such as whether two directors of a company must sign the notice, whether the signature of one director and the company secretary would suffice, whether a person holding a power of attorney for the company could sign it and whether the company seal must be fixed to the document, assuming a seal exists.

Clause 791 is, similarly to clause 790, intended to provide an efficient arrangement for the service of documents to titleholders in cases where a greenhouse gas title is held by more than one party. However, the use of this arrangement will be entirely at the behest of the parties holding the title.

PART 9.6—DELEGATION BY MINISTER

Clause 792 enables the Minister to delegate by instrument, any function of power conferred on the Minister by this Bill or the regulations. The Minister may make such a delegation to any person, providing the delegation instrument is published in the Government Gazette.
PART 9.7—PUBLIC INTEREST

Clause 793 provides that the Minister may make any of the decisions under this Bill giving regard to the public interest. The Minister may do this irrespective of whether a decision in the Bill requires regard to be given to the public interest.

PART 9.8—REGULATIONS

Clause 794 sets out the general regulation-making power.

Clause 795 provides that regulations may be made enabling actions to be taken subject to the consent or approval of a persons specified in the regulations. This will enable specified operational and technical actions to be taken subject to the consent or approval of government officials, allowing the advice of internationally recognised certifying and classifying bodies to be accepted as the basis for consideration of certain specific proposals such as the assessment of the seaworthiness of vessels and the integrity of offshore structures.

Clause 796 provides that none of the provisions listed in the clause limit the regulations that made be made under the Bill.

Clause 797 enables regulations to impose a fine of up to 20 penalty units for offences against the regulations.

PART 9.9—TRANSITIONAL PROVISIONS

Clause 798 refers to Schedule 5 to set out transitional provisions.

PART 9.10—REPEAL AND AMENDMENTS TO OTHER ACTS

Clause 799 repeals the PSL Act.

Clause 800 provides that Schedule 6 sets out various consequential amendments to other Acts.

SCHEDULES

Schedule 1 sets out the scheduled area for Victoria. That area is used for the purpose of defining the offshore area for the purposes of the Bill.

Schedule 2 sets out the area to be avoided. This Schedule relates to Part 6.6 which sets out requirements relating to safety zones and the area to be avoided in the offshore area. Part 6.6 substantially re-enacts (with modifications) Division 8 of Part III of the Petroleum (Submerged Lands) Act 1982.
Schedule 3 sets out the occupational health and safety (OHS) provisions applying to petroleum and greenhouse gas related operations in the offshore area. Under the Bill, the National Offshore Petroleum Safety Authority is the responsible regulator for conducting OHS regulatory and enforcement functions in the offshore area. Schedule 3 substantially re-enacts (with modifications) Schedule 7 to the *Petroleum (Submerged Lands) Act 1982*.

Schedule 4 sets out the subject matters for which regulations may be made under the Bill.

Schedule 5 sets out the savings and transitional provisions, transitioning from the *Petroleum (Submerged Lands) Act 1982* to the legislative framework under by the Bill.

Schedule 6 contains related consequential amendments to other Acts.