

LEGISLATIVE COUNCIL

RESOURCES LEGISLATION AMENDMENT (FRACKING BAN) BILL 2016

(Amendments and New Clauses to be proposed in Committee by Mr RICH-PHILLIPS)

1. Clause 1, page 2, lines 10 to 13, omit all words and expressions on those lines and insert—
 - "() to provide that the Minister may only grant a production licence if the applicant has the consent of the owners and occupiers of the land on which any well-head is or is to be located within the area for which the licence is sought to carry out petroleum production in that area; and".
2. Clause 1, page 2, after line 13 insert—
 - "() to provide that any petroleum extracted from land in Victoria, or petroleum recovered from any reservoir in Victoria if that petroleum was originally extracted from land in Victoria, must not be supplied other than to the Victorian market; and".

NEW CLAUSE

3. Insert the following New Clause to follow clause 9—

"A Factors determining grant of application

 - (1) In section 49(2)(b) of the **Petroleum Act 1998**, for "the licence" **substitute** "the licence; and".
 - (2) After section 49(2)(b) of the **Petroleum Act 1988** insert—
 - "(c) if the application for the licence is made on or after 1 July 2017, the Minister is satisfied that the applicant has obtained the consent of the owners and occupiers of the land on which any well-head is or is to be located within the area in respect of which the licence is sought for the applicant—
 - (i) to carry out petroleum production in that area; and
 - (ii) to do any thing in that area that is necessary for, or incidental to, the carrying out of petroleum production."."
4. Clause 10, omit this clause.

NEW CLAUSE

5. Insert the following New Clause before clause 11—

"B New Division 4 inserted in Part 11

After Division 3 of Part 11 of the **Petroleum Act 1998** insert—

"Division 4 Supply of petroleum

182A Supply of petroleum

- (1) This section applies to the holder of a production licence if that licence was granted on or after 1 July 2017.
- (2) The holder of a production licence must not supply petroleum extracted from land in Victoria or, if the petroleum was originally extracted from land in Victoria, petroleum recovered from any reservoir in Victoria other than to a person or an entity that will—
 - (a) consume the petroleum within Victoria; or
 - (b) supply the petroleum to a person who, or an entity that, will consume the petroleum within Victoria.

Penalty: 240 penalty units.

Default penalty: 10 penalty units.

- (3) The holder of a production licence must ensure that any contract for the supply by the holder of petroleum extracted from land in Victoria or, if the petroleum was originally extracted from land in Victoria, petroleum recovered from any reservoir in Victoria, includes a condition that the person to whom, or entity to which, the petroleum is to be supplied must not further supply that petroleum other than to a person or an entity that will—
 - (a) consume the petroleum within Victoria; or
 - (b) supply the petroleum to a person who, or an entity that, will consume the petroleum within Victoria.

Penalty: 240 penalty units.

182B Exemption from restriction on supply of petroleum

- (1) The holder of a production licence to which section 182A applies may apply to the Minister for an exemption from the application of that section for a period specified in the application.
- (2) Subject to subsections (3) and (4), the Minister may grant or refuse to grant an exemption under subsection (1).
- (3) The Minister may grant an exemption under subsection (1) for the period specified in the application or any shorter period.
- (4) The Minister must not grant an exemption under subsection (1) unless the Minister reasonably considers that—
 - (a) enough petroleum will be produced in Victoria to satisfy the needs of the Victorian market for petroleum during the period of the exemption if the exemption is granted; or

(b) the licence holder has taken all reasonable steps to comply with section 182A but it will not be commercially viable for the licence holder to comply with that section during the period of the exemption."."

6. Clause 11, lines 20 to 25, omit all words and expressions on those lines.
7. Clause 11, line 26, omit "(c)" and insert "(a)".
8. Clause 11, line 27, after "plan" insert "under which hydraulic fracturing is proposed to be carried out".
9. Clause 11, line 28, omit "(d)" and insert "(b)".
10. Clause 11, line 29, after "condition" insert "relating to hydraulic fracturing".
11. Clause 11, line 30, omit "(e)" and insert "(c)".
12. Clause 11, line 31, after "condition" insert "relating to hydraulic fracturing".
13. Clause 11, page 12, line 1, omit "(f)" and insert "(d)".
14. Clause 11, page 12, line 2, after "operation" insert "that involves hydraulic fracturing".
15. Clause 11, page 12, line 4, omit "(g)" and insert "(e)".
16. Clause 11, page 12, line 5, after "operation" insert "that involves hydraulic fracturing".
17. Clause 11, page 12, line 6, omit "(h)" and insert "(f)".
18. Clause 11, page 12, line 8, omit all words and expressions on that line.
19. Clause 11, page 12, line 9, omit "(ii)" and insert "(i)".
20. Clause 11, page 12, line 10, after "condition" insert "relating to hydraulic fracturing".
21. Clause 11, page 12, line 12, omit "(iii)" and insert "(ii)".
22. Clause 11, page 12, line 14, after "operation" insert "that involves hydraulic fracturing".
23. Clause 11, page 12, line 15, omit "(iv)" and insert "(iii)".
24. Clause 11, page 12, line 16, after "operation" insert "that involves hydraulic fracturing".
25. Clause 11, page 12, line 17, omit "(i)" and insert "(g)".

26. Clause 11, page 12, line 21, omit "(1)(b), (c), (d), (e), (f) and (g)" and insert "(1)(a), (b), (c), (d) and (e)".
27. Clause 11, page 12, line 29, omit "(h) and (i)" and insert "(f) and (g)".

AMENDMENT OF LONG TITLE

28. Long title, omit "to impose a moratorium on petroleum exploration and production in onshore areas of Victoria,".