



Australian Government
Department of Industry
Geoscience Australia

OFFSHORE GREENHOUSE GAS STORAGE ACREAGE RELEASE | AUSTRALIA 2014



LEGISLATIVE FRAMEWORK

This fact sheet outlines the legislative framework for greenhouse gas (GHG) injection and storage operations in Commonwealth offshore waters under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGSA).

The OPGGSA provides a legal framework that establishes a title system for pipeline transportation, injection and storage of GHG substances in geological formations in the Commonwealth waters of Australia's offshore areas three nautical miles from the coastline to the boundary of Australia's Exclusive Economic Zone.

Major features of the legislation include:

- the provision of access and property rights through a title system similar to that used for petroleum for exploring for and using GHG storage formations and sites
- ensuring safe and secure storage
- mechanisms for managing interactions with the petroleum industry
- site closure and the treatment of long-term liability.

In relation to access and property rights, the OPGGSA provides for the issue of invitations to apply for assessment permits through an acreage release on either a work program bid or cash bid basis, followed by assessment of bids against publicly available criteria and then issue of permits to successful applicants. Conditions of the title will also be determined at this time.

The legislation also provides the petroleum industry with additional options for the storage of any carbon dioxide that may be produced through petroleum operations. Petroleum producers' rights to use GHG for enhanced

petroleum recovery remain unchanged and can be undertaken under a petroleum production licence.

Interaction with petroleum titles

The OPGGSA sets out the requirements for the co-existence of the petroleum industry and the GHG storage industry. In some circumstances, one activity could impact on the other activity. To manage this, the legislation distinguishes between pre-commencement petroleum titles and post-commencement petroleum titles.

Pre-commencement titles are the titles that were in existence before the amendments came into effect in November 2008; all subsequent titles are post-commencement titles. For example, exploration permits awarded from the 2014 Offshore Petroleum Exploration Acreage Release are post-commencement titles.

Pre-commencement titles

Petroleum titles awarded before November 2008, or directly derived from such titles, are pre-commencement titles. Rights under these titles are protected through a 'significant impact test'. Under this test, an activity under a GHG title cannot be approved unless the Responsible Commonwealth Minister (RCM) is satisfied that the activity does not pose a significant risk of a significant adverse impact on a pre-commencement petroleum title, or that there is a commercial agreement between the two titleholders.

Post-commencement titles

All petroleum exploration permits awarded after November 2008, or directly derived from such titles, are post-commencement titles. If there is no agreement between a petroleum titleholder and a GHG titleholder, and the two operations cannot coexist, the RCM will make

a decision on which operation should proceed in the public interest. However, once granted, a post-commencement petroleum production licence is protected through the 'significant impact test'.

Regulatory responsibilities

The regime for awarding titles for offshore GHG Storage in Commonwealth waters is administered by the Commonwealth Government through the RCM who is currently the Minister for Industry.

The National Offshore Petroleum Titles Administrator (NOPTA) and the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) perform regulatory functions related to offshore GHG Storage activities.

Responsible Commonwealth Minister

The RCM makes the major policy decisions under the OPGGSA concerning the granting of GHG titles, the imposition of title conditions and the cancellation of titles. Other key functions and powers of the RCM include the release of offshore GHG storage acreage areas and assessment of bids for these areas.

National Offshore Petroleum Titles Administrator

NOPTA is responsible for the day-to-day administration of GHG titles in all offshore areas and is the point of contact for matters pertaining to offshore titles administration in Commonwealth waters.

NOPTA's key functions include:

- providing information, assessments, analysis, reports and advice to the RCM
- managing the collection, administration and release of data
- facilitating life of title administration, including RCM consideration of changes to permit conditions, and approval and registration of transfers and dealings associated with offshore GHG titles
- maintaining the registers of petroleum and GHG storage titles.

For more information, visit the NOPTA website at: www.nopta.gov.au

National Offshore Petroleum Safety and Environmental Management Authority

NOPSEMA is the regulator of safety management of GHG Storage operations in Commonwealth offshore areas.

For more information, see the NOPSEMA website at: www.nopsema.gov.au

Further information

All current legislation, regulations and guidelines governing the offshore GHG Storage industry can be found at: www.nopta.gov.au/legislation/index.html