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6 March 2024

Committee Secretary
Senate Standing Committee on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Members

Thank you for the opportunity to submit to the Inquiry into the *Offshore Petroleum and Greenhouse Gas Storage Legislation Amendment (Safety and Other Measures) Bill 2024 [Provisions]*. This bill includes various amendments to the OPGGS, focused on two main issues: worker safety and environmental assessments. The Australia Institute supports those amendments in Schedule 1 that seek to improve worker safety in the offshore petroleum industry – an area in need of further attention. This submission, however, is primarily concerned with Schedule 2, Part 2 of the Bill, especially as it relates to environmental approvals of offshore gas developments.

Research conducted by the Australia Institute over many years has highlighted the inadequacies of the current approvals process, as well as the incompatibility of continued gas expansion with economic, social, environmental and climate goals.¹ This proposed legislation exacerbates existing problems rather than solving them.

The Government has only given the community a single week to provide submissions to this legislation, whereas the *Explanatory Memorandum* indicates that industry proponents have already been consulted.² The Australia Institute has separately been preparing a submission to the consultation process initiated by the Department of Industry, Science, and Resources (DISR) on *Clarifying consultation requirements for offshore oil and gas storage regulatory approvals*, and we include that submission here, attached to this letter.

That submission is relevant here as it challenges the appropriateness of reforming the offshore gas “approvals” process, currently overseen by NOPSEMA, in a way that facilitates further project development. The best available science is clear that compliance with the

¹ Campbell (2023) *Submission on the sea dumping and carbon capture and storage bill 2023*, <https://australiainstitute.org.au/report/submission-on-the-sea-dumping-and-carbon-capture-and-storage-bill-2023/>; Ogge (2021) *Why the Scarborough LNG development cannot proceed*, <https://australiainstitute.org.au/report/why-the-scarborough-lng-development-cannot-proceed/>

² Commonwealth of Australia (2024) *Offshore Petroleum and Greenhouse Gas Storage Legislation Amendment (Safety and Other Measures) Bill 2024: Explanatory Memorandum*, https://parlinfo.aph.gov.au/parlInfo/download/legislation/ems/r7149_ems_25980693-972d-48c3-862d-9c481645a29f/upload_pdf/JC012169.pdf

Paris Agreement target of 1.5°C is contingent on no new fossil fuel development.³ Minister for Resources Madeleine King's second reading speech that this legislation argued that gas has having an "irreplaceable" role in Australia's economy, directly contradicting that scientific consensus.⁴

Minister King has also indicated that "the amendments proposed in this bill will support implementation of the outcomes of [the DISR consultation] review."⁵ As our submission to that DISR process rejects the premise of "clarifying and improving" the approval process, it has direct bearing on this current legislation. Specifically, **we recommend that Schedule 2, Part 2 amendments of the *Offshore Petroleum and Greenhouse Gas Storage Legislation Amendment (Safety and Other Measures) Bill 2024* be removed.**

Schedule 2, Part 2 of the Bill is essentially a deepening of the deregulation of the offshore gas industry that was affected when, in February 2014, the federal Minister for the Environment endorsed the National Offshore Petroleum Safety and Environmental Management Authority's regulatory processes as a program that meets the requirements of part 10 of the Environment Protection and Biodiversity Conservation Act 1999. That saw a weakening of the rigour of the approvals process – but it did not grant NOPSEMA the ability to vary its approvals process while maintaining the requirements of the EPBC Act.

This Bill seeks to allow the NOPSEMA program to be amended, without vitiating its currency under the EPBC, in effect removing the offshore petroleum and greenhouse gas storage program from the purview of the EPBC. The NOPSEMA process will be able to change independently; concurrently, any strengthening of the EPCBC (currently under review) will not necessarily flow through the NOPSEMA process. As the attached submission details, the approvals process is already flawed. This current legislation threatens to exacerbate those flaws.

Finally, we would highlight the apparent connection between this rushed Inquiry and the context in which this legislation was brought forward. As we detail below, it would seem that this legislation, and the associated DISR review, seeks to weaken consultation requirements. These reforms appear to be a response to lobbying of the Minister by industry proponents, raising questions around the integrity of these processes. As such, **we recommend that future OPGGS approvals by NOPSEMA be suspended, pending a review into the compatibility of further offshore gas expansion in Australia with the Paris Agreement.** This would ensure that the concerns of the community are not overridden by industry.

In short, the Australia Institute strongly opposes Schedule 2, Part 2 of the *Offshore Petroleum and Greenhouse Gas Storage Legislation Amendment (Safety and Other Measures) Bill 2024 [Provisions]*. This amendment threatens to weaken the assessment process for offshore developments, at the request of industry proponents who are seeking to significantly expand

³ Welsby, Price, Pye, and Ekins (2021) 'Unextractable fossil fuels in a 1.5 °C world', *Nature*, <https://www.nature.com/articles/s41586-021-03821-8>; IEA (2021) *Net Zero by 2050: A Roadmap for the Global Energy Sector*, <https://www.iea.org/reports/net-zero-by-2050>

⁴ Commonwealth of Australia (2024) *Parliamentary Debates*, House of Representatives, 15 February, <https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22chamber%2Fhansardr%2F27606%2F0022%22>

⁵ *Ibid.*

fossil fuel production. Rather, environmental assessments ought to be strengthened, to enable the consideration of climate impacts of proposed projects. Broader consideration of the economic, social, and cultural impacts of proposed projects would also dramatically improve the assessment process.

The Australia Institute would be happy to appear before the Committee, to further articulate our opposition to parts of this Bill – especially considering the short window of time we were afforded to prepare our submission.

Regards,

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