PETROLEUM AND GEOTHERMAL ENERGY LEGISLATION AMENDMENT BILL 2013

Consideration in Detail

Resumed from an earlier stage of the sitting.

Clause 9: Section 9 amended —

Debate was adjourned after the clause had been partly considered.

Mr M.J. COWPER: We left off at clause 9, which deals with the potential for greenhouse gas storage formations and potential greenhouse gas injection sites to be the property of the Crown along with some existing petroleum and geothermal resources. This clause amends the heading of proposed section 9 of the Petroleum and Geothermal Energy Resources Act 1967 to read "Certain resources and formations declared to be property of the Crown". We were thrashing out who owns what.

This provision becomes somewhat complicated inasmuch as we are now treating greenhouse gas emissions in the same manner as we would resources such as petroleum and geothermal energy, which may be extracted from below. The difference is that we are reversing it, and I have some difficulty in understanding how it will apply in the same breath as those other two types of energy. Inasmuch as this provision relates to the ownership of injection sites, and we discussed this before we dealt with other business in the house, the monitoring bores and injection sites would become the property of the Crown. I would like the minister to determine exactly how this would apply to private landowners. Mention was made that where possible we would place these monitoring bores and put the injection site on some land that was either commercially obtained and/or was already in possession of the Crown. But in certain locations, as demonstrated in the South West CO_2 Geosequestration Hub, a company called KD.1, a subcontracting business, is approaching various property owners seeking written approvals for it to access their land. It is using some very questionable tactics—I could go as far as to say bully-boy tactics—to obtain these approvals. These stories were related to not only me, but also the acting director of the Department of Mines and Petroleum at a forum in Harvey a few months ago. Clearly, some of the landowners felt that they were somewhat obliged to comply and asked what would happen if they did not comply. The answer given was, "We will seek a court injunction and we will seek to proceed upon your land." As it turns out that is incorrect, and some of the comments were relayed to the deputy director general of the Department of Mines and Petroleum, Michelle Andrews. I understood she was going to investigate the veracity of some of those claims. This gives rise to some of my concerns about tactics that people are prepared to use and the unknown. The basic fact remains that until this legislation goes through this house, the proponents of the project will lack a certain capacity and authority to do certain things—that is, to go on to people's lands. This is an issue on which I strongly advocate on behalf of my electorate; it is very important.

Clause 9 refers to ownership of the land. A number of people have written to me by email and letter telling me they have chosen to retire or to get a nice little lifestyle block in the area and are now being told that someone will come through, pull down their fences and put in some sort of seismic work. They are very unhappy about that indeed. I want some clarification from the minister about those people's rights under the provisions of this clause and who owns the land where these injection sites are, and conversely, whether their lands will be impacted upon indirectly by a pipeline. Who owns the land and under what authority is this ownership obtained? If the unfortunate answer is petroleum and geothermal project proponents, I do not see that there is a connection between the two. Two of those products have been expanded —

Mr C.J. TALLENTIRE: I am interested to hear further from the member for Murray–Wellington.

Mr M.J. COWPER: I do not see there is a correlation between the two and I am perplexed about why this matter would not have been brought on in a separate bill dealing with geosequestration, carbon capture and injection. It seems to be saddled upon this petroleum bill and as far as I am concerned it is almost a Trojan horse bill. I would like the minister's comments about who owns what under those circumstances.

Mr W.R. MARMION: I first return to this specific clause and I will endeavour to follow up on some of the member's other questions, which actually relate to other clauses. This particular clause basically states that the formation is a property of the Crown. The formation is below the surface of the land, so this clause states that the potential greenhouse storage formation and the potential greenhouse injection site, which would be on the land, is property of the Crown—it just makes that statement. Moving on to other issues such as access to the land, that is not what this clause is about; it comes up in other clauses, as does compensation et cetera. To deal with that quickly, I would be disappointed, and I understand the concerns of the member's constituents, if KD.1 has been overly heavy handed. It should not be; it should be consulting. I am sure the member has seen the little booklet that was handed out. If permission is not obtained from the owners of the land, we do not push the issue. At the moment, this legislation is not being operated under because it is not yet in existence, so the action takes place under the Mining Act. I had a chat to the department and one would hope that it might have filtered through to

the KD.1 contractors doing the preliminary consultation with farmers to see whether they will be allowed to put the seismic apparatus, the geophones, on their property. Some have said yes and some said no, and that is where it is at. I certainly take the member's point that if the contractor is being a bit heavy handed, they should not be.

Mr M.J. Cowper: On that point, minister, I have had repeated phone calls from landowners who have said that they have been contacted on several occasions by, I believe, KD.1 and been told, "We want to come and see you again about this, and we want to talk to you again about this issue." Quite frankly, being quite —

Mr W.R. MARMION: And the landowners made it quite clear that they did not want to talk to them?

Mr M.J. Cowper: Absolutely don't want to talk about it.

Mr W.R. MARMION: I take that point.

Mr D.J. KELLY: I asked a question before about this idea of the potential greenhouse gas storage formations being deemed crown land. I was trying to get my head around how something that is only a potential and a possibility in the future could be deemed to be property of the Crown. I asked at that point whether there was a definition in the bill that might assist me. The minister pointed me to proposed section 6AA(1) under clause 7 and I had look at it. It states —

> For the purposes of this Act, a potential GHG storage formation is a part of a geological formation that is suitable for the permanent storage of a greenhouse gas substance injected into that part.

I am afraid that that does not help me very much. Is there some declaration through which people will know in advance that it is a geological formation suitable for permanent storage of a greenhouse gas substance, and therefore people know they are dealing with crown land? We would not want people going about their lawful business to inadvertently interfere with property of the Crown because they have interfered with a geological formation that may later on be deemed to be a potential GHG storage formation. That is what I am trying to get my head around. The definition in that clause does not really assist me and I wonder whether the minister can.

Mr W.R. MARMION: It is hard to explain something without people understanding how the whole of the legislation works, but I will endeavour to do so. We will start at the very top. There are already some spots identified as potential geosequestration sites. They are on the map I am holding and the area I am pointing to is probably the highest level area.

Mr D.J. Kelly: Is that part of the legislation?

Mr W.R. MARMION: No, I am just giving the member a lesson about some history. I am not the expert, I have to say.

Mr D.J. Kelly: Can I get a copy of that map?

Mr W.R. MARMION: I am sure the member can. It is on the department's website. We can certainly arrange for the member to get a copy of this map.

This clause allows the department to give an exploration permit to someone for something. The provision is already there for petroleum and geothermal and now we are making a provision for the department to give a permit for a potential greenhouse gas geosequestration storage spot in the ground. That is what this clause is about. The member is concerned about the definition of a potential greenhouse gas storage site, is that right?

Mr D.J. Kelly: No, I can see what the definition is in the legislation, but my concern is that something that is not actually physical entity that people cannot see or understand is deemed to be Crown property. That something is only a potential.

Mr W.R. MARMION: It would be fair to say we have not got an actual site yet. Let us use the South West CO_2 Geosequestration Hub as an example. We will know once we have done more work. There is $52 million set aside at the moment, and possibly there could $330 million of commonwealth money, and that will be put into preliminary work to see whether the Lesueur aquifer is a potential spot for geosequestration. We are not there yet. When all this work has been done and the department—the experts—says it believes that it is now a potential site to sequester CO_2 into the ground, it can then issue a permit; but it needs to make sure that it owns the site. Once it has done all the work and it is determined to be a potential formation for the storage of greenhouse gases, it can then be designated so that it is part of the precompetitive data. It is similar to a petroleum tenement, where they go out and drill for oil. Once we have this mechanism so the Crown owns it, we can then issue a permit. We cannot give a permit for something we do not own. It is a potential greenhouse storage site only, because they might find that after the exploration work has been done, as they are doing right now, it may potentially not be suitable to store greenhouse gases for a whole range of technical reasons. We are using the word "potential" because there is not yet a proven site in Western Australia. That is not true, as Barrow Island is one, and that has a separate act. That is one that has been done, but this one has not been proven up.

This clause brings in the ownership of the potential formation to the Crown so that we can actually issue an exploration permit and start the ball rolling for a proponent. An exploration permit has a whole lot of conditions around it, including the area in which they can drill and a whole lot of conditions that will be put around that in terms of compliance, but the bill details all of that further along.

Clause put and passed.

Clause 10: Section 10 amended —

Mr C.J. TALLENTIRE: I have just a brief question to the minister about clause 10, which amends section 10 of the act, "Reservations in Crown grants and leases". I seek the minister's clarification that this is about access to land other than freehold land. I am keen to know the extent of that access. Does it apply to all unallocated crown land, pastoral lease country, national parks or other elements of the conservation estate? How widely is "Reservations in Crown grants and leases" applied?

Mr W.R. MARMION: The advice I have is that it is all crown land; any crown land is covered and leased under an act.

Mr C.J. Tallentire: Does that include national parks and conservation estates?

Mr W.R. MARMION: I am advised that further along in the bill there are a whole lot of processes that require ministerial approval and permission to go in et cetera, so that opens up a whole process in terms of access to national parks.

Mr M.J. COWPER: Clause 10 talks about retrospectivity, inasmuch as it is going to capture land not only going forward, but also GHG operations that are currently being looked at, and it talks about reserves. Am I to take that to mean the operations currently underway by Chevron in Barrow Island, for instance?

Mr W.R. MARMION: No; Barrow Island is covered by a separate state agreement act. The actual geosequestration of CO_2 on Barrow Island is separate; because it has already been put in an act and any other act. State agreement acts are not influenced, as far as I am aware, by other acts, so that gives the proponent the sovereign right that it will not be changed. Barrow Island is separate and is not covered by this legislation.

Mr M.J. COWPER: That being the case, once this bill is passed, will it take precedence over the state agreement act? The minister is saying that state agreements have certain jurisdictions that perhaps take precedence. How will that sit with this particular new piece of legislation?

Mr W.R. MARMION: I have just confirmed that what I said before is true. Once this legislation comes into effect, it will apply to any other geosequestration that may come in the future, but it does not apply to Barrow Island because that act is already in existence. This will not override it.

Mr M.J. COWPER: Does the retrospectivity that is mentioned in this particular clause relate to the exploration that is currently underway in the South West Hub? What other geosequestration projects are underway or considered in Western Australia at the moment?

Mr W.R. MARMION: That is included so that when the legislation comes into effect there will be no doubt that the formation belongs to the Crown. It will make sure that all potential formations are considered the property of the Crown.

Clause put and passed.

Clause 11: Section 11 amended —

Mr D.J. KELLY: I have a question about the change of title. The explanatory memorandum states, in part —

> This clause extends the Minister's current power to search and obtain petroleum and geothermal energy resources on any vacant Crown land, or any other land, to now include GHG operations.

Currently, section 11 provides that the minister may "search" for petroleum or geothermal energy resources, whereas proposed section 11 provides that the minister may "carry on" petroleum, geothermal energy or GHG operations. That seems to be a broad change that is not reflected in the explanatory memorandum.

Mr W.R. MARMION: It was easy to use the word "search" for petroleum and geothermal energy resources. parliamentary counsel has tried to capture in a succinct manner a verb that covers what one might do with petroleum, geothermal energy or GHG operations. We are not necessarily "searching" for greenhouse gas; we are actually carrying out some operations to determine a reservoir, basically. Parliamentary counsel considered this to be appropriate wording to capture what proposed section 11 is about. I will see if I can get some more advice from my expert team. The term "carry on" has been carried through in a lot of the other provisions, whilst also being appropriate in the heading for this particular clause. The terminology "carry on petroleum, geothermal energy or GHG operations" is reflected throughout the rest of the bill.

Mr D.J. KELLY: New section 11(2A) states —

> The Minister may by his officers, agents, or workmen carry on GHG operations …

Maybe it is because I am new to this place, but it surprised me that there were two examples of very gender-specific language in the bill. Call me old-fashioned, but I would have thought that referring to the minister as a male is a bit old-fashioned and the term "workmen" sounds like something that I remember seeing in industrial awards along with "chambermaids" and other terms from the 1950s. Is there any reason for that?

Mr W.R. MARMION: Madam Acting Speaker —

Mr W.J. Johnston: And the Clerks—they're ganging up!

Mr W.R. MARMION: I am in trouble here! The advice I have is that if the member looks at the existing act, he will see that that terminology has been used. There are 172 clauses in the Petroleum and Geothermal Energy Legislation Amendment Bill 2013. The advice is that there is a limit to going through and adding a lot more clauses just for that specific issue, as important as it is, so for expediency there are only 172 clauses and it remains consistent with the terminology in the act. But under the Interpretation Act, obviously, it is implied that although it states "his" it could be "her". I understand that is what is implied under the Interpretation Act. I know that you will be very upset over that response, Acting Speaker (Ms J.M. Freeman).

Mr D.J. KELLY: The minister is essentially saying that he has put in more old-fashioned language because the government cannot be bothered to amend legislation to reflect that it is making what was old legislation even worse. It does not make sense.

Mr W.R. MARMION: We can take it on board; when we review the whole act, we can certainly make sure of that.

Mr M.J. COWPER: For continuity purposes, if the member for Bassendean wants to ask another question in this field, I will let him, because I am going off on a different angle.

Mr D.J. KELLY: I refer to the term "workmen" in clause 11. What is the definition of a workman? Putting aside the gender-specific language, this new section provides that —

> The Minister may by his officers, agents, or workmen carry on GHG operations …

Quite a lot of power can be bestowed upon a workman if they are acting on the authority of the minister. "Workman" seems to be an old-fashioned general term, so I wonder what it means in the context of this legislation. Does it mean a direct employee? Does it mean a subcontractor? What exactly does it mean?

Mr W.R. MARMION: There is no definition, but a workman would be an employee—someone basically working on the job. That is the advice I have from my advisers, so there is no specific definition of "workmen", but they would be the people who would be working on GHG operations who are not agents or officers.

Mr D.J. KELLY: Does that extend to subcontractors? Given the proliferation of those types of not employment arrangements, whereby people with ABNs are doing work on behalf of the minister, are they covered by this provision?

Mr W.R. MARMION: This is old language. The officers, basically, would probably be departmental people who work directly for me as officers with the department. Agents could be agents of those officers or subcontractors. Workmen could be workmen working under the agents or under the officers.

Mr D.J. KELLY: Given that we are putting this legislation in place in 2013, could the government not come up with terminology that is more specific and more precise, rather than using, in the minister's terms, very old-fashioned language?

Mr W.R. MARMION: I have a lot of respect for parliamentary counsel. There are some very good parliamentary counsel. A long time ago, Greg Calcutt was a parliamentary counsel and I had a lot of respect for his ability to draft. I do not know whether Patrick Tremlett is still there. I do not mind mentioning their names, because they do a really good job. It is very hard-to-draft legislation. This legislation has not been drafted by me, it has been drafted by parliamentary counsel and I think it has done a fairly good job.

Mr W.J. Johnston: So you didn't draft it?

Mr W.R. MARMION: No, I did not draft it.

Mr M.J. COWPER: This clause is getting to where I have probably the most difficulty. That relates to the powers that it will provide. New section 11(2A) states —

> The Minister may by his officers, agents, or workmen carry on GHG operations and, for such purposes, may enter upon and occupy, either temporarily or permanently —

(a) any vacant Crown land; or

(b) any other land.

I want some clarification. Does "any other land" mean privately owned land or land that is held under Queen Victoria title? Is that land in private ownership, whether it be owned by a person or a company?

Mr W.R. MARMION: Yes. The answer is that "any other land" includes the land the member mentioned.

Mr M.J. COWPER: I need to draw reference also to the interaction clause 11 has with clause 14. I know that the minister may not wish to answer that question until we get to clause 14. But, for the purposes of the house, clause 14 extends the existing provisions that require the consent of the owner or trustees of land in certain cases for exploration. Carbon capture is not actually exploration, but we would infer that clause 11 will give the minister or his agent or workman, as we mentioned, the capacity to enter upon private land, whether it be a farmer in Harvey with a dairy farm operation—which I might add, has a very minimal return. The minister can appreciate that a typical dairy farm in the Murray–Wellington electorate may be 500 acres and milk 200 cows. Given that 500 acres is probably worth somewhere in the vicinity of $10 000 and $20 000 per hectare, the cows themselves are worth somewhere in the vicinity of $3 000 and $4 000, the machinery, the cost of plant and the money invested in labour capital and the like, it is a small business in the true sense. It is a small business that probably has a value of around $4 million to $5 million. Recently, the returns to a dairy farmer in the Harvey area in the Murray–Wellington electorate and other parts of the state have been minimal. In many respects, we have seen a lot of people leave the industry simply because, given the assets they have, it would be far better for them to sell those assets and put the money in the bank as they will lose less money that way. Then along comes another piece of government legislation that allows, with a stroke of a pen, the capacity for a government agency or one of its subcontractors or one of its workmen to enter upon someone's premises and do acts contrary to the landowner's wishes. I referred to section 16, which provides that in certain circumstances for exploration the consent of the owner is required. Can the minister please explain the conflict that appears between those two sections?

Mr W.R. MARMION: We have to jump to section 16 to answer that question. Clause 11, which we are dealing with now, amends section 11 to allow the minister, his officers, agents or workmen access to any land. That is read in conjunction with section 16, which requires the consent of the owner. Section 16 spells out certain situations in which the land cannot be accessed. Without going into any detail, the land that cannot be accessed is —

(a) private land not exceeding 2 000 m^2 in extent; or

(b) used as a cemetery or burial place; or

(c) less than 150 m in lateral distance from any cemetery or burial place, reservoir —

Such as a water tank. I am digressing, but giving the context that there are bits of land that cannot be accessed or to which access could be denied by the titleholder. For other land, the title holder cannot deny access, but the proponent has to negotiate a compensation package with the private owner. If that package has not been negotiated, the land cannot be accessed. Section 20 provides that nothing can commence on the private land until compensation is paid to the owner or occupier of the land as part of an agreement for compensation. That has to be negotiated and agreed before access to that land is allowed.

Mr M.J. COWPER: Noting sections 14, 16 and 20, why does it need to be blatantly spelt out in proposed section 11 —

(2A) The Minister may by his officers, agents, or workmen carry on … operations …

According to this, they would have a lawful right to enter the premises. That is the nub of it all. Given that the minister says that the other provisions will allow for some arrangement, that is fine. If the landowner is comfortable with the person coming onto their land, that is how it should be. If not, they should leave. As I have mentioned before, a number of people down there are already imposing themselves on landowners. I have instructed landowners to ring me on my mobile phone any time of the day or night and I will assist them. From my former career as a police officer, I know that entering onto premises without lawful excuse is a crime. The way I see it, if a person enters a property, they have what is called the lawful right to inquire with the owner of that property. They can lawfully travel from the front gate to the front door, knock on the door and make an inquiry. However, as soon as the licence for that person to remain on private property is withdrawn, that person must leave that premises. If anyone comes onto a dairy farm in the Murray–Wellington electorate, imposing themselves, and they fail to leave when asked, I will call Sergeant Morley down at the Harvey Police Station to assist.

Mr W.R. MARMION: That is correct.

Mr M.J. COWPER: Why do we need proposed section 11, given that sections 14, 16 and 20 cover this matter? In this case, we are not looking for oil; we are looking for the potential for a geosequestration feature. If someone negotiates, let us say, for instance, $1 000 a day to come onto the premises and they leave the premises in the same condition as when they entered, that is a reasonable outcome for the landowner. However, it is not good enough to have people enter upon their premises without any compensation and without any regard for the impact on their business. As I mentioned before, dairy farmers run a very thin margin, with many of them going to the wall. They see this as another impost by government on their lives. I am waiting on a response from the minister about why this section needs to be included.

Mr W.R. MARMION: This proposed section is included so that we have the power to access. Otherwise, the minister or the government could not investigate or do any exploration. That is the same as the case with petroleum and geothermal. I know the member thinks that there is a difference between the value of those deferent commodities.

Mr M.J. Cowper: It is not the value; I cannot see how they can be compared.

Mr W.R. MARMION: This bill makes them of similar status in exploration.

Mr M.J. COWPER: Is the minister saying that without amending section 11, sections 14, 16 and 20 will not function?

Mr W.R. MARMION: No, I am not saying that. The other sections follow on from this section as amended. They are just the sections that come up after this clause.

Mr M.J. COWPER: I am not comfortable at all with that proposition and with what this bill purports to do. I ask the minister to consider amending this bill to exclude proposed section 11(2A)(b).

Mr W.R. MARMION: No, if we remove that from proposed section 11(2A), it would not work. There is a possibility that it might work sometimes, but we need the access to work out whether the formation works if required. Otherwise, one person could stop a geosequestration project that the state wants to happen. Obviously, compensation will be negotiated with the landowner, but at the end of the day, the state, the minister and the government of the day has to have that power to do something for the greater good of Western Australia. That gives us that power. If the government does something that the majority of Western Australians do not think was for the greater good of Western Australia, it probably will not remain in power. If this bill is going to work, we need the minister and his officers to do exploration.

Mr M.J. COWPER: The minister is saying that notwithstanding sections 14, 16 and 20, if the minister of the day—or not even a minister, as it refers here to his workmen or agents—decides that he needs access notwithstanding the protestations of one of the landowners, he could enter upon that land without seeking any higher authority, for example, through a court application. It simply provides —

> (2A) The Minister may by his officers, agents, or workmen carry on … operations and, for such purposes, may enter upon and occupy, either temporarily or permanently —

Other people's land.

Mr W.R. MARMION: Once the Crown, the minister or his agents decide they want access to a property, under the act there are three months for negotiating an agreement, and there could be compensation around that. If after three months agreement on a compensation package cannot be reached, the matter goes to the Magistrates Court, and the Magistrates Court takes certain things into consideration in reaching a determination of the compensation.

Mr M.J. COWPER: What really concerns me is the notion that was proffered, allegedly by KD.1, the subcontractor working on behalf of the department, to landowners in the Murray–Wellington electorate, in Harvey in particular, saying, "If you don't like it, we'll make an application." What it was saying was quite wrong inasmuch as it cannot do that at this time because this legislation has not been passed. Therefore, what it was saying was inaccurate at that time. The minister is saying that it could well become a reality once this legislation is progressed. Is that correct?

Mr W.R. MARMION: That is correct.

Mr M.J. COWPER: Is there some other method by which we could ensure that the property rights of the landowners there are protected under this clause?

Mr W.R. MARMION: There is. That is why we have sections 16 and 20. The mechanism is that the landowner can negotiate with the agent of the minister for the compensation. If they are not happy with the negotiation, the matter goes to the Magistrates Court.

Mr M.J. COWPER: In the past that has created a very unfortunate situation which I have considerable difficulty with. I move that clause 11 be deleted. I have moved a motion to amend this clause, and I have signed it in my name.

The ACTING SPEAKER (Ms J.M. Freeman): Member, in relation to the motion before me, I have been advised that instead of moving that the clause be deleted, you should oppose the clause. The question would be that clause 11 be agreed to, and at that time you have to just oppose the clause. Does the member want to raise a point of order?

Mr M.J. COWPER: So I cannot move that a particular clause be withdrawn; is that correct?

The ACTING SPEAKER: No. The advice I have is that for that clause to be deleted as such, you should vote against the clause. I think what you need to do, member for Murray–Wellington, is argue why you think the people in this house should vote against that clause.

Mr M.J. COWPER: I have been trying to demonstrate, on behalf of my constituents, the importance of legislation that impacts upon landowners. Back in 2004, a report was done by Hon Barry House, the President of the other place. It is a very good, detailed document, and I commend it to anyone in this house who has not availed themselves of that document, which deals with the rights of landowners in Western Australia. Over a period of time a large number of bills have come before this place. Many of them have been innocuous inasmuch as they were there for an intended purpose, but the secondary and tertiary consequences of those bills impact on the capacity of landowners. A number of electorates are affected, particularly those in the peri-urban environment of the Perth metropolitan area. I refer to the Wanneroo area and the member for Moore's electorate. The member for Darling Range has issues, as does the member for Southern River. People from a number of other places such as Preston and areas down towards Busselton have been campaigning on the issue of property rights of landowners. What concerns me, members, is that in 2005 the Liberal Party campaigned strongly in support of the rights of landowners, yet here we are again today proffering just another piece of cottonwool around the finger. Although it may not seem to be a particularly serious impost on landowners, the combination of all those various pieces of legislation has impacted upon those landowners, not the least of which was the Peel region scheme, which was brought in by a former Liberal government, which absolutely astounds me. It absolutely astounds me that the Peel region scheme was brought in under Richard Court and proffered by the likes of a former member Hon Graham Kierath and others. It saw the heartland, if you like, of the Liberal Party in the Murray–Wellington electorate decimated in its membership and in its support for the Liberal Party, notwithstanding the fact that the Murray–Wellington electorate is the birthplace, if you like, of the Pastoralists and Graziers Association and the old families who farmed and the pioneers who made this state great. As an aside, I note that a former Liberal Premier of this state, Sir Ross McLarty, was the first one to introduce and welcome into this place a member of Parliament of the female gender.

Since then, we have had the Peel region scheme, which depicts a large snapshot from the air, of land that is regarded as being of environmental sensitivity. There is no doubt that some significant pieces of environmentally sensitive land within the Peel region need to be protected. Unfortunately, it took a big grab bag of some bureaucrat sitting at a boffin's desk in Perth, and they are really pushing upon the people of the land the loss of a significant amount of land. That is what resulted in the exodus of support down in my neck of the woods. For the last eight years I have been fighting to see this matter dealt with in a fashion that would see the people in my electorate and also right across Western Australia being dealt with in a fair and just way. There is not only the Peel region scheme, but also the Swan coastal plain wetland strategy, which is another strategy that seems to have been dreamt up by various government departments to justify their existence and the ballooning of our public sector. Yet the man on the land who has been making this country great has been suffering as a result of a combination of such pieces of legislation. Although members might think that this is perhaps a rather thin line in the sand, this is typical of the type of legislation that impacts upon the people in my electorate. It is something that I have been proffering within my own party, as have other members. I am not alone on this one.

Mr D.A. TEMPLEMAN: Being a member for the Peel region, I am very interested to hear the further comments of the member for Murray–Wellington.

Mr M.J. COWPER: Thank you, members. We have a situation in which these various layers have been sweeping across the rights of landowners. There has been some significant documentation on it in the form of the report done by Hon Barry House. It is something that has been sticking in the craw of the lay party of the Liberal Party for many years. Not only Liberal Party members, but all landowners right across the board are seriously concerned about their rights on their own land. Here we have another piece of legislation that is going to allow workmen to walk up, knock on the door and say, "We're going into your paddock. If you don't like it, we'll go and get an injunction from the magistrate, and too bad!" I am afraid that I am here at the behest of the fantastic people who elected me to this place on an increased majority over the last three terms. Unfortunately I am not

going to be party to legislation that impacts upon landowners who seem to be losing control of their own land, albeit that I said in the second reading debate the legislation would be a great thing if it came to fruition and was used in a sensible fashion.

Mr R.S. LOVE: As well as the member for Murray–Wellington, I rise to speak against the inclusion of this clause in the bill. The electors in my electorate are very concerned about certain aspects of the operation of the existing Petroleum and Geothermal Energy Resources Act as it pertains to access rights to private land. The process at the moment, as the minister pointed out, is that landowners are expected to reach an agreed access agreement with the proponent, and if that access agreement cannot be reached, the whole matter is decided in the Magistrates Court. It has become quite apparent over the last few months of travels throughout my electorate that when a company has been involved in discussions with landowners on the matter of access, the landowners have been on very unequal footing with the proponent. The landowners typically do not have access to a large, experienced team of legal professionals who can assist them in working out a fair access agreement. There is no framework and no build-up of precedent or any sort of background that they can refer to as a good guide to what they can expect to receive in compensation or, indeed, what may be fair compensation.

I am told that the provisions that apply to normal mining, in which a landowner has a power of veto over some of the activities of exploration companies, do not apply to gas and oil exploration because of the strategic nature of those reserves. I am not convinced about the strategic nature of the potential voids that we are talking about here. We are not talking about an asset; we are talking about a hole in the ground that can be filled. What we are really talking about, therefore, is pretty similar to a rubbish tip for gas. I really struggle to see that that has the same weight of need and the same strategic importance as the provision of an oilfield or a gas field. I do not think that these measures are in the interests of the private landowners in my electorate or of the state of Western Australia, and I do not support this clause.

Division

Clause put and a division taken with the following result —

Ayes (27)

Mr P. Abetz	Mr V.A. Catania	Mr B.J. Grylls	Dr M.D. Nahan
Mr F.A. Alban	Ms M.J. Davies	Dr G.G. Jacobs	Mr D.C. Nalder
Mr C.J. Barnett	Mr J.H.D. Day	Mr S.K. L'Estrange	Mr J. Norberger
Mr I.C. Blayney	Ms W.M. Duncan	Mr W.R. Marmion	Mr A.J. Simpson
Mr I.M. Britza	Ms E. Evangel	Mr P.T. Miles	Mr M.H. Taylor
Mr T.R. Buswell	Mr J.M. Francis	Ms A.R. Mitchell	Mr A. Krsticevic *(Teller)*
Mr G.M. Castrilli	Mrs G.J. Godfrey	Mr N.W. Morton	

Noes (14)

Dr A.D. Buti	Ms J.M. Freeman	Mr R.S. Love	Mr C.J. Tallentire
Mr R.H. Cook	Mr W.J. Johnston	Ms S.F. McGurk	Mr D.A. Templeman *(Teller)*
Mr M.J. Cowper	Mr D.J. Kelly	Mr M.P. Murray	
Ms J. Farrer	Mr F.M. Logan	Ms R. Saffioti	

Pairs

Mr A.P. Jacob	Ms M.M. Quirk
Mr D.T. Redman	Mr J.R. Quigley
Mr T.K. Waldron	Mrs M.H. Roberts
Dr K.D. Hames	Mr P.B. Watson

Clause thus passed.

Clause 12: Section 15 amended —

Mr D.A. TEMPLEMAN: I understand that we are on clause 12, but I want firstly to congratulate the members for Murray–Wellington and Moore for the courage they have shown in representing their communities. Their demonstration of courage in voting on the clause just passed—I am sure they will vote likewise on following clauses—is admirable, and probably noted by those opposite. I acknowledge the comments made by the member for Murray–Wellington about the history on access to land in the Peel region scheme. I also acknowledge the comments on this bill and the theme in clause 12. I remember, not as a member of this place but as a councillor on the City of Mandurah, that the Peel region scheme caused great hassles. However, I am interested in hearing further comments, particularly from the two members who spoke so passionately on this clause.

Clause put and passed.

Clause 13 put and passed.

Clause 14: Section 16 amended —

Mr M.J. COWPER: As far as I am concerned, and on behalf of my constituents, clause 11 is the offending clause. It states that the minister or any one of his agents can go onto someone's land with impunity and do certain things, as is the case with the exploration for minerals. I have consistently said that I do not see how greenhouse gas has any connection or relevance to or is as important as petroleum and geothermal energies. Section 16 of the act provides that the consent of the owner or trustees of the land is required in certain cases of exploration for petroleum. In light of what we were told by the minister under clause 11, this is nonsense because it says that the owner has some sort of right but, at the end of the day, if a negotiation cannot be reached, bad luck; we are going to court to get an order and this is what the landowner will get. Again, I restate my absolute abhorrence on behalf of my constituents to this type of behaviour.

Clause put and passed.

Clauses 15 to 29 put and passed.

Clause 30: Section 39A inserted —

Mr W.J. JOHNSTON: This clause provides for the rights conferred by the exploration permit. I will ask about proposed section 39A(1)(c) and (d). I think I know the answer to my question, but I need the minister to put it on record: how much is an appraisal amount? The permit allows the right to inject a greenhouse gas substance on an appraisal basis, so what is that amount? My second question relates to proposed paragraph (d), which reads —

> to store, on an appraisal basis, a greenhouse gas substance …

Should that not read "to do works" or "to do operations on an appraisal basis to permanently store a greenhouse gas substance"? Is that not what we are trying to do? The basis of this storage is not the appraisal, but rather the action is the appraisal. Does the minister understand the question?

Mr W.R. Marmion: No; go through it slowly.

Mr W.J. JOHNSTON: How much is that amount in proposed paragraph (c)? That is pretty easy. Proposed paragraph (d) states —

Mr W.R. Marmion: That is where I am lost because I am looking at two documents.

Mr W.J. JOHNSTON: I refer to proposed section 39A(1)(c). How much is an appraisal amount?

Mr W.R. Marmion: I am also reading the act where it is inserted and I have not found it.

Mr W.J. JOHNSTON: It is on page 30, line 21 of the bill. The first question is about proposed section 39A(1)(c). How much is an appraisal basis? How much greenhouse gas can a person inject on an appraisal basis? I think I know the answer but please tell me. Proposed paragraph (d) states —

> to store, on an appraisal basis, a greenhouse gas substance …

I do not think that is what the provision really means. Is the provision supposed to say that it is appraising the permanent storage, which would be worded differently?

Mr W.R. Marmion: I get where the member is coming from. Just to clarify his point, because we are only appraising, is the member asking why we are not storing on an appraisal basis?

Mr W.J. JOHNSTON: Yes. How do we store on an appraisal basis? Does that mean it is going to be withdrawn or something else will happen at a later date? I understand exactly what the minister is trying to do but I am not sure that these words are right.

Mr W.R. MARMION: I think I have worked it out. The answer to the first question is 100 000 tonnes.

Mr W.J. Johnston: So anything less than 100 000 tonnes is an appraisal amount; is that right?

Mr W.R. MARMION: Yes. When storing on an appraisal basis—I will make this up because I have not had advice—if we inject CO_2 to be stored, we might want to see how it reacts. If we put less than 100 000 tonnes of it into the sedimentary area, we will have an opportunity to test how it will react to the sedimentary formation. We are storing that amount on an appraisal basis to appraise the suitability of the storage.

Mr W.J. Johnston: Are we not appraising "the storage" rather than "doing it" on an appraisal basis?

Mr W.R. MARMION: The member said that the wording could be different.

Mr W.J. Johnston: I just think it could have been clearer.

Mr W.R. MARMION: I will rely on the better judgment of parliamentary counsel.

Clause put and passed.

Clauses 31 to 33 put and passed.

Clause 34: Section 42B inserted —

Mr W.J. JOHNSTON: I have a quick question: can the minister put on record the policy reason for permitting a single renewal?

Mr W.R. MARMION: The permittee has six years and is allowed an extension for five years because, from a policy point of view, if the permittee has not dropped it by then, it will be relinquished.

Mr W.J. Johnston: So we are trying to avoid warehousing.

Mr W.R. MARMION: Yes, it is so we do not have warehousing. That is a good point.

Clause put and passed.

Clauses 35 to 39 put and passed.

Clause 40: Section 43EA inserted —

Mr W.J. JOHNSTON: My question is about proposed subsections (1)(c) and (d). If a company has a drilling reservation and the greenhouse gas goes into appraisal for storage, what would be the implication if the company has not properly described the geothermal formation and, even if it was stored permanently, the GHG was stored beyond the permitted leased area? That is the issue I am raising. What are the consequences if a GHG is put into the ground and the proponent only has the rights to its lease, and the GHG migrates beyond the reservation?

Mr W.R. Marmion: Are you referring to up on the boundary of the lease?

Mr W.J. JOHNSTON: Yes.

Mr W.R. MARMION: We are getting into some detail; it is one of those catch-22 situations. Hopefully, that situation does not eventuate because the right investigation and historical work would have been done before the acreage was released so there would be some certainty. There is also probably some leeway given before that is done. I guess the member wants an answer about what would happen hypothetically if things had been done wrongly. I am speaking hypothetically, but if that acreage had been released, the boundary was definitive and not made wider for whatever reason, and the GHG went past the boundary, it would have to be decided whether the acreage could be made bigger or there was a constraint. If the latter was the case, things probably would fall over. I am making this up as I go along! I will get it confirmed by my advisers. My advisers sort of confirm what I said. Prior to approval, rigorous approval processes with detailed modelling of the plume will be required by the Department of Mines and Petroleum and that will be done through regulation. It will be monitored, and if the department sees the plume getting closer to the boundary, there is probably an opportunity to stop it going any further.

Mr W.J. Johnston: Are you going to rely on the modelling done by the applicant?

Mr W.R. MARMION: That modelling and also the actual conditions around the operation. We will get the data on the modelling of the actual injection and the plume, and if it looks like it is getting close, we can see it could be a bit of a problem. Then it will have to be evaluated, I guess, and the action to go forward determined. I will just see whether my advisers have another little note for me. Regarding the member's point about relying on the applicant's modelling, due diligence is done on a model by DMP's expert staff who are world champions in this area.

Clause put and passed.

Clause 41: Section 44 replaced —

Mr W.J. JOHNSTON: The minister will be able to tell that this is a question suggested to me by someone involved in geology. Proposed section 44(2) has been raised with me. If someone has a permit to drill for greenhouse gas storage and they discover petroleum or geothermal energy, or if they are drilling for petroleum and they find a potential greenhouse gas storage site, the proposed section states that the permittee or holder must within three days furnish particulars of the discovery to the minister. It has been proposed to me that if someone is drilling for one thing, they will not notice the other. If someone has a drill core and is told to look for gold, they will look for gold and if they are told to look for a GHG storage site, the sandstone or whatever they are looking for, they will look for that. Oil may show in a core, but because it is not being looked for, it will not be seen. Remember the length of these cores, they are 3 000 metres long.

Mr W.R. Marmion: It is 2 945 metres long in this case—okay, 3 000 metres then!

Mr W.J. JOHNSTON: We will round it up; it is 3 000 metres long! We can tell why a geologist pointed this out to me. Some individual in the core yard will be looking at the drill bits, but they will be looking for the thing

they have been asked to look for. They might accidentally not see what the minister is after and they will not tell him within three days and will get penalised $10 000. I can see that the minister would want to know because he would not want those people to rush out tomorrow and peg the land and then get the benefit of the second discovery, but is there not a better way of regulating it?

Mr W.R. MARMION: Briefly, the member would be right in general if he was talking about minerals, but his question does not apply quite so much with petroleum. In setting up a drilling program, the member would be aware that with the safety case the prospect of petroleum might have been advised, and it is important to be guarded against the possibility of finding petroleum because of its inherent risks.

Mr W.J. Johnston: You would expect to be finding the prospects while doing the seismic exception work on the project before they put holes in the ground.

Mr W.R. MARMION: Probably more so with drilling than with the seismic activity. When the proponents drill, they will be alerted to the possibility of looking at cores if there is oil there as well, because they are probably interested.

Mr W.J. Johnston: Yes, it would be much more valuable than the GHG opportunities!

Mr M.J. COWPER: It says in this proposed section 44(2) that the minister has to be advised within three days of any discovery of petroleum or geothermal energy or formation or a potential greenhouse gas storage site. I can understand why the discovery of petroleum or geothermal energy would need to be reported, but at what point in the process of discovering whether a formation is suitable for storage would that occur? As we have already discussed, it will take years of seismic activity, drilling, doing the hokey-pokey and trying to determine whether the formation will be subject to a reservation. Once there is an epiphany and the light comes through the window and hits the geologist in the head and he says, "Fantastic, we have got ourselves a reservation", what is the urgency for three days?

Mr W.R. MARMION: This is an interesting point, because it is obviously easier if someone is looking for a greenhouse gas storage site and finds oil—that is obvious. In turning things the other way around, I take the member's point about drilling. However, if a 3D seismic survey is being done for petroleum, a formation might be seen. In that case, if someone had been searching for oil or geothermal energy—that might be more likely—and in the modelling it is seen there is the prospect of a potential greenhouse gas storage formation and it is determined that that person discovered it, under the legislation there are three days to report it. The urgency is just to be consistent with the case being the other way around.

Mr M.J. COWPER: That confirms what I previously suspected—that is, this inclusion of greenhouse gas storage in this proposed section is a cut-and-paste attempt to amend the Petroleum and Geothermal Energy Resources Act to include geosequestration activities. It also reinforces my belief that that legislation should perhaps come to this place in a bill that was stand-alone and not tied to, not handcuffed to and not on the back of some other legislation. Again, this just reinforces my disdain for this piece of legislation and its format. I think it is a very clumsy bit of drafting; I think it is poor legislation in its current format because, once again, this particular clause provides that the minister must be notified within three days. What about the bloke who owns the land? Does he get any say in any of this? Does he get advised at all? Clearly not. Again, I see this as just a slapdash, cut-and-paste, get-it-through-the-Parliament measure; no-one will notice impost on landowners.

Clause put and passed.

Clauses 42 to 64 put and passed.

Clause 65: Section 51 amended —

Mr W.J. JOHNSTON: It is my understanding—if I am wrong, I ask the minister to please let me know—that this clause provides that if someone wants to permanently inject a greenhouse gas into the ground, they have to tell the minister the source, volume and composition of the greenhouse gas. However, I am advised that there is no similar provision to require advice to the minister of the composition of the gas when it is an appraisal injection. If that is the case, why is there no provision for advising the minister of the composition of an appraisal injection? Should we not be doing that? An amount of 99 999 tonnes of greenhouse gas is still a fair amount, and I would think we would want to know what is there. If the minister tells me there is another provision in another clause that looks after this matter, that is fine.

Mr W.R. Marmion: No, but there will be under regulations, otherwise you won't be able to do it.

Mr W.J. JOHNSTON: Okay, so we will deal with it through regulations.

Mr W.R. Marmion: Yes.

Mr W.J. JOHNSTON: Then the Labor Party puts it on record that we want to ensure that those regulations are as tight as a drum, because we do not want appraisal volumes being injected without people knowing what the composition of the GHG is.

Mr W.R. Marmion: Even though I won't be doing it, I can guarantee assurances in the work program that they will.

Mr W.J. JOHNSTON: The problem with guarantees and assurances from the table, minister, is that they are not worth the paper they are written on, with all due respect.

Mr W.R. Marmion: I put it in *Hansard* that the regulations will cover that.

Mr W.J. JOHNSTON: Okay; excellent. I thank the minister.

Clause put and passed.

Clauses 66 to 69 put and passed.

Clause 70: Section 57 amended —

Mr W.J. JOHNSTON: This is just a quick question. How will the minister know that there is a potential GHG storage formation or potential GHG injection site? This is a very complex clause; rather than being a geologist, I think one would need to be a lawyer to understand it. The first question is: how will the minister know? Secondly, as I understand it, if a $2 company, say GHG Sequestration 1 company, had a licence but did not do the injection because it did not work out financially or for whatever other reason, and it then went out and set up a second company, GHG Sequestration 2, with the same shareholders, it could then bid for the same licence. Can I confirm that? Those are two unrelated questions, but they relate to the same clause.

Mr W.R. Marmion: What was the first one again?

Mr W.J. JOHNSTON: How will the minister know? If we look at proposed section 57(2A)(b)(ii), it reads —

> in which, in the opinion of the minister, there is a potential GHG storage formation or potential GHG injection site;

How would the minister arrive at his opinion? That is question number one.

Mr W.R. Marmion: I would rely on the advice of my department.

Mr W.J. JOHNSTON: The advice of the department. Okay.

Mr W.R. Marmion: I wouldn't know otherwise, would I?

Mr W.J. JOHNSTON: That is a good answer. The second question relates to a situation in which the minister has cancelled someone's licence because they have not been able to get their project to work and although that applicant would not be able to apply for the same licence that has been cancelled, a new company that had an identical shareholding could apply for the same licence.

Mr W.R. MARMION: This clause makes provision for a proven formation. The member refers to a situation in which a company loses its licence. It would actually then go back out and the same rigour would be applied. If the company just folded and formed another company with the same people —

Mr W.J. Johnston: So you're saying that nobody would do that?

Mr W.R. MARMION: I am saying that it is unlikely that a prudent evaluator at the Department of Mines and Petroleum would get a crossed line if they found the person they were talking to was the same person they were talking to the previous week.

Mr W.J. Johnston: So the answer is yes, but you don't want it to happen.

Mr W.R. MARMION: Yes, correct.

Mr R.S. LOVE: I have a question about proposed section 69JC, which provides the minister with the power to give directions in the case of a report that a serious situation has occurred. The direction may include the requirement for the licensee to take all reasonable steps to ensure that a greenhouse gas substance is injected into the identified —

The ACTING SPEAKER (Mr I.C. Blayney): I am sorry, member, but we are on clause 70.

Clause put and passed.

Clauses 71 to 73 put and passed.

Clause 74: Section 62 amended —

Mr W.J. JOHNSTON: Proposed section 62(3)(a) states —

> to inject a greenhouse gas substance into an identified GHG storage formation that is wholly situated in the licence area, so long as the relevant well is situated in the licence area …

We had a discussion during the second reading debate about the greenhouse gas injection formation being part of the formation. The bill states that the storage formation, which is part of the bigger formation, is wholly in the licence area. However, just like a gas field, the side of the formation is unlikely to be a straight line. How is that dealt with? When the lines on the map were drawn above the surface before all the seismic activities and the hundreds of holes were drilled to prove where everything would fit together, a corner of the GHD formation, which is part of the big formation, might be in someone else's lease, or at least not be on the GHG licensee's lease. How does the minister propose to deal with that? This is different from a gas reservoir. If a gas reservoir goes into someone else's lease, there is an established procedure for estimating how much gas belongs to the guy on the first lease and how much belongs to the guy on the second lease. The bill states that the GHG licensee will be allowed to inject only in the GHG storage formation that is wholly in the licence area. What happens if there is an overlap?

Mr W.R. MARMION: I have been advised by my geological expert that sometimes the greenhouse gas storage formation, or the geological formation, can have a small lateral extent. It is rare but it can happen. If that is the situation, it will be within the permitted area. I would assume that it would not go outside the permitted area but the member is asking what happens if it does, which is what we discussed last time.

Mr W.J. Johnston: This is in this clause, which is why I asked the question. If you sit down, I will ask a supplementary.

Mr W.R. MARMION: Okay.

Mr W.J. JOHNSTON: I am trying to get through this as quickly as I can because I know that the Leader of the House is desperate to do other things, as are we all. This is an important issue and that is why I am raising it. I am happy if we adjourn the debate and come back to it another time because this is important. The problem is that the lines are drawn before it is known where the formations are. That is a fact because the seismic survey and drilling is done after getting the right to do the work. It is axiomatic of the licence. The work would not be done beforehand.

Mr W.R. Marmion: All that would have been done earlier. This is the injection. You would have done all that.

Mr W.J. JOHNSTON: That is right, but the lines are drawn first and then the limits of the geoformation are discovered. It is just like a reservoir of oil or gas. The lines are drawn on the ground first and then the company goes and looks.

Mr W.R. Marmion: Then you have proven that the formation is within the lines on the ground.

Mr W.J. JOHNSTON: How do we know that? Mother Nature is not that kind.

Mr W.R. Marmion: That is going back to the exploration stage.

Mr W.J. JOHNSTON: Yes, but it is about converting an exploration licence to, in this case, an injection licence. If someone looking for oil and gas had an exploration licence and they found oil and gas, they would convert the licence to a production licence. Under this bill, it is not a production licence because it is an injection licence, but the lines were drawn before all the work was done, not after.

Mr W.R. MARMION: I have a model. If the lines have been drawn and some of the formation goes past the lines, before the project could be ticked off and the GHG was injected, the licensee could probably increase the acreage so that it was within the allowed formation.

Mr W.J. Johnston: What if the adjoining land is licensed to another company?

Mr W.R. MARMION: It is unlikely to be licensed to another geosequestration company. It could be licensed to a company that is drilling for oil or something else but that would be covered because this provision is for geosequestration only.

Mr W.J. Johnston: An oil and gas licence would override this and you would give preference to the production licence over the geosequestration licence.

Mr W.R. MARMION: Correct.

Mr G.M. CASTRILLI: I seek a point of clarification. Is the minister saying that the boundaries could be extended if GHG is injected and a fissure extends outside the lines on the map that determines the licence? The explanatory memorandum on clause 74 states —

> In addition a GHG licence does not authorise the licensee to make a well outside the licence area.

In effect, if the boundary can be extended, that line does not mean anything.

Mr W.R. MARMION: That is not quite right. Drilling is not allowed outside the permitted lines. When drilling is done within the permitted lines and it is discovered that the storage formation extends past the lines, the company could not drill outside the lines but the department could extend the area of the licence to do the injection if it so chose.

Mr G.M. CASTRILLI: Is the minister saying that a well in the ground is just a hole but that the definition of "storage" goes beyond the meaning of the well? I am getting a bit confused. If it is a well, I would have thought that the well was the containment area.

Mr W.J. Johnston: No, that is the problem. That is why I am raising it.

Mr G.M. CASTRILLI: A licence gives license over an area. If we cannot determine what the licence will be because it might change from time to time, it could be a roving licence. I do not know. Can the minister explain how it works?

Mr W.R. MARMION: The exploration phase determines the extent of the storage formation.

Mr G.M. Castrilli: Which may change.

Mr W.R. MARMION: At the exploration stage, it might, but before it can be injected and used as a storage vehicle, it will have been precisely defined.

Mr G.M. Castrilli: Sorry, minister, I may have misunderstood. I thought you said earlier that a fissure could appear that may extend your licence. You cannot sit there and tell me that you can guarantee that once you do the exploration, it will be there forever and a day. Surely under pressure some of the fissures might appear and go outside the licence area, and therefore you just extend the line.

Mr W.R. MARMION: No, it is not supposed to do that. Once it is proved up and they have worked out that it is impermeable around the area that they are going to inject —

Mr G.M. Castrilli: How are they going to guarantee that?

Mr W.R. MARMION: It will be monitored. We went through this some hours ago. I will recount what I said before. To get the Department of Mines and Petroleum to give someone the permission to use a storage area for geosequestration requires a lot of work to be done, first of all, to ensure that it is suitable to be used as a storage vessel. In the case of the South West Hub, it could be some hundreds of millions of dollars. All that is done before it is proved that it will work. It may not work after all that amount of money is spent. We are just at that early stage. Once the proponent has proven that it will be a suitable vehicle, and that it will not leak because it is three kilometres below, and once it has determined what the sedimentary rock is, what impact it will have on CO_2 reacting with it and whether it will be contained, the Department of Mines and Petroleum gives it permission, with lots of controls and monitoring, to go ahead, and the idea is that there will not be any leakage. This clause refers to injecting into the proven geosequestration storage formation.

Mr W.J. JOHNSTON: I make one very quick comment. This is the problem. I was going to talk about this quite a bit at the third reading stage, but I will get it on the record now because the member for Bunbury has raised an important issue. We are not dividing on this clause and we will not oppose it, but there is an issue here. Often Mother Nature does not treat governments and people kindly and there will be problems when the storage of the GHG storage formation does not meet with the boundaries that were given on the exploration list. I accept what the minister says; if a proponent goes out and explores and finds that they need 500 metres more because the formation is continuing, the minister will give them that 500 metres subject to all the things that the minister wants to take into account. Then the proponent drills and finds it is not 500 metres, but it is 750 metres. It goes back to the minister and he gives it the extra 250 metres, and that is 750 metres from the original boundary. The sorts of issues being raised by the members for Murray–Wellington and Moore relate to the fact that there will potentially be impacts as we go along. There is no point denying that; it is better to get it on the record earlier. That is what I am trying to do with my question. The member for Bunbury obviously picked up what I was getting at. This is a genuine issue. I do not know whether there is another way we could have this provision because we cannot have a provision that says the GHG storage formation is allowed to extend beyond someone's lease, because that would be worse, but there is no point not understanding its effect. The nice little map that arrives in someone's letterbox is just that—a nice little map that arrives in someone's letterbox. Until we go out and do, as the minister said, hundreds and millions of dollars work, we will not know what the thing looks like. We cannot do it any other way. That means serious issues are involved here. That is why we are raising it. We are not opposing it, but it is important to have it on the record.

Clause put and passed.

Debate adjourned, on motion by **Mr J.H.D. Day (Leader of the House)**.