

EXPLANATORY MEMORANDUM

PETROLEUM AND GEOTHERMAL ENERGY SAFETY LEVIES AMENDMENT BILL 2023

Introduction and Overview

This Bill amends the *Petroleum and Geothermal Energy Safety Levies Act 2011* in alignment with the proposed amendments in the Petroleum Legislation Amendment Bill 2023. The Petroleum Legislation Amendment Bill 2023 amends the *Petroleum and Geothermal Energy Resources Act 1967*, *Petroleum Pipelines Act 1969* and *Petroleum (Submerged Lands) Act 1982* to provide a legislative framework for the transport and geological storage of greenhouse gases in Western Australia and to enable the exploration of regulated substances (naturally occurring hydrogen). The *Petroleum and Geothermal Energy Safety Levies Act 2011* imposes a safety-based levy on petroleum and geothermal activities originating in the various petroleum legislation and consequentially, is now being amended to extend the application of the safety levy to activities relating to greenhouse gas and regulated substances.

CLAUSE NOTES

Part 1 - Preliminary

Clause 1 – Short Title

The short title is the *Petroleum and Geothermal Energy Safety Levies Amendment Act 2023*.

Clause 2 – Commencement

This clause identifies that this Act will come into operation as follows –

- (a) Part 1 – on the day on which the Act receives Royal Assent
- (b) The rest of the Act – on a day fixed by proclamation, and different days may be fixed for different provisions.

Clause 3 – Act amended

This part amends the *Petroleum and Geothermal Energy Safety Levies Act 2011* to incorporate amendments relating to the introduction of regulated substances.

Clause 4 - Section 3 amended

This clause provides amended definitions for the terms 'explore' and 'well' as well as introducing the new terms 'geological formation' and 'regulated substance'. These amendments primarily serve to recognise that regulated substances, which are undertaken pursuant to a petroleum title, are applicable to the *Petroleum and Geothermal Energy Safety Levies Act 2011*.

Clause 5 – Section 3D amended

This clause inserts multiple amendments to section 3D to extend the existing application of section 3D to regulated substances. In each amendment, the existing term 'petroleum' is revised to the extended term 'petroleum or a regulated substance' which together, will serve to explicitly show regulated substances fall within the scope of a petroleum operation.

Clause 6 – Act amended

This part amends the *Petroleum and Geothermal Energy Safety Levies Act 2011* to incorporate amendments relating to the introduction of greenhouse gas storage.

Clause 7 – Long title amended

This clause amends the long title of this Act to extend its purpose to ‘petroleum operations, geothermal energy operations and greenhouse gas storage’. This reflects the broadened application of the Act to encompass operations relating to greenhouse gas storage.

Clause 8 - Section 1 amended

This clause revises the title of this Act to the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Safety Levies Act 2011* to recognise the expanded scope of applicable operations in alignment with the proposed revised titles of the various petroleum legislation.

Clause 9 – Section 3 amended

This clause inserts two new terms ‘GHG operation’ and ‘GHG title’ to establish the operation of the extension of the legislative framework to greenhouse gas operations and cross-reference to the primary petroleum legislation to ensure synergy. The new terms and additional minor amendments also include references to the revised titles of the various petroleum legislation.

Clause 10 – Section 3A amended

This clause extends the application of section 3A to greenhouse gas operations in addition to petroleum operations with respect to diving operations. This amendment ensures consistency across the extension of the legislative framework to include greenhouse gas operations.

Clause 11 – Section 3C amended

This clause amends the definition of geothermal energy title by revising the existing reference to the *Petroleum and Geothermal Energy Resources Act 1967* to the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*. It also clarifies that a greenhouse gas title is not a geothermal energy title.

Clause 12 – Section 3CA inserted

This clause inserts new proposed section 3CA which serves to provide definitions for various new greenhouse gas specific terms, which together, serve to allow the existing safety levy framework to be applicable to greenhouse gas operations.

Clause 13 – Section 3D amended

This clause amends section 3D(1)(a) to specify the various types of titles that constitute a ‘petroleum title’. The amendment also specifies that a greenhouse gas title is not a petroleum title and includes updated references to the titles of the various petroleum legislation. This amendment is incorporated to accommodate and delineate the introduction of greenhouse gas operations.

Clause 14 – Section 3E amended

This clause amends section 3E(2)(a), which defines a safety case to extend its application to greenhouse gas operations.

Clause 15 – Section 4 amended

This clause amends section 4(1) and (3) to expressly extend the application of a safety case levy to greenhouse gas operations.

Clause 16 – Section 10 amended

This clause updates the existing references to the titles of the various petroleum legislation to now refer to their new respective titles in the *Petroleum, Geothermal Energy and Greenhouse Gas Storage Act 1967*, the *Petroleum and Greenhouse Gas Pipelines Act 1969* and the *Petroleum and Greenhouse Gas Storage (Submerged Lands) Act 1982*.