



**Australian Government**

**Department of Resources,  
Energy and Tourism**

**Geoscience Australia**

# **ONGOING WORK PROGRAM FOR THE REGULATION OF GEOLOGICAL STORAGE OF GREENHOUSE GASES IN AUSTRALIA**

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# CCS Legislation in place in Australia



- Under Australia's federal system of Government, responsibility is divided between the Commonwealth (offshore) and the States (onshore).
- The Australian Government (Commonwealth) has CCS legislation for its offshore jurisdiction.
- Onshore legislation is in place in some States: Victoria, Queensland, South Australia.
- Legislation is being developed by New South Wales and Western Australia for those States' onshore areas.
- Current legislation is underpinned in each jurisdiction by specific GHG regulations.



# Australian Regulatory Guiding Principles



- Australian Government's agreed that regulatory regimes for CCS would be based on mutually agreed principles.
- The result being 'Australian Regulatory Guiding Principles' for CCS. The key points included:
  - The need to provide access and property rights should provide certainty to CCS investors;
  - Assessment and approvals should be consistent with agreed national protocols;
  - Existing legislative frameworks should be adapted and used where applicable;
  - Regulation should provide for appropriate monitoring and verification;
  - Post closure processes must aim to minimise exposure to health, environmental and financial risks;
  - Regulation must recognise the possibility of post-closure liabilities.



# COAG (Council of Australian Governments) & the Carbon Capture and Storage Working Group



- The principles were agreed under COAG.
- Chaired by the Australian Prime Minister, COAG is the peak intergovernmental council consisting of the Federal Government, and the Government's of the six States and two Territories.
- As CCS is a vital ingredient of Australia's 'Clean Energy Policy', Government's agreed that there was a need for a cross-jurisdictional body to promote consistent regulation across Australia and take forward the CCS agenda.
- The CCS Working Group now fulfils this role.
- The Working Group comprises policy and regulatory officials responsible for administering CCS regimes in all Australian jurisdictions.
- It reports to the Ministerial Standing Committee on Energy and Resources of COAG.





# CCS Working Group Objectives



- Ensure a strong and transparent nationally consistent CCS policy and legislative regime that provides stakeholders and the community with confidence and certainty over the long term.
- Reduce unnecessary regulatory burden and streamline approval processes for CCS.
- Provide strategic advice across Government on key CCS issues.



# Key Regulatory Issues Work Program



- National consistency on long term liability issues.
- Cross-jurisdictional CO<sub>2</sub> storage issues
- Use of abandoned petroleum wells and reservoirs for CCS storage
- Third party access to CO<sub>2</sub> transport and storage facilities
- Identification of potential CO<sub>2</sub> pipeline and infrastructure corridors



# National Consistency on long term liability issues



- Australian regulatory regime lacks consistency on long-term liability:
  - The Commonwealth government assumes liability at least 15 years after the site closure
  - In Queensland government there is no time limit for the acceptance of liability
  - in South Australia, the liability remains with the proponent, but the Minister has the discretion to decide whether government should assume liability
  - in Victoria the liability remains with the proponent in perpetuity
- Consistency has been identified as a priority. The Working Group is examining removal of barriers to enable the Commonwealth model to be adopted across jurisdictions.



# Cross-jurisdictional CO<sub>2</sub> Storage Issues



- GeoScience agencies have identified potential storage formations that extend across boundaries:
  - Commonwealth/State boundaries;
  - State/State boundaries; and,
  - across title boundaries within a single jurisdiction.
- There are no adequate provisions in the existing CCS regulatory regime to deal with such cross-jurisdictional CCS issues.
- Amendments to the Commonwealth legislation are being developed by the working group as a model that will be adopted by all jurisdictions.





# Cross-jurisdictional issues



- Roles and responsibilities of each jurisdiction
- The regulatory regime during the operational phase
- Long term liability/monitoring following operations
- Enabling commercial agreements between cross-jurisdictional titleholders
- Developing frameworks for unitisation agreements
- Award of titles/rights where there is vacant acreage on one side of the cross-jurisdictional boundary
- Access across boundaries
- Applicable law for cross boundary projects
- Dispute resolution mechanism



# Well abandonment policy



- The Working group is currently considering whether the existing petroleum well abandonment provisions need to be reviewed to ensure that:
  - the well abandonment actions are conducted in a manner taking account of potential CCS activities
  - Materials (eg, cement) used in closing off of are 'CO<sub>2</sub> friendly'
  - the cost to industry to introduce CO<sub>2</sub> friendly provisions for well capping is reasonable.



# Third party access to CO<sub>2</sub> infrastructure and storage facilities



- The Working Group is looking into providing for third party access to CO<sub>2</sub> transport and storage facilities to ensure some certainty and confidence in CCS investments.
- There are adequate provisions in the Commonwealth legislation for the option of third party access to GHG transport and storage facilities – but some State legislation need amendments.
- Issues include the possibility of creating new powers that allow a regulating agency to impose conditions on approvals of CCS infrastructure that relate to access: but who will bear the cost of additional infrastructure; how will access be determined; how will cost of access be determined.
- A key underlying principle is that if storage sites are limited regulators must ensure that capacity is optimised.



# Identification of potential CO<sub>2</sub> pipeline/infrastructure corridors



- The Working Group is contributing to a project currently undertaken by the Commonwealth to identify the potential pipeline and infrastructure corridors in Australia's onshore areas.
- Working group members are carrying out a stock-take of pipeline infrastructure and potential corridors within their jurisdictions.
- Information will surround factors including CO<sub>2</sub> sources and sinks, existing pipeline corridors, urban areas, terrain, native title, environmental constraints, land use and access constraints.
- The end result will be the preparation of a data base of potential corridors identifying easement and access issues for the information of CCS stakeholders.





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