

PIRSA RESPONSE TO COMMENTS RECEIVED DURING PUBLIC CONSULTATION ON THE PETROLEUM (MISCELLANEOUS) AMENDMENT BILL 2008

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References provided under the “Issues” column are to the draft Petroleum (Miscellaneous) Amendment Bill 2008, version 16 (dated 24.06.2008). This document was released for public consultation during 2008.

References provided under the “Reference” column are to the settled Petroleum (Miscellaneous) Amendment Bill 2009. This Bill will be introduced into Parliament on 28 April 2009.

SHORTENED FORMS

AAL	Associated Activities Licence
AFL	Associated Facilities Licence
CSM	Coal Seam Methane
CTL	Coal to Liquids
DWLBC	Department of Water, Land and Biodiversity Conservation
EIR	Environmental Impact Report
EL	Exploration Licence
FFP	Fitness-For-Purpose
FL	Facilities Licence
GEL	Geothermal Exploration Licence
GPL	Geothermal Production Licence
GRL	Geothermal Retention Licence
GSEL	Gas Storage Exploration Licence
GSL	Gas Storage Licence
GSRL	Gas Storage Retention Licence
ISG	In Situ Gasification
ILUA	Indigenous Land Use Agreement
MARP	Mining and Rehabilitation Plan as per <i>Mining Act 1971</i>
MER	Minerals and Energy Resources Division
NOE	Notice of Entry
NRM	Natural Resources Management
NTA	Native Title Act (SA) 1994
PEL	Petroleum Exploration Licence
PELA	Petroleum Exploration Licence Application
PIRSA	Primary Industries and Resources SA
PL	Pipeline Licence
PPL	Petroleum Production Licence
PRL	Petroleum Retention Licence
PSL	Preliminary Survey Licence
RL	Retention Licence
SEO	Statement of Environmental Objectives
SFL	Special Facilities Licence
WAP	Water Allocation Plan

ISSUE References are to draft Petroleum (Miscellaneous) Amendment Bill 2008, version 16 (24.6.2008)	COMMENT SUBMITTED	PIRSA RESPONSE	REFERENCE References are to Petroleum (Miscellaneous) Amendment Bill 2009, settled version (19.03.2009)
Name of legislation	Rename legislation to Petroleum and Geothermal Energy Act.	Name of legislation changed to "Petroleum and Geothermal Energy Act 2000"	Clause 4
Section 4 – Interpretation: "tenement"	Given the references to the 2000 Act and (among others) the Cooper Basin (Ratification) Act 1975 do not relate to "minerals" under the common meaning of the word, we suggest a change to the definition of "tenement" as follows: "tenement means a lease, licence or other right relating to exploration for, or the production, recovery, management, conveyance, processing or delivery of, minerals or regulated resources (as the case requires) under any of the following:..."	Definition of tenement amended to include regulated resources as well as minerals.	Clause 6(8)
	Use of term "minerals" in definition of "tenement". Include reference to a "regulated resource" as well as, or instead of, minerals.	As above	As above
Section 4 - Interpretation: "owner"; Section 63 – Landowner's rights to compensation	Need for reciprocal requirements in Mining and Opal Mining Acts relating to NOE and compensation. The introduction of a requirement to notify other licensees of regulated activities is supported and we seek reassurance that this is, or will be made, a reciprocal requirement in the Mining and Opal Mining Acts. The requirements to compensate licensees holding overlapping tenements, such as a miners which may have constructed a road which may be damaged by the activities of the licensee seems reasonable, however, giving the mining tenement holder the same rights as a freehold or pastoral lessee may result in an unintended consequence, particularly where the overlapping tenement holders may have competing claims for a resource such as coal. It may be clearer to have a different compensation provision for concurrent licensees, which clarifies the nature of compensation to be paid to these parties.	No amendment considered necessary. Instead, PIRSA intends to lobby the Mining Act to require reciprocal notice of entry provisions for petroleum and geothermal tenement holders.	

	<p>It is inconsistent for licensees under the 2000 Act to be required to compensate existing Mining Act and Opal Mining Act tenement holders. The effect of the proposed definitions for "owner" and "tenement", when applied in combination with Section 63, is to enable the holder of a tenement under the Mining Act or Opal Mining Act to be compensated by the holder of a licence under the 2000 Act that is granted over the same area. Neither the Mining Act nor the Opal Mining Act contain reciprocal provisions that require the holder of a tenement under those Acts to compensate the holder of an existing 2000 Act licence over the same area. Submit that without reciprocal provisions, the proposed requirement in the Bill for a 2000 Act licensee to compensate a Mining Act tenement holder is inconsistent and inequitable. Therefore propose that the definition of "tenement" in the Bill be amended to delete paragraph (b), thereby excluding the holder of a Mining Act or Opal Mining Act tenement from the definition of "owner" entitled to compensation under Section 63.</p> <p>Replace the term "landowner" in the heading to the Section and in proposed new subsection (3a) with new term "owner".</p>	<p>No amendment considered necessary. Instead, PIRSA intends to lobby the Mining Act to require reciprocal notice of entry provisions for petroleum and geothermal tenement holders.</p>	
	<p>The term "land user" may be more appropriate than "owner" for the group of parties potentially to be compensated under Section 63, as the group now includes other licensees, native title holders and claimants, and not just landowners such as freehold owners or pastoral lessees. Change term "owner" to "land user".</p>	<p>Due to precedence for term "owner" no amendment is considered necessary.</p>	
	<p>The use of "or" to separate each category in the definition of 'owner' of land may give rise to ambiguity and confusion, especially in Part 10. For example, Section 61(1) requires written notice to be given to the owner of the land. The disjunctive structure of the proposed definition of "owner" suggests that notice to any one of the categories of owner would suffice for the purposes of Section 61(1), rather than all of the categories, which appears from Section 4.1.1 of the Green Paper to be the intended position. Remove "or" that occurs between each line in definition of "owner" of land.</p>	<p>Amendment to Section 4 made to remove "or" that occurs between each line in the definition of "owner" of land, to clarify that all owners under the definition must be provided with a notice of entry in accordance with Section 61 of the Act. The "or" after (g)(i) has been retained to make it clear that in the case of Native Title, NOE can be provided to either the Native Title claimant or the registered representative.</p>	<p>Clause 6(5)</p>
	<p>Replace the term "landowner" in the heading to the Section and in proposed new subsection (3a) with new term "owner".</p>	<p>Heading of Section 63 changed to "Right to compensation". Section 63(3a) amended to refer to "owner of land" instead of "landowner".</p>	<p>Clause 44 Clause 44(3)</p>
	<p>The definition of "owner of land" should include the native title representative body OR an additional subsection be inserted in Section 61 requiring a notice to also be sent to the representative body as defined in the Native Title (SA) Act 1994.</p>	<p>Amendment made to (g)(ii) of the definition of "owner" to change word "of" to "to".</p>	<p>Clause 6(5)(g)(ii)</p>

<p>Section 5 - Rights of the Crown</p>	<p>PIRSA has proposed to add a new subsection (3) in Section 5 and to amend subsection (2) by adding "Subject to subsection 5(3)". The purpose and effect of this amendment are not clear. Subsection (2) deals with production of a regulated substance. Subsection (3) deals with emplacement and storage of a regulated substance and does not appear to affect subsection (2). The effect of subsection(2) (with or without the proposed amendment) on withdrawal of a stored regulated substance is that regardless of who owns the substance when it is emplaced or stored and (if different) when it is withdrawn, the substance is owned upon withdrawal by the person who lawfully produced it.</p>	<p>Proposed amendment to Section 5(2) has not been proceeded with.</p>	
<p>Section 12 - General authority to grant licence</p>	<p>There are no alternative State provisions as allowed for under Section 43 of the Native Title (SA) Act 1994 (NTA), with respect to petroleum and the other resources regulated under the Petroleum Act (SA), and consequently Part 2 Division 3 Sub-division P of the NTA applies with respect to the granting of licences for and associated with exploration for and production of petroleum gas and geothermal energy. It is therefore curious that nowhere in the Petroleum Act 2000 or the proposed amendments are there any references to the provisions of the NTA. This absence conveys a misleading impression that this legislation covers all issues related to the native title and the exploration for and production of the petroleum, gas and geothermal energy. In particular, Section 12 (1) fails to reflect the obligations of the State under the NTA. Section 12(1) should be amended to reflect that the Minister is also, "subject to the NTA."</p>	<p>No change considered necessary as the Petroleum Act does not override the Native Title Act. The Petroleum Act also does not reference all Acts that are relevant to regulated activities.</p>	
<p>Section 26 - Term and renewal of exploration licence</p>	<p>In order to completely delineate the CSM resources, need to retain interest in the whole PEL area beyond the term of 5 years. Petroleum Act requires the surrender up to 50% of a PEL area after 5 years. Proponent therefore must either obtain a PRL over the entire PEL area or renew the existing PELs over the maximum area of land permissible under the legislation and apply for new exploration tenements over the remainder of the land.</p>	<p>Proposed Section 26(5b) has been amended to clarify that the intent is to enable credit to be given for excision areas at renewal, to only those areas granted in the preceding term as PPLs or PRLs. Proposed amendment to Section 26(3) in original draft of Bill released for public comment has not been proceeded with.</p>	<p>Clause 19(3)</p>
<p>Section 28 - Retention licences</p>	<p>Minor text changes required: "(2) A retention licence protects the interests of the licensee in a regulated resource of the kind relevant to the category of the licence for a reasonable period in connection with 1 or more of the following purposes: (a) to facilitate- (i) proper evaluation of the productive potential of a discovery that has been made by the licensee; or (ii) carrying out the work necessary to bring the discovery to commercial production; or (iii) without limiting a preceding subparagraph, in the case of a gas storage retention licence — to facilitate the testing of the natural reservoir for the storage of petroleum or another regulated substance;..."</p>	<p>Minor text changes made to Section 28.</p>	<p>Clause 21</p>

	<p>Existing Section 28 does not appear to have any substantive effect. Subsequent provisions deal with what an applicant must do to become eligible for the grant of a Retention Licence and what a Retention Licence authorises. However, in the context of the Amended Act, the proposed amended Section 28 is confusing. Proposed Sections 28(1) and (2) are the equivalents in the Amended Act of existing Section 28 in the Act. In particular, proposed Section 28(2) is quite detailed and suggests that an applicant may need to show that its intention fits one or more of the parts of this subsection, even though it is clear that the substantive criteria needing to be met for grant are contained in Section 30. It would be helpful to clarify the use to which proposed Section 28(2) is intended to be put. If it is a possible consideration for the Minister in exercising one the discretions reposed in him under Part 5 (such as those contained in Section 30(1)(d) or 30(1a)), then that should be stated.</p> <p>Section 30(1a)(b) does not require a GSRL licensee to demonstrate that the reservoir might be commercially used within any particular period of time. This is in contrast to a GRL or PRL, where the 15 year test applies. We presume that this difference is intended, although it is not apparent to us why, especially in the context of the statement in Section 1.9 of the Green Paper that provisions be made to ensure appropriate work program terms for GSRLs.</p>	No amendment considered necessary.	
<p>Section 34 – Production licences</p>	<p>Concern raised that it may not be clear under Section 34(2) of the Petroleum Act 2000 that a PPL also authorises the licensee to store sales gas or other substance relevant to operations, for example the storage of sales gas for withdrawal at times of excessive high demand.</p>	<p>Section 34(2) amended to provide greater certainty that a PPL also includes the right to store sales gas in an underground reservoir within the PPL area.</p>	<p>Clause 26</p>
<p>Section 35 - Grant of production licence</p>	<p>Query why the proposal to introduce an entitlement to allow holders of coal mining licences (pursuant to Mining Act) to be granted a PPL for the purpose of producing CSM and for ISG, as per Green Paper, has not been made.</p>	<p>Section 35(1) amended to allow for holders of coal mining licences, pursuant to the Mining Act, to be granted a PPL for the purpose of producing CSM and for ISG.</p>	<p>Clause 27(2)</p>
<p>Section 41 – Cancellation or conversion of production licence if commercially productive operations in abeyance</p>	<p>24 months is too short and should be amended to 5 years. Reasons why are provided in submission, and includes:</p> <p>1) Section 41 process to obtain Ministerial approval for future production beyond 24 months is administratively burdensome on the licensee and the Minister / regulator. 2) a period greater than 24 months may be necessary to put in place the infrastructure and operating procedures necessary to convert a licence area from petroleum production to commercial gas storage. Recommend that the period of 24 months be extended to 5 years for a PPL granted before the commencement of the Petroleum (Miscellaneous) Amendment Act 2008. Further, recommend that where a licensee enters into a registrable dealing referred to in subsections 112(b) or (c) of the 2000 Act in relation to a production licence, the period of 5 years will only commence on the date of the registration of the dealing.</p>	<p>No amendment considered necessary due to the fact that Section 41 provides Ministerial discretion to invoke the 24 month rule (i.e. it is not automatic). PIRSA advises that the 24 month rule is not likely to be invoked for gas storage, or for a new licence.</p>	

	<p>Suggest that Section 41(1) be replaced and an additional subsection (3) be inserted, as follows: “(1) If—</p> <p>(a) in the case of a production licence granted before the commencement of the Petroleum (Miscellaneous) Amendment Act 2008 which authorises operations for all regulated resources other than a source of geothermal energy:</p> <p>(i) petroleum production operations on a commercial basis have not been carried on within the licence area for 5 years or more; and</p> <p>(ii) gas storage operations on a commercial basis within the licence area have not yet commenced; or</p> <p>(b) in the case of a gas storage licence, gas storage operations on a commercial basis have not been carried on within the licence area for 5 years or more; or</p> <p>(c) in the case of any other production licence, productive operations on a commercial basis have not been carried on within the licence area for 5 years or more, and the licensee has not entered into arrangements, satisfactory to the Minister, for commencing or resuming such operations referred to in subsections (1)(a)(ii), (b) or (c) at a reasonable future time, the Minister may, by written notice to the licensee—</p> <p>(d) convert the licence into a retention licence; or</p> <p>(e) cancel the licence.</p> <p>(2) Before cancelling a licence under this Section, the Minister must give the licensee a reasonable opportunity to make representations about the proposed action.</p> <p>(3) Where a licensee enters into a registrable dealing as referred to in Section 112(b) or (c) of this Act in relation to a production licence during the relevant period referred to in Section (1)(a), (b) or (c), that period will, for the purposes of that subsection, be deemed only to commence on the date of registration of the dealing.”</p>	<p>No amendment considered necessary to make this explicit in the legislation. PIRSA will allow for the proposal through policy and administration.</p>	
	<p>The proposed amendment to Section 41 with respect to gas storage is unnecessary. Although it seems odd to refer to the use of a reservoir for gas storage as "production" (and presumably this gave rise to the proposed amendment), the definition of "produce" already deals with this. Paragraph (b) of the definition states, in effect, that a person who uses a reservoir for storage is deemed to produce a regulated resource. This approach is adopted throughout the Act, so it seems unnecessary and confusing to create an exception in Section 41.</p>	<p>Proposed amendment to Section 41 not proceeded with.</p> <p>Section 41(1) amended to remove the term “productive”, to avoid any confusion with respect to gas storage operations.</p>	<p>Clause 31</p>
	<p>Outstanding issue relating to the status of a water licence when production under a PPL has ceased for at least 2 reporting periods. It is expected that this will be resolved through reporting arrangements between the PPL licence holder and PIRSA and between PIRSA and DWLBC and that if production has ceased then the allocation on the water licence will automatically be reduce to zero.</p>	<p>No amendment considered necessary. This issue has been resolved through an agreement between PIRSA and DWLBC where water allocation for co-produced water will be assigned to the Minister for Mineral Resources Development who will in turn assign to individual PPLs. Allocation of water rights will cease upon the relinquishment of the relevant PPL.</p>	

Section 46 – Rights conferred by pipeline licence	Section 46 does not specifically authorise maintenance activities. It is also not clear whether activities directly related to pipeline operation activities that are conducted in the vicinity of the pipeline require authorisation via a separate licence (as a Pipeline Licence is not on an area basis).	Section 46 amended to clarify that maintenance activities are authorised under a Pipeline Licence, and to enable regulated activities to be conducted on land adjacent to the site of a pipeline with the consent of the Minister.	Clause 34
Section 57 – Area of associated activities licence	Section 57(1)(a) should read "in a case involving associated activities ...?"	Section 57(1)(a) amended to refer to facilities or activities.	Clause 38
Section 58 - Term of associated activities licence	Minor text change suggested: "(2) The term of a An associated activities licence that is granted for activities that, in the opinion of the Minister, are temporary in nature will be granted for a term determined by the Minister (which may be a term that takes into account any decommissioning, rehabilitation or other action that may be required at the conclusion of the activities and which may be renewed from time to time as the Minister thinks fit)."	Minor text changes made to proposed new Section 58(2).	Clause 39(2)
Section 59 – Relationship with other licences	Change from the term AFL to AAL may result in provisions of agreements becoming unenforceable because the agreements reference "AFLs" only. There is a risk that agreements with references to AFLs (such as joint venture agreements, infrastructure agreements, maintenance agreements, Native Title agreements and Indigenous Land Use Agreements) are likely to exist where the term AFL is narrowly defined, so that the provisions of the agreement will not extend to an AAL. Consequently, submit that the term "associated facilities licence" should not be replaced with "associated activities licence".	New transitional provision included to specify that a reference in any agreement, instrument or other document to an Associated Facilities Licence will be taken to be a reference to an Associated Activities Licence.	Schedule 1, Clause 6
Part 9A (Sections 59A to 59E) - Special facilities	Include provision in Section 59C to: 1. Allow Ministerial discretion to increase the size of the SFL area. 2. Allow the granting of more than one SFL contiguous or otherwise for the one project.	No amendment considered necessary. PIRSA does not consider there needs to be provision to increase the size of SFLs. PIRSA also does not believe that the Act restricts the granting of more than one SFL contiguous or otherwise for one project.	
	Section 59D(2) does not specify any criteria for extending the term of an SFL but leaves the matter entirely within the discretion of the Minister. This is in contrast to other licences granted under the Act, where the arrangements for extension or renewal are prescribed and are therefore understood in advance. It is apparent from Section 1.11 of the Green Paper that one of the requirements thought to be needed for a SFL is flexibility. Provisions for the term of a SFL might be sufficiently flexible for PIRSA's purposes if the SFL is initially granted for a fixed term with prescribed rights of renewal for subsequent terms, but that these are subject to provisions similar to Section 41 to allow the Minister to cancel (or otherwise deal with) the SFL if operation of the facility ceases or is suspended for a specified period.	No amendment considered necessary. PIRSA believes that the current wording allows flexibility. SFLs have differing applications and therefore need provisions for varying licence terms.	
	In Sections 59E(2) and (6), reference to "related facilities licence" should be to "special facilities licence".	Reference to "related facilities licence" changed to "special facilities licence" in Sections 59E(2) and (6).	Clause 41

	Suggest minor text change: “(1) The term of a special facilities licence is granted for a term specified by the Minister.”	Minor text change made to Section 59D(1).	Clause 41
	Query whether current SFL provisions authorises a camp servicing the petroleum industry to be built.	Section 59B(2) amended to include the example that an SFL could authorise the establishment and operation of facilities such as "other forms of infrastructure".	Clause 41
Part 10 (Sections 60 to 64) - Entry to and use of land	Part 10 – Entry to and use of land should be amended to qualify rights of entry by reference to agreements under the NTA, either under Section 31 of the NTA or Section 24AA (3) (ILUAs), or determinations pursuant to Section 38. An additional subsection should be inserted in Section 61 requiring a notice to also be sent to the representative body as defined in the NTA or the definition of “owner of land” should include the native title representative body.	No amendment considered necessary. The Petroleum Act does not reference all other relevant Acts. Law requires a notice to be served to the Representative Body on Native Title land so it is not considered necessary to specifically reference it here.	
Section 63 – Landowner’s right to compensation	The Section does not clearly prevent “double dipping” by associated “owners” (such as a lessee and sublessee) who may each seek to claim compensation for the same loss caused by a licensee’s activity. Existing subsection (2) lists specific heads of loss for which compensation is payable, and that in general terms, the heads of loss applicable to each owner will differ due to the differences between the rights in the land held by each owner. For instance, if an area of land is owned in freehold by owner A, and owner A has leased a portion of the land to owner B, who has developed the land for a productive use, owners A and B will each be entitled to compensation for impairment of their respective use and enjoyment of the land if a 2000 Act licence is granted over the land. However, consider that without further clarification in the text of Section 63, there remains a risk that associated “owners” of the same land (such as a freehold owner and lessee, or a lessee and sublessee) may each seek to claim compensation for the same loss caused by a licensee’s activity. That is, owner A may seek compensation both for owner A’s loss of enjoyment of the land, as well as the loss of enjoyment of the land by owner A’s lessee. Section 63(2) – after “compensation” insert "payable to each owner". Section 63(2)(d) - insert "suffered or incurred by that owner by reason of the licensee entering the land and carrying out regulated activities on the land". Section 63(2)(d) – delete “consequential loss.” and substitute "consequential loss,"	Section 63(2) amended to specify that compensation payable to an owner of land must be directly related to the owner. Section 63(2)(d) amended to specify that compensation payable for consequential loss must be loss suffered or incurred by the owner on account of the licensee entering the land and carrying out regulated activities. A new subsection (6) introduced to Section 63 to clarify that the intent is for a licensee to only pay compensation once for the same loss.	Clause 44
	Given that licensees often choose to contribute to the negotiation costs of an owner and recognise the real costs which may be incurred by an owner in negotiating a compensation arrangement with the licensee, do not consider it appropriate that the legislation should be prescriptive in relation to the way in which this is agreed between the parties. Given that the new provision for costs is discretionary in nature, prefer not to include Section 63(3a) at all in the legislation.	No change to proposed amendment considered necessary, and therefore proposed new Section 63(3a) has been retained.	Clause 44(3)

	<p>Section 63 (3a) potentially enables an "owner" to require the licensee to fund open-ended legal proceedings. This could be taken to be encouragement for "owners" to refuse to agree to an amount of compensation. While the proposed ss.(3a) does seek to limit the amount of compensation sought by an owner by specifying "reasonable costs reasonably incurred", it could potentially encourage owners to draw out the dispute / legal proceedings. If the dispute proceeds to the Land Court (LC), and the licensee was required under the subsection to pay the owner's costs for the LC proceedings, ss. (3a) would also be inconsistent with the existing principle of the LC for landholder disputes that each party bears their own costs. In order to encourage parties to make and agree to reasonable offers at an early stage in negotiations and to maintain consistency with existing LC principles, principles of the Calderbank letter should be introduced to limit the compensation payable to an owner by the licensee under (3a) to the costs incurred by the owner up to the date of the first offer made by the licensee that is more than the amount of compensation that is eventually agreed between the parties or determined by the court. This limitation would ensure that where a licensee made an offer that was subsequently shown to be reasonable (that is, more than the final agreed / determined amount), the licensee would bear both their own and the owner's costs until the date of the offer, but only the licensee's own costs thereafter. Replace ss.(3a)(c) with "the compensation to be paid under ss. (2), but does not include compensation for any such costs incurred by the owner at any time after the licensee has made an offer to the owner in relation to compensation to be paid pursuant to ss. (2) to the owner that is equal to or more than the amount of such compensation that is subsequently agreed or determined pursuant to ss. (4)."</p>	<p>A new subsection 63(5) introduced to specify that, in assessing compensation under Section 63(3a), costs in connection with any negotiation or dispute will not be taken to be reasonably incurred if they arise during any period when a reasonable offer of compensation is open to be accepted by the relevant owner of land.</p>	<p>Clause 44(4)</p>
	<p>In order to maintain a reasonable limit on the amount of compensation which may be payable by a licensee, amounts paid to other 'owners' for the same loss of damage should be able to be taken into account. Accordingly, suggest replace the words 'the owner' with 'an owner' at both instances in Section 63(5).</p>	<p>As above</p>	<p>As above</p>
	<p>The heads of loss for which licensees are required to compensate owners of land currently includes consequential loss. Section 63(2)(d) should be reconsidered as part of the current review. The recent case of Environmental Systems Pty Ltd vs. Peerless Holdings Pty Ltd has raised the possibility that the loss required to be compensated if to include 'consequential loss' could be something more than loss of profit directly experienced by the landowner as a result of the activity. Is it the intention of PIRSA that the licensee be required to compensate the landowner for losses of a more indirect nature, such as those of a venture which may have been in the contemplation of a land owner at the time of the regulated activity? The head of loss covered by Section 63(2)(c) appears to be sufficient to cover loss of profits attributable to the regulated activity, such as loss of profit from access of stock to pasture, and careful consideration should be given to what is intended to be covered which may be more indirect or consequential in nature.</p>	<p>A new subsection (5) introduced to Section 63 to specify that, in assessing compensation under subsection (3a), costs in connection with any negotiation or dispute will not be taken to be reasonably incurred if they arise during any period when a reasonable offer of compensation is open to be accepted by the relevant owner of land.</p>	<p>Clause 44(4)</p>

	<p>Given the broader categories of land user becoming entitled to claim compensation for activities, propose that a 12 month sunset clause on recovering compensation be introduced. Provided NOE has been properly given, if no notification for a claim or potential claim for compensation to be paid has been received by the licensees within a 12 month period after the regulated activity and all related rehabilitation has been completed, the licensee should not be required to pay compensation to the owner, unless otherwise agreed. This would only apply if the owner has not notified the licensee of its position prior to this time, that is, if discussions have been ongoing between the licensee and the owner but are not concluded, the sunset clause does not apply.</p>	<p>No amendment considered necessary. PIRSA believes the current provisions preserve natural justice in light of knowledge of impact.</p>	
<p>Section 65 – Application for licence</p>	<p>Due to the need to obtain AFLs for some operations in a short timeframe, suggest that the time period for gazettal be abridged.</p>	<p>Section 65(6) amended to replace the requirement to publish a licence application in the Gazette for at least 30 days before the application can be determined with a provision that enables the gazettal period to be in accordance with a determination of the Minister.</p>	<p>Clause 45(3)</p>
<p>Section 21 – Exploration licences; Section 28 – Retention licences; Section 68 – Extent to which same area may be subject to different licences</p>	<p>Section 21(3) deals with overlapping ELs and Section 28(4) deals with overlapping retention licences. It seems odd that there is no equivalent provision for production licences; but in any event, it is not clear what legislative objective, incremental to Section 68, is intended from Sections 21(3) & 28(4). Sections 68(2) & (3) seem to have the purpose of only allowing two licences to overlap if they are not the same category. This appears to be true whether the two licences are held by the same person or different persons: compatibility does not seem to depend on the identity of the licensee(s) but solely on the category of licences concerned. This seems to be exactly the objective of Sections 21(3) & 28(4). Sections 21(3)(a) & 28(4)(a) cover licences held by the same person over the same or overlapping areas and do not refer to compatibility. In contrast, Sections 21(3)(b) & 28(4)(b) cover licences held by different persons over the same area and do refer to compatibility. As noted in the previous paragraph (ii), the concept of compatibility in Section 68 does not seem to depend on the identity of the licensee(s), so it is not clear why the "(b)" paragraphs refer to compatibility but the "(a)" paragraphs do not. It is also not clear why the "(b)" paragraphs refer to licences over the same or overlapping areas but the "(a)" paragraphs only refer to licences over the same area. It seems that the consequential changes referred to in the previous paragraph, which the introduction of GSLs has made necessary, may have been made by a simple adaptation of the existing structures in the Act. It seems likely that a more considered approach may be needed, to implement more clearly the new approach of licence categories.</p>	<p>Proposed new Sections 21(3) and 28(4) not proceeded with, as this is considered to be covered by existing Section 68 (as amended by the Bill).</p>	<p>Clause 46</p>

<p>Section 68 -Extent to which same area may be subject to different licences</p>	<p>Proposed Section 68 alters the intended scope of application of the test, preventing efficient use of resources. Given that there will be separate categories of licence for 1) petroleum, 2) sources of geothermal energy and 3) gas storage, a new licence will not be able to be granted "in relation to all regulated resources except a source of geothermal energy" (i.e. both production and gas storage) or "in relation to all activities except gas storage" (i.e. both production and geothermal energy). While licences granted "in relation to all regulated resources except a source of geothermal energy" do exist at present, there have never been licences granted "in relation to all activities except gas storage". Submit that unless the words "all" in each paragraph are replaced with "any" in each case, the provision will not have practical effect, and GSLs will not be able to be granted over the area of another licence as at present there are no licences granted "in relation to all activities except gas storage" and in future, licences will be granted in relation to either petroleum or geothermal energy sources, but never both. Therefore replace "all" with "any" in each case.</p>	<p>Proposed amendments to Section 68(1) and (2) have been simplified.</p>	<p>Clause 46(1)</p>
	<p>Section 68(1) now seems redundant. The Amended Act creates three categories of licence elsewhere, so it is not necessary for this division to be effected by Section 68 in order for the compatibility mechanism to function properly. Section 68 describes licences as "relating" to various regulated resources or activities whereas Sections 21, 28 and 34 now take a much more direct approach and refer to the three specific categories of licence (and therefore the three specific categories of regulated resource) – petroleum, geothermal and gas storage. This contrasting style creates uncertainty and ambiguity. For example, looking at Section 68(2)(b), is a licence that "relates to gas storage" always going to be one of the three classes of gas storage licence? Or would it be possible for a PPL to authorise gas storage and therefore to "relate" to gas storage? It certainly seems conceptually possible for the holder of a PPL to be authorised to store gas, via the very broad Section 34(5) and this is reinforced by Section 68(1)(a)(ii), which contemplates a licence being granted for all regulated resources other than a source of geothermal energy. This seems incongruous with the creation of three quite distinct categories of licence, each to cover seemingly a distinct kind of regulated resource. The question is confounded by the transitional provision in clause 2 of Schedule 1, which at least implies that gas storage activities will not be authorised by a licence granted under the Amended Act unless it is a GSL.</p> <p>Replace "the source" with "a source" in Section 68(1)(a)(i). Insert the word "applies" after "Division" in Section 68(2).</p>	<p>As above</p>	<p>As above</p>
	<p>The purpose and effect of the reference in Section 68(1)(b)(ii) to "activities" in contrast to "regulated resources" in Section 68(1)(a)(ii) (and also in existing Section 68(1)(b) of the Act) are unclear. First, licences authorise regulated activities, so at the least, this term should be used. But more importantly, although licences authorise regulated activities, they are to be granted in a category that corresponds to a particular regulated resource. The concept of compatibility is presently defined in the Act by reference to</p>	<p>As above</p>	<p>As above</p>

	<p>regulated resources. It seems important to decide, as a fundamental point, whether that approach is to be continued or whether the object of the Amended Act should be to avoid the conduct of incompatible regulated activities over the same area. While the latter approach sounds sensible, it cannot be achieved with regulated activities defined as they currently are, i.e., in a general way without reference to a particular regulated resource. As the legislation is currently structured, compatibility must be defined by reference to regulated resources. It is respectfully suggested that if Section 68(1)(b) is to remain in the Amended Act, it should be drafted as follows:</p> <p>(b) is granted either -</p> <p>(i) in relation to one or more natural reservoirs to store, or that might possibly be used to store, a regulated substance; or</p> <p>(ii) in relation to any regulated resource, except for a natural reservoir to store, or that might possibly be used to store, a regulated substance.</p>		
<p>Sections 59 and 59E – Relationship with other licences; Section 69 – Grant of compatible licence to area already under licence</p>	<p>The levels of consultation with existing licensees that are required before the Minister grants an AFL, SFL or a “compatible” licence should be the same in each case. The current consultation process for an AFL (Section 59) is the preferred consultation framework. Section 59E(3) (consultation process for SFLs) and Section 69 (consultation for ‘compatible’ licences) should be amended to reflect the text of Section 59(3).</p>	<p>Sections 59 and 59E relate to above ground activities, while Section 69 relates to underground activities. Difference between the consultation processes is therefore considered to be appropriate and no amendment considered necessary.</p> <p>Minor text amendment made to Sections 59(3)(b) and 59E(3)(b) to clarify requirements for consultation between Minister and existing licensees.</p>	<p>Clauses 40(2) and 41</p>
	<p>Existing Section 59(4) provides express provisions for compensation of an existing licensee if an AFL is granted over the existing licence area. It is proposed in the Bill that similar provisions be reflected in relation to SFLs (proposed Section 59E(4)). However Part 11, Division 2 of the 2000 Act does not include similar compensation provisions in relation to situations where a compatible licence is granted over an existing licence area. The holder of an existing licence should be entitled to compensation for the diminution in its rights arising by reason of the grant of a compatible licence in the same way as an existing licence holder is entitled to compensation for the grant of an AFL or a SFL. Existing Section 59(4) and proposed Section 59E(4) should be replicated in Part 11 Division 2 of the 2000 Act. We suggest this be achieved by inserting a new Section 69A as follows:</p> <p>“69A If a compatible licence is granted in respect of an area that is already wholly or partly subject to a licence to which this Division applies, the holder of the licence to which this Division applies is to be entitled to compensation for diminution of the rights conferred by that licence-</p> <p>(a) to be agreed between the licensees; or</p> <p>(b) in default of agreement, to be determined by the relevant court.”</p>	<p>As above</p>	<p>As above</p>

	<p>Existing Section 59(3) and proposed Section 59E(3) require the Minister to “have regard to” a number of things. The Minister is not currently required to have regard to any submissions made by the existing licensee on any of these matters, or whether it is appropriate for a new licence to be granted over the relevant area. A requirement to have regard to such submissions is necessary and fair to reflect principles of natural justice. The current process, in which the existing licensee is provided with a NOE by the new licensee and the Minister requires the new licensee to submit an SEO, does not adequately protect the rights of an existing licensee, because:</p> <ul style="list-style-type: none"> • the NOE and SEO are only provided/prepared after the licence has already been granted (so that any response to the notice of entry or any issues identified in the SEO can have no effect on the decision to grant the licence); and • there is no formal process by which the existing licensee can make submissions regarding the content of the SEO that must be considered by the Minister. <p>The best mechanism for the Minister to obtain the information necessary to make a rigorously informed decision about the grant of an additional licence is to review submissions from the licensee with actual, existing operational knowledge of the resources in the licence area in conjunction with the proposal made by the applicant. It is suggested that Section 59(3)(a)(i) be amended to read: “(i) the reasons put forward by the applicant for the grant of the licence and any submission made by the existing licensee and, in particular, whether they those reasons and submissions justify the grant of the licence in derogation from the rights of the existing licensee or refusal of the licence; and”. Section 59(3)(b) should be amended by inserting “and the matters listed in Section. (3)(a).” at the end of the subsection. These amendments should also be reflected in Sections 59E and 69.</p>	<p>No amendment considered necessary. The same rights are provided to co-regulation Ministers, and PIRSA wishes to sustain consultation on strategies for activities to the SEO approval stage.</p>	
<p>Section 70 – Interrelationship between rights of licensees under compatible licences</p>	<p>Existing Section 70 provides that if a licensee discovers a regulated resource in an area subject to two or more compatible licences, the rights in respect of the regulated resource attach to the licensee who holds the licence for a regulated resource of the relevant kind. There is no mechanism for the licensee holding the relevant licence to be notified of the discovery if made by another licensee. Given that a licensee has certain obligations pursuant to the Act in relation to the subject of its licence, the licensee should be made aware if it has rights in relation to additional regulated resources pursuant to Section 70. Section 70 should be amended as follows:</p> <p>“(1) If a licensee discovers a regulated resource in an area subject to two or more compatible licences, the rights under this Act in respect of the discovery attach to the licensee who holds a licence for a regulated resource of the relevant kind irrespective of whether that licensee actually made the discovery.</p> <p>(2) Where a licensee discovers a regulated resource in an area subject to two or more compatible licences and it is not the holder of the licence for the regulated resource discovered, the licensee</p>	<p>No amendment considered necessary. As a matter of policy, PIRSA will encourage all compatible licence holders to enter into mutual data access agreements.</p>	

	must, within 21 days of the discovery, notify the holder of the licence for the regulated resource discovered.”		
Section 79 - Access to natural reservoir	The proposed amendments that will introduce separate gas storage tenements prescribe in reasonable detail what is to happen in the case of a gas storage tenement application that overlaps an existing licence or application. Further, the Bill's transitional provisions prohibit the grant of a gas storage tenement over an existing licence. In this context, it seems that Section 79 has become redundant. The approach of the Section concerning the relationship with the underlying licensee and the hurdles to be overcome for grant of the gas storage tenement are very different from that evident in rest of the Act, in particular Section 68. Perhaps most puzzling is the retention of the provision Section 79(5) which seemingly has given rise to the new gas storage category of licence. This could conceivably be fixed by simply substituting AFL with SFL in Section 79(5), but we would not advocate this approach for the following reason: Section 79 has been practically ineffectual since its inception because (i) an AFL is an adjunct to a primary licence and (ii) an AFL (probably) cannot authorise production. Current licensees have therefore derived some comfort from this – that in practice, there was no risk of an overlapping AFL being granted for reservoir access. The Bill's transitional provisions perpetuate this benefit in providing that a gas storage tenement cannot be granted over an existing licence. To effect a simple change from AFL to SFL in Section 79(5) would create a loophole that would seriously interfere with this situation. As currently drafted, the Bill's transitional provisions do not prevent the grant of an SFL over an existing licence. Presumably therefore, a person seeking access to a reservoir contained within an existing production licence could avoid the prohibition on granting gas storage tenements over existing licences and apply for an SFL under Section 79. We presume that a loophole of this kind would not be intended.	Section 79(5) amended to remove reference to AFLs.	Clause 50(2)
	Refer to the issue raised by Peter Holden in his 2000 AMPLA paper concerning the interaction of Part IIIA of the Trade Practices Act 1974 (Cth) with Section 79. Have not had the opportunity to compare in detail the Bill's proposed amendments concerning the grant of gas storage tenements with Part IIIA. However, see no harm in including in the Amended Act a provision relating to gas storage tenements that is similar to Section 49(4), simply to ensure that to the extent that Part IIIA or any other access law applies to a reservoir, there is clarity that the Amended Act will not apply.	No amendment considered necessary.	
Section 82 - Consolidation of licence areas	Section 82 restricts consolidation of only “adjacent” areas into a single licence area. Need to introduce a provision to allow the Minister to consolidate licence areas which are within the vicinity of each other and not necessarily adjacent. Therefore make the following change (or similar) to Section 82(1): “The Minister...consolidate adjacent (or in the vicinity) licence areas...”.	Section 82(3) amended to clarify that licence areas in the vicinity of each other can be consolidated.	Clause 51
Section 83 - Division of licence areas	Need to rectify what is perceived to be an unintended consequence of Section 83(2)(a) in respect to additional relinquishment areas.	Section 83 amended to clarify intent of provision.	Clause 52

<p>Section 86A – Fitness-for-purpose assessment</p>	<p>Concerned that proposed Section 86A(6) requires a licensee that has conducted an FFP assessment and prepared a report to carry out any remedial action that is necessary or appropriate in view of the report.</p> <p>(i) The scope of what is appropriate is potentially very broad.</p> <p>(ii) It is difficult, if not impossible, to assess appropriateness on objective criteria; it is an inherently subjective concept.</p> <p>(iii) Something that is necessary is obviously required to be done and in that sense can be seen as obligatory. Something that is appropriate is not necessarily required and in that sense can be seen as non-obligatory. To require a licensee to do something that is not necessary but is appropriate seems to be converting something that is not obligatory into something that is. We comment on this simply to state a view of the meaning of the words adopted, not to comment on policy.</p>	<p>No amendment considered necessary.</p>	
<p>Section 108 – Power to direct licensee to take action to prevent or minimise environmental damage; Section 109 – Power to direct rehabilitation of land</p>	<p>Sections 108 and 109 of the Act provide the Minister with power to direct a licensee to prevent or minimise environmental damage, or to rehabilitate land respectively. Submit that the Minister should not issue an environmental direction if a licensee's activities are complying with agreed standards of an SEO. To ignore such agreed standards, would create unnecessary uncertainty for a licensee. Seek clarification as to the interaction between the agreed standards of an SEO and the Minister's power to direct a licensee pursuant to Sections 108 or 109 of the 2000 Act.</p>	<p>No amendment considered necessary. PIRSA does not consider it plausible that an environmental direction would be issued if activities were being conducted in compliance with the relevant SEO. Note that Section 108(5) provides for review of SEO following issue of any environmental direction.</p>	
<p>Section 112 - Registrable dealings</p>	<p>Section 112 should be amended to clarify that the acquisition of an interest in a gas storage tenement is registrable dealing. As such, Section 112(b)(i) should be amended as follows: “(i) resources discovered, utilised or recovered under an exploration, retention or production licence; or”</p>	<p>Section 112(b)(i) amended to clarify that the acquisition of an interest in a gas storage tenement is a registrable dealing.</p>	<p>Clause 59</p>
<p>Section 115 – Public register</p>	<p>The Green Paper proposed that a new subclause be introduced under Section 115(2) allowing the public register to contain any other information required by the Act, provided it is not commercially sensitive. Or introduce an overriding clause regarding commercial sensitivity.</p>	<p>No amendment considered necessary. This will be dealt with administratively rather than through legislation.</p>	
<p>(Existing) Schedule - Transitional provisions</p>	<p>Existing transitional provisions in the 2000 Act do not make it clear that the holders of 1940 Act PPLs are authorised to conduct all activities able to be authorised by a PPL granted pursuant to the 2000 Act. The transitional provisions could be interpreted to preserve the scope of the rights held under 1940 Act licences, whilst simply allowing for 1940 Act licences to be regulated as though they were PPLs granted pursuant to the 2000 Act. The result would be that every current holder of a 1940 Act licence would only be authorised to undertake the activities originally authorised by the 1940 Act licence. These activities would be limited as per Section 33 of the 1940 Act. Activities such as the storage of gas in a natural reservoir would not be authorised, other than where that storage was in association with the production of petroleum, e.g. Enhanced oil recovery. Under the current wording of proposed transitional provision 2 in Schedule 1, a 1940 Act licence would be a “transitional tenement” (given that it would be a</p>	<p>Schedule 1 amended to clarify that it will not be mandatory for a GSL to be granted over a transitional tenement to enable gas storage. New provision allows grant of a GSL at the Minister's initiative or on application by the holder of the transitional tenement.</p> <p>Schedule of transitional provisions amended to ensure that GSLs are a subsequent right for petroleum exploration and production licences granted under the 1940 Act. Also ensures that the granting of a GSL under the amended Act for rights inferred under 1940 Act granted licences will not trigger Native Title.</p>	<p>Schedule 1, Clause 4</p> <p>Clause 62(1)</p>

	<p>production licence held under the 2000 Act on the commencement of the Bill). Under the currently proposed wording of Transitional Provision 3, Schedule 1, no application may be made for a gas storage tenement in relation to any part of an area held under a transitional tenement. The effect of these (existing and proposed) transitional provisions could be that all land covered by 1940 Act licences is “quarantined” from gas storage operations. Therefore suggest amendment to Section 4(1) of (existing) Schedule to the 2000 Act and insert a new subsection 4(2A) as follows:</p> <p>“(1) Subject to subsection (2A), the rights of the holder of a transitional licence are not to be more extensive than if the repealed Act had continued in force.</p> <p>(2A) For the avoidance of doubt, upon commencement of this Act, a transitional licence authorises all operations which may be authorised by an exploration licence, a production licence or a pipeline licence (as the case requires) under this Act.” Need to ensure that the references in the proposed subsection 4(2A) to “exploration licence, a production licence ...” are references to exploration licences and production licences granted under the existing provisions of the 2000 Act (which were granted in relation to all regulated resources except a source of geothermal energy).</p>		
<p>Schedule 1 - Transitional provisions</p>	<p>It is not clear why provision 2 of Schedule 1 is necessary. As we understand the position, all rights under transitional tenements persist after the Amended Act takes effect. Cannot see the need to take the right to store gas and confirm that it will not be affected by the amendments. This has the potential to call into question the continued effect of other rights that are not expressly confirmed. Also, this Section seems the more incongruous when read in conjunction with proposed Section 68(1), which contemplates that even after the Amended Act takes effect, a person need not have a Gas Storage Licence to store gas – a PPL that contains terms authorising the storage of gas pursuant to Section 34(5) would suffice.</p>	<p>As above</p>	<p>Schedule 1, Clause 4</p>
	<p>This transitional provision precludes gas storage activities within all existing geothermal licence areas even though gas storage could be effectively and efficiently undertaken as a compatible activity. This is clearly not the intention of the legislature in enacting the Bill. This could be prevented by amending proposed transitional provision 3:</p> <p>“(3) Existing areas</p> <p>An application for a gas storage tenement cannot be made under the principal Act (as amended by this Act) in relation to any part of an area held under a transitional tenement except where the transitional tenement was granted in relation to a regulated resource which is a source of geothermal energy (to the extent that the area thereof is not also subject to a transitional tenement which is a petroleum production licence).”</p>	<p>New subclause (3) included in Clause 4 of Schedule 1 to ensure that geothermal licences are not transitional licences with respect to gas storage.</p>	<p>Schedule 1, Clause 4(3)</p>

	<p>The proposed transitional provision 3 set out in Schedule 1 of the Bill seems to preclude gas storage rights being granted over all existing geothermal licence areas. Believe that in an operational sense gas storage could be undertaken within geothermal licences as a compatible activity. Consequently there may be merit in allowing the grant of GSLs over geothermal licences. Request further consideration be given to amending the proposed Bill to reflect that gas storage licences are able to be granted over existing geothermal licence areas.</p>	<p>As above</p>	<p>As above</p>
	<p>Transitional provision 4 may have unintended consequences. It allows a person to apply for a gas storage tenement over an area covered by an application for an exploration, retention or production licence that is made before the Amended Act takes effect, but may not be granted unless the underlying licence applicant has been consulted by the Minister. This structure is not consistent with the EL ranking process to be introduced into Section 65. If a GSEL is applied for over a PELA, the Government's policy may be to differentiate between overlapping EL applications on the basis of whether the earlier application is made prior to or after the Amending Act taking effect. If so, then the Bill as drafted would appear to achieve this objective. If a differentiation of this kind is not intended then a review of the drafting is needed. Provision 4 only requires the Minister to consult with the underlying licence applicant. There seems no prohibition on the Minister granting the overlapping gas storage tenement first. If that is done, presumably the principle of compatibility will not allow the overlapping licence applicant eventually to be granted a licence that will authorise gas storage, even if its application sought storage rights. In practice, it is likely that the Minister would take this into account when considering the gas storage application, but the Minister's discretion is quite unfettered and there is no requirement that he do so. Even if he does, there is no requirement that the underlying licence application be prioritised.</p>	<p>Transitional provisions amended to clarify that Section 65(1a) will extend to an application for an EL made before the relevant day.</p>	<p>Schedule 1, Clause 5(2)</p>
<p>Duplication of tenure of coal</p>	<p>A potential conflict between rights granted under the Mining Act for conventional mining of coal and rights under the Petroleum Act for CSM and ISG exists. The process suggested to manage conflict is fundamentally flawed (and has already shown to be, in practice). The Bill provides an opportunity to correctly address the significant and fundamental issue of duplicity of tenure and uncertainty. The best way to remove ambiguity and uncertainty with respect to coal tenure introduced by the Petroleum Act is to change the definition of "petroleum" to move ISG and CSM from the Petroleum Act to the Mining Act. Any CSM production incidental to conventional petroleum production should remain under the Petroleum Act. It is noted that there have been partial moves to this end recommended by PIRSA in the past. With current amendments not including this recommendation, it would seem that this issue is going 'backwards'.</p>	<p>No amendment considered necessary. PIRSA believes that any potential for incompatibility of mining rights for coal under the Mining Act with rights for CSM and ISG under the Petroleum Act can be adequately managed through existing land owner notification and SEO approval processes.</p>	

	<p>The Bill does not include any amendments to address the issue of competing priorities for coal mining tenements under the Mining Act 1971 and petroleum tenements under the Petroleum Act. There are no proposed amendments to prevent the grant of petroleum and mining tenements over the same land. This is a departure from the proposed changes suggested by PIRSA in the Green Paper released in December 2006. The SA Mining Act does not provide an opportunity for lodging objections to an application for a mining tenement. Therefore, there is no formal avenue to raise concerns about any potential conflict of interests. Suggest an amendment to provide that a petroleum tenement holder has prevailing rights to CSM over a mining tenement in the same area.</p>	As above	
	<p>A potential conflict between rights granted under the Mining Act for the conventional mining of coal, and rights granted under the 2000 Act for coal seam methane (CSM) and in situ gasification (ISG) exists. The Green Paper proposed to introduce in the 2000 Act a process of consultation to be undertaken and agreement to be obtained between parties having rights under the 2000 Act and the Mining Act. It was noted that a complementary amendment would also be required in the Mining Act. SA government will be supported in taking steps to implement complementary consultation processes in the 2000 Act and the Mining Act to address this conflict.</p>	No amendment will be made at this stage. PIRSA intends to lobby the Mining Act to include notice of entry provisions for existing Petroleum Act tenement holders.	
Extraction of coal for gasification / Coal to Liquids	<p>There is no clear or single legislation in SA that would regulate the Coal to Liquids (CTL) process. The Petroleum and Geothermal Energy Act 2000 is believed to be the appropriate legislative vehicle to cover the CTL process downstream of the coal preparation and size reduction (under the Mining Act), as the products generated from the CTL process are analogous to products derived from traditional petroleum recovery and utilisation processes. To provide clarity, certainty and efficiency in obtaining approvals to construct and operate a CTL facility in SA, the following amendments are proposed:</p> <ol style="list-style-type: none"> 1) Amend definition of "petroleum" to include petroleum derived from organic material such as coal and biomass. 2) Expand the list of regulated substances to include the products of coal gasification as long as the intent is to use the derived syngas in the production of synthetic crude. Additional products requiring regulation include carbon monoxide, hydrogen and sulphur. 3) Add a clause to exempt the payment of royalties on the synthetic crude where royalties have already been paid under the Mining Act for the coal extracted. 	<p>Definition of "petroleum" amended to encompass coal constituting a product of coal gasification for the purposes of the production of synthetic petroleum.</p> <p>Definition of "regulated substance" amended to include "any other substance that naturally occurs in association with petroleum".</p> <p>Definition of "regulated activities" amended to include "operations involving the injection or other use of any substance in the form of a trace element that naturally occurs in association with a regulated substance". This aims to provide clarification for gas storage purposes.</p>	<p>Clause 6(6)</p> <p>Clause 6(7)</p> <p>Clause 8</p>
Licence suspension provisions	<p>Need to include provision to allow the suspension of a licensee from certain conditions (such as work program conditions), essentially for a period of time, as well as an extension of term as appropriate. This will allow a licensee to carry out regulated activities during periods of suspension and extension, and would avoid the necessity to delay annual licence fees.</p>	New Section 76A introduced to allow for work program obligations alone to be suspended, and to allow licence terms to be extended accordingly. These provisions reflect the offshore legislation.	Clause 49

Annual reports	The Green Paper proposed the introduction of a specific provision in the Act for the requirement to submit an annual report, in line with Petroleum Regulation 33 requirements. This amendment does not appear to be in the Amendment Bill.	Proposed amendment not proceeded with. Requirement for annual reports will remain in the Petroleum Regulations.	
Miscellaneous	There are references throughout the Act to "petroleum or another regulated substance" or "petroleum and other resources", for example Sections 3, 5 and 10. Should the Act simply refer to regulated substances and resources (without the need for "or another" / "and other")?	No amendment considered necessary.	
Amendment to Occupational Health, Safety and Welfare Act 1986	Green Paper proposed to amend the definition of 'inspector' in Section 4 of the Occupational Health, Safety and Welfare Act by deleting the requirement that SafeWork SA inspectors must also be authorised officers under the Petroleum Act.	This amendment will be made through a separate Bill before parliament to amend the South Australian Occupational Health, Safety and Welfare Act.	
Amendment to Development Act 1993	Green Paper proposed to amend Section 74 of the Development Act 1993 to reflect that consultation under the Petroleum Act is carried out on the SEO and not during the licence grant stage.	Related amendment to Development Act introduced to enable consultation to occur at the SEO approval stage.	Schedule 1, Part 1