

CONTENTS

<i>Foreword by Ross Garnaut</i>	v
<i>About the author</i>	xiii
<i>Acknowledgements</i>	xiv
<i>List of acronyms</i>	xvi
<i>Table of cases</i>	xx
<i>Table of statutes</i>	xxiii
1 Ownership of minerals and natural resources	1
1.1 Introduction	2
1.2 Ownership of the subsurface strata at common law	3
1.3 Public resource ownership	7
1.4 The proprietary status of mining tenements	11
1.5 Royal minerals: gold and silver	14
1.6 Ownership of renewable energy resources	17
1.6.1 Hydro-electrical power	18
1.6.2 Geothermal energy	18
1.6.3 Ownership of water in Australia	19
1.6.4 Access entitlements for wind and sunlight	23
1.6.5 Market progression	24
1.7 Division of land and resources: overlapping tenures	25
1.8 Land access and compensation	28
1.9 Native title, cultural heritage and mining rights	33
1.10 Review questions	37
1.11 Further reading	38
2 Resource titles: permits, licences and leases	39
2.1 Introduction	40
2.2 Mining approval process: exploration, assessment and extraction phases	41
2.3 Exploration licences and permits	42
2.3.1 Approval process	42
2.3.2 The character of an exploration licence/permit	45
2.3.3 Relevant legislative provisions	47
2.3.3.1 New South Wales	47
2.3.3.2 Western Australia	50
2.3.3.3 Queensland	50
2.3.4 Proprietary status of the exploration licence	53
2.3.5 Legal status of offshore exploration permits: s 51(xxxi) of the <i>Commonwealth Constitution</i>	54
2.4 Retention licences and assessment leases	58

2.5	Mining and production leases	62
2.5.1	Statutory character of a mining lease	62
2.5.2	General terms and conditions of a mining lease	65
2.5.3	State agreements	70
2.6	Review questions	70
2.7	Further reading	71
3	Australian offshore petroleum and minerals regulation	73
3.1	Introduction	74
3.2	<i>United Nations Convention on the Law of the Sea</i>	76
3.2.1	Background to <i>UNCLOS</i>	76
3.2.2	Maritime zones: baselines, the contiguous and exclusive economic zones, and the continental shelf	77
3.2.3	The high seas	83
3.2.4	The right of innocent passage	84
3.3	State and Commonwealth constitutional arrangements for offshore regulation	86
3.4	<i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i> (Cth)	91
3.5	NOPTA and NOPSEMA	93
3.6	<i>OPGGSA</i> (Cth) titles	95
3.6.1	Petroleum exploration permit	95
3.6.2	Petroleum retention lease	96
3.6.3	Petroleum production licence	97
3.6.4	Infrastructure licence	98
3.6.5	Pipeline licence	99
3.7	Sea installations	100
3.8	Joint petroleum area and Greater Sunrise: Australia and Timor-Leste	100
3.9	<i>Offshore Minerals Act 1994</i> (Cth)	103
3.10	<i>Offshore Electricity Infrastructure Act 2021</i> (Cth)	104
3.11	Review questions	107
3.12	Further reading	107
4	The national energy market: focus on gas	110
4.1	Introduction	111
4.2	National Electricity Market and the <i>National Electricity Law</i>	111
4.3	What is natural gas?	112
4.4	The gas export market	114
4.5	<i>National Gas Law</i>	117
4.6	The Australian Energy Regulator and the Economic Regulation Authority	120
4.7	Australian Energy Market Commission	124
4.8	Australian Energy Market Operator	127
4.9	Australian gas pipelines and the <i>NGL</i>	129
4.10	Review questions	138
4.11	Further reading	139

5 Unconventional gas regulation	141
5.1 Introduction	142
5.2 What is unconventional gas?	145
5.2.1 Shale gas	145
5.2.2 Tight gas	145
5.2.3 Coal seam gas	146
5.3 How is unconventional gas extracted?	146
5.3.1 Hydraulic fracturing and horizontal drilling	147
5.3.2 Water pumping for CSG extraction	149
5.4 Environmental and social issues associated with unconventional gas extraction	152
5.5 Regulatory frameworks for unconventional gas: focus on Queensland and New South Wales	157
5.5.1 Queensland: <i>Petroleum and Gas (Production and Safety) Act 2004</i>	158
5.5.1.1 Regulatory requirements	158
5.5.1.2 Access, entry and conduct and compensation agreements	164
5.5.2 New South Wales: the regulatory framework	168
5.5.2.1 <i>Petroleum (Onshore) Act 1991</i>	169
5.5.2.2 Land access, compensation and access disputes	172
5.5.2.3 Codes of practice for CSG: fracture stimulation and well integrity	174
5.5.2.4 Strategic Regional Land Use Policy and the gateway process	176
5.5.2.5 <i>Environmental Planning and Assessment Act 1979</i>	178
5.5.2.6 <i>Water Management Act 2000</i> and the Aquifer Interference Policy	181
5.6 Regulatory framework: <i>Environment Protection and Biodiversity Conservation Act 1999</i> (Cth)	184
5.7 Review questions	185
5.8 Further reading	186
6 Renewable energy: regulation, the Renewable Energy Target scheme, wind energy and the market framework	189
6.1 Introduction	190
6.2 What is renewable energy?	191
6.3 The renewable energy market	194
6.4 Statutory regulation: the Renewable Energy Target	195
6.4.1 Commonwealth and state development of renewable energy targets	195
6.4.2 Economic justification for the RET	199
6.4.2.1 Outline of the federal RET	199
6.5 Background to the RET	201
6.6 The Australian Renewable Energy Agency, Clean Energy Regulator and Clean Energy Finance Corporation	202

6.7	The Large-scale Renewable Energy Target	204
6.8	The Small-scale Renewable Energy Scheme and Solar Credits Scheme	206
6.9	The economics of renewable energy	208
6.10	The National Electricity Market	210
6.11	Onshore wind energy	212
6.11.1	<i>Best Practice Guidelines for Implementation of Wind Energy Projects in Australia</i>	216
6.11.2	Onshore wind farm cases: <i>Bald Hills Wind Farm Pty Ltd v South Gippsland Shire Council</i> and <i>SPIC Pacific Hydro Pty Ltd v Chief Commissioner of State Revenue</i>	220
6.12	Offshore wind energy: <i>Offshore Electricity Infrastructure Act 2021</i> (Cth)	223
6.13	Review questions	227
6.14	Further reading	227
7	Carbon capture and storage	230
7.1	Introduction	231
7.2	What is carbon capture and storage?	232
7.3	Why do we need CCS?	235
7.4	Capturing carbon dioxide	237
7.4.1	Pre-combustion technology	238
7.4.2	Post-combustion technology	238
7.4.3	Oxyfuel combustion	238
7.4.4	Applications of pre-combustion, post-combustion and oxyfuel combustion	239
7.4.4.1	Enhanced oil recovery operations	239
7.4.4.2	CCS operations in the cement sector	239
7.5	Transporting carbon dioxide	240
7.6	Storing carbon dioxide	242
7.7	International CCS projects	242
7.8	Regulating carbon capture in Australia	243
7.8.1	Commonwealth laws	243
7.8.2	State and territory laws	247
7.9	CCS state frameworks: focused review	248
7.9.1	Victoria: <i>Greenhouse Gas Geological Sequestration Act 2008</i>	248
7.9.2	Queensland: <i>Greenhouse Gas Storage Act 2009</i>	252
7.9.3	Victoria: <i>Offshore Petroleum and Greenhouse Gas Storage Act 2010</i>	254
7.10	Legal liability for carbon capture in Australia	255
7.10.1	Environmental concerns	255
7.10.2	Tortious actions	255
7.10.3	Regulatory standards	256
7.11	Review questions	257
7.12	Further reading	258

8	Climate change and energy policy	261
8.1	Introduction	262
8.2	Changes in the climate system: atmosphere, ocean, cryosphere and sea level	264
8.3	International and domestic legal frameworks	267
8.3.1	<i>United Nations Framework Convention on Climate Change</i>	267
8.3.2	Intergovernmental Panel on Climate Change	271
8.3.3	<i>Kyoto Protocol</i>	271
8.3.4	<i>Paris Agreement</i>	273
8.3.4.1	Nationally determined contributions	275
8.3.4.2	Critical analysis of the <i>Paris Agreement</i>	277
8.3.5	<i>The Energy Charter Treaty</i>	277
8.3.6	Australian climate regulation	280
8.3.6.1	Emissions Reduction Fund	281
8.3.6.2	The safeguard mechanism	281
8.3.6.3	Climate legislation: legislating emission reduction targets	284
8.3.6.4	Climate litigation	286
8.4	Pricing carbon	289
8.5	The energy transition	293
8.6	Review questions	296
8.7	Further reading	296
9	Environmental regulation	300
9.1	Introduction	301
9.1.1	Cost-benefit analysis versus precautionary principle approach	302
9.1.2	Environmental rights	304
9.2	Jurisdictional framework	306
9.2.1	Commonwealth environmental legislation: <i>Environment Protection and Biodiversity Conservation Act 1999</i>	308
9.2.2	Bilateral agreements	312
9.2.3	Principles of ecologically sustainable development	313
9.3	Environmental impact assessment	317
9.4	Environmental assessment of energy and mining projects in Western Australia	319
9.5	Environmental assessment of energy and mining projects in Queensland	323
9.6	Environmental assessment of energy and mining projects in New South Wales	328
9.7	Review questions	335
9.8	Further reading	335

10 Mining agreements and revenue frameworks	339
10.1 Introduction	340
10.2 Form and scope of resource mining agreements	344
10.2.1 Fossil fuels: concession agreements	344
10.2.2 Fossil fuels: profit-sharing contracts	345
10.2.3 Fossil fuels: risk service contracts	347
10.2.4 Fossil fuels: joint venture agreements	348
10.2.5 Renewable energy: power purchase, engineering, procurement, connection and operation agreements	349
10.3 Resource royalties in Australia	351
10.3.1 Royalty frameworks	351
10.3.2 Coal royalty rates	353
10.3.3 Petroleum royalty rates	354
10.3.4 Royalties payable on private minerals	355
10.3.5 Meaning of ‘well-head’ for calculation of royalties	356
10.3.6 Public benefit of royalties	358
10.4 Resource taxation in Australia	360
10.4.1 Carbon tax	361
10.4.2 Minerals resource rent tax	361
10.4.3 Petroleum resource rent tax	362
10.4.4 Public benefit of resource taxes	364
10.5 Review questions	365
10.6 Further reading	366
<i>Index</i>	370