

# **EXPLANATORY STATEMENT**

Issued by authority of the Minister for Energy and Emissions Reduction

*National Greenhouse and Energy Reporting Act 2007*

*National Greenhouse and Energy Reporting Amendment (2020 Measures No.1) Regulations 2020*

## **Background**

The *National Greenhouse and Energy Reporting Act 2007* (the Act) provides a framework for the reporting of greenhouse gas emissions, energy production and consumption and other information in Australia. Section 77 of the Act provides that the Governor-General may make regulations prescribing matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Act. The *National Greenhouse and Energy Reporting Regulations 2008* (the Regulations) have previously been made under this section.

## **Purpose and Operation**

The purpose of the *National Greenhouse and Energy Reporting Amendment (2020 Measures No. 1) Regulations 2020* (the amending Regulations) is to:

- Update the Global Warming Potentials (GWPs) in NGER Regulation 2.02, which are used to convert emissions values of non-carbon dioxide gases into carbon dioxide equivalent values, in order to align the NGER scheme with the Australian Government's implementation of the United Nations Framework Convention on Climate Change Paris Agreement; and
- Update the list of matters to be identified in reports under Part 2 of Schedule 3 of the NGER Regulations (Oil or gas) in order to support the preparation of the National Greenhouse Accounts.

Details of the amending Regulations are outlined in [Attachment A](#).

A statement of the amending Regulations' compatibility with human rights is set out in [Attachment B](#).

## **Consultation**

The substance of the amendments made by the proposed Regulations was released for public consultation from 29 May to 10 June 2020. Five submissions were received. Amendments made by items 3 to 8 below (*Update to matters to be identified in reports under Part 2 of Schedule 3 (Oil or gas)*) were streamlined following consideration of a submission from the Australian Petroleum Production & Exploration Association (APPEA).

## **Regulatory Impact**

The regulatory impacts of these amendments have been assessed as minor and not requiring a Regulation Impact Statement by the Office of Best Practice Regulation (ref 26344).

**Details of the *National Greenhouse and Energy Reporting Amendment (2020 Measures No. 1) Regulations 2020***

**Section 1—Name**

Section 1 provides that the title of the amending Regulations is the *National Greenhouse and Energy Reporting Amendment (2020 Measures No. 1) Regulations 2020*.

**Section 2—Commencement**

Section 2 provides that the amending Regulations commence on 1 July 2020.

**Section 3—Authority**

Section 3 provides that the amending Regulations are made under the *National Greenhouse and Energy Reporting Act 2007*. The power to make regulations under section 77 of the NGER Act includes the power to amend or revoke regulations that have already been made, with any doubt about this resolved by subsection 33(3) of the *Acts Interpretation Act 1901*.

**Section 4—Schedules**

Section 4 provides that each instrument that is specified in a Schedule to the amending Regulations is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to the amending Regulations has effect according to its terms.

**Schedule 1—Amendments**

**Part 1—Main amendments**

*Update to Global Warming Potentials*

Items 1 and 2 update the Global Warming Potential (GWP) values listed in NGER Regulation 2.02, which are used to convert non-carbon dioxide gases into carbon dioxide equivalent values, to align with the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC AR5) in accordance with the Australian Government's implementation of the United Nations Framework Convention on Climate Change Paris Agreement.

*Update to matters to be identified in reports under Part 2 of Schedule 3 (Oil or gas)*

Items 3 to 8 update the list of matters to be identified in reports under Part 2 of Schedule 3 of the NGER Regulations (Oil or gas) in order to support the preparation of the National Greenhouse Accounts.

- Item 4 updates the matters for source 1—oil and gas exploration to collect more detail in relation to well completions and well workovers.
- Items 5 and 6 updates matters for source 5—natural gas production and processing (other than venting or flaring) in relation to wells, throughput, pipeline length and produced water.

- Item 8 updates matters in source 9—natural gas production and processing—venting to collect itemised information on venting.
- Items 3 and 7 ensure all available methods report this information for sources 1 and 9.

Terms relating to the oil and gas industry are intended to be interpreted consistently with their accepted meaning in the oil and gas industry and the usage of those terms in the *National Greenhouse and Energy Reporting (Measurement) Determination 2008*. In particular:

- **natural gas gathering and boosting** means the activity to collect unprocessed natural gas or coal seam methane from gas wellheads and to compress, dehydrate, sweeten, or transport the gas through natural gas gathering and boosting pipelines to a natural gas processing station, a natural gas transmission pipeline or natural gas distribution pipeline.
- **natural gas gathering and boosting pipeline** means a pipeline for the conveyance of gas that:
  - contains unprocessed natural gas or coal seam methane; and
  - pertains to the activity of natural gas gathering and boosting.
- **natural gas gathering and boosting station** means one or more pieces of plant and equipment used in natural gas gathering and boosting at a single location that operate as a unit in the natural gas gathering and boosting activity. The plant and equipment may include any of the following:
  - compressors;
  - generators;
  - dehydrators;
  - storage vessels;
  - acid gas removal units;
  - engines;
  - boilers;
  - heaters;
  - flares;
  - separation and processing equipment;
  - associated storage or measurement vessels;
  - equipment on, or associated with, an enhanced oil recovery well pad using CO<sub>2</sub> or gas injection.
- **natural gas processing station** means the plant and equipment used in the natural gas processing in a single location, and includes:
  - liquids recovery plant and equipment where the separation of natural gas liquids or non-methane gases from unprocessed natural gas or coal seam methane occurs; and
  - liquids recovery plant and equipment where the separation of natural gas liquids into one or more component mixtures occur; and

- gas separation trains where the removal of acidic gases from unprocessed natural gas or coal seam methane occurs.
- ***produced water*** means the water that is either:
  - pumped from coal seams or unprocessed gas reservoirs during onshore or offshore natural gas production or natural gas gathering and boosting; or
  - pumped from wells during crude oil production or oil and gas exploration and development.

## **Part 2—Application provisions**

Item 9 provides that the proposed Regulations apply to reports submitted under Part 3, 3E, 3F or 3G of the Act for the financial year beginning on 1 July 2020, and later financial years. Reports for the financial year starting 1 July 2020 are due by 31 October 2021. Reports for the financial year starting on 1 July 2019 are not impacted by these changes.

## **Statement of Compatibility with Human Rights**

*Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011*

### ***National Greenhouse and Energy Reporting Amendment (2020 Measures No. 1) Regulations 2020***

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

#### **Overview of the Legislative Instrument**

The *National Greenhouse and Energy Reporting Amendment (2020 Measures No. 1) Regulations 2020* (the amending Regulations) amends the *National Greenhouse and Energy Reporting Regulations 2008* (the Regulations) to:

- Update the Global Warming Potentials in regulation 2.02 of the Regulations, which are used to convert emissions values of non-carbon dioxide gases into carbon dioxide equivalent values, in order to align the NGER scheme with the Australian Government's implementation of the United Nations Framework Convention on Climate Change Paris Agreement; and
- Update the list of matters to be identified in reports under Part 2 of Schedule 3 of the Regulations (Oil or gas) in order to support the preparation of the National Greenhouse Accounts.

#### **Human rights implications**

This Legislative Instrument does not engage any of the applicable human rights or freedoms.

#### **Conclusion**

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.

**The Hon Angus Taylor MP  
Minister for Energy and Emissions Reduction**