Oil and Gas Regulation in Australia: Overview

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A Q&A guide to oil and gas regulation in Australia.

The Q&A gives a high-level overview of the domestic oil and gas sector, rights to oil and gas, regulation, transportation by pipeline, health safety and the environment, enforcement of regulation, and sale and trade in oil and gas.

Domestic Sector

1. What is the role of the domestic oil sector in your jurisdiction?

Domestic Production

Australia has oil and gas reserves located both onshore across the various states (Queensland, New South Wales, South Australia, Western Australia and Tasmania) and the Northern Territory and offshore. Geoscience Australia's 2019 estimate of the country's 2P (proved and probable) reserves places Australia's conventional oil reserves at around 1.8 billion barrels (BB). Australia's approximate 2P reserves can be broken down into:

- 355 million barrels (MB) of crude oil.
- 1.25 BB of condensate.
- 203 MB of liquid petroleum gas (LPG).

Compared with the 2P reserves of nations with similar surface areas, Australia's reserves are much smaller. For example, at the end of 2023, 2P reserves were around:

- 46.4 BB for the US (see *www.eia.gov/naturalgas/crudeoilreserves/).*
- 163 BB for Canada (see *www.eia.gov/international/analysis/country/CAN*).

Despite this, the oil industry remains a major contributor to the Australian economy, with condensate produced from Western Australia's Northern Carnarvon and Browse Basins accounting for three-quarters of all Australian oil production in 2019.

Unconventional oil production, though still in its early stages in Australia, has the potential to significantly enhance domestic supply. Geoscience Australia reports significant contingent reserves (2C) of unconventional shale oil, estimated to be around 14.36 BB as of 2019.

Shale oil extraction, which involves hydraulic fracturing (fracking), has been explored in regions such as the Cooper Basin (in South Australia and Queensland) and the Beetaloo Sub-basin (in the Northern Territory).

Oil Imports/Exports Market

Although Australia is a net exporter of energy, it is a net importer of oil and oil products. According to information from the federal environmental department, the *Department of Climate Change, Energy, the Environment and Water* (DCCEEW), crude oil and refined products accounted for 96.2% of Australia's total energy imports in the 2022/23 Australian financial year, which was broken down as follows:

- Crude oil accounted for 15.9% of energy imports, representing a 6.3% decrease from the previous year and a ten-year average annual decrease of 10.8%. The DCCEEW attributes this decrease primarily to the closure of two oil refineries in 2021.

- Refined products accounted for 80.3% of energy imports, representing a 17.4% increase from the previous year and a ten-year average increase of 7.8%. This increase is reportedly driven by rising demand for aviation turbine fuel and diesel, as well as a general shift from domestic refinery production to imports to meet this demand.

Domestic Market Structure

Australia has two remaining oil refineries (the Lytton Refinery in Queensland and Geelong Refinery in Victoria), both located on the east coast of Australia. Geoscience Australia published a report stating that:

- In 2023, nearly 80% of Australia's oil production came from offshore fields on the North West Shelf, and around 97% of Australia's domestically produced oil was exported in 2022 and 2023. Given the long distance between the North West Shelf and Australia's two refineries, it is generally more cost-effective to ship crude oil to Asian markets and import refined fuel products into Australia.

- The oil produced in eastern Australian basins is largely consumed domestically.

(*Australia's Energy Commodity Resources 2025*.)

Australia has several import terminals with varying import capacities.

The Australian downstream industry is broadly comprised of the following components:

- **Supply**: petrol produced by domestic refineries and imported petrol volumes to import terminals and imports of petrol to import terminals.
- **Buy-sell arrangements**: bilateral transactions between refiners and importers to supplement their supply requirements.
- **Wholesale**: petrol sold by wholesalers to retailers, commercial customers and to other businesses for further distribution.
- **Retail**: predominately petrol volumes sold by retail sites to motorists.

(*Domestic composition through Australia's evolving petroleum industry, November 2025*.)

Government Policy Objectives

The Australian Government has set objectives concerning:

- **Minimum stockholding obligations.** From 1 July 2023, the government's minimum stockholding obligation requires Australian fuel importers and refineries to maintain baseline stock levels. This requires refiners and imports to maintain baseline reserves in relation to:
  - gasoline (24 days for refiners, and for 27 days for importers);
  - kerosene (24 days for refiners and 27 days for importers); and
  - diesel (20 days for refiners and 32 days for importers).

  The minimum stockholding obligation applies only to entities that have imported or refined one of the above-mentioned key transport fuels in a calendar year at volumes in excess of 200 megalitres for gasoline and 250 megalitres for diesel and kerosene.
- **Foreign investment.** Australia has a robust foreign investment framework. The *Foreign Acquisitions and Takeovers Act 1975 (Cth)*, administered by the Commonwealth Treasury, requires foreign persons to seek approval from the Commonwealth Treasurer to undertake certain investments in Australia. This approval process may involve additional scrutiny where the investment relates to critical liquid fuel assets under the *Security of Critical Infrastructure Act 2018* (SOCI Act). A critical liquid fuel asset is a liquid fuel refinery, pipeline or storage facility that is critical to ensuring the security and reliability of a liquid fuel market (as further defined in the defined in the *Security of Critical Infrastructure (Definitions) Rules (LIN 21/039) 2021*).
- **Minimum work/expenditure conditions.** For producing oil fields, regulators typically impose minimum work and minimum expenditure commitments when granting exploration or production permits, and permit holders must comply with these obligations.
- **Oil Code of Conduct**. The conduct of suppliers, distributors and retailers in the marketing industry for declared petroleum products is regulated by the *Competition and Consumer (Industry Codes—Oil) Regulations 2017* (Oil Code

of Conduct). Declared petroleum products are unleaded petrol, unleaded petrol and ethanol blends, unleaded petrol and biofuels blends, premium unleaded petrol (subject to certain exceptions), and diesel fuel (subject to certain exceptions). The Oil Code of Conduct sets out transparency measures applicable to wholesale supply and rules for fuel-reselling agreements between suppliers and retailers.

2. What is the role of the natural gas sector in your jurisdiction?

Domestic Production

Natural gas plays a critical role in Australia's economy and is recognised as important to support Australia's transition to net zero, both for industries that cannot electrify and as a firming product for renewable energy. Australia has vast natural gas accumulations. In 2022, Geoscience Australia estimated combined 2P and 2C reserves of about:

- 157.12 trillion cubic feet (TCF) of conventional gas.
- 50.1 TCF of coal seam gas (CSG), also known as coal-bed methane (CSM).

In 2022, over 70% of Australia's natural gas output was exported as liquefied natural gas (LNG), making Australia the world's second-largest LNG exporter, behind Qatar. (Although since 2022 the US has subsequently become the largest exporter of LNG by volume, overtaking both Australia and Qatar (see *www.iea.org/data-and-statistics/charts/lng-exports-for-selected-countries-2015-2025*).)

The majority of Australia's conventional gas reserves are located offshore on the Northwest Shelf, consisting of the Northern Carnarvon, Browse, and Bonaparte basins. These basins provide conventional gas feedstock to seven key LNG projects: Gorgon, Wheatstone, North West Shelf, Pluto, Prelude FLNG, Ichthys, and Darwin. There are also offshore basins off Victoria (the Gippsland, Bass and Otway basins), accounting for 6% of eastern Australia's 2P reserves. These basins have traditionally been a major source of supply for the southern states however the largest of these, the Gippsland Basin, is reaching the end of its production life.

The majority of discovered CSG reserves in Australia, however, are in the Bowen and Surat Basins in Queensland, which holds 90% of eastern Australia's 2P reserves. These basins provide CSG feedstock to the three LNG export projects on the east coast, being the Australia Pacific LNG, Santos GLNG, and Shell QCLNG export projects, as well as to smaller domestic supply-oriented gas producers.

There are also onshore basins in South Australia, New South Wales and in the Northern Territory.

Natural Gas Imports/Exports Market

For the 2022/23 financial year, Australia exported around 4,540.9 petajoules (PJ) (about 81 million tonnes) of LNG, accounting for 30.5% of Australia's energy exports (see *www.energy.gov.au/publications/australian-energy-update-2024*). This

represented a 2.1% decrease from the previous year, with an average annual increase of 13.3% over the preceding ten years, largely due to various new facilities commencing production during that period.

Despite having ample gas reserves to meeting Australia's gas needs, the east coast gas market in Australia (comprising Queensland, New South Wales, Victoria, Tasmania, Northern Territory and South Australia) faces concerns over a potential domestic gas shortfall (forecast to emerge in 2029) due to rising demand, declining production from mature fields, and competition between domestic gas users and LNG exports. The federal government and gas market regulators have also forecast the risk of a structural shortfall on the west coast from 2030.

The development of the east coast LNG export industry has linked the east coast market with the international gas market, and domestic prices are now linked with international prices. The *Australian Energy Regulator* (AER) reports an average day-ahead spot gas price at the Wallumbilla Gas Supply Hub of AUD7.79 per gigajoule (GJ) in the 2017/18 financial year, peaking at AUD15.76 per GJ in 2022/23 and decreasing to AUD12.93 per GJ for 2024/25 (see *www.aer.gov.au/industry/registers/charts/gas-market-prices*). This perceived shortfall and rise in wholesale gas prices has led to calls for increased regulation in the east coast gas market (culminating in the federal government's 2025 Gas Market Review) and the potential import of LNG from elsewhere.

In contrast, Western Australia's gas market operates independently (it is not physically connected to the eastern states and territories) and has not faced the same level or supply risk, which has been partly attributed to its domestic gas reservation policy. This policy requires LNG exporters to reserve a portion of their production for local use, ensuring a stable and sufficient supply for domestic consumers. However, as existing gas fields deplete, unless new gas supplies come online, the federal government has warned that, demand in the Western Australian gas market may exceed supply in 2028 and is forecast to move into a structural deficit from 2030.

Domestic Market Structure

The upstream gas market comprises gas production, wholesale markets for gas sales and the transport of gas along transmission pipelines for export or domestic use.

There are two distinct gas market regions in Australia: the east coast (comprising all states and territories other than Western Australia), and the west coast (comprising Western Australia). The east coast gas market is interconnected by transmission pipelines, but the east coast and west coast regions are physically separated. Both markets source gas from producers for either export as LNG or to supply domestically.

Most market activity occurs under confidential bilateral contracts, between gas producers and large customers (such as retailers, gas#powered generators, and commercial and industrial (C&I) customers), and between retailers and gas aggregators (who purchase gas from producers) and C&I customers.

In the east coast wholesale gas market, there are also separate facilitated markets and supply hubs (see *Question 23*). There is also a separate market in the east coast for pipeline transportation and compression services.

Gas Bulletin Boards, which are publicly available websites, provide historical and current information on gas production, storage and transmission pipelines for the east coast of Australia and Western Australia.

The *Australian Energy Market Operator* (AEMO) facilitates the gas retail markets in Queensland, New South Wales, the Australian Capital Territory, South Australia, Victoria and Western Australia. The retail markets in Tasmania and the Northern Territory are non-contestable.

There are three main national gas market regulators:

- The AER, which monitors performance and compliance with the national gas market rules and is responsible for the economic regulation of gas transmission and distribution networks. The AER:
    - has no role in the Northern Territory's wholesale market (although the AER is the gas pipeline regulator); and
    - has no regulatory function in Western Australia (in Western Australia, the Economic Regulation Authority is the economic regulator for gas markets).

      In Tasmania, the *Office of the Economic Regulator* regulates the gas retail supply industry.

- The AEMO, which manages the day-to-day operations of the:
    - Victorian Declared Wholesale Gas Market;
    - Gas Short Term Trading Markets;
    - Gas Supply Hubs and Pipeline Capacity Trading; and
    - contestable gas retail markets.

- The *Australian Energy Market Commission*, which develops the market rules and provides operational advice on energy issues.

The *Australian Competition and Consumer Commission* (ACCC) also plays an important role in the gas markets. Market participants must report their gas contract information to the ACCC and the ACCC reports on that information (see below, ACCC Gas Market Inquiry).

Government Policy Objectives

Each state and territory government legislates for gas reserves within their jurisdiction, with gas reserves located greater than three nautical miles offshore falling within the regulatory purview of Australia's federal government (referred to domestically as the Commonwealth Government).

The federal government's policy, as outlined in its *Future Gas Strategy* is:

- Gas must remain affordable for Australian users throughout the transition to net zero.
- Gas markets must adapt to remain fit for purpose.
- Australia is, and will remain, a reliable trading partner for energy, including LNG and low emission gases (see also *Question 4*).

Gas Market Review (2025): Given the reported risks of structural supply shortfalls in the Australian domestic gas market and the importance of gas in to Australia's economy and energy security, the Australian Government undertook a Gas Market Review of the key federal instruments for securing domestic gas supply in 2025. The review found that current policy settings need to evolve to better address the long term, structural challenges facing Australian gas markets and fundamental reform is required. The review makes 18 recommendations for reform relating to supply, pricing, market conduct and efficiency, reporting and transparency, which would be subject to market consultation to minimise unintended consequences. Some of the key outcomes of the review are discussed further below.

Domestic gas reservation policy. Western Australia is currently the only jurisdiction with a broad domestic reservation policy. Under this policy:

- Gas equivalent to 15% of each offshore LNG project's production must be reserved for the Western Australian domestic market.
- Onshore gas projects must reserve 80% of their production for the Western Australian domestic market until 31 December 2030, after which this increases to 100%.

In Queensland, it is also possible for certain new tenements (that is, new oil and gas exploration or production rights granted by the government, see *Question 6*) to be subject to an "Australian Market Supply Condition." This requires all gas produced from those tenements to be supplied to customers within Australia and not used as LNG feedstock.

The central outcome of the 2025 Gas Market Review is the recommendation to establish a domestic gas reservation scheme, and consider removing some of the existing market interventions (the ADGSM, Heads of Agreement with LNG Producers and the pricing provisions in the Gas Market Code (see below)).

Minimum work/expenditure conditions. Typically, minimum work and minimum expenditure commitments are imposed when granting petroleum exploration or production permits, which permit holders must comply with.

Australian Domestic Gas Security Mechanism (ADGSM). This mechanism was imposed under the *Customs (Prohibited Exports) Regulations 1958 (Cth)*, although the main requirements are set out under the *Customs (Prohibited Exports) (Operation of the Australian Domestic Gas Security Mechanism) Guidelines 2023 (Cth)* (ADGSM Guidelines). The ADGSM grants specific powers to the Commonwealth Minister for Resources, enabling the Minister to restrict LNG exports from Australia during a "domestic shortfall quarter" (a quarter in which the Minister declares that forecast domestic demand will outweigh supply), unless the exporter holds a separate permit granted by the Minister under the mechanism. The ADGSM is intended as a measure of last resort, to be used only when market-based solutions and other regulatory interventions fail to provide sufficient gas to Australian consumers. It cannot control prices. At the time of writing, no restrictions on LNG exports under the ADGSM have been imposed. The ADGSM will be automatically repealed on 1 January 2030, and the Gas Market Review has recommend it be replaced with a domestic gas reservation scheme (see also *Question 17*).

2022 Heads of Agreement with LNG producers. In 2018, and later in 2021 and then 2022, the Commonwealth Minister for Resources entered into a *heads of agreement* with the three LNG producers in Queensland (Australia Pacific LNG, Santos GLNG, and Shell QCLNG). The agreement is designed to ensure that LNG exporters prioritise uncontracted gas for domestic use before exporting. The 2022 Heads of Agreement expires on 1 January 2026, at which point it may be replaced by a further Heads of Agreement. One of the key recommendations of the Gas Market Review is to replace the current requirement under the heads of agreement to offer uncontracted gas to the domestic market with a firm obligation to supply reserved volumes to the domestic market (this would occur under a domestic gas reservation scheme (see above).

ACCC Gas Market Inquiry. In early 2015, the AEMO first warned about potential gas supply shortages that would threaten Australia's national electricity market (that is, the wholesale electricity market applicable to each state and territory except for Western Australia and the Northern Territory). In April 2017, the Treasurer directed Australia's national energy regulator, the *Australian Competition and Consumer Commission* (ACCC), to hold an *inquiry* into the gas market for the purposes of:

- Improving transparency.
- Monitoring overall gas supply in Australia.
- Ensuring that LNG exporters are "delivering on their guarantee."

The inquiry involves the ACCC reviewing producers of gas multiple times per year, seeking disclosure of gas supply agreements, bids and offers for gas (including the terms of supply exchanged during negotiations), production forecasts and other technical information. The inquiry was initially intended to last only three years but has since been extended twice and is now due to end in 2030.

Gas Market Code. The federal government has implemented several measures to address concerns relating to the supply and pricing of energy in the east coast gas market. In December 2022, the *Competition and Consumer Act 2010 (Cth)* (CCA) was amended to include (among other things) the framework for the temporary emergency price cap order (which ended in December 2023).

Prior to the expiry of the temporary price cap in 2023, the *Competition and Consumer (Gas Market Code) Regulations 2023 (Cth)* (Gas Market Code) was introduced, which commenced on 11 July 2023. The Gas Market Code is intended to support the adequate domestic supply (at reasonable prices and on reasonable terms) of natural gas to gas buyers in the east coast gas market. The Gas Market Code covers contractual negotiations for the supply of wholesale gas supply between gas producers and their affiliates (referred to as "covered suppliers") and buyers for natural gas in the east coast gas market, but does not apply, however, to LNG, regasified gas from imported LNG, or raw gas. The Gas Market Code provides:

- General procedural and conduct provisions. These set out:
    - expression of interest process standards;
    - standards for supply offers and agreements and minimum content requirements; and
    - good faith provisions.
- A price cap, initially set at AUD12 per GJ.
- Record keeping, publishing and reporting obligations.
- An exemptions framework (both deemed exemptions which apply automatically in certain circumstances and Conditional Ministerial Exemptions (CMEs) granted to specific proponents on application.

One of the key recommendations of the Gas Market Review is, contingent on introduction of a domestic gas reservation scheme and complementary changes aimed at lowering domestic prices, is the phasing out the Gas Market Code's reasonable price mechanism and CME framework.

See also *Question 24*.

Foreign investment. As per Question 1 above, however for gas the approval process may involve additional scrutiny where the investment relates to critical gas assets under the SOCI Act. A critical gas asset is: a gas processing facility that has a capacity of at least 300 terajoules per day; a gas storage facility that has a maximum daily quantity of at least 75 terajoules per day; a network or system for the distribution of gas to service at least 100,000 customers; or a gas transmission pipeline that is critical to ensuring the security and reliability of a gas market (as further defined in the defined in the Security of Critical Infrastructure (Definitions) Rules (LIN 21/039) 2021).

3. Are domestic energy needs met by domestic oil and gas production?

Oil Needs

Australia is a net importer of oil. However, its domestic oil sector plays a critical role in meeting its energy needs. There are currently no operational LNG import terminals and historical natural gas imports were imported by pipeline from the former joint petroleum Development Area (now under Timor Leste jurisdiction) and liquefied in Darwin, Northern Territory, for export. Between July 2010 and December 2024, domestic production accounted for 24% of refinery feedstock. In the 2022/23 financial year, Crude oil accounted for 15.9% of energy imports and refined products accounted for 80.3% of energy imports (see *Question 1*).

Natural Gas Needs

Australia does not import significant quantities of natural gas or LNG. However, in response to concerns about a shortfall of gas available to the east coast domestic market, various LNG import terminal projects have been proposed, or are under varying stages of development. These include:

- Squadron Energy's Port Kembla Energy Terminal in Port Kembla, New South Wales.
- Atlantic, Gulf and Pacific LNG's Outer Harbor Terminal in Port Adelaide, South Australia.
- Viva Energy Group's Geelong Terminal in Geelong, Victoria.
- Vopak's Victorian Energy Terminal in Port Phillip Bay, Victoria.

4. Are there specific government policies to encourage the exploration and production of conventional or unconventional gas or oil?

Petroleum acreage releases. The federal government (in relation to offshore petroleum tenure) and the various state and territory governments (in relation to onshore petroleum tenure) encourage investment in petroleum production by, at regular intervals, releasing new exploration tenement areas for bidding. Typically, these are conducted through a competitive tendering process, with the tender requirements varying between jurisdictions. For details of how exploration and production titles are awarded, see *Question 6*.

Future Gas Strategy. In May 2024, the federal government released its Future Gas Strategy, recognising the critical role that gas plays in Australia's economy and explaining the six principles the federal government will use to guide policymaking about gas to support the transition to net zero. Immediate actions arising from the six principles include:

- Updating Australia's policy to encourage more timely development of existing gas discoveries.
- Working with regulators and the oil and gas industry to reduce and, where possible, eliminate gas venting and flaring, unless required for safety purposes.
- Continuing to release offshore acreage for greenhouse gas storage.
- The establishment of a new Transboundary Carbon Capture and Storage (CCS) programme, which will provide options for energy security and carbon management solutions for Australia's regional partners.
- Clarifying the consultation requirements for offshore oil and gas and greenhouse gas storage activities, as part of a broader three-year review of the offshore environmental management regime.

Fuel Security Services Payment (**FSSP**). The *Fuel Security Services Payment* (established under the *Fuel Security Act 2021 (Cth)*) is a production payment to oil refiners, based on the number of litres of petrol, diesel and jet fuel that they produce. The production payments are adjustable, based on external markers. The payment is between a cap and collar of 0 cents per litre when the margin marker is at or above AUD10.20 per barrel and a cap of a maximum of 1.8 cents per litre when the marker drops to AUD7.30 per barrel. To be eligible for the payment, refiners must commit to keep operating until at least 30 June 2027, with an option to extend this to 30 June 2030.

Boosting Australia’s Diesel Storage Program. The *Boosting Australia's Diesel Storage Program* (now closed) provided competitive grants in 2023 and 2024, matched by industry funding—to develop additional diesel storage capacity.

Refinery Upgrades Program. This program provided funding to Australia’s two remaining refineries to support production of higher quality fuel to meet new quality standards from 2025.

Funding for domestic supply of diesel exhaust fluid. In 2022, the federal government announced a AUD49.5 million commitment over four years from 2022 to 23 to 2025 to 2026 for domestic supply of diesel exhaust fluid.

Policy across the various states and territories differs significantly:

- According to Queensland's *Energy Road Map 2025*, gas fired generation will be a critical technology for system reliability and firming and the need for new gas capacity is recognised as universal to de-risk the energy system as it transitions over time. Queensland also has various *exploration incentives* in place, including the Frontier Gas Exploration Grants Program, which provides four projects in the Bowen Basin with a share of AUD21 million in funding.

- The *Northern Territory Gas Plan* sets out the Territory's gas plan for 2024 to 2030, focussing on economic growth, energy security and environmental sustainability. Gas development from the Beetaloo Sub-basin is proposed to underpin energy security for the Northern Territory and its regional energy trading partners. The Territory also proposes to reduce emissions through Carbon Capture and Storage and is committed to assessing the geological suitability for storing carbon and hydrogen, and developing specific legislation.

- Under the New South Wales 2021 *Future of Gas Statement*, the government stated that it will not release further areas for gas exploration in New South Wales and will only support limited gas production projects (specifically, Santos' Narrabri Gas Project and its potential extensions).

- Victoria is moving away from gas towards electrification and there is an effective moratorium on new gas projects. According to its *Gas Substitution Roadmap*, moving away from fossil gas is a key part of Vicotria's renewable energy future.

- Tasmania has set a clear policy to reduce greenhouse gas emissions, promote renewable energy and transition away from fossil fuels. The *Tasmanian Future Gas Strategy* sets out four alternatives: electrification, bioenergy, renewable hydrogen and other synthetic renewable gases. The Tasmanian Government implemented a ban on fracking in 2015 (originally set to end in 2020 and then extended to 2025) and on 22 January 2025, the Tasmanian Government *announced that fracking will remain banned until at least 2030*.

- South Australia recently introduced the *2025 SA Gas Initiative*, a AUD17.5 million initiative to accelerate investment in a portfolio of gas projects in South Australia through targeted competitive grants. The portfolio has scope to include projects addressing natural gas supply, storage and infrastructure. However South Australia introduced a ten-year moratorium on fracking in 2018 in the south-east region of the state under the Petroleum and Geothermal Energy (Ban on Hydraulic Fracturing) Amendment Act 2018 (SA).

- Western Australia has implemented the *Exploration Incentive Scheme* to accelerate exploration in greenfield regions to assist in Western Australia transition to net zero emissions by 2050, which includes the *Co-funded Energy Analysis Program* to encourage exploration of petroleum and geothermal resources and *Co-funded Exploration Drilling Program* that offers co-funding to innovative drilling projects.

Rights to Oil and Gas

Ownership

5. How are rights to oil and gas held?

Under Australia law, ownership of oil and gas is reserved to the Crown, except in certain limited circumstances. Accordingly, most oil and gas reserves are owned by either:

- The applicable state or territorial government, for reserves located inland under the surface of land.
- The Commonwealth (federal) government, for reserves located in offshore waters (located more than three nautical miles from the coast). Waters beyond the three-mile boundary are referred to as "commonwealth waters" and are governed under a specific federal legal regime (see *Question 10, Offshore Areas: Commonwealth Regime*).

However, the states, territories, and the Commonwealth authorities rarely participate directly in production, preferring to leave such activities to private sector operators and oil extraction companies via the grant of petroleum exploration and production tenements.

Title to petroleum typically passes to the licensee once it passes above the surface of the land.

The right to extract oil and gas (which involves the grant of a production tenement being granted by the government) is a power conferred and regulated by the applicable legislation and is not a right that can be granted by any private landowner. Only the relevant state or territory or the Commonwealth itself can grant a title for petroleum exploration and production (for details of granted titles, see *Question 6*).

Nature of Oil and Gas Rights

6. What are the key features of the leases, licences, or concessions?

Lease/Licence/Concession Terms

Australia's oil and gas concessions regime relies on the grant, by the relevant federal, state or territory government, of oil and gas exploration and production titles commonly referred to as "tenements", "titles", "leases", "licences" or "authorities". These tenements which are granted to oil and gas operators or extraction companies (tenement holders). The general concession process under the state/territory and federal regimes involves proponents being awarded:

- An initial title for exploration (that is, a permit, licence or authority to prospect). See *Question 7*.
- A subsequent petroleum production title (a lease or licence).

The terms of titles vary, with differing renewal rights across the various jurisdictions.

Exploration titles. To incentivise timely exploration, the initial title for exploration is typically granted with a limited maximum term and may have cash expenditure or work program conditions. For example:

- In New South Wales, exploration titles are granted for an initial term of five years, which can be renewed once for a further five-year period (maximum term of ten years).
- In Northern Territory, exploration titles are granted for an initial term of five years, which can be renewed twice for a further term of five years (maximum term of 15 years).
- In Queensland, exploration titles are granted for an initial term of 12 years, which can only be renewed if the initial term is for less than 12 years (maximum term of 12 years).
- In Tasmania, exploration titles can be granted for a term determined by the Minister (and may be renewed for a period as determined by the Minister).
- In South Australia, exploration titles are granted for an initial term of six years, which can only be renewed if the initial term is for less than six years (maximum term of six years).
- In Victoria, exploration titles are granted for an initial term of five years, which can be renewed once for a further term of five years (maximum term of ten years).
- In Western Australia, exploration titles are granted an initial term of six years, which can be renewed once for a further five-year period (maximum term of 11 years).
- Under the Commonwealth (offshore) regime, exploration titles are granted for an initial term of six years. The applicant's right to renew varies, depending on when the title was initially granted and whether the title was a cash-bid or work-bid title. For example:
    - a cash-bid exploration title cannot be renewed if it has already been renewed (and some cash-bid exploration titles cannot be renewed at all);
    - if the title was granted on or after 1 January 2003 and is being renewed either as a work-bid permit or as a special permit: it can be renewed twice for a period of six years;
    - in all other circumstances, the title can be renewed for further periods of five years, subject to the requirement to relinquish a minimum area of the tenement upon any such renewal (which will eventually prevent renewal).

Production titles. The subsequent titles for production are granted for much longer periods than the initial exploration title and in some cases can be granted on uncapped terms. For example:

- In New South Wales, production titles can be granted for an initial maximum term of 21 years, which can be renewed for a term at the Minister's discretion).
- In Northern Territory, production titles can be granted for an initial maximum term of five years, which can be renewed twice for further periods of five years (15 years in total).
- In Queensland, production titles can be granted for an initial maximum term of 30 years, which can be renewed for a further period of 12 years (42 years in total).
- In Tasmania, production titles are in force for an initial term of ten years, which can be renewed for a further period of up to ten years (20 years in total).
- In South Australia, production titles are not subject to any restrictions, so can be offered on uncapped terms (not limited by statute).
- In Victoria, production titles can be granted for an initial maximum term of five years, which can be renewed once for a further period of five years (ten years in total).
- In Western Australia, production titles granted before 25 May 2011 can be granted for an initial maximum term of 21 years, which can be renewed once for a further 21-year period and thereafter indefinitely. Otherwise, in most circumstances production titles can be granted for an indefinite initial term.
- Under the Commonwealth (offshore) regime, the length of a production title can vary depending on when the title was initially granted. For example:
    - if the title was granted before 30 July 1998: it can be granted for a period of up to 21 years, which can firstly be renewed for a further period of to 21 years, with subsequent renewals not subject to limitation;
    - if the title was granted after 30 July 1998: if can be granted on uncapped terms (not limited by statute).

Retention titles. Where a discovered resource is not yet commercially viable, a retention title may also be available, which allows the holder extra time to appraise the resource until it becomes commercially viable.

Fees

Registration fees are payable under the specific laws of the state or territory of Australia. Generally, the following types of fees must be paid to the regulatory body for the applicable jurisdiction, typically pursuant to the relevant state/territorial regulations:

- Fee to lodge an application (including to vary the conditions of an application).

- Fee to register transfers or dealings.
- Annual levies or rent to maintain a title.
- Fees to lodge requests for data and materials.
- Fees to register programmes or plans.

Specific rules also apply to offshore explorations. For offshore blocks located in Commonwealth waters, registration fees are levied in accordance with the primary law for offshore oil and gas, the *Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth)* (OPGGSA) (see *Question 10*). Fees must be paid to the *National Offshore Petroleum Titles Administrator* in relation to:

- The fee to lodge an application.
- The fee to register transfers or dealings.
- Fees to lodge requests for data and materials.
- Fees for other miscellaneous circumstances (for example, to register a search or name change).

(OPGGSA.)

Levies are also imposed by the *National Offshore Petroleum Safety and Environmental Management Authority* (NOPSEMA) in accordance with the *Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Act 2003 (Cth)*, which sets out:

- How they are applicable fees are calculated.
- When the fees become due and payable.

In general, the regulations impose an environment plan levy, a well activity levy, a safety case levy and a safety investigation levy.

Liability

Given that the applicable legislation differs from jurisdiction to jurisdiction (see *Question 10*), the location of the granted title determines the specific rights and obligations applicable to that title. The wording of the instrument(s) used to effect titles may also have a significant impact on the classification of the granted rights.

Generally, tenement holders must:

- Comply with the conditions of the tenement granted to them.

- Pay the applicable debts to the state (such as rent, levies and royalties).
- Carry out their obligations to compensate landholders affected by the petroleum activities undertaken on the tenement.

Breach of these conditions may expose the holder to various forms of enforcement action by the regulator. This can include fines, or in more extreme cases, the cancellation of permits (see *Question 21*).

Restrictions

The Minister for the relevant state or territory of Australia can impose conditions on oil and gas exploration permits or licences, including conditions regarding:

- The payment of annual fees and royalties.
- The work to be carried out by the holder of the title in relation to the land.
- The minimum amounts required to be expended by the holder of the title in carrying out such work in particular periods. These are nominal amounts that are generally easy to satisfy, aimed to ensure holders are in fact utilising their exploration titles and not land-banking.
- A domestic supply obligation (for example in Queensland). See *Question 2, Government Policy Objectives.*

The applicable state or territory legislation may also set restrictions on use of land subject to the lease.

7. How are rights to explore for and produce oil and gas awarded?

Onshore Exploration

Exploration titles. In Australia, the three basic types of exploratory titles are:

- **Prospecting title.** Generally, these are for prospecting and small-scale exploration activities.
- **Exploration title.** These are for comparatively large-scale exploration activities.
- **Retention title.** These apply only to operations where the related title is an exploration title. Retention titles, available in some Australian jurisdictions, allow the holder to retain an interest in the licence area pending market development between the exploration and production stages, in circumstances where the title holder has located a resource within the licence area but cannot immediately extract that resource.

Production titles. In contrast to the above, production titles typically cover a smaller area within the area of the exploratory title land. A petroleum production title generally authorises the holder of the title to recover and produce petroleum within the title area. The specific features of this title vary between jurisdictions.

In most cases, an applicant for a production title must firstly hold some form of exploratory title over that land.

Infrastructure and pipeline licences. Separate infrastructure and pipeline licences may also be granted (including for petroleum processing facilities, water treatment plants, and pipelines).

Exploration of Commonwealth Waters

Vacant offshore Australia acreage may be "released" in graticular blocks (that is, land units defined by a grid of latitude and longitude lines) for participants to competitively bid for the grant of exploration permits, either on a cash bid or a work-bid basis.

Although the OPPGSA can (in theory) permit the release of acreage via a cash bidding system, this does not regularly occur in practice.

If the holder of an exploration permit makes a resource discovery, it must notify the relevant government administrative body and provide details. It can then apply for the rights to produce the resource (pursuant to a production licence).

Transfer of Rights

8. How are oil and gas rights transferred?

Transfer of Rights

A transfer of rights for an oil and gas title must be in writing and approved by the relevant Minister for the applicable Australian state or territory. Certain jurisdictions require specific documents and consents to be included with the application. Transfers have no legal effect until registered with the applicable authority**.** Once approval is given, the transfer will be registered on payment of a prescribed fee.

Depending on the jurisdiction, a change of control from one tenement holder to another may also require Ministerial assessment or approval. For example:

- In Queensland, an indirect change of control of a tenement holder entitles the Minister to impose or vary a condition of the lease. In the Northern Territory, the Minister may cancel a permit or licence if they are not satisfied that the holder, following a change of control, is an "appropriate person" to hold the person or licence.

- Under the federal offshore regime, a change to the control of a titleholder is subject to approval from the title administrator. A person "controls" the titleholder when either:

- they hold the power to exercise or control the exercise of 20% or more of the registered holder's voting rights; or
- they hold, or hold an interest in, 20% or more of the holder's issued securities.

Where there is a change to the titleholder with operational control, the titleholder may also need to put in place new or revised plans for approval by the safety and environment regulator (NOPSEMA) to coincide with the change.

Restrictions on Transfer

In most Australian jurisdictions, transfers are subject to assessment by the applicable jurisdictional governing body in relation to the transferee's technical and financial capability. For example, in Queensland, a transfer requires assessment as to whether:

- The transferee has sufficient financial resources to fund the estimated rehabilitation costs.
- The transferee is a registered suitable operator for the purposes of the applicable environmental legislation.
- The transferee, or person associated with the transferee, has been disqualified (that is, has committed particular offences or is insolvent).

Under the federal offshore laws, the decision to approve the transfer of a title is generally based on factors such as the applicant's financial capacity, technical capability, history of compliance, corporate governance arrangements and any previous liquidation or bankruptcy.

Regulation

Regulatory Bodies

9. Who regulates the exploration and production of oil and gas?

Australia has separate regulatory authorities for environmental protection and workplace and occupational health and safety obligations (OHS). For details of environmental protection laws and regulations, see *Question 14*. For details of OHS laws and regulations, see *Question 13*.

Oil

Oil exploration and production, as well as the construction and operation of infrastructure facilities relating to oil and oil pipelines, are covered by different regulatory authorities depending on whether the oil is located in:

- **Offshore areas.** This includes offshore areas of Australia's continental shelf that are located beyond the territorial seas of Australia's states or are in offshore areas surrounding Commonwealth land. The exploration and production of offshore oil is governed under the Commonwealth regime (see *Question 10, Offshore Areas: Commonwealth Regime*). Under this regime, Commonwealth waters are regulated by the:
    - *National Offshore Petroleum Safety and Environmental Management Authority* (NOPSEMA), which has general oversight over safety and environmental management;
    - *National Offshore Petroleum Titles Administrator* (NOPTA), in relation to title administration and providing advice to authorities.

- **Coastal areas.** This includes Australia's coastal waters, up to three nautical miles from the coastline. For these areas, the laws of the applicable state or territory apply in their own right (see *Question 10, Coastal Areas: Applicable State Regime*) although some aspects may be governed by the Commonwealth regime. Coastal waters are generally governed by the state/northern territory authorities (see below), unless they confer powers to NOPSEMA in respect of safety and environmental matters.

- **Onshore areas.** This includes onshore areas within Australia's states or territories. Onshore oil is governed by the laws of the applicable Australian state or territory (see *Question 10*). Matters concerning exploration, production, health, safety and environmental matters are regulated by the relevant government department authority for the applicable state or territory (see below).

Environmental protection authorities (EPAs). The following federal EPAs have general oversight of Australia's environmental regulations:

- **The *Department of Climate Change, Energy, the Environment and Water* (DCCEEW).** This is responsible for administering the federal *Environment Protection and Biodiversity Conservation Act 1999 (Cth)* (EPBC Act), which sets out the legal framework for energy projects that may have a significant impact or affect upon the environment. It should be noted, however, that from 1 July 2026, the National Environmental Protection Agency (NEPA) will take responsibility for functions conferred under the EPBC Act and will be responsible for undertaking delegated activities, including assessments, as well as monitoring and enforcement.

- **NOPSEMA.** This is responsible for administering environmental requirements for offshore energy projects under the OPGGSA.

At the state/territory level, various EPAs are responsible for administering the various environmental legislation applicable to oil projects, including the:

- *New South Wales EPA*.
- *Northern Territory EPA*.
- *South Australia EPA*.

- *Tasmania EPA*.
- *Victoria EPA*.
- *Queensland Department of the Environment, Tourism, Science and Innovation*.
- *Department of Biodiversity, Conservation and Attractions* (Western Australia).

WHS and OHS authorities. With regards to oversight of Australia's workplace health and safety laws, every Australian jurisdiction has an applicable OHS regulator to administer health and safety legislation for the applicable state, for example:

- *SafeWork NSW* for New South Wales.
- *WorkSafe Victoria* for Victoria.
- *SafeWork SA* for South Australia.
- *WorkSafe Tasmania* for Tasmania.
- *NT WorkSafe* for Northern Territory.
- *WorkSafe WA* for Western Australia.

These authorities work alongside any specialist regulators that have been established under specific oil and gas regulation, such as NOPSEMA under the OPGGSA.

Natural Gas

The rules are the same for natural gas as those relating to oil. See above, *Oil*.

The Regulatory Regime

10. What is the regulatory regime for onshore and offshore oil and gas exploration and production?

The regulatory regime for onshore, coastal and offshore oil and gas exploration and production in Australia is complex, comprising various state laws and regulations.

New South Wales

The applicable state laws and regulations governing oil and gas exploration and production are the:

- *Petroleum (Onshore) Act 1991 (NSW)*.
- *Petroleum (Offshore) Act 1982 (NSW)*.
- *Petroleum (Onshore) Regulation 2016 (NSW)*.
- *Petroleum (Offshore) Regulation 2016 (NSW)*.

Northern Territory

The applicable state laws and regulations governing oil and gas exploration and production are the:

- *Petroleum Act 1984 (NT)*. This replaced the former Petroleum (Prospecting and Mining) Act. However, under section 119(2) of the Petroleum Act 1984, the former Act continues to be in force in respect of leases previously granted under this Act.
- *Petroleum (Submerged Lands) Act 1981 (NT)*.
- *Petroleum Regulations 2020 (NT).*
- *Petroleum (Submerged Lands) Regulations 1987 (NT)*.

Queensland

The applicable state laws and regulations governing oil and gas exploration and production are the:

- *Petroleum and Gas (Production and Safety) Act 2004 (Qld)* (Queensland PAG Act).
- *Petroleum Act 1923 (Qld)*. (This has been retained despite the introduction of the Queensland PAG Act, largely due to native title, so that, in certain circumstances, rights under titles granted under the 1923 Act could be exercised without recourse to native title processes.)
- *Mineral and Energy Resources (Common Provisions) Act 2014 (Qld)*.
- *Petroleum (Submerged Lands) Act 1982 (Qld)*.

- *Petroleum and Gas (Safety) Regulation 2018 (Qld)*.
- *Petroleum and Gas (General Provisions) Regulation 2017 (Qld).*
- *Mineral and Energy Resources (Common Provisions) Regulation 2016 (Qld).*

South Australia

The applicable state laws and regulations governing oil and gas exploration and production are the:

- *Energy Resources Act 2000 (SA)*.
- *Petroleum (Submerged Lands) Act 1982 (SA)*.
- *Energy Resources Regulations 2013 (SA)*.
- *Petroleum (Submerged Lands) Regulations 2020 (SA).*

Tasmania

The applicable state laws and regulations governing oil and gas exploration and production are the:

- *Mineral Resources Development Act 1995 (Tas)*.
- *Petroleum (Submerged Lands) Act 1982 (Tas)*.
- *Mineral Resources Regulations 2016 (Tas)*.
- *Petroleum (Submerged Lands) (Management of Environment) Regulations 2022 (Tas).*

Victoria

The applicable state laws and regulations governing gas exploration and production are the:

- *Petroleum Act 1998 (Vic)*.
- *Offshore Petroleum and Greenhouse Gas Storage Act 2010 (Vic)*.

- *Petroleum Regulations 2021 (Vic)*.
- *Offshore Petroleum and Greenhouse Gas Storage Regulations 2021 (Vic)*.

Western Australia

The applicable state laws and regulations governing gas exploration and production are the:

- *Petroleum and Geothermal Energy Resources Act 1967 (WA)*.
- *Petroleum (Submerged Lands) Act 1982 (WA)*.
- Petroleum and Geothermal Energy Resources Regulations (various regulations).
- Petroleum (Submerged Lands) Regulations (various titles and dates).

Coastal Areas: Applicable State Regime

The applicable state regime generally applies in relation to oil and gas exploration and production for Australia's coastal areas (up to three nautical miles from the coastline).

In 2024, through an amendment to the New South Wales *Environmental Planning and Assessment Act 1979 (NSW)*, New South Wales became the first jurisdiction to ban seabed petroleum and mineral exploration and production in Australia. The amended Act now prohibits all seabed petroleum and mineral exploration and recovery in New South Wales coastal waters and other development within the state for the purposes of seabed petroleum and mineral exploration and recovery anywhere.

Offshore Areas: Commonwealth Regime

Waters beyond the three-mile coastal boundary are referred to as "commonwealth waters" and are governed primarily under the OPGGSA, which provides the rules in relation to persons, equipment, rigs, pipelines, but not ships.

Other applicable federal laws and regulations governing gas exploration and production in offshore areas include the:

- *Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2023 (Cth)* (OPGGSER).
- *Seas and Submerged Lands Act 1973 (Cth)*.
- *Offshore Petroleum and Greenhouse Gas Storage (Safety) Regulations 2024 (Cth)*.
- *Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011 (Cth)*.

- *Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Regulations 2022 (Cth)*.
- *Offshore Petroleum and Greenhouse Gas Storage (Greenhouse Gas Injection and Storage) Regulations 2023 (Cth).*

Beyond the three-mile boundary, state/territory legislation may retain some limited application pursuant to OPGGSA's provisions. However, there are many situations when OPGGSA will take precedence over state laws, such as:

- Where there are inconsistencies between state and Commonwealth laws.
- Where the matter concerns occupational health and safety laws.
- Where the matter concerns tax laws or substantive criminal laws.

Regulation of Transportation by Pipeline

11. What regulatory requirements apply to the construction of oil and gas pipelines?

Oil Pipelines

Onshore oil pipelines are governed by state and territory legislation, with similar but distinct approval processes. The treatment of a pipeline under the various regulatory requirements may differ depending on whether the pipeline is classified as a transmission pipeline or a distribution pipeline:

- **New South Wales.** Pipelines are subject to oversight from the *Department of Climate Change Energy, the Environment and Water*, and governed under the:
  - *Pipelines Act 1967 (NSW)*;
  - *Pipelines Regulation 2023 (NSW)*;
  - *Gas Supply Act 1996 (NSW)*; and
  - *Gas Supply (Safety and Network Management) Regulation 2022 (NSW)*.

- **Northern Territory.** Pipelines are subject to oversight from the *Department of Mining and Energy* and governed under the:
  - *Energy Pipelines Act 1981 (NT)*;
  - *Energy Pipelines Regulations 2001 (NT)*;
  - *Petroleum Act 1984 (NT)*; and
  - *Petroleum Regulations 2020 (NT)*.

- **Queensland.** Pipelines are subject to oversight from the *Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development* and the *Queensland Treasury*, the *Queensland Competition Authority* and governed under the:
  - Queensland PAG Act;
  - *Petroleum and Gas (Safety) Regulation 2018 (Qld);*
  - *Gas Supply Act 2003 (Qld)*;
  - *Gas Supply Regulation 2007*; and
  - Gas Distribution Network Code made under the Gas Supply Act 2003 (Qld).

- **South Australia.** Pipelines are subject to oversight from the *Department for Energy and Mining* and the *Essential Services Commission of South Australia* and governed under the:
  - *Energy Resources Act 2000 (SA)*:
  - *Energy Resources Regulations 2013 (SA)*:
  - *Gas Act 1997 (SA)*;
  - *Gas Regulations 2012 (SA)*; and
  - *Essential Services Commission Act 2002 (SA)* (and various codes made under this Act).

- **Tasmania.** Pipelines are subject to oversight from the Office of the Tasmanian Economic Regulator and governed under the:

- *Gas Industry Act 2019 (Tas);*
- *Gas Industry Regulations 2024 (Tas); and*
- Tasmanian Gas Distribution Code issued under the Gas Industry Act 2019 (Tas).

- **Victoria.** Pipelines are subject to oversight from the *Department of Energy, Environment and Climate Action* and *Essential Services Commission of Victoria* and governed under the:
  - *Pipelines Act 2005 (Vic)*;
  - *Pipelines Regulations 2017 (Vic)*;
  - *Gas Industry Act 2001 (Vic)*; and
  - *Essential Services Commission Act 2001 (Vic)* and the Gas Distribution Code of Practice issued under that Act.

- **Western Australia.** Pipelines are subject to oversight from the *Department of Mines, Petroleum and Exploration* and the Economic Regulation Authority and governed under the:
  - *Petroleum Pipelines Act 1969 (WA)*;
  - *Petroleum Pipelines Regulations 1970 (WA);*
  - *Energy Coordination Act 1994 (WA)*; and
  - Compendium of Gas Customer Licence Obligations.

- **Australia Capital Territory**. Pipelines licensed under the *Pipelines Act 1967 (NSW)* extend into the Australian Capital Territory and the New South Wales legislation applies to those pipelines. Pipelines are also subject to oversight from the *Independent Competition and Regulatory Commission* and governed under the:
  - *Utilities Act 2000 (ACT)* and the various codes made under this Act;
  - *Utilities (General) Regulation 2017 (ACT)*;
  - *Utilities (Gas Restrictions) Regulation 2005 (ACT)*.

Preliminary actions. For activities such as surveying to assess a prospective pipeline route, each jurisdiction has a regime that operators must follow to obtain an access permit, authorisation or consent (as applicable) to:

- Enter the specified lands.
- Conduct preliminary pipeline activities.

For example, in Queensland, operators can obtain a survey licence under the Queensland PAG Act, while in New South Wales, a proponent may obtain an authority to survey under the *Pipelines Act 1967* (NSW).

Access to land. Generally, operators seeking access to private land for pipeline activities must negotiate easements or land access agreements with landholders, which outline the terms of their access and provide compensation for any disturbance or damage caused. If an agreement cannot be reached, most jurisdictions provide statutory mechanisms for resolving disputes, such as referral to a court, tribunal, or the relevant Minister. Landholders are typically entitled to compensation for impact to their land, including loss of use, damage to property, or other disturbances.

Environmental permits. The construction of oil pipelines requires the relevant environmental approvals, licences, permits or authorisations, as required by the state or territory, which are granted following an assessment of the project's likely impact on the environment (see *Question 16*).

Construction. Pipeline construction generally requires a pipeline licence for the applicable state/territory, although in some cases this may be included when granting the production title (see *Question 6, Lease/Licence/Concession Terms*). This provides the pipeline operator with the right to:

- Enter land and commence or continue construction of a pipeline.
- Alter or reconstruct, operate or inspect and maintain a pipeline.

The specific requirements for making an application to construct a pipeline vary from jurisdiction to jurisdiction, but generally, operators must provide the relevant regulator or Minister with:

- Detailed technical specifications for the proposed pipeline.
- Evidence of an appropriate environmental authorisation (see *Question 16*).
- Evidence of their financial capabilities.

Licenses are granted subject to conditions, which are usually determined at the discretion of the relevant Minister or otherwise prescribed in the applicable legislation (see above). Pipelines must usually be constructed in accordance with *Australian Standard AS 2885 - Pipelines - Gas and Liquid Petroleum* (AS 2885 Standard). See also *Question 12*.

Offshore oil pipelines. For offshore areas, a licence under the OPGGSA is required for construction. Applications are administered by NOPTA under the *Joint Authority* for the applicable offshore area. Before construction can commence, operators must also prepare an Environment Plan and a Safety Management System, both of which must be accepted by NOPSEMA.

OHS

The OHS obligations applicable to a facility can differ significantly depending on the applicable legislative regime, so it is important to closely examine potentially applicable legislation to ensure compliance. Where the construction of onshore oil and gas pipelines is regulated by the Work Health and Safety Act for that jurisdiction (or the *Occupational Health and Safety Act 2004* in Victoria) the general OHS obligations under that regime will apply, in addition to specific obligations applying to construction work.

It is also important to assess the potential applicability of subject-specific legislation in the applicable jurisdiction. For example, in Queensland, the construction of onshore oil and gas pipelines is predominantly regulated by the Queensland PAG Act. Where the definitions in the PAG Act are met, obligations will apply to the operator, who has obligations such as notification obligations and requirements for a Safety Management System, and is responsible for managing and ensuring the safe operation of the operating plant.

Safety obligations under other legislation may apply to the construction of offshore oil and gas pipelines, depending on the nature of the activities undertaken as part of construction. For example, the *Navigation Act 2012 (Cth)*, which regulates maritime safety, may apply to vessels and operations involved in offshore pipeline construction.

Gas Pipelines

The regulatory requirements applicable to the construction and operation of gas pipelines are broadly similar to those of oil pipelines. Both gas and oil pipelines are regulated under the same laws and by the same regulators (see above, *Oil Pipelines*). However, differences may apply in relation to the necessary environmental approvals and required technical standards.

12. What regulatory requirements apply to the operation of oil and gas pipelines?

Oil Pipelines

Operation and licensing. The operation of an oil pipeline requires a licence. Oil pipelines in Australia are usually operated and maintained in accordance with the AS 2885 Standard (see *Question 11*). In addition to the AS 2885 requirement, state/territory legislation also imposes various obligations on pipeline operators which, depending on the location of the pipeline, may include requirements to:

- Provide security.
- Carry out the requisite requirements for decommissioning.
- Implement a pipeline management system.
- Appoint an auditor, a person in charge of/responsible for the pipeline, and other required personnel.
- Provide and implement a pipeline management plan.

- Perform all requisite notification and reporting requirements.
- Comply with the various signage and marking requirements.
- Comply with all cyber security requirements.
- Comply with the various safety standards.

Third-party access. Third-party access to oil pipelines infrastructure in Australia can be sought under the *National Access Regime* in Part IIIA of the CCA. This provides a legal framework for third parties to gain access to services from certain nationally significant, monopoly infrastructure (which could potentially include certain oil pipelines) to promote competition. See also *Practice Note, Access to services under the CCA.*

Third-party access to services from oil pipeline infrastructure can be obtained in three ways:

- **Declaration of service.** Any person (including a third-party seeking access) may apply to the *National Competition Council* (NCC) for a recommendation that a pipeline "service" be declared. A declaration may only be made if the following declaration criteria, set out under Part IIIA of the CCA, are met:
  - the access (or increased access) would promote a material increase in competition in at least one market, other than the market for the service;
  - the facility is of national significance; and
  - providing the access (or an increase to the access) would promote the public interest.

  The NCC will make a recommendation, and then the designated Minister will decide whether to declare the service (with review rights to the Australian Competition Tribunal). If an oil pipeline service is declared under Part IIIA of the CCA, third parties gain a statutory right to seek access to the service on reasonable terms. The access seeker and the pipeline owner must negotiate in good faith. If agreement cannot be reached, either party may refer the dispute to the ACCC for binding arbitration, in which case the ACCC will determine the terms and conditions of access having regard to specified statutory criteria and its determination is enforceable in the Federal Court. The provider is prohibited from hindering access in contravention of the determination.
- **Voluntary access undertaking.** Pipeline owners may submit a voluntary written access undertaking to the ACCC, setting out terms and processes for third-party access. The ACCC may accept the undertaking, having regard to the matters set out in the CCA, including the Part IIIA objectives and the pricing principles. The access undertaking usually includes:
  - the terms and conditions under which the provider is willing to offer access;
  - the price for the service; and
  - a dispute resolution processes for cases where the parties cannot agree on prices or the applicable terms.

Once in operation, undertakings are enforceable in court.

- **Certified state or territory access regime.** This pathway will be applicable where there is a relevant state or territory access regime, and the relevant Premier or Chief Minister of the state/territory applies to the NCC for certification. Once a state/territory regime is certified by the Commonwealth Minister, declaration of a service or an access undertaking under Part IIIA is not available.

Gas Pipelines

Operation and licensing. The rules regarding operation and licensing are broadly the same as those for oil pipelines (see above, *Oil Pipelines*).

Third-party access. Third party access to gas pipelines and related infrastructure are governed under the following laws:

- ***National Gas Law*.** This has been implemented in all states and territories except for Western Australia, which has adopted the law in a modified form (see *National Gas Access (WA) Act 2009*).

- **National Gas Rules.** These have been implemented in all states and territories except for Western Australia, which has adopted them in a modified form (see Chapter 9 of the *National Gas Access (WA) Act 2009*).

The objective of the National Gas Law is to promote efficient investment in, and efficient operation and use of, covered gas services for the long-term interests of consumers of covered gas with respect to price, quality, safety, reliability, and security of supply, as well as the achievement of greenhouse gas emission reduction targets. The framework is also intended to facilitate competition in upstream and downstream markets, support transparent and non-discriminatory access to pipeline services, and ensure regulatory certainty for market participants.

The National Gas Law distinguishes gas pipelines as being either:

- **Scheme gas pipelines.** These are subject to economic regulation. Operators of scheme pipelines must submit an access arrangement to the AER (that is, the national regulator responsible for the economic regulation of electricity networks and covered gas pipelines, and for monitoring wholesale electricity and gas markets in all jurisdictions except Western Australia) for approval. The submitted access arrangement must set out reference services, tariffs, and terms for third-party access. Access disputes are resolved by the AER under Chapter 5 of the National Gas Law. Scheme pipelines are also subject to ring-fencing, queuing, and transparency requirements.

- **Non-scheme gas pipelines.** These are subject to a negotiate-arbitrate regime and enhanced information disclosure. Operators must publish prescribed transparency information (including service and access information, standing terms, financial information and weighted average price information) and maintain a user access guide. Access terms are negotiated directly with users, and disputes are resolved by arbitration. The AER administers the non-scheme pipeline arbitration framework, including referring access disputes to arbitration.

The distinction between scheme and non-scheme pipelines affects the regulatory obligations of pipeline operators: scheme pipelines are subject to direct economic regulation and mandatory access arrangements, while non-scheme pipelines operate under a lighter, more commercially-oriented regime.

Both scheme and non-scheme pipelines are subject to enhanced information disclosure obligations, particularly following significant reforms in 2018 and 2023.

Furthermore, all gas pipeline operators must comply with the pipeline interconnection principles set out in Part 6 of the National Gas Rules. These provide that a person has a right to connect to a gas pipeline when:

- Connection is technically feasible and consistent with the safe and reliable operation of the pipeline and the safe and reliable supply of covered gas to end users.
- The person agrees to fund the costs associated with making the interconnection.

Health, Safety, and the Environment

Health and Safety

13. What is the health and safety regime for oil and gas exploration and production, and transportation by pipeline?

Regulatory Overview

At the federal level, workplace health and safety is governed by the:

- *Work Health and Safety Act 2011 (Cth).*
- *Work Health and Safety Regulations 2011 (Cth).*

NOPSEMA governs the health and safety regime for the oil and gas industry in relation to coastal waters.

Offshore waters are governed under the Commonwealth regime, specifically the:

- OPGGSA (in particular, Schedule 3).
- OPGGSSR.

At the onshore state/territory level, the following laws and regulations may apply:

- **New South Wales.** This is governed by the:
  - *Work Health and Safety Act 2011 (NSW);*
  - *Work Health and Safety (Mines and Petroleum Sites) Act 2013 (NSW);*
  - *Work Health and Safety (Mines and Petroleum Sites) Regulation 2022 (NSW)*;
  - *Work Health and Safety Regulation 2025 (NSW).*
- **Northern Territory.** This is governed by the:
  - *Work Health and Safety (National Uniform Legislation) Act 2011 (NA)*;
  - *Work Health and Safety (National Uniform Legislation) Regulations 2011 (NA).*
- **Queensland.** This is governed by the:
  - Queensland PAG Act;
  - *Work Health and Safety Act 2011 (Qld)*;
  - *Petroleum and Gas (Safety) Regulation 2018* (Qld);
  - *Work Health and Safety Regulation 2011 (Qld).*
- **South Australia.** This is governed by the:
  - *Energy Resources Act 2000* (SA);
  - *Work Health and Safety Act 2012 (SA);*
  - *Energy Resources Regulations 2013* (SA);
  - *Work Health and Safety Regulations 2012 (SA).*
- **Tasmania.** This is governed by the:
  - *Gas Safety Act 2019 (Tas);*

    - *Gas Safety Regulations 2021 (Tas);*
    - *Work Health and Safety Act 2012 (Tas)*;
    - *Work Health and Safety Regulations 2022 (Tas).*

- **Victoria.** This is governed by the:
    - *Gas Safety Act 1997 (Vic);*
    - *Offshore Petroleum and Greenhouse Gas Storage Act 2010* (Vic);
    - *Occupational Health and Safety Act 2004 (Vic);*
    - *Gas Safety (Safety Case) Regulations 2018 (Vic);*
    - *Offshore Petroleum and Greenhouse Gas Storage Regulations 2021* (Vic);
    - *Occupational Health and Safety Regulations 2017 (Vic).*

- **Western Australia.** This is governed by the:
    - *Work Health and Safety Act 2020 (WA);*
    - *Work Health and Safety (General) Regulations 2022 (WA);*
    - *Work Health and Safety (Petroleum and Geothermal Energy Operations) Regulations 2022 (WA).*

It should also be noted that, depending on the nature of the activities conducted and the jurisdiction, further obligations may apply under electrical safety, dangerous goods/substances and other subject-specific legislation.

Exploration

Most state and territory OHS legislation imposes a general duty of care on employers and persons who conduct a business or undertaking to ensure, as far as is reasonably practicable, the health and safety of workers and other persons.

With regards to offshore Commonwealth waters, directors, officers and managers can be personally liable for breaches of OHS breaches under Schedule 3 of the OPGGSA and the OPGGSSR**.** An OHS inspector may conduct an inspection concerning compliance with OHS law, about a contravention or possible contravention of OHS law or concerning an accident or dangerous occurrence at or near a facility.

With regards to coastal waters, operators must submit a Safety Case to NOPSEMA for approval before commencing operations. Accidents and dangerous situations must be reported to NOPSEMA by suitable means.

Extraction

See above for a summary of health and safety for oil and gas exploration (onshore and offshore), which is applicable for extraction activities (onshore and offshore).

Transportation by Pipeline

The obligations applicable to the facility can differ significantly depending on the applicable legislative regime, so it is important to closely examine potentially applicable legislation to ensure compliance. Where the operation of onshore oil and gas pipelines is regulated by the Work Health and Safety Act for that jurisdiction (or the Occupational Health and Safety Act 2004 in Victoria), the general OHS obligations under that regime will apply, in addition to specific obligations applying to the business or undertaking.

It is also important to assess the potential applicability of subject-specific legislation in the applicable jurisdiction. For example, in Queensland the operation of onshore oil and gas pipelines is predominantly regulated by the Queensland PAG Act. The definition of "operating plant" includes distribution pipelines. As a result, where the definitions in the Queensland PAG Act are met, obligations will apply to the operator, who has obligations such as notification obligations and requirements for a Safety Management System, and is responsible for managing and ensuring the safe operation of the operating plant.

As the definition of "facility" in the OPGGSA includes pipelines listed in section 8 of the OPGGSA, Schedule 3, these pipelines are subject to the obligations detailed in *Question 10* above under the OPGGSA.

Safety obligations under other legislation may apply to the construction of offshore oil and gas pipelines, depending on the nature of the activities undertaken as part of construction. For example, the *Navigation Act 2012* (Cth), which regulates maritime safety, may apply to vessels and operations involved in offshore pipeline construction.

Environmental Impact Assessments (EIAs)

14. Is an EIA required before extracting or processing onshore or offshore oil and gas?

EIAs are generally undertaken in the early planning and design stages of development proposals to assess a proposal's environmental acceptability and what conditions, if any, should be applied to control potential risks and impacts.

State/Territory-Level Assessment

An EIA process is mandated under state/territory planning and environment legislation across all jurisdictions, which requires specific steps to be followed under defined circumstances (see *Question 15*).

The necessity and extent of an EIA is determined by the relevant jurisdiction based on:

- The potential environmental harm a project may cause.
- Whether the project meets prescribed thresholds for certain activities.

Environmental legislation differs from jurisdiction to jurisdiction. However, each state and the Northern Territory have environmental laws that provides for a:

- EIA regime for activities that have, or are likely to have, an impact on the environment. The applicable EIA regime is covered under the applicable state/territory laws.
- Licensing regime to regulate the construction and operation of certain prescribed activities, including petroleum operations.

The applicable regimes are covered under the relevant state/territory laws (see *Question 16, Regulatory Overview*).

Federal-Level Assessment

Oil and gas exploration and production projects may also require approval under the EPBC Act if they are deemed a "controlled action" by the Commonwealth Environment Minister. A project will be considered a controlled action, therefore requiring federal assessment and approval for the purposes of the EPBC Act, where any of the following apply:

- The project will have, or is likely to have, a significant impact on a matter of national environmental significance.
- The project is carried out on Commonwealth land and has, will have, or is likely to have, a significant impact on the environment,
- The project is carried out on land outside of Commonwealth land and has, will have, or is likely to have, a significant impact on the environment on Commonwealth land.

(Chapter 2, Part 3, EPBC Act.)

If the proposed project is deemed a controlled action, an environmental assessment must be carried out by the DCCEEW, which is responsible for administering the EPBC Act. This may require (as applicable):

An Environmental Impact Statement (EIS) from the operator/licensee/tenement holder:

- An accredited assessment process.
- The provision of preliminary documentation.
- A public environment report or public inquiry.

This is in additional to any state-level assessment (see above, *State/Territory-Level Assessment*).

The EPBC Act also provides the Commonwealth Environment Minister with the power to enter into agreements with Australian states/Northern Territory for the purpose of escalating responsibility for assessment and approval to them.

Commonwealth Waters

For oil and gas production in Commonwealth waters, environmental issues are dealt with in the OPGGSER.

Operators/licensees/tenement holders must provide an environmental plan containing all information on the project's environmental impacts and risks.

Prior approval for the activity must be obtained from the NOPSEMA.

15. What are the different stages of the EIA?

There are common elements and stages of the EIA process across the various jurisdictions of Australia, such as:

- The requirement to provide some form of notification of the proposed project, which should be lodged with the relevant assessment or consent authority.
- The requirement for the operator/licensee/tenement holder to prepare an EIA and provide it to the authority in accordance with the authority's EIA specification requirements.
- The requirement for the EIA to be exhibited in a public forum, to allow both the authority and the general public to submit their comments on the proposed project, and to allow for the operator/licensee/tenement holder to prepare and provide responses to these comments.
- The authority's assessment of the project application.
- The general determination of the project (that is, whether it is approved or refused by the relevant authority or Minister, which, depending on the context, may come following some form of inquiry or consultation process).
- For some jurisdictions, an opportunity to revisit the determination, either through an appeal process or an inquiry (this stage may also take place between the assessment and determination stage).

Each jurisdiction takes a different approach to prescribing the timeframes within which each of the above stages should be completed. The relevant timeframes for the above stages also generally vary depending on:

- The complexity of the project.
- The number and the complexity of the submissions.
- Whether the process also involves a federal-level review under the EPBC Act.
- Whether the project requires interactions with other agencies (and the amount of such interactions).
- The adequacy of the provided EIS and the supporting studies.

Environmental Permits

16. Is there a permit regime for environmental damage or emissions produced during the extraction or processing of oil and gas?

Regulatory Overview

Coastal waters regime. The federal EPBC Act provides the environmental regulatory regime for the extraction and processing of oil and gas in relation to coastal waters. The applicable state/territory regime may also have an impact on the required permit (see below in relation the state/territory regime in relation to coastal waters).

Commonwealth waters regime. Offshore waters are governed under the Commonwealth regime, specifically the EPBC Act and the OPGGSER.

The OPGGSER regulates offshore petroleum and greenhouse gas activities to ensure that activities are carried out in a manner that is consistent with the principles of ecologically sustainable development (as prescribed under the EPBC Act) and in a manner where environmental impact and risks are reduced.

State/territory regime. The various onshore jurisdictions each have their own environmental legislative frameworks for protecting the environment and regulating authorised activities, including oil and gas activities. Each state/Northern Territory also has its own planning framework that governs land use and development which may apply to certain aspects of oil and gas exploration and production projects.

At the onshore state/territory level, the following environmental laws and regulations apply to the extraction or processing of oil and gas:

- **New South Wales**. This is governed by the:

- *Protection of the Environment Operations Act 1997 (NSW)*;
- *Environmental Planning and Assessment Act 1979 (NSW).*

- **Northern Territory.** This is governed by the:
  - *Environment Protection Act 2019 (NT);*
  - *Planning Act 1999 (NT).*

- **Queensland.** This is governed by the:
  - *Environmental Protection Act 1994 (Qld).*
  - *Planning Act 2016 (Qld).*

- **South Australia.** This is governed by the:
  - *Environment Protection Act 1993 (SA)*;
  - *Planning, Development and Infrastructure Act 2016 (SA).*

- **Tasmania.** This is governed by the:
  - *Environmental Management and Pollution Control Act 1994 (Tas)*;
  - *Land Use Planning and Approvals Act 1993 (Tas);*
  - *Petroleum (Submerged Lands) (Management of Environment) Regulation 2022 (Tas).*

- **Victoria.** This is governed by the:
  - *Environment Protection Act 2017 (Vic);*
  - *Planning and Environment Act 1987 (Vic);*
  - *Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2023 (Vic).*

- **Western Australia.** This is governed by the:

- *Environmental Protection Act 1986 (WA)*;
- *Planning and Development Act 2005 (WA);*
- *Petroleum (Submerged Lands) (Environment) Regulations 2012 (WA)*.

State/territory legislation also applies to coastal waters (up to three nautical miles) from each state/Northern Territory. However, some aspects of onshore activities may be subject to the Commonwealth regime. For example, the EPBC Act applies to actions that may impact matters of national environmental significance as well as where unconventional gas development and has, will, or is likely to, have a significant impact on a water resource.

Environmental Permit/Licence

The release of certain regulated air pollutants into the environment requires a specific authorisation in the form of:

- An environment licence or approval (for New South Wales, Victoria, Tasmania, and Northern Territory).
- An environmental authority/authorisation (for Queensland and South Australia).
- A works approval or licence (for Western Australia).

The requisite approval must apply in relation to the specific nature and volume of the emissions, and may contain conditions that:

- Controls the operation of the activity or works.
- Ensures that the air pollutants do not have an adverse effect on the environment.

Emissions

At the federal level, the frameworks for identifying toxic substances and measuring outdoor air quality are provided under the:

- *National Environment Protection (National Pollutant Inventory) Measure.*
- *National Environment Protection (Ambient Air Quality) Measure.*

Operators with greenhouse gas emissions, energy use, or energy consumption greater than specified thresholds are obliged to report their emissions, energy use and energy production. The relevant pieces of legislation are the:

- *National Greenhouse and Energy Reporting Act 2007 (Cth)* (NGERA).

- *National Greenhouse and Energy Reporting Regulations 2008 (Cth).*
- *National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015 (Cth).*

Both the NGERA and the Clean Energy Scheme apply an annual emission reporting and liability cycle (from 1 July to 30 June each year).

Environmental Concerns

17. Are there any specific government policies and/or incentives aimed at meeting the environmental concerns associated with the exploration and production of oil and gas?

The *Safeguard Mechanism* established under the NGERA requires the highest greenhouse gas emitting facilities to reduce their emissions in line with Australia's emission reduction targets of 62% to 70% below 2005 levels by 2035 and net zero by 2050. Responsible emitters of facilities that exceed their baselines must manage any excess emissions. Those that do not exceed their baselines may be eligible for Safeguard Mechanism credit units which can be banked for the future or sold to facilities that are emitting above their baselines. Facilities can also use Australian Carbon Credit Units to meet their baselines.

The *Commonwealth PFAS National Environmental Management Plan* provides national guidance for managing Per- and Polyfluoroalkyl Substances (PFAS) or "forever chemicals." Most states and the Northern Territory have policies for the management of PFAS at various sites.

For offshore projects, NOPSEMA implements the *Decommissioning Compliance Strategy 2024 – 2029* to ensure that oil and gas facilities are decommissioned in a timely, safe, environmentally responsible and compliant manner. See *Question 20*.

In New South Wales and Queensland, the government has banned or restricted the use of harmful and toxic BTEX chemicals in oil and gas drilling, specifically hydraulic fracturing operations, to protect groundwater, surface water and the environment.

In Victoria, hydraulic fracturing has been banned.

Waste

18. What are the regulations on the disposal of waste products resulting from oil or gas extraction or processing?

At the federal level, the *National Environment Protection Measures* set out Australia's national objectives to be followed by the states and the Northern Territory, to assist in protecting or managing particular aspects of the environment with regards to waste management.

Australia's state/territory waste management regulations also regulate the disposal of waste, including waste products from oil and gas extraction, produced water and brine. Authorisation for the handling, storage, transport processing and disposal of waste must be obtained under an environmental protection licence/approval or an environmental authority or a works approval or licence. In all states and the Northern Territory, oil and gas operators have a duty to notify their environmental regulator of any pollution or contamination events which occur as a result on any unlawful discharge of waste.

In addition to the key environmental legislation (see *Question 16*, *Regulatory Overview*), waste is regulated under more specific regional laws, including the:

- *Waste Avoidance and Resource Recovery Act 2001 (NSW).*
- *Waste Reduction and Recycling Act 2011 (Qld).*
- *Waste Avoidance and Resource Recovery Act 2007 (WA).*
- *Waste Management and Resource Recovery Act 2016 (ACT).*
- *Waste Management and Pollution Control Act 1998 (NT).*

These laws mostly adopt a waste management hierarchy with a focus on avoiding, reducing, re-using, recycling, recovering, treating and disposing of waste, and contain waste-related offences.

Oil

The DCCEEW's federal *Product Stewardship for Oil Program* was introduced in 2001 to provide incentives to increase the recycling of used oil. The programme was established under the federal *Product Stewardship (Oil) Act 2000 (Cth)*.

Gas

Coal seam gas (CSG) water contains varying concentrations of salt which must be treated to ensure it meets water quality standards before it can be disposed of or used for other purposes.

Most states and the Northern Territory have specific policies for the management of CSG or produced water. In Queensland, CSG water is a waste which must be managed in accordance with the rules of the Queensland EPA or the *end of waste codes* (which regulate the disposal or beneficial use of the CSG water).

Flares and Vents

19. Do regulations apply to the flaring or venting of oil and gas?

The flaring and venting of oil and gas is regulated in Australia. These activities are closely monitored due to their environmental, safety, and resource management implications. Flaring (the controlled burning of gas) and venting (the release of unburned gas into the atmosphere) are regulated at both federal and state/territory levels, depending on whether the activities occur offshore or onshore.

At the federal level, operators must report emissions from flaring and venting under the NGERA.

For offshore oil and gas operations in Commonwealth waters (beyond three nautical miles from the coast), flaring and venting are regulated under the OPGGSA. Oil and gas operators must therefore:

- Outline any flaring and venting practices in their Environment Plans, which must be approved by NOPSEMA.
- Demonstrate that these activities are minimised and managed to reduce environmental impact.

In addition, operators must justify any flaring and venting as necessary for safety, operational, or technical reasons.

For onshore oil and gas operations, flaring and venting are regulated under state/territory legislation. Each jurisdiction has its own framework, but common themes include environmental protection, resource conservation, and safety. For example, under the Queensland PAG Act, exploration and production tenures in Queensland contain mandatory restrictions on flaring or venting.

More generally, gas can only be:

- Flared where it is not commercially or technically feasible to use it commercially or for another authorised activity under the tenure.
- Vented where it is not safe to use it for any of the purposes above, and where flaring is not technically possible.

Decommissioning

20. What are the decommissioning obligations and liabilities that arise?

Onshore Decommissioning

The laws and regulations concerning the decommissioning of oil and gas structures are generally set out in the key resource and/or environmental legislation for the relevant jurisdiction of Australia (see *Question 10*).

Some jurisdictions also impose decommissioning obligations in the terms of a granted title. For example, in the Northern Territory and Victoria, when an exploration tenement expires or is terminated, the tenement holders have obligations to both:

- Restore the surface of the former exploration permit area where disturbed.
- Rehabilitate the former exploration area.

Also, in Victoria and New South Wales, rehabilitation conditions are often imposed on the holders of petroleum production licences.

In Queensland, a general legislative decommissioning obligation applies to petroleum title holders, which includes obligations to plug and abandon wells and remediate and rehabilitate the surrounding areas. There is also an obligation to pay an estimated rehabilitation cost (ERC) (the ERC is the cost to rehabilitate or manage the disturbance of land upon which the oil and gas project was carried out). The cost must be equivalent to the maximum liability for the period.

In some jurisdictions, there may also be trailing liability for former titleholders and other related persons for decommissioning liability. For example, in Queensland, an Environmental Protection Order can be issued to a related person where a company has avoided or attempted to avoid its environmental obligations and the related person was in a position to influence the company's conduct and failed to take steps to ensure the company complied with its obligations under the Environmental Protection Act 1994 (Qld).

Commonwealth Waters

At the Commonwealth level, the OPGGSA requires title holders to remove all structures and equipment from the title area where the structures and equipment are no longer being used. The definition of the term "facility" under Schedule 3 of the OPGGSA includes any vessels or structures used for the erection of the facility, as well as any related processing equipment, accommodation, wells, or pipes, therefore attracting the associated OHAS duties.

Title holders have a duty to maintain financial assurance sufficient to meet all associated costs expenses and liabilities that arise in connection with the oil and gas activity, which includes the costs for remediation (section 571, OPGGSA). An environmental plan cannot be accepted if this requirement is not met (regulation 16, OPGGSR).

An environmental plan for an offshore proposal will not be accepted by NOPSEMA if financial assurance in the acceptable form has not been provided to NOPSEMA.

The OPGGSA also includes a comprehensive trailing liability regime where former titleholders and certain related persons can be given remedial directions to decommission offshore petroleum fields.

Enforcement of Regulation

21. What are the various enforcement powers of the regulator(s)?

Orders

The regulatory bodies for oil and gas in Australia, both at the federal and state/territory levels, can issue various types of orders or notices to address non-compliance with related laws and regulations. Regulatory orders are designed to ensure safety, environmental protection, and proper resource management.

The specific types of orders vary depending on the jurisdiction and the legislation under which the regulatory body operates, but generally includes:

- **Prohibition Notices.** These may be used to immediately stop an activity or operation that poses a serious risk to health, safety, or the environment.
- **Environmental Protection Orders.** These may be used to compel an oil and gas operator to take specific actions to prevent, minimise, or remediate environmental harm caused by non-compliance with environmental protection regulations.
- **Directions/Remedial Directions.** These may be used to direct an oil and gas operator to take, or cease from taking, specific actions in order to comply with legal obligations or address non-compliance with the applicable regulations.
- **Orders suspending or revoking oil and gas licences/permits.** These may be applied in cases of serious or repeated failure to comply with the applicable regulations.
- **Environmental improvement plans/programmes.** This may require an operator to develop and implement a plan, either to improve environmental performance, or to address systemic non-compliance with regulations.
- **Remediation Orders.** These may be used to compel an operator to remediate environmental damage or restore land and water resources affected their activities.
- **Prosecution and Court Orders.** These may be applied in cases of serious or repeated breaches. They may comprise court-imposed penalties or orders.

With regards to environmental violations, in all jurisdictions, the appropriate court can make orders for environmental offenders to:

- Undertake specific action to remedy environmental harm caused.
- Pay a reasonable amount as compensation for the harm caused, as assessed by the court.

Fines and Penalties

Fines and penalties under Australia's oil and gas regulations are designed to enforce compliance with safety, environmental, and resource management laws. The specific penalties vary depending on the:

- The jurisdiction (for example, whether Commonwealth, or state/territory).
- The specific legislation.
- The severity of the breach.

Penalties generally range from monetary fines to more severe sanctions, such as the suspension of an operating licence or criminal prosecution.

Monetary fines are the most common penalty for breaches of petroleum regulations. Monetary fines may, for example, be imposed for:

- Failing to comply with safety or environmental obligations.
- Operating without the required permits or approvals.

For serious breaches, criminal penalties may be imposed. These can include significant fines and, in some cases, imprisonment for the individuals found to be responsible.

With regards to environmental violations, state/territory legislation imposes civil penalties for non-compliance with Australia's environmental protection laws. The environmental regulator of a state/territory may also institute criminal proceedings under the relevant legislation for breach of environmental obligations.

Enforcement of Health and Safety Regulations

The enforcement powers of an OHS regulator will depend on the applicable legislative regime. For a regulatory overview of the OHS framework for Australia, see *Question 13*, *Regulatory Overview*.

The various onshore jurisdictions generally apply some form of Work Health and Safety Act/ Occupational Health and Safety Act, which sets out the relevant authority's enforcement powers. These generally include the power to:

- Investigate potential contraventions.
- Provide information on an operator's compliance with the applicable regulations.
- Enter a workplace to investigate potential contraventions or possible contraventions that may occur in the future.
- Issue regulatory notices (for example, notices demanding improvement or prohibition notices, to remedy non-compliance and prevent potential future non-compliance).

- Require operators to produce documents and provide information.
- Seize items if they are likely to cause serious injury or illness or pose a risk of causing a dangerous incident.
- Assist in the resolution of disputes in relation to safety issues.
- Undertake prosecutions for alleged contraventions.
- Enter into enforceable undertakings with oil and gas operators as an alternative to prosecution.
- With regards to work-related deaths, to attend coronial inquests and examine witnesses.

If the worksite is located offshore (more than three nautical miles from the coast), it is governed under NOPSEMA in accordance with the Commonwealth regime (see *Question 13*). In this context, the OPGGSA's regulatory powers of enforcement in relation to OHS matters generally include powers to:

- Conduct OHS inspections.
- Require operators to provide information and produce documents and certain items (including plants and samples).
- Issue operators with OHS do-not-disturb notices, prohibition notices, improvement notices, or infringement notices.
- Enter into enforceable undertakings with oil and gas operators.
- Bring injunctions to enforce compliance with certain provisions of the OPGGSA and the OPGGSSR.
- Commence civil and criminal prosecutions.
- Apply to the court to issue adverse publicity orders following prosecution of a body corporate for an offence where the body corporate is found guilty.

22. Is there a right of appeal against regulatory decisions?

Australian law generally allows oil and gas operators to appeal regulatory decisions and applied sanctions at both federal or state/territory levels, although the specific appeal rights and processes vary from jurisdiction to jurisdiction. In the context of oil gas law, the regulators of most jurisdictions provide a specific process for appeal in relation to licence or permit decisions (that is, whether a regulator decides to permit or deny a licence to an operator).

Appeals are typically lodged by oil and gas operators but can also be lodged by affected landholders or third parties.

Appeals must be brought within strict time limits, which vary depending on the jurisdiction and the type of decision being challenged. Operators should therefore act promptly to ensure their appeals are lodged within the prescribed timeframe.

EPA Appeals

Decisions on environmental matters from the various EPAs in Australia can be appealed in accordance with the various rules set out under the applicable environmental regulations (see *Question 16, Regulatory Overview*). These laws also provide the forum (and in some cases the specific process to be followed) when appealing the relevant EPA's decision, for example:

- In Queensland, EPA appeals must be lodged with the Land Court, which can be lodged by a person that has an interest that is affected by a decision rendered under the PAG Act. Appeals must be commenced within 20 business days of the EPA's decision. The *Environmental Protection Act 1994* (Qld) also allows for a right of appeal to the Land Court against certain decisions (for example, a decision to refuse the application for an environmental authority or a decision to give an audit or investigation notice).

- In Victoria, EPA appeals must be lodged with the Civil and Administrative Tribunal.

- In New South Wales, EPA must be lodged with the Land and Environment Court.

At the federal level, the EPBC provides that a person may challenge any regulator's decision to issue compliance notices, remediation orders, or impose civil penalties. The EPBC Act also allows affected parties to lodge further appeals to the Federal Court for judicial review of administrative regulatory decisions (including those from EPAs).

OHS Appeals

Where an oil and gas facility is covered under the relevant state/territory Work Health and Safety Act/ Occupational Health and Safety Act, the applicable appeal rights vary from jurisdiction to jurisdiction (for details of the OHS legal framework in Australia, see *Question 13, Regulatory Overview*).

Each jurisdiction provides the non-mandatory option of applying for an internal review of the following types of regulatory decisions:

- Decisions on the review of provisional improvement notices.

- Decisions relating to the forfeiture of items and the return of seized items.

- Decisions to issue, vary or cancel an improvement notice, prohibition notice or non-disturbance notice.

- Any further decisions listed in the applicable laws and regulations.

Those individuals prescribed in the legislation as being eligible to apply for review of particular decisions can make an application for review by a court, tribunal or commission. The specific reviewing body, and the applicable timeframes for making the application, vary depending on the application legislation.

With regards to offshore worksites under the Commonwealth regime, the OPGGSA does not prescribe a specific timeframe for the lodgment of appeals. The reviewing authority, the Fair Work Commission (FWC), may affirm or revoke the decision appealed against, and, if it revokes the decision, can substitute such other decision as it thinks appropriate.

Appeals must be made in accordance with FWC rules and procedures. After lodging the notice of appeal with the FWC, a copy of the notice of appeal must, as soon as practicable, be sent to NOPSEMA and also served on the relevant NOPSEMA inspector.

Sale and Trade

23. How is trade in oil and gas usually carried out?

In Australia, the vast majority of domestic wholesale gas is sold under bilateral agreements between producers, retailers and major users. The wholesale market is illiquid, meaning there are few participants and relatively low volumes of market activity. There is no standard supply arrangement and there is little hedging. Although most wholesale gas transactions are bilateral sales, there are three types of wholesale markets, which are all operated by AEMO:

- **Short-term trading market for gas (Sydney, Brisbane, and Adelaide).** This was launched in 2010, with hubs in Sydney, Brisbane and Adelaide. These short-term trading markets allow gas trading on a day-ahead basis. AEMO sets a day-ahead clearing price at each hub based on scheduled withdrawals and offers by shippers to deliver gas, with a price floor of AUD0 per GJ and a cap of AUD400 per GJ. All gas supplied according to the schedule is settled at this price. Pipeline operators schedule flows to supply the necessary quantities of gas to each hub. Generally, prices in the market are volatile, reflecting short-term shifts in supply and demand.

- **Declared wholesale gas market (Victoria).** This was established in 1999. The Victoria declared wholesale gas market manages gas flows across its declared transmission system. Participants submit daily bids ranging from AUD0 per GJ (the floor price) to AUD800 per GJ (the price cap). At the beginning of each day, AEMO selects the least cost bids needed to match demand. This process establishes a clearing price. Similar to the short-term trading market above, only net positions are traded and AEMO operates the financial market. However, unlike the short-term trading market, AEMO also and manages physical balancing and can schedule additional gas injections (typically from storage facilities) at above-market prices, to alleviate short-term transmission constraints.

- **Gas supply hubs (Queensland and South Australia).** These were established in Wallumbilla, Queensland, and in Moomba, South Australia, in 2014 and 2016 respectively. The gas supply hubs are a voluntary electronic platform for the upstream wholesale trading of gas. Participants lodge trades either:
    - on-screen (that is, matched anonymously through the electronic trading platform, with a unique price for each trade (with no market clearing price)); or

- off-screen (that is, agreed to bilaterally and then lodged through the hub for settlement).

Unlike other markets, participants can trade gas up to a year in advance of physical supply rather than only on a daily basis.

Trade in oil is via bilateral agreements, either under wholesale supply agreements or fuel re-selling agreements between a supplier and retailer, usually at floating prices linked to a benchmark index, plus a quality premium and transportation cost.

24. Are oil and gas prices regulated?

Wholesale domestic gas prices are currently regulated under the Gas Market Code, which commenced on 11 July 2023.

The Gas Market Code imposes a cap on gas prices. Prices are capped to a current "reasonable price" (currently AUD12 per GJ) unless and until the ACCC determines a different reasonable price. The ACCC must consult before making any such determination.

The price cap prohibits "covered suppliers" from:

- Entering into to gas supply agreements where the price could exceed a reasonable price, which would include index-linked pricing that could go up and down and CPI increases that could increase the price above AUD12 per GJ.
- Supplying gas under agreements where the price payable is more than a reasonable price.
- Making offers on a gas trading exchange at a price that exceeds a reasonable price.

There is no sunset date on the cap. However, the cap was subject to an initial review by 1 July 2025 and for every two subsequent years. A new reasonable price can also be determined outside of this timeframe when either:

- The ACCC considers there to have been a substantial change in market conditions.
- The Energy Minister and Resources Minister notifies the ACCC that it may do so.

Deemed exemptions automatically apply to these price rules if the conditions of the deemed exemptions are satisfied. Conditional Ministerial Exemptions (CMEs) can also be granted to specific proponents from the Gas Market Code's price and non-price rules.

The Australian Government undertook a Gas Market Review of the key instruments for securing domestic gas supply, including the Gas Market Code, in 2025 and released the findings of its Gas Market Review on 22 December 2025. One of the recommendations is, contingent on introduction of a domestic gas reservation scheme and complementary changes putting

downward pressure on domestic prices and avoiding scarcity pricing, is the phasing out the Gas Market Code's reasonable price mechanism and CME framework.

With thanks for the assistance of Sian Ooi, Jon Prentice, Patrick Cranley, Josh Skyring, Sophie-Rose Greer, Eric Jeffrey, Beryl Rachier.

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Non-professional qualifications. Bachelor of Journalism, University of Queensland, 2002

Recent transactions

- Project Counsel to Australia Pacific LNG Pty on its AUD24 billion CSG to LNG project, advising on all aspects of this project, including gas market regulatory advice.
- Advising Senex on its marketing campaign to market AUD5 billion gas into the East Coast gas market in compliance with the APPEA Voluntary Code of Conduct and subsequently the mandatory Gas Market Code, which involved advising on the EOI for 48 bidders and resulted in multiple definitive gas sales agreements.
- Advising Squadron Energy on the development of the Australian Industrial Energy Regasification Terminal at Port Kembla.
- Advising the Commonwealth Government advising on the decommissioning and rehabilitation of the Collarina and Laminaria (and Northern Endeavour FPSO).

- Advising Senex on its AUD1 billion investment in a major expansion of its Atlas and Roma North natural gas developments in Queensland's Surat Basin.

- Advising Arrow Energy on its Surat and Bowan Basin projects.

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Non-professional qualifications. Bachelor of Journalism, University of Queensland, 2002.

Recent transactions

- Advising Arrow Energy on the project development, approvals and transactions for Arrow's Surat and Bowen Basin projects, advised on its sale of the Moranbah Gas Project in Queensland to Queensland Pacific Metals, including its electricity business, gas and water treatment facilities, pipelines, and related infrastructure.

- Advising the Northern Territory Government on the Territory's gas marketing arrangements securing future gas supply for the Territory, including the execution of recent gas deals with Tamboran, Empire and Central.

- Project Counsel to Australia Pacific LNG Pty on its AUD24 billion CSG to LNG project, advising gas sales, transportation, compression and processing agreements, regulatory approvals, joint ventures, and project development.

- Advised Senex Energy on gas supply arrangements supporting its Queensland developments including regulatory approvals, land access, project development and gas sales and transportation agreements associated with Senex's Western Surat and Atlas Projects.

- Acted as one of the Origin's lead legal counsels for commodity, joint venture and M&A transactions, including the acquisition and development of various onshore and offshore petroleum assets in Queensland and Victoria.

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