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Ms Jane Urquhart
Deputy Secretary – Resources & Strategy Group
Department of Industry, Science and Resources
Industry House, 10 Binara St
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Via email: ORBStrategicPolicy@industry.gov.au

Dear Ms Urquhart

Future Gas Strategy: draft offshore guidelines consultation

CCIWA is the peak business chamber in Western Australia, with more than 7,000 members across every region of the state and sector of the economy. We advocate for policies that support the long-term interest of the economy, for the benefit of communities in our State.

As highlighted in our [recent report](#), gas plays a crucial role in Western Australia and across the world. As such, we welcome the opportunity to provide feedback on the *Future Gas Strategy: draft offshore guidelines consultation*, which builds on the Future Gas Strategy.

The Future Gas Strategy is centred on an important and enduring message – gas plays a critical role in our society and will do so to 2050 and beyond. However, there are critical issues that need to be addressed to ensure ongoing gas supply for households and businesses alike.

In what follows, we identify the key issues in relation to the consultation documents as well as broader issues impacting gas supply.

Regulation 11A: *Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009*

Critically, both our landmark [Green Web](#) (approvals) and [Capturing the Future](#) (CCUS) reports identified Regulation 11A of the *Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009* as a critical issue. The open-ended nature of consultation with “relevant persons” creates a situation where this is exploited by people and organisations who hold ideological opposition to gas projects.

To this end, the Department must seek to reintroduce legislation that clarifies Regulation 11A and the offshore project consultation requirements as a priority. This matter was addressed in the Future Gas Strategy, also identified the need to clarify consultation requirements for offshore petroleum and greenhouse gas storage activities as an immediate action.

The Minister for Resources, Hon Madeleine King MP, outlined in her second reading speech for the *Offshore Petroleum and Greenhouse Gas Storage Legislation Amendment (Safety and Other Measures) Bill 2024*, it is essential that the environmental management regulatory

framework for offshore petroleum and greenhouse gas storage activities remains fit for purpose.¹ This includes clear consultation requirements.

Noting its significance, it is concerning that the issue of consultation remains unaddressed.

Inconsistency with the Future Gas Strategy

The Future Gas Strategy adopts six principles to guide policy actions for future decision-making. These include:

- Australia is committed to supporting global emissions reductions to reduce the impacts of climate change and will reach net zero emissions by 2050.
- Gas must remain affordable for Australian users throughout the transition to net zero.
- New sources of gas supply are needed to meet demand during the economy-wide transition.
- Reliable gas supply will gradually and inevitably support a shift towards higher-value and non-substitutable gas uses. Households will continue to have a choice over how their energy needs are met.
- Gas and electricity markets must adapt to remain fit for purpose throughout the energy transformation.
- Australia is, and will remain, a reliable trading partner for energy, including Liquefied Natural Gas (LNG) and low emission gases.

From the outset, it should be noted that the four guideline documents appear inconsistent with the six principles. For example, for Australia to remain a reliable trading partner, leaseholders must have certainty that a lease can be developed when commercially viable to do so. A second example is the offshore petroleum exploration work-bid permit, discussed next, which fails to meet the same principle and risks development of new supply.

For the Future Gas Strategy to work in practice, the Department must meaningfully engage with industry to identify and address policies which fail to meet the six principles.

Offshore petroleum exploration work-bid permits

With respect to the removal of “uncertain or delayed regulatory approvals” as a *force majeure* for suspensions or extensions, there is concern this will harm investment. This change could allow activists to delay a project before it starts, damaging investor confidence. Reasonable certainty around the timing of project delivery is vital in creating local jobs and ensuring ongoing energy security.

To this end, the Department must reinstate “uncertain or delayed regulatory approvals” to be a just reason for *force majeure*. The Department should work with the Government to adapt Western Australia’s recent *Environmental Protection Amendment Act 2024* and related parallel approval policies, which permit initial, exploratory, works to start without full approval.² While fulsome approvals are still required for the project to proceed, these regulatory changes would allow proponents to initiate projects and reduce timeframes.

Offshore petroleum declaration of location

With respect to the *Offshore petroleum declaration of location*, there is concern that the January update to the *NOPTA Forms Guidance – Petroleum* (Forms Guidance) has led to

¹ Parliament of Australia, Hansard. Second Reading speech for the *Offshore Petroleum and Greenhouse Gas Storage Legislation Amendment (Safety and Other Measures) Bill 2024*. February 2024

² WA Government. [Streamlining environmental approvals processes](#). November 2024

confusion around process, as some of the Forms Guidance appears to conflict with existing practice and the *Offshore petroleum declaration of location*.

To clarify intent, the Department should engage with industry directly to identify and rectify ambiguities in this policy guideline. We also encourage the Department to link guideline sections to legislation, as per the current guideline. Linking reasons to legislation helps ensure all proponents understand why certain considerations are paramount.

Offshore petroleum retention leases

The guideline has been substantially updated, presumably to consolidate content and provide revised timelines. While this is welcome, brevity has not resulted in clarity. To this end, minor visual amendments to the application and assessment process diagram (Attachment 1) would help clarify order of decisions and responsibilities for proponents.

Further, commercial reality must be considered a key decision-making pressure for lease holders. As above, we also request guideline sections are linked back to legislation, as per the current version of the *Offshore petroleum retention leases* guideline.

Venting and flaring from offshore petroleum facilities: policy statement

Noting this is a policy statement, not a guideline, we hold concerns that this statement cherry picks content from international venting policies and only exists due to a perceived gap in policy. The result is a policy statement which may not be practicable (such as for existing brownfields sites), and/or results in a worse environmental impact due to energy requirements (such as compression of emissions).

While the World Bank notes that Australia does not have a uniform venting policy, it must be recognised that Australia is not in the top 30 countries for flaring, despite being a top 10 producing country. This suggests that existing policy settings are effective.³ Similarly, developments since 2019 indicate a sustainable downward trend in absolute volumes and flaring intensity.⁴

In closing, CCIWA asks that the Department engage with industry on the practicality of the four consultation documents as soon as possible. In addition, the Government must address Regulation 11A as a priority, by reintroducing legislation to clarify consultation requirements. Australia must remain a competitive country – unjustified and unnecessary regulations only damage our international competitiveness in the current global economy.

Should you wish to discuss the content of this letter further, please do not hesitate to contact Aaron Morey, CCIWA Chief Economist, Director Membership, Campaigns, Strategy, via email at aaron.morey@cciwa.com.

Yours sincerely



Dr Peter Cock

Chief Executive Officer

³ The World Bank. [Global Gas Flaring Tracker report 2024](#). June 2024.

⁴ The World Bank. [Global Methane and Flaring Regulations – Australia](#). December 2023.