



Welcome to the General Policy Review Bulletin # 7

September 2007

Stakeholders

On 13 September 2007, the *Offshore Petroleum (Miscellaneous Measures) Bill 2007* passed through the Senate. This Bill contains a number of amendments including:

- clarifying the definition of 'coastal waters' to more accurately reflect the Offshore Constitutional Settlement, and ensuring that an indefinite term applies to those who first renewed their licences following amendments to the *Petroleum (Submerged Lands) Act* in 1998;
- repealing section 327 of the Offshore Petroleum Act, which gave the Minister certain emergency powers in the Bass Strait. A more comprehensive and broader security regime has been implemented under the *Maritime Transport and Offshore Facilities Securities Act 2003*; and
- converting geodetic data references of area descriptions in the Act from Australian Geodetic Datum to Geodetic Datum of Australia. This is a response to the increased use of the Global Positioning System for surveying and navigation.

As the Bill was introduced into the Senate, it still has to pass through the House of Representatives. This may not happen this year depending on the number of sitting weeks prior to an election being called.

Policy Issues

In our last General Policy Review Bulletin of 26 July 2007 we circulated a short paper with a response to 13 policy issues raised during the rewrite. We have since made progress on those issues which we indicated we would pursue through the Upstream Petroleum and Geothermal Subcommittee meeting (UPGS).

1/ Locations: The requirements for declaring a location and for granting a retention lease or a production licence are essentially the same in that they all require the presence of petroleum in the blocks specified in the application. Given this, it is proposed that the decision to grant a location will be returned to the Joint Authority.

2/ Scientific Investigation Consents (SIC): owing to the close relationship between SIC's and the United Nations Convention of the Law of the Sea, it is proposed that the decision to grant an SIC will be made by the JA.

3/ Access Authority consultation procedures: Sections 206 (3) and 209 set out the requirements and consultation procedures for access authorities when the title to be accessed is within an adjoining jurisdiction. The titleholder is unable to bypass the consultation procedure, which they can do if the title being accessed is in the same jurisdiction. We are proposing to allow the consultation procedure to be bypassed with the titleholder's consent where the access to be sought is in an adjoining jurisdiction.

Amendments to reflect these proposals will be made sometime in 2008.

Greenhouse Gas Storage Amendments

While significant progress has been made, the exposure draft of the amendments is not yet available. When that draft does become available we will circulate it on this bulletin, with details on the appropriate contacts within the Department and a closing date for submissions.

Consolidation of Regulations

In mid-2006 the Commonwealth Department of Industry, Tourism & Resources (DITR) initiated a review project aiming to significantly consolidate and streamline the regulations currently enabled by the *Petroleum (Submerged Lands) Act 1967* (PSLA) and to be enabled under the *Offshore Petroleum Act 2006* once it receives proclamation.

The project responds directly to the findings of the Taskforce on Reducing Regulatory Burdens on Business (the Banks Review) in regards to undue costs for business that arise in the implementation of policy through regulation and the mounting concerns from business at the growth of regulation and its cumulative burdens.

Throughout February and March this year, the project team completed a series of consultations with industry and State government stakeholders, to gain a broad understanding of specific issues with the current operation of the petroleum regulations. These consultations included four Designated Authorities, Geoscience Australia, the Australian Petroleum Production & Exploration Association, and 14 companies active across the oil and gas industry.

Based on this consultative process, a draft report has been prepared which includes over 50 recommendations. The report directly reflects stakeholder discussions. The draft report has been discussed and agreed at a Commonwealth level between DITR and Geoscience Australia, and we are now seeking comments and reactions from the wider stakeholder group, including from Designated Authorities and industry.

Written comments can be emailed directly to the consolidation team, Malcolm Jamieson (malcolm.jamieson@industry.gov.au ph: 6213 7334) or Lisa Richards (lisa.richards@industry.gov.au ph 6213 6093). We ask that any comments be forwarded by **COB Friday 26 October**. If you would like to discuss any aspect of the report, please contact the consolidation team directly.

For those of you who are attending AMPLA we look forward to seeing you there.

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This occasional newsletter was prepared by the Resources Division, of the Department of Resources, Energy and Tourism.