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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

**OFFSHORE PETROLEUM (ROYALTY) AMENDMENT BILL 2011**

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Resources and Energy,  
the Honourable Martin Ferguson AM, MP)

## **OFFSHORE PETROLEUM (ROYALTY) AMENDMENT BILL 2011**

### **GENERAL OUTLINE**

The purpose of the Bill is to amend the *Offshore Petroleum (Royalty) Act 2006* (the Royalty Act) to correctly reference the new National Offshore Petroleum Titles Administrator (NOPTA) which is proposed to be established through amendments contained in the *Offshore Petroleum Greenhouse Gas Storage Amendment (National Regulator) Act 2011*.

### **FINANCIAL IMPACT STATEMENT**

Nil financial impact on the Australian Government Budget.

### **REGULATORY IMPACT STATEMENT**

This Bill does not impose any new significant regulatory burden on the petroleum industry. In 2009, the Productivity Commission recommended the establishment of a national offshore petroleum regulator in Commonwealth waters responsible for titles administration, environment plans and day-to-day operations. Following extensive consultation over a 15 month period with government and industry stakeholders as well as recognising the outcomes of the Montara Commission of Inquiry Report, the Commonwealth revised and finalised the proposed arrangements for regulatory reform.

The reforms relating to the establishment of NOPTA in fact reduce and streamline unnecessary regulatory burdens on the petroleum industry without compromising policy objectives related to safety, environment and resource management. The reforms will ensure consistent regulation of all offshore exploration and development activities in Commonwealth waters. The reduction in regulatory burden that these reforms could achieve would be considered a regulatory offset under the Commonwealth's one-in-one out principle.

## **NOTES ON INDIVIDUAL CLAUSES**

### Clause 1 - Short title

Clause 1 is a formal provision specifying the short title of the Act.

### Clause 2 - Commencement

Sections 1 to 3 in the Bill will commence on the day the amending Act receives Royal Assent.

Schedule 1 will commence at the same time as Part 1 of Schedule 2 to the *Offshore Petroleum Greenhouse Gas Storage Amendment (National Regulator) Act 2011* commences. However, if Schedule 4 to the *Offshore Petroleum Greenhouse Gas Storage Amendment (National Regulator) Act 2011* commences at or before that time, the provision(s) do not commence at all.

### Clause 3 - Schedules

This clause gives effect to the provisions in the Schedules to this Bill.

## **Schedule 1 - Amendments**

### Item 1 - Paragraphs 6(4)(a) and (b)

This item replaces the reference to Designated Authority with that of the ‘Titles Administrator’ (NOPTA).

### Item 2 - Paragraph 6(4)(c)

This item replaces the reference to Designated Authority with that of the ‘Titles Administrator’ (NOPTA).

### Item 3 - Sections 9 to 15

This item replaces the reference to Designated Authority with that of the ‘Titles Administrator’ (NOPTA).

### Item 4 – Transitional - instruments

This item provides a transitional provision to provide that an instrument previously made or given by the Designated Authority under the Royalty Act is taken to have been made or given by NOPTA after the commencement of this Act.

Item 5 – Transitional - acts of Designated Authority to be attributed to the Titles Administrator etc.

This item provides a transitional provision to provide that an act or thing previously done by the Designated Authority under the Royalty Act is taken to have been done by NOPTA after the commencement of this Act.