

Advisory Report on the Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Bill 2011 and related Bills

House of Representatives
Standing Committee on Agriculture, Resources, Fisheries and Forestry

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Contents

Foreword	v
Membership of the Committee	vii
Terms of reference	ix
List of abbreviations	xi
List of recommendations	xiii
1 Analysis of the Bills	1
Background	1
Purpose and overview of the bills	1
Policy history.....	3
Discussion of the Bills.....	6
National Regulator	6
Cost recovery.....	18
Personal Property Securities.....	22
Committee conclusions.....	24
Appendix A – The Inquiry	27
Appendix B – Submissions	28
Appendix C – Public Hearing	29
LIST OF TABLES	
Table 1 Estimated Cost Impacts on Industry	19



Foreword

These Bills are important. They are the result of a long period of policy review and consultation. They are the Government's response to the Productivity Commission's *Review of the Regulatory Burden on the Upstream Petroleum (Oil and Gas) Sector* and the Montara Commission of Inquiry, both of which called for regulatory reform. They are also a response to the global trend towards more integrated and robust regulation for the offshore petroleum and gas industry.


The Bills create a single national regulator. Through the creation of NOPSEMA the Bills integrate safety, structural integrity and environmental regulation for the offshore petroleum and gas sector. They also separate these issues from resource management issues, ensuring that safety and environmental management are not compromised by resource development decisions. This is a critical outcome in light of experience here and overseas, especially the Montara incident in the Timor Sea and the Macondo disaster in the Gulf of Mexico.

The Committee has proposed only one change to the Bills, allowing the Western Australian Government to retain its role in the negotiation and setting of royalties.

We have also recommended that in light of NOPSEMA's environmental functions, the NOPSEMA Advisory Board should include members with environmental expertise.

We commend the Bills to the House.

Hon Dick Adams MP
Chair



Membership of the Committee

Chair Hon Dick Adams MP

Deputy Chair Mr Alby Schultz MP

Members Mr Darren Cheeseman MP

 Mr George Christensen MP

 Mr Tony Crook MP


 Mr Geoff Lyons MP

 Mr Rob Mitchell MP

 Mr Dan Tehan MP

Committee Secretariat

Secretary	Mr David Brunoro
Inquiry Secretary	Dr Bill Pender
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Terms of reference

On 25 May 2011 the Selection Committee referred the following bills to the Committee for inquiry and report:

- Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Bill 2011
- Offshore Petroleum and Greenhouse Gas Storage (Registration Fees) Amendment Bill 2011
- Offshore Petroleum (Royalty) Amendment Bill 2011
- Offshore Petroleum and Greenhouse Gas Storage Regulatory Levies Legislation Amendment (2011 Measures No. 2) Bill 2011
- Offshore Resources Legislation Amendment (Personal Property Securities) Bill 2011

Under Standing Order 222(e), the House is taken to have adopted the Selection Committee's reports when they are presented.



List of abbreviations

AGS	Australian Government Solicitor
APPEA	Australian Petroleum Production and Exploration Association
COAG	Council of Australian Governments
DMP	Department of Mines and Petroleum, Western Australia
EPBC Act	Environment Protection and Biodiversity Conservation Act
MCMPR	Ministerial Council on Mineral and Petroleum Resources
MOU	Memorandum of Understanding
NOPSA	National Offshore Petroleum Safety Authority
NOPSEMA	National Offshore Petroleum Safety and Environmental Management Authority
NOPTA	National Offshore Petroleum Titles Administrator
NT	Northern Territory
OMA	Offshore Minerals Act 1994
OPGGS Act	Offshore Petroleum and Greenhouse Gas Storage Act 2006
PPS Act	Personal Properties Securities Act 2009
SLA	Service Level Agreement

RET Department of Resources, Energy and Tourism

WA Western Australia



List of recommendations

1 Analysis of the Bills

Recommendation 1

The Committee recommends that the Designated Authority role in the *Offshore Petroleum (Royalty) Act 2006* be conferred upon the State member of the relevant Joint Authority under the Offshore Petroleum (Royalty) Amendment Bill 2011.

Recommendation 2

The Committee recommends that given NOPSEMA's environmental management function, the membership of the NOPSEMA Advisory Board include members with relevant environmental expertise.

Recommendation 3

The Committee recommends that the House of Representatives pass the Bills.

