



Offshore Petroleum Amendment (Miscellaneous Measures) Bill 2007

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Offshore Petroleum Amendment (Miscellaneous Measures) Bill 2007

Date introduced: 15 August 2007

House: Senate

Portfolio: Minister for Industry, Tourism and Resources

Commencement: Sections 1-3 - on Royal Assent.

Schedule 1 Parts 1-7, items 24-31, 33-41 – immediately after commencement of section 3 of the *Offshore Petroleum Act 2006*.

Schedule 1 item 32 – immediately after commencement of subsections 22(3) and (4) of the *Offshore Petroleum Act 2006*.

Links: The [relevant links](#) to the Bill, Explanatory Memorandum and second reading speech can be accessed via BillsNet, which is at <http://www.aph.gov.au/bills/>. When Bills have been passed, they can be found at ComLaw, which is at <http://www.comlaw.gov.au/>.

Purpose

The Bill has three primary objects, which are to:

- correct technical errors in the *Offshore Petroleum Act 2006* (the Offshore Petroleum Act)
- repeal section 327 of the Offshore Petroleum Act, which relates to declarations of emergency by the Commonwealth Minister, and
- convert geodetic data references of area descriptions in Schedules 1 and 2 to the Geocentric Datum of Australia (GDA 94).

Please refer below for meanings of technical terms.

Background

History

The Offshore Petroleum Act is intended to replace the long-standing *Petroleum (Submerged Lands) Act 1967* (the Petroleum (Submerged Lands) Act). It is essentially a revamp of the Petroleum (Submerged Lands) Act and does not introduce any major policy changes. The Petroleum (Submerged Lands) Act has been the primary legislation for the administration of Australia's offshore petroleum resources for 40 years and, through age and many amendments, it has become complex and unwieldy. Note that the main

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provisions of the Offshore Petroleum Act have not yet come into force. Further background on both Acts, including Commonwealth, State and Territory cooperative arrangements, can be found in the [Bills Digest](#) for the Offshore Petroleum Act.

Explanation of 'geodetic datum'

According to the explanatory memorandum, a 'geodetic datum' is a

mathematical model of the world.¹

The previous geodetic datum was designed for the mainland and its centre was not the centre of the earth.²

However, new global positioning systems are more suited to an earth centred or *geocentric* datum.³

The conversion to the geocentric datum means that each point in the earth has different coordinates.⁴ These are built into the amendments.

Financial implications

According to the Explanatory Memorandum, there are no financial implications to the Government as most of the amendments are purely technical.⁵

It is also submitted that the conversion to geocentric datum will have no impact on existing titles as it represents a shift of not more than plus or minus 0.15 metre.⁶

Main provisions

This digest will focus on key amendments proposed by the Bill.

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1. *Explanatory Memorandum*, 'Offshore Petroleum Amendment (Miscellaneous Measures) Bill 2007, p. 1.
 2. *ibid.*
 3. *ibid.*
 4. *ibid.*
 5. *ibid.*, p. 2.
 6. *ibid.*, p. 1.

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Schedule 1

Part 1

Items 1-4 set out four amendments to **section 6**, as well as **subsections 139(1) (table item 3) and 139(3)** of the Offshore Petroleum Act that deal with the duration of production licences. It is government policy that licences are renewed under these provisions (and their equivalent in the Petroleum (Submerged Lands) Act).⁷ However, due to a drafting error in the Petroleum (Submerged Lands) Act, eight licences have been renewed for an indefinite duration.⁸ The amendments will ensure that, once the Offshore Petroleum Act replaces Petroleum (Submerged Lands) Act), these eight indefinite duration licences are preserved, but any subsequent renewals will only be granted for a 21 year term.

Part 3

Items 7-18 propose amendments to ‘territorial sea’ and ‘coastal waters’.

These amendments relate to the correct territorial sea baseline that applies to the Offshore Petroleum Act. It is proposed that the definition of coastal waters would include an assumption that the breadth of the territorial sea of Australia is three, not 12, nautical miles.

Part 4

Item 19 proposes to correct a technical error in **subsection 142(6)** of the Offshore Petroleum Act, to the effect that the requirement that applications for either production licences, or variations to such applications, must both be accompanied by work and expenditure proposals. Existing subsection 142(6) implies the requirement only applies to varied applications.

Part 5

Items 20 and 21 propose to repeal **section 327** and references to it in a preceding **note** in section 326 of the Offshore Petroleum Act.

Section 327 relates to declarations of a state of emergency by the Minister of Industry, Tourism and Resources. Such declarations can be made in respect of prescribed safety zones in certain circumstances where there is a likely threat of terrorist activity. It is stated

7. *Explanatory Memorandum*, p. 3.

8. *ibid.*

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that the Minister has never had to make such a declaration and that this situation is better covered by the *Maritime Transport and Offshore Facilities Security Act 2003*.⁹

Part 8

Items 24-37 propose amendments to **sections 20-23**, as well as **Schedules 1 and 2** of the Offshore Petroleum Act relating to converting the datum from the Australian Geodetic Datum to the Geocentric Datum of Australia (as explained earlier).

Part 9

Item 41 proposes that when the CEO of the National Offshore Petroleum Safety Authority delegates functions or powers under **section 385** of the Offshore Petroleum Act, the delegate must comply with the CEO's directions when performing functions as well as exercising powers.

Concluding comments

This Bill appears to propose largely technical corrections that do not obviously affect rights and entitlements of holders of permits.

In certain cases, proposals would clarify existing rights.

9. *ibid*, p.4.

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