



AUSTRALIAN PETROLEUM NEWS

25 May 2011

Highlights

- **Item One: The Australian Government response to the Montara Commission of Inquiry Report and the Productivity Commission (PC) *Review of Regulatory Burden on the Upstream Petroleum (Oil & Gas) Sector*.**
- **Item Two: Introduction of Amendments to Implement a National Offshore Petroleum Regulator**

Item 1

The Australian Government response to the Montara Commission of Inquiry Report and the Productivity Commission (PC) *Review of Regulatory Burden on the Upstream Petroleum (Oil & Gas) Sector*.

On 25 May 2011, the Minister for Resources and Energy, the Hon Martin Ferguson AM MP, released the Australian Government's Final Response to the Montara Commission of Inquiry Report and the Government's Response to the Productivity Commission Review of Regulatory Burden on the Upstream Petroleum (Oil & Gas) Sector. Both reports endorse a national offshore petroleum regulator.

As in the Draft Response to the Report of the Montara Commission of Inquiry, the Final Response either accepts or notes 102 of the 105 recommendations. The changes in the Final Response reflect feedback from governments, industry and environmental groups. The Final Response provides greater clarification to the draft Response and more detail about implementation measures.

Seventeen submissions came in during the three-month consultation process. On the whole they support the Government's Draft Response. Non-confidential submissions are available on the Department of Resources, Energy and Tourism website.

The Productivity Commission found the current regime imposed significant unnecessary burdens on the sector, not least through overlapping regulations.

The Commonwealth proposes to expand the National Offshore Petroleum Safety Authority (NOPSA). Its new role will include regulating environment plans and day-to-day operations.

The Commonwealth also proposes to separate offshore regulation and titles administration to avoid any potential or perceived conflicts of objectives. As such a new National Offshore Petroleum Titles Administrator (NOPTA) will be established.

The Government Response to the PC Review can be found at:
<http://www.ret.gov.au/Department/responses/pc-review/Pages/pc-review.aspx>

The Final Government Response to the Report of the Montara Commission of Inquiry and the Minister's Statement to the Parliament in tabling these Responses can be found at:
<http://www.ret.gov.au/Department/responses/montara/Pages/MontaraInquiryResponse.aspx>.

Item 2

Introduction of Amendments to Implement a National Offshore Petroleum Regulator

On 25 May 2011, the Minister also introduced into the Parliament a package of five amendment Bills to the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (OPGGGS Act) and associated Acts to:

- (a) expand the functions of the National Offshore Petroleum Safety Authority (NOPSA) to become the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA), the regulator of occupational health and safety, integrity of facilities and wells, environmental management and day-to-day operations relating to petroleum activities in Commonwealth waters;
- (b) create a National Offshore Petroleum Titles Administrator (NOPTA), in the Department of Resources, Energy and Tourism, to advise the Joint Authority on petroleum titles and to administer titles and data;
- (c) impose cost-recovery levies on holders of offshore petroleum titles in respect of environmental approvals and titles administration under the OPGGS Act to fund the new regulatory activities of NOPSEMA and NOPTA;
- (d) allow the Commonwealth to retain the monies for a period that are payable under the Offshore Petroleum and Greenhouse Gas Storage (Registration Fees) Act 2006 (the Registration Fees Act) to recover the establishment costs of NOPSEMA and NOPTA;
- (e) make consequential amendments to the Registration Fees Act and the Offshore Petroleum (Royalty) Act 2006; and
- (f) exclude application of the Personal Property Securities Act 2009 to the registration of dealings in titles under the OPGGS Act and the Offshore Minerals Act 1994.

The Bills, associated Explanatory Memoranda and Second Reading Speeches can be found at the website for the Australian Parliament by referring to "Bills before Parliament" for the Resources and Energy Portfolio (<http://www.aph.gov.au/bills/index.htm>).

The Department of Resources, Energy and Tourism will conduct information sessions on the legislative package in Melbourne on 14 June and Perth on 15 June with times and locations to be confirmed.

The contact officer in the Department of Resources, Energy and Tourism on the National Regulator amendments is Peter Livingston on telephone 02 6213 7974 or e-mail peter.livingston@ret.gov.au.

The Minister's Media Release on this matter can be found at <http://minister.ret.gov.au/MediaCentre/MediaReleases/Pages/LegislationtoCommenceEstablishmentofSingleNationalRegulator.aspx>

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