



GENERAL POLICY REVIEW

Issue 17 - November 2011

ISSUES PAPER: INDUSTRY CONSULTATION

The purpose of this series is to advise interested parties on policy issues and developments related to the offshore minerals and offshore petroleum and greenhouse gas storage regulatory regime.

This issue of the General Policy Review covers the release of an issues paper for consultation.

A rigorous compliance and enforcement regime for offshore petroleum activities in Australia

The 21 August 2009 uncontrolled release of oil and gas from the Montara Wellhead Platform in the Timor Sea, and the 20 April 2010 incident at the Macondo oil field in the Gulf of Mexico, served as strong reminders to governments, regulators, the offshore petroleum industry and the broader community of the risks of complacency in the operation and regulation of offshore petroleum activities.

The Commonwealth Government has moved quickly to learn and implement the lessons arising from these incidents and is working to improve the protection of human health and safety and the marine environment so as to ensure that Australia continues to have a strong, safe and competitive offshore petroleum industry which is able to contribute to Australia's ongoing energy security and economic prosperity.

An Issues Paper to consult on action to be taken by the Government in relation to recommendation 71 of the *Report of the Montara Commission of Inquiry* (the Inquiry), has been released.

Recommendation 71 stated:

“There should be a review to determine whether it is appropriate to introduce a rigorous civil penalty regime and/or substantially increase some or all of the penalties that can be imposed for breaches of legislative requirements relating to well integrity and safety” (Report of the Montara Commission of Inquiry: pg 233).

The Government's Final Response to the Inquiry noted that the:

“Commonwealth is considering amending the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPPGS Act) to provide the power to impose a civil penalty regime. This process will also consider increasing some or all of the existing penalties” (Final Government Response: pg 64).

The Issues Paper identifies and proposes matters and issues for consideration in a review of compliance and enforcement measures in the OPGGS Act and its associated regulations (the Review). As a first step, this Issues Paper seeks comments and input from stakeholders to assist in the development of an appropriate, and effective, civil penalties regime for the OPGGS Act. Norton Rose Australia has been engaged to support the review.

Interested parties are invited to make written submissions.

Closing dates for submissions is **5pm, Friday 16 December 2011**.

Please direct submissions to: MontaraInquiryResponse@ret.gov.au.

The Issues Paper is available at:

<http://www.ret.gov.au/Department/responses/montara/implementation/Pages/MontaraImplementationActivities.aspx>

General Policy Review No. 18 is currently being prepared and will focus on the reforms to the regulation of upstream petroleum in Commonwealth offshore areas in preparation for the commencement of the National Offshore Petroleum Titles Administrator and the National Offshore Petroleum Safety and Environmental Management Authority from 1 January 2012.

It is anticipated that this General Policy Review will be released by the end of November 2011.

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Email: Esther.Harvey@ret.gov.au; Phone: +61 2 6213 7202

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