



**Offshore Petroleum and Greenhouse Gas
Storage Regulatory Levies Legislation
Amendment (2011 Measures No. 1) Act
2011**

No. 27, 2011

***An Act to amend the *Offshore Petroleum and
Greenhouse Gas Storage (Safety Levies) Act 2003,*
and for related purposes***

Note: An electronic version of this Act is available in ComLaw (<http://www.comlaw.gov.au/>)

Contents

1	Short title.....	2
2	Commencement.....	2
3	Schedule(s).....	2
Schedule 1—Amendments		3
	<i>Offshore Petroleum and Greenhouse Gas Storage (Safety Levies) Act</i> <i>2003</i>	3



Offshore Petroleum and Greenhouse Gas Storage Regulatory Levies Legislation Amendment (2011 Measures No. 1) Act 2011

No. 27, 2011

**An Act to amend the *Offshore Petroleum and
Greenhouse Gas Storage (Safety Levies) Act 2003*,
and for related purposes**

[Assented to 25 May 2011]

The Parliament of Australia enacts:

*Offshore Petroleum and Greenhouse Gas Storage Regulatory Levies Legislation Amendment
(2011 Measures No. 1) Act 2011* No. 27, 2011 1

1 Short title

This Act may be cited as the *Offshore Petroleum and Greenhouse Gas Storage Regulatory Levies Legislation Amendment (2011 Measures No. 1) Act 2011*.

2 Commencement

- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day this Act receives the Royal Assent.	25 May 2011
2. Schedule 1	A single day to be fixed by Proclamation. However, if any of the provision(s) do not commence within the period of 6 months beginning on the day this Act receives the Royal Assent, they commence on the day after the end of that period.	17 June 2011 (see F2011L01059)

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

- (2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

3 Schedule(s)

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Amendments

Offshore Petroleum and Greenhouse Gas Storage (Safety Levies) Act 2003

1 Title

Omit “safety investigation levy and safety case levy, in relation to offshore petroleum and greenhouse gas facilities”, substitute “levies relating to the regulation of offshore petroleum activities and greenhouse gas storage activities”.

2 Section 1

Omit “*Safety*”, substitute “*Regulatory*”.

Note: This item amends the short title of the Act. If another amendment of the Act is described by reference to the Act’s previous short title, that other amendment has effect after the commencement of this item as an amendment of the Act under its amended short title (see section 10 of the *Acts Interpretation Act 1901*).

3 Section 3

Insert:

annual well levy means levy imposed by section 10A or 10B.

4 Section 3

Insert:

coastal waters, in relation to a State or Territory, has the same meaning as in the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

5 Section 3

Insert:

construct, in relation to a well, includes:

- (a) drill the well; and
- (b) install any well-related equipment associated with the well.

6 Section 3

Insert:

cost includes part of a cost.

7 Section 3

Insert:

expense includes part of an expense.

8 Section 3

Insert:

offshore area, in relation to a State or Territory, has the same meaning as in the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

9 Section 3

Insert:

petroleum exploration permit has the same meaning as in the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

10 Section 3

Insert:

petroleum production licence has the same meaning as in the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

11 Section 3

Insert:

petroleum retention lease has the same meaning as in the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

12 Section 3

Insert:

prepare, in relation to a well, includes construct.

13 Section 3

Insert:

well has the same meaning as in the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

14 Section 3

Insert:

well activity levy means levy imposed by section 10C or 10D.

15 Section 3

Insert:

well investigation levy means levy imposed by section 9 or 10.

16 Section 3

Insert:

well-related equipment has the same meaning as in the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

17 After Part 3

Insert:

Part 4—Well investigation levy

9 Imposition of well investigation levy—Commonwealth petroleum titles

(1) If:

(a) either:

- (i) a well has been used, is being used, has been prepared for use, or is being prepared for use, in connection with operations authorised by a petroleum title (the *current title*); or
- (ii) a well has been used in connection with operations authorised by a petroleum title from which the current title is derived, and the wellhead is situated in the title area of the current title; and

(b) an OHS inspector has begun to conduct an inspection concerning a contravention or possible contravention of

subclause 13A(1) or (2) of Schedule 3 to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*; and

- (c) the contravention or possible contravention relates to the well; and
- (d) a particular time (the **threshold time**) is the first time when the amount of the costs and expenses reasonably incurred by the Safety Authority in relation to the conduct of the inspection exceeds \$30,000; and
- (e) the Safety Authority has given the registered holder of the current title a written notice stating that the amount of the costs and expenses reasonably incurred by the Safety Authority in relation to the conduct of the inspection has exceeded \$30,000;

levy is imposed on the inspection in respect of:

- (f) the period of 3 months beginning at the threshold time; and
- (g) each successive 3-month period at any time during which an OHS inspector continues to conduct the inspection.

Note: Clause 13A of Schedule 3 to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* deals with the duties of petroleum titleholders in relation to wells.

- (2) Levy imposed by subsection (1) is to be known as **well investigation levy**.
- (3) Well investigation levy imposed by subsection (1) is payable by the registered holder of the current title.

Amount of well investigation levy

- (4) The amount of well investigation levy imposed by subsection (1) on an inspection is the amount that is specified in, or worked out in accordance with, the regulations.

Definitions

- (5) In this section:

conduct an inspection includes prepare a written report relating to the inspection.

derived has the same meaning as in Schedule 3 to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

inspection has the same meaning as in Schedule 3 to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

petroleum title has the same meaning as in Schedule 3 to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

registered holder, in relation to a petroleum title, has the same meaning as in the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

title area has the same meaning as in clause 13A of Schedule 3 to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

well includes well-related equipment associated with a well.

10 Imposition of well investigation levy—State/Territory petroleum titles

- (1) If:
 - (a) either:
 - (i) a well has been used, is being used, has been prepared for use, or is being prepared for use, in connection with operations authorised by a State/Territory petroleum title (the **current title**) granted under a State PSLA or Territory PSLA; or
 - (ii) a well has been used in connection with operations authorised by a petroleum title from which the current title is derived, and the wellhead is situated in the title area of the current title; and
 - (b) an OHS inspector has begun to conduct an inspection concerning a contravention or possible contravention of a provision of the State PSLA or Territory PSLA that substantially corresponds to subclause 13A(1) or (2) of Schedule 3 to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*; and
 - (c) the contravention or possible contravention relates to the well; and
 - (d) a particular time (the **threshold time**) is the first time when the amount of the costs and expenses reasonably incurred by the Safety Authority in relation to the conduct of the inspection exceeds \$30,000; and

- (e) the Safety Authority has given the registered holder of the current title a written notice stating that the amount of the costs and expenses reasonably incurred by the Safety Authority in relation to the conduct of the inspection has exceeded \$30,000;

levy is imposed on the inspection in respect of:

- (f) the period of 3 months beginning at the threshold time; and
(g) each successive 3-month period at any time during which an OHS inspector continues to conduct the inspection.

Note: Clause 13A of Schedule 3 to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* deals with the duties of petroleum titleholders in relation to wells.

- (2) Levy imposed by subsection (1) is to be known as ***well investigation levy***.
- (3) Well investigation levy imposed by subsection (1) is payable by the registered holder of the current title.

Amount of well investigation levy

- (4) The amount of well investigation levy imposed by subsection (1) on an inspection is the amount that is specified in, or worked out in accordance with, the regulations.

Definitions

- (5) In this section:

Commonwealth petroleum title means a petroleum title within the meaning of Schedule 3 to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

conduct an inspection includes prepare a written report relating to the inspection.

derived has the same meaning as in the provisions of the relevant State PSLA or Territory PSLA that substantially correspond to Schedule 3 to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

inspection has the same meaning as in the provisions of the relevant State PSLA or Territory PSLA that substantially

correspond to Schedule 3 to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

registered holder, in relation to a State/Territory petroleum title, means the person whose name is shown in the Register kept under the relevant State PSLA or Territory PSLA as the holder of the title.

State/Territory petroleum title means an instrument under a State PSLA or Territory PSLA that confers, in relation to the coastal waters of a State or Territory, some or all of the rights that a Commonwealth petroleum title confers in relation to the offshore area of the State or Territory.

title area has the same meaning as in the provisions of the relevant State PSLA or Territory PSLA that substantially correspond to clause 13A of Schedule 3 to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

well includes well-related equipment associated with a well.

Part 4A—Annual well levy

10A Imposition of annual well levy—Commonwealth petroleum titles

- (1) If there are one or more eligible wells in relation to a petroleum title for a year, levy is imposed on those wells.

Note: For **eligible well**, see subsections (5) and (6).

- (2) Levy imposed by subsection (1) is to be known as **annual well levy**.
- (3) Annual well levy imposed by subsection (1) is payable by the registered holder of the petroleum title.

Amount of annual well levy

- (4) The amount of annual well levy imposed by subsection (1) in respect of one or more wells is the amount that is specified in, or worked out in accordance with, the regulations.

Eligible well

- (5) For the purposes of this section, if:
- (a) immediately before the start of a year, a well is wholly or partly situated in the title area of a petroleum title (the **current title**); and
 - (b) the well is or was drilled under the authority of:
 - (i) the current title; or
 - (ii) a petroleum title from which the current title is derived; and
 - (c) the well is not abandoned;
- the well is an **eligible well** in relation to the current title for that year.
- (6) For the purposes of this section, if:
- (a) during a year, a well began to be drilled in the title area of a petroleum title (the **current title**); and
 - (b) the well was drilled under the authority of:
 - (i) the current title; or
 - (ii) a petroleum title from which the current title is derived; and
 - (c) the well was abandoned during that year;
- the well is an **eligible well** in relation to the current title for the subsequent year.

Abandoned wells

- (7) For the purposes of this section, if the *Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011* requires the commencement of the abandonment of a well to be approved by the Safety Authority under those regulations, disregard the abandonment unless:
- (a) the commencement of the abandonment was approved by the Safety Authority under those regulations; and
 - (b) if the approval was subject to conditions—the abandonment was in accordance with those conditions.

Definitions

- (8) In this section:
-

derived has the same meaning as in Schedule 3 to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

petroleum title has the same meaning as in Schedule 3 to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

registered holder, in relation to a petroleum title, has the same meaning as in the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

title area has the same meaning as in clause 13A of Schedule 3 to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

Transitional

- (9) For the purposes of this section, if this section does not commence on a 1 January, the period:
- (a) beginning at the commencement of this section; and
 - (b) ending at the end of 31 December next following that commencement;
- is taken to be a year.
- (10) Subsection (6) does not apply to a well that began to be drilled before the commencement of this section.

10B Imposition of annual well levy—State/Territory petroleum titles

- (1) If:
- (a) there are one or more eligible wells in relation to a State/Territory petroleum title for a year; and
 - (b) the State/Territory petroleum title was granted under a law of a particular State or Territory; and
 - (c) at the start of the year, the Safety Authority has functions or powers under regulations of the State or Territory that substantially correspond to Part 5 of the *Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011*;
- levy is imposed on those wells.

Note: For **eligible well**, see subsections (5) and (6).

- (2) Levy imposed by subsection (1) is to be known as **annual well levy**.

- (3) Annual well levy imposed by subsection (1) is payable by the registered holder of the State/Territory petroleum title.

Amount of annual well levy

- (4) The amount of annual well levy imposed by subsection (1) in respect of one or more wells is the amount that is specified in, or worked out in accordance with, the regulations.

Eligible well

- (5) For the purposes of this section, if:
- (a) immediately before the start of a year, the well is wholly or partly situated in the title area of a State/Territory petroleum title (the *current title*); and
 - (b) the well is or was drilled under the authority of:
 - (i) the current title; or
 - (ii) a State/Territory petroleum title from which the current title is derived; and
 - (c) the well is not abandoned;
- the well is an *eligible well* in relation to the current title for that year.
- (6) For the purposes of this section, if:
- (a) during a year, a well began to be drilled in the title area of a State/Territory petroleum title (the *current title*); and
 - (b) the well was drilled under the authority of:
 - (i) the current title; or
 - (ii) a State/Territory petroleum title from which the current title is derived; and
 - (c) the well was abandoned during that year;
- the well is an *eligible well* in relation to the current title for the subsequent year.

Abandoned wells

- (7) For the purposes of this section, if regulations of a State or Territory that substantially correspond to Part 5 of the *Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011* require the commencement of the abandonment of a well to be approved by the Safety
-

Authority under those regulations of the State or Territory, disregard the abandonment unless:

- (a) the commencement of the abandonment was approved by the Safety Authority under those regulations of the State or Territory; and
- (b) if the approval was subject to conditions—the abandonment was in accordance with those conditions.

Definitions

- (8) In this section:

Commonwealth petroleum title means a petroleum title within the meaning of Schedule 3 to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

derived has the same meaning as in the provisions of the relevant State PSLA or Territory PSLA that substantially correspond to Schedule 3 to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

registered holder, in relation to a State/Territory petroleum title, means the person whose name is shown in the Register kept under the relevant State PSLA or Territory PSLA as the holder of the title.

State/Territory petroleum title means an instrument under a State PSLA or Territory PSLA that confers, in relation to the coastal waters of a State or Territory, some or all of the rights that a Commonwealth petroleum title confers in relation to the offshore area of the State or Territory.

title area has the same meaning as in the provisions of the relevant State PSLA or Territory PSLA that substantially correspond to clause 13A of Schedule 3 to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

Transitional

- (9) For the purposes of this section, if this section does not commence on a 1 January, the period:
- (a) beginning at the commencement of this section; and

- (b) ending at the end of 31 December next following that commencement;
is taken to be a year.
- (10) Subsection (6) does not apply to a well that began to be drilled before the commencement of this section.

Part 4B—Well activity levy

10C Imposition of well activity levy—Commonwealth petroleum titles

- (1) If:
 - (a) either:
 - (i) a person makes an application to the Safety Authority, under Part 5 of the *Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011*, for acceptance of a well operations management plan; or
 - (ii) a person makes an application to the Safety Authority, under Part 5 of the *Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011*, for approval to commence an activity relating to a well; and
 - (b) the person is the registered holder of a petroleum title;
levy is imposed on the application.
- (2) Levy imposed by subsection (1) is to be known as ***well activity levy***.
- (3) Well activity levy imposed by subsection (1) is payable by the person.

Amount of well activity levy
- (4) The amount of well activity levy imposed by subsection (1) on an application is the amount that is specified in, or worked out in accordance with, the regulations.

Exemption

- (5) If:
- (a) at a particular time, a person makes an application to the Safety Authority, under Part 5 of the *Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011*, for approval to commence an activity relating to a well; and
 - (b) well activity levy is imposed by subsection (1) on the application; and
 - (c) during the 6-month period beginning at that time:
 - (i) the person makes another application under that Part for approval to commence an activity relating to the well; or
 - (ii) another person who has become the registered holder of a petroleum title makes an application under that Part for approval to commence an activity relating to the well;
- well activity levy is not imposed by subsection (1) on the application referred to in subparagraph (c)(i) or (ii), as the case may be.

Definitions

- (6) In this section:

petroleum title means:

- (a) a petroleum exploration permit; or
- (b) a petroleum retention lease; or
- (c) a petroleum production licence.

registered holder, in relation to a petroleum title, has the same meaning as in the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

10D Imposition of well activity levy—State/Territory petroleum titles

- (1) If:
- (a) either:

- (i) a person makes an application to the Safety Authority, under the regulations of a State or Territory that substantially correspond to Part 5 of the *Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011*, for acceptance of a well operations management plan; or
 - (ii) a person makes an application to the Safety Authority, under regulations of a State or Territory that substantially correspond to Part 5 of the *Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011*, for approval to commence an activity relating to a well; and
- (b) the person is the registered holder of a State/Territory petroleum title;
- levy is imposed on the application.
- (2) Levy imposed by subsection (1) is to be known as ***well activity levy***.
- (3) Well activity levy imposed by subsection (1) is payable by the person.

Amount of well activity levy

- (4) The amount of well activity levy imposed by subsection (1) on an application is the amount that is specified in, or worked out in accordance with, the regulations.

Exemption

- (5) If:
- (a) at a particular time, a person makes an application to the Safety Authority, under the regulations of a State or Territory that substantially correspond to Part 5 of the *Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011*, for approval to commence an activity relating to a well; and
 - (b) well activity levy is imposed by subsection (1) on the application; and
 - (c) during the 6-month period beginning at that time:

-
- (i) the person makes another application under those regulations for approval to commence an activity relating to the well; or
 - (ii) another person who has become the registered holder of a State/Territory petroleum title makes an application under those regulations for approval to commence an activity relating to the well;

well activity levy is not imposed by subsection (1) on the application referred to in subparagraph (c)(i) or (ii), as the case may be.

Definitions

- (6) In this section:

Commonwealth petroleum title means:

- (a) a petroleum exploration permit; or
- (b) a petroleum retention lease; or
- (c) a petroleum production licence.

registered holder, in relation to a State/Territory petroleum title, means the person whose name is shown in the Register kept under the relevant State PSLA or Territory PSLA as the holder of the title.

State/Territory petroleum title means an instrument under a State PSLA or Territory PSLA that confers, in relation to the coastal waters of a State or Territory, some or all of the rights that a Commonwealth petroleum title confers in relation to the offshore area of the State or Territory.

18 Section 11

Omit “7 and 8”, substitute “7, 8, 9, 10, 10A, 10B, 10C and 10D”.

[*Minister’s second reading speech made in—
House of Representatives on 24 February 2011
Senate on 22 March 2011*]

(17/11)

*Offshore Petroleum and Greenhouse Gas Storage Regulatory Levies Legislation Amendment
(2011 Measures No. 1) Act 2011 No. 27, 2011 17*