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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

OFFSHORE PETROLEUM (SAFETY LEVIES) AMENDMENT BILL 2005

EXPLANATORY MEMORANDUM

(Circulated by authority of
the Minister for Industry, Tourism and Resources,
the Hon Ian Macfarlane, MP)

OFFSHORE PETROLEUM (SAFETY LEVIES) AMENDMENT BILL 2005

GENERAL OUTLINE

The purpose of the Offshore Petroleum (Safety Levies) Amendment Bill 2005 is to amend the *Offshore Petroleum (Safety Levies) Act 2003*. There are three types of amendments:

- omitting references to the *Petroleum (Submerged Lands) Act 1967* and replacing them with the relevant reference in the proposed Offshore Petroleum Act;
- ensuring amendments or name changes to other Acts or Regulations referred to in the Act will not have any effect on key definitions in the Act; and
- transitional arrangements.

The amendments are consequential on passage of the Offshore Petroleum Bill 2005 constituting the rewrite of the *Petroleum (Submerged Lands) Act 1967* and relate principally to the fact that the new Act would have a different title than the one it replaces.

The *Offshore Petroleum (Safety Levies) Act 2003* (the Act) imposes levies on the operators of facilities engaged in exploration for, and production, processing and conveyance of, offshore petroleum. The levies relate directly to regulatory activities carried out by the National Offshore Petroleum Safety Authority and are used to fully fund the cost of the Authority's operations.

The Safety Authority was established through amendments to the *Petroleum (Submerged Lands) Act 1967*. The Safety Authority regulates occupational health and safety at, and in relation to, offshore petroleum facilities in the Commonwealth marine jurisdiction and in State and Northern Territory coastal waters.

FINANCIAL IMPACT STATEMENT

The purpose of this Bill is to make minor and machinery amendments to the *Offshore Petroleum (Safety Levies) Act 2003* that provides for full recovery of the annual operating costs of the National Offshore Petroleum Safety Authority. The amendments are consequential on the passage of the Offshore Petroleum Bill 2005. .

There are no changes to the levies provisions in the *Offshore Petroleum (Safety Levies) Act 2003* and as such, this Bill will have no financial impact on either Commonwealth revenue or expenditure.

NOTES ON INDIVIDUAL CLAUSES

Clause 1 - Short Title

This clause is a standard provision setting out the title by which this Amendment Act is to be cited if it becomes law.

Clause 2 - Commencement

This clause provides that clauses 1, 2 and 3 would commence on Royal Assent to this Bill. Schedule 1 would commence together with the bulk of the provisions in the Offshore Petroleum Bill. This is to be on a date fixed by proclamation. However, a separate proclamation of the Offshore Petroleum (Safety Levies) Amendment Act would not be required.

Clause 3 - Schedule(s)

This clause gives effect to the provisions in the Schedule to this Act.

Schedule 1 – Amendments

PART 1 – AMENDMENTS

The amendments in this Part relate to references to the *Petroleum (Submerged Lands) Act 1967* in the *Offshore Petroleum (Safety Levies) Act 2003* (the Act) and the addition of provisions to preserve the currency of key definitions in respect of a safety case in force in relation to a facility and a pipeline safety management plan in force in relation to a pipeline.

The purpose of this Part is to amend the Act to change references to the Petroleum (Submerged Lands) Act to the appropriate references in the proposed Offshore Petroleum Act and to ensure that if regulations referred to in certain definitions are renamed, that definition is amended by omitting the old name and substituting the new name. The proposed Offshore Petroleum Act replaces the Petroleum (Submerged Lands) Act as the relevant Act governing offshore petroleum safety regulation, which necessitates the changes to the references.

Items 1 to 23: Section 3; Section 4; Section 4(note); Subsection 5(4)(note); Subsection 5(8); Subsection 6(4)(note); Subsection 6(8); Subsection 7(3)(note); Subsection 7(8)

These amendments omit references to the Petroleum (Submerged Lands) Act in section 3 of the Act, which sets out a number of definitions, and replace them with the relevant Act and Part, Schedule or clause reference in the Offshore Petroleum Bill.

Item 24 - At the end of Section 7

This amendment adds a paragraph to the end of Section 7 of the Safety Levies Act. The paragraph stipulates that if the regulations referred to in the definition of a “safety case in force in relation to a facility” (defined in subsection 8) are renamed because of the new name of the Act they are under, the old name is automatically substituted with the new name of the regulations. This will ensure that the references to regulations in the definition remain current.

Item 25 - Subsection 8(3)(note)

This amendment omits a section reference to the Petroleum (Submerged Lands) Act and replaces it with the relevant clause reference in the Offshore Petroleum Bill.

Item 26 - At the end of Section 8

This item inserts an identical amendment to the one added at the end of section 7, but in this item it is in relation to the imposition of safety case levy in designated coastal waters, whereas section 7 imposes the levy in relation to Commonwealth waters.

Item 27 to 29 - Subsection 9(3)(note); Subsection 9(8)

These amendments omit Act and section references to the Petroleum (Submerged Lands) Act and replace them with the relevant Act and clause references in the Offshore Petroleum Bill.

Item 30 - At the end of Section 9

This amendment adds a paragraph to the end of Section 9. The paragraph stipulates that if the regulations referred to in the definition of a “pipeline safety management plan in force in relation to a pipeline” (defined in subsection 8) are renamed because of the new name of the Act they are under, the old name is automatically substituted with the new name of the regulations. This will ensure that the references to regulations in the definition remain current.

Item 31 - Subsection 10(3)(note)

This amendment omits a section reference to the Petroleum (Submerged Lands) Act and replaces it with the relevant clause reference in the Offshore Petroleum Bill.

Item 32 - At the end of Section 10

This item inserts an identical amendment to the one added at the end of section 9, but in this item it is in relation to the imposition of pipeline safety management plan levy in designated coastal waters, whereas section 9 imposes the levy in relation to Commonwealth waters.

PART 2 - APPLICATION AND TRANSITIONAL PROVISIONS

The purpose of this Part is to clarify transitional arrangements in relation to the payment of levies before and after the amendments in this Bill come into force.

Item 33 - Application – safety investigation levy

The purpose of this transitional provision is to stipulate that amendments made by this Bill apply only to levies associated with accidents or occurrences that occur *after* these amendments come into force (in accordance with the commencement information table in clause 2). Levies associated with accidents or occurrences that occurred *before* the commencement of these amendments remain subject to the provisions of the *Offshore (Safety Levies) Act 2003* as it was before amendment.

Item 34 - Application – safety case levy

The purpose of this transitional provision is to stipulate that the amendments made by this Bill apply only to safety case levies applied to safety cases *after* these amendments come into force (in accordance with the commencement information table in clause 2). Levies associated with safety cases that were incurred *before* the commencement of these amendments remain subject to the provisions of the *Offshore (Safety Levies) Act 2003* as it was before amendment.

Item 35 - Application – pipeline safety management plan levy

The purpose of this transitional provision is to stipulate that the amendments made by this Bill apply only to pipeline management plan levies applied to pipeline management plans *after* these amendments come into force (in accordance with the commencement information table in clause 2). Levies associated with pipeline management plans that were incurred *before* the commencement of these amendments remain subject to the unamended *Offshore (Safety Levies) Act 2003* as it was before amendment.

Item 36 - Transitional regulations

To avoid doubt, this item clarifies that regulations associated with sections 5-10 of the Act, which are the levies provisions, will still apply until these amendments come into force.