Date Introduced: 13 September 1984
House: House of Representatives
Presented by: Hon. B.O. Jones, M.P., Minister for Science and Technology, representing the Minister for Resources and Energy

Short Digest of Bill

Purpose

To introduce provisions for exclusion of ships of over 200 tons gross tonnage from a large area surrounding the Bass Strait oil platforms, extending some 50 nautical miles from the Victorian coast; and for directions as to the rate of oil production to be given by the Joint Authority rather than the relevant State or Northern Territory Minister alone.

Background

The prospective danger to oil drilling platforms of collision with a large ship is heightened by the navigational difficulty for the ship in avoiding a single point fixed in mid-ocean. The Petroleum (Submerged Lands) Act 1967 provides for a "safety zone" of up to 500 metres radius to surround a drilling platform, with penalties for non-observance of a $100,000 fine and 10 years' imprisonment (section 119).

Advisory measures published by the International Maritime Organization in October 1982 have been generally successful in excluding shipping from the much larger area to be avoided which is specified in the Bill. The advisory exclusion extends to foreign shipping.

The amendments in the Bill define the area to be avoided, extending from the Victorian coast out to sea, and prohibit Australian shipping of over 200 tons entering that part of the area which extends beyond the limits of the territorial sea. It is intended that complementary legislation of the Victorian Parliament will similarly exclude such ships within the territorial sea to three nautical miles from the coast.
Where a state of emergency is declared in relation to the area to be avoided on grounds of a threat of terrorism, all marine vessels other than Government vessels are totally excluded.

Exclusion of shipping from the vicinity of the Bass Strait oil rigs and pipelines was proposed in 1982 in terms similar to the present Bill. The Bill introduced on that occasion lapsed with the dissolution of the Parliament for a subsequent election [see Bills Digest for Petroleum (Submerged Lands) Amendment Bill 1982].


The Bill adds a schedule specifying the area to be avoided, as marked above, by geographical co-ordinates.
The Petroleum (Submerged Lands) Act 1967 establishes a Joint Authority in respect of each State's adjacent offshore area comprising the State Minister and the Commonwealth Minister (section 8A). A Designated Authority is also established comprising the relevant State or Northern Territory Minister (section 14).

The Bill provides that both directions to licensees to vary the rate of production and directions to commence production are to be given by the Joint Authority. At present the latter is a matter for the Designated Authority.

Section 58 presently authorizes the Designated Authority to direct an increase or reduction in production "for reasons that he thinks sufficient" (subsection (3)). Subsection (4) authorizes further directions to implement the required change. The section is amended to confer these powers on the Joint Authority and to ensure that considerations of Commonwealth revenue may be validly taken into account. Existing subsection 8D(2) provides that in cases of disagreement the decision of the Commonwealth Minister may prevail.

Hence, power to make directions relating to production levels which affect Commonwealth revenue, are transferred from a State or Territory Minister to the Commonwealth and State (or Territory) Ministers jointly and, in the event of disagreement, the Commonwealth Minister alone.

The direction may specifically relate to individual pools within a licence area, rather than the whole licence area.

Section 46 is amended so that where an exploration permit is succeeded by a production licence a power to revoke the permit, potentially leaving the validity of the licence in question, no longer applies.

Main Provisions

Substantive clauses of the Bill are to commence on a date fixed by Proclamation. Clause 24 adds a new Division 6A to the Petroleum (Submerged Lands) Act 1967 and may commence when complementary Victorian legislation prohibiting shipping within the adjacent territorial sea is enacted.

The proposed Division (new sections 140A to 140G) permanently excludes registered vessels of over 200 tons gross tonnage and certain other vessels, other than
Government vessels. Where the Minister, by notice in the Gazette, declares a state of emergency, all vessels, other than Government vessels, are excluded. A penalty of a $50,000 fine and/or 5 years' imprisonment is prescribed (section 140D). Under section 140C the Designated Authority may authorize entry to the area and under section 140A, may authorize persons who may exercise powers under section 140E. Certain of these powers are exercisable only on a warrant issued by a Magistrate or in serious circumstances set out in section 140G.

Clause 12 amends section 58 to empower the Joint Authority to direct rates of recovery of petroleum to be achieved, which directions may relate to specific petroleum pools within the licence area. A new sub-section 58(5) ensures the validity of Commonwealth revenue considerations in making this decision.

Clause 8 amends the power to terminate a permit under section 46 where a production licence has been issued or applied for in respect of the block covered by the permit.

Other clauses of the Bill make a number of drafting changes.

For further information, if required, contact:

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