PETROLEUM (SUBMERGED LANDS) (ROYALTY) AMENDMENT BILL 1980

Date Introduced: 23 April 1980
House: House of Representatives
Presented by: Rt. Hon. J.D. Anthony, Minister representing the Minister for National Development and Energy

Purpose

The main purpose is to ensure that royalty payments are received by the Designated Authority on behalf of the Commonwealth; and to provide for the role of the Joint Authority in directing the Designated Authority.

Background

See Digest to the Petroleum (Submerged Lands) Amendment Bill 1980.

Main Provisions

Para 3(a) amends section 5 of the Petroleum (Submerged Lands) (Royalty) Act 1967 so that royalty is imposed by the Act rather than as a condition of the title document (substituted sub-section 5(1)) but unpaid royalty at the date of commencement under an existing title is to be paid in accordance with the conditions of the title (new sub-section 5(1A)). Royalties paid for permits or licences granted after the date of commencement are to be received by the Designated Authority on behalf of the Commonwealth (new sub-section 5(1B)). Para 3(c) inserts a new sub-section 5(7) which provides that the royalty rate for a renewed licence is the rate that would be applicable if the previous licence was continued in force.

Clause 4 substitutes a new section 6 dealing with reduction of royalty by the Joint Authority where reduced production from a well would make further production uneconomic at the existing rate of royalty. The determination of a reduction may be revoked or varied. Where the Designated Authority had made a determination under existing section 6, this continues in force until revoked or varied under the new provision.

Clause 6 inserts a new section 10A which provides that the Joint Authority may direct the Designated Authority
on the exercise of his powers of ascertaining a well-head and the value and quantity of petroleum at a well-head. The new provision is to extend to royalty periods which commenced, and even terminated, before the Bill is proclaimed.

Clause 7 inserts special provisions in section 12 dealing with Barracouta and Marlin Fields production licences so that directions may be given by the Joint Authority to the Designated Authority and licences under the section are to operate as if they contain a provision to this effect. The new provisions are to extend to royalty periods that commenced, and even terminated, before the Bill is proclaimed.

30 April 1980

Law & Government Group
LEGISLATIVE RESEARCH SERVICE