THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

OFFSHORE PETROLEUM AND GREENHOUSE GAS STORAGE (SAFETY LEVIES) AMENDMENT BILL 2009

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Resources and Energy, the Honourable Martin Ferguson AM, MP)
OFFSHORE PETROLEUM AND GREENHOUSE GAS STORAGE (SAFETY LEVIES) AMENDMENT BILL 2009

GENERAL OUTLINE

The purpose of this Bill is to remove references to the Pipeline Safety Management Plan Levy in the Offshore Petroleum and Greenhouse Gas Storage (Safety Levies) Act 2003.

Amendments to the Offshore Petroleum (Safety Levies) Regulations 2004 will in future raise a levy for pipelines as a safety case levy.

This is in effect is a name change for the levy as there will not be any other changes to levy arrangements for pipelines at this time. The amount of the levy, who pays it and when it is paid will remain the same.

These changes will facilitate pipelines being covered under safety regulations rather than under separate pipeline regulations as they are currently.

FINANCIAL IMPACT STATEMENT

The Bill will not have any financial impact on the Australian Government Budget. There are no additional costs to industry and no change to who pays the levy.
NOTES ON INDIVIDUAL CLAUSES

Clause 1 - Short title

Clause 1 is a formal provision specifying the short title of the Bill.

Clause 2 - Commencement

Sections 1 to 3 in the Bill will commence the day the Act receives Royal Assent.

Schedule 1, Parts 1 and 2 will commence on 1 January 2010. Schedule 1, Part 3 will commence the day after the Act receives Royal Assent.

As safety levies are calculated annually at the start of each calendar year it is desirable for Schedule 1, Parts 1 and 2 to come into force at the start of the new calendar year following the passage of the bill to avoid additional administrative burdens on industry. Otherwise levy payments would have to be adjusted on a pro-rata basis.

No provisions in this Bill will apply retrospectively.

Clause 3 - Schedules

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

Schedule 1 - Amendments

Items 1-3 - Subsections 7(3) and 7(8)

These items allow the continuance of arrangements for payment of levies for pipelines in Commonwealth waters by the pipeline licensee under a safety case levy. The pipeline safety management plan levy is to be removed (see Items 8-11).

Items 4-6 - Subsections 8(3) and 8(8)

These items allow the continuance of arrangements for payment of levies for pipelines in designated coastal waters by the pipeline licensee under a safety case levy.

Item 7 - Sections 7 and 8
This item sets out that the amendments in Items 1-6 apply to a safety case to the extent that is in force at or after the commencement of this item.

Items 8-11 - Title, Section 3, Part 4, Section 11

These items remove the pipeline safety management plan levy and references to it from the Act.
Item 12 - Title, Section 3, Part 4, Section 11

This item sets out that the amendments in Items 8-11 apply to a pipeline safety management plan to the extent that is in force at or after the commencement of this item.

Item 13 - Transitional

This item clarifies that in the Offshore Petroleum and Greenhouse Gas Storage (Safety Levies) Act 2003 for the period from 1 July 2008 when the Offshore Petroleum Act 2006 was proclaimed until 21 November 2008 when the Offshore Petroleum and Amendment (Greenhouse Gas Storage) Act 2008 received Royal Assent, any references to the Offshore Petroleum and Greenhouse Gas Storage Act 2006 are taken to be references to the Offshore Petroleum Act 2006.