OFFSHORE PETROLEUM AND GREENHOUSE GAS STORAGE
LEGISLATION AMENDMENT (MISCELLANEOUS MEASURES) BILL 2010

Amendments to be Moved on Behalf of the Government

SUPPLEMENTARY EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Resources and Energy,
the Honourable Martin Ferguson AM, MP)
GENERAL OUTLINE

The purpose of these Government Amendments is to help ensure the timely passage of important technical amendments to the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (the Act), including measures to augment the functions of the National Offshore Petroleum Safety Authority (NOPSA) to include regulatory oversight of non-occupational health and safety (OHS) structural integrity for facilities, wells and well related equipment.

The Government Amendments remove provisions that were to retain fees raised under the Offshore Petroleum and Greenhouse Gas (Registration Fees) Act 2006 (the Registration Fees Act) for establishment funding for a National Offshore Petroleum Regulator (NOPR). The Government announced on 5 August 2009 that a NOPR is to be established and will commence operations on 1 January 2012. To fund the establishment of a NOPR the Government intends to retain money raised from industry registration fees under the Registration Fees Act.

The Government remains committed to the establishment of a NOPR to commence operations on 1 January 2012; and will re-introduce provisions to retain fees raised under the Registration Fees Act for establishment funding for a NOPR.

These amendments also ensure that the augmentation of NOPSA’s functions are progressed in a timely fashion. Currently NOPSA has regulatory functions under the Act relating to occupational health and safety (OHS) matters arising from petroleum and greenhouse gas operations in Commonwealth waters, extending to structural integrity to the extent that it affects the safety of the offshore workforce at facilities.

These important technical amendments will strengthen and extend NOPSA’s powers and will provide regulatory clarity. It will extend NOPSA’s existing regulatory responsibilities, in relation to integrity of facilities, by including oversight for all structural integrity (non-OHS and OHS) for facilities (including pipelines), wells and well-related equipment.

FINANCIAL IMPACT STATEMENT

The Commonwealth is currently required by legislation to pass registration fees it receives through to the states and the Northern Territory, without deduction. The Government Amendments will have a slight financial impact on the Australian Government Budget. The delay in retaining registration fees due to these amendments is estimated to result in an increase of expenditure of $15.3 million in 2010-11.
NOTES ON INDIVIDUAL AMENDMENTS

Amendment (1) Clause 2, page 2 (table item 2)

Amendment (1) deletes references to Part 1 of Schedule 1 to the Bill from the commencement provisions on page 2, as this Part of Schedule 1 is to be deleted.

Amendment (2) Schedule 1, Part 1, page 3 (lines 2 to 10)

Amendment (2) deletes Part 1 of Schedule 1 to the Bill. These are the amendments that would have enabled the Commonwealth to retain fees raised under the Registration Fees Act.