

1999

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

PETROLEUM (SUBMERGED LANDS) LEGISLATION AMENDMENT BILL 1999

SUPPLEMENTARY EXPLANATORY MEMORANDUM

Amendments and new clause to be moved on behalf of the Government

(Circulated by the authority of
the Parliamentary Secretary to the Minister for Industry, Science and Resources,
the Hon Warren Entsch MP)

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OUTLINE

These amendments clarify the intention of the Petroleum (Submerged Lands) Legislation Amendment Bill 1999 by removing a number of points of ambiguity in the originally drafted wording of provisions dealing with the rights conferred by infrastructure licences.

FINANCIAL IMPACT

There is no financial impact.

NOTES ON CLAUSES

Parliamentary Amendment (1)

This amendment substitutes, in Schedule 1 item 3, the relatively lengthy definition of infrastructure facilities with short wording that refers to the definition given in the new section 5AAB, inserted by Amendment (2). This change is made for reasons of form, specifically that the definition now consists of two subsections and should appropriately be a section in its own right.

Parliamentary Amendment (2)

This amendment inserts the new section 5AAB setting out a revised definition of infrastructure facilities. This omits wording in paragraph (e) ("other than activities of a kind that can be engaged in under a permit, lease, licence or pipeline licence") that has been found to be ambiguous. This wording could be read to mean that not only are exploration and production activities excluded from the purview of infrastructure licences but also ancillary activities such as the chemical testing of petroleum, given that such ancillary activities may also be carried out under permits, leases, production licences or pipeline licences. The true intention is that related activities of this type should be allowed under infrastructure licences as well as under other titles. The exclusion of petroleum exploration and recovery from the rights conferred by infrastructure licences is now provided by the last two lines of subsection 5AAB(2).

Parliamentary Amendment (3)

This amendment adds, to the provision "Construction etc. of infrastructure facilities", the line "or as otherwise permitted by this Part" to eliminate the potential for misunderstanding about whether rights conferred by other titles such as production licences will be affected by the introduction of infrastructure licences. There are activities such as storing or preparing petroleum for transportation to another place that may currently be carried out in a production licence area under the terms of the production licence. There is no intention to change this. These are also activities that are intended to be permitted under an infrastructure licence. The addition of the abovementioned words ensures there is no doubt that any rights conferred by these other titles remain intact.

Parliamentary Amendment (4)

This amendment omits, in the provision "Rights conferred by infrastructure licence", the existing subsection 59F(2) which reads: "Nothing in an infrastructure licence authorises the holder to explore for or recover petroleum, construct a pipeline or a secondary line or do anything else that could be authorised to be done by a permit, lease, licence or pipeline licence." This sentence is omitted because it manifests the same ambiguity as is discussed under Amendment (2) above.