

1985

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

PETROLEUM (SUBMERGED LANDS) (RETENTION LEASE FEES)
AMENDMENT BILL 1985

EXPLANATORY MEMORANDUM

(Circulated by the Authority of the
Minister Representing the Minister for
Resources and Energy, the Hon. Barry O. Jones)

PETROLEUM (SUBMERGED LANDS) (RETENTION LEASE FEES) BILL 1985

Purpose

This Bill sets out the annual fees payable in relation to retention leases. It is consequential on the amendments in the Petroleum (Submerged Lands) Amendment Bill 1985 coming into operation and providing for a new form of petroleum title to be known as a retention lease. These provisions mirror the provisions of the Petroleum (Submerged Lands) (Exploration Permit Fees) Act 1967.

The level of revenue that might be raised from the award of retention leases cannot be estimated at this stage as it will depend on the number of retention leases awarded each financial year. Under the provisions of the Petroleum (Submerged Lands) Act 1967 amounts equivalent to the fees collected under this legislation in respect of leases in areas adjacent to the States and the Northern Territory are payable to the relevant State or the Northern Territory.

NOTES ON THE CLAUSES OF THE BILL

Clause 1

Short title etc

This clause provides for the short title of the legislation.

Clause 2

Commencement

The provisions of the legislation will come into operation on the day on which section 5 of the Petroleum (Submerged Lands) Amendment Act 1985 comes into operation.

Clause 3

Incorporation

This Act forms part of the Petroleum (Submerged Lands) Act 1967.

Clause 4

Lease fees

For each year of the term of the lease, a fee of \$4 500 per block will be payable to the Designated Authority by the lessee. This annual fee will be due and payable one month after the day of commencement of the lease for the first year and one month after the anniversary of that day in subsequent years. Given that retention leases are titles over potential petroleum production sites, the annual fee has been set at a level which is half the annual fee applying to blocks in a licence area.

Clause 5

Penalty for late payment

If an amount of the annual fee remains unpaid after it is due, a penalty at the rate of one-third of 1% per day on the amount unpaid will be payable by the lessee.

Clause 6

Fees and penalties debts due to the Commonwealth

Fees and penalties payable under these provisions are payable to the Commonwealth but are received by the Designated Authority on behalf of the Commonwealth. Outstanding fees and penalties can be recovered by legal process.

