

PETROLEUM AMENDMENT AND RELATED MATTERS BILL 2010

SERIAL NO. 91

LEGISLATIVE ASSEMBLY OF THE
NORTHERN TERRITORY

MINISTER FOR PRIMARY INDUSTRY, FISHERIES AND RESOURCES

EXPLANATORY STATEMENT

GENERAL OUTLINE

This Bill amends the *Petroleum Act*. The new Bill will:

- provide discretionary powers with respect to the mandatory reduction in land area required upon renewal of an exploration permit;
- allow for the more efficient processing of applications for petroleum exploration permits by only allowing competing applications if lodged on the same day; and
- ensure responsibilities for occupational health and safety issues on petroleum production sites are transferred to the *Workplace Health and Safety Act*.

NOTES ON CLAUSES

PART 1 Preliminary matters

Clause 1. Short Title

This is a formal clause which provides for the citation of the Bill. When passed the Bill will be cited as the *Petroleum Amendment and Related Matters Act 2010*.

Clause 2. Commencement

The Act commences on the date fixed by the Administrator.

PART 2 Amendment of Petroleum Act

Clause 3. Act amended

This clause amends the *Petroleum Act*.

Clause 4. Amendment of section 5 (Interpretation)

The purpose of the clause is to broaden the application of two specific definitions as they currently only apply to provisions under Part II, Division 6 (Review of determinations) of the *Petroleum Act*.

- Inserts the definition of "*aggrieved person*" into an expanded section 5 of the Act dealing with *Interpretations*. As defined later in the existing Act (at section 57AA), an aggrieved person is a person dissatisfied with a decision made under the Act e.g. in relation to the refusal to grant or renew an exploration permit and other decisions.

- Also to be inserted into section 5 is the definition of "*panel*." Under 57AA of the current Act a panel means the panel appointed under section 57AC(1) to conduct a review of a determination referred to in section 57AB(1).

Clause 5. Repeal of section 15A

Repeals existing section 15A dealing with permits for exploration permits as new provisions are being introduced.

Clause 6. Amendment of section 16 (Application for exploration permit)

Deletes existing subsections 16(2), (3) and (4) relating to applications for exploration permits. New subsections to be inserted state that:

- a person cannot apply for an exploration permit on an area that is already the subject of an exploration permit or licence, or an application for the same area lodged on an earlier business day;
- if two or more applications are lodged on the same day then both will be considered; and
- that additional information relevant to the application(s) can be sought by the Minister or delegate.

These changes are in-line with similar provisions dealing with applications within the existing *Mining Act*.

Clause 7. Section 18 (Notice of application for exploration permit)

Inserts a new subsection (1AA) stating that section 18 applies as soon as practicable after the Minister has received an application for an exploration permit, or after the Minister has received information requested under section 16(5)(b) or 16(5)(b). It also amends section 18(1) requiring the Minister to caused to be published a notice (by the applicant) with respect to the land area under application, other pertinent details, and calling for any objections to the grant of the permit.

Clause 8. Amendment of section 20 (Determination of application for exploration permit)

Omits sections 20(1), 20(2)(d) and inserts subsection 16(2) allowing the Minister to request further information in relation to an applicant or application.

Omits section 20(6) and inserts a new subsection requiring the Minister, if having refused to grant an exploration permit, to provide an applicant with a notice stating the reasons for the decision, and notifying the applicant that he may apply for a review of the determination under Division 6 (Review of determinations) of the Act.

Clause 9. Repeal of sections 21, 21A, 21B and 21D

Repeals redundant sections dealing with the determination of competing applications and refusals to grant exploration permits.

Clause 10. Amendment of section 21E (Guidelines relating to determination of applications)

Changes the heading of section 21E to “*Guidelines*” (previously “*Guidelines relating to the determination of applications*”), and ensures that the Minister must issue guidelines relating to the making, and consideration and determination of the granting of an exploration permit.

Clause 11. New section 24A (Exemption from requirement to reduce

permit area)

Inserts a new section allowing an exploration permit holder, who is seeking a renewal of an exploration permit, to apply to the Minister for an exemption from the mandatory requirement to reduce the number of blocks held [section 24(1)].

Any exemption granted can only be for a period not exceeding 12 months and an application must provide reasons as to why an exemption is being sought. An exemption may be provided for a deferral of the reduction in area, or a reduction of the permit area by a lesser number of blocks than otherwise would be required. Prior to end of a period of exemption, the permittee may apply for an extension of the exemption for a period not exceeding 12 months per application.

In making a decision to grant an exemption the Minister must be satisfied that the permittee has complied with the Act, with any conditions of the granted exploration permit, and any lawful directions given by the Minister. Further, that the exemption will assist the permittee to more effectively carry out its work program for the discovery of commercially exploitable petroleum resources. Lastly, it must also be in the interests of the Territory to grant the exemption.

The provision of a discretionary power is in-line with similar provisions dealing with applications for renewed exploration licences under the *Mining Act*.

Clause 12. Repeal of Part 3A (Occupational health and safety)

Repeals Part 3A of the Act thereby allowing responsibility for occupational health and safety matters, on petroleum production sites, to return to the agency responsible for administering the *Workplace Health and Safety Act*.

Clause 13. New Part VII (Transitional matters for Petroleum Amendment Act 2010)

This clause inserts Part VII to accommodate transitional matters for the *Petroleum Amendment Act*. Transitional matters include:

- Defining “*amendment Act*”, “*repealed*” and the “*commencement day*.”
- Ensuring that uncompleted determinations of competing applications, prior to the commencement date of the new Act, are treated as if the amendment Act had not commenced.
- That if on commencement day the Minister or an inspector (Workplace Safety Officer) is exercising a power or performing a function of the Authority

under the *Workplace Health and Safety Act*, then they can continue to do so.

Clause 14. Further amendments

This clause ensures that the Schedule detailing further amendments has effect.

PART 3 REPEAL OF PETROLEUM (OCCUPATIONAL HEALTH AND SAFETY) REGULATIONS

Clause 15. Repeal of regulations

Repeals the *Petroleum (Occupational Health and Safety) Regulations*. Occupational health and safety matters, with respect to petroleum production sites, are captured by the *Workplace Health and Safety Act* and *Regulations*.

PART 4 amendment of PETROLEUM (submerged lands) (application of commonwealth laws) REGULATIONS

Clause 16. Regulation amended

This clause amends the *Petroleum (Submerged Lands) (Application of Commonwealth Laws) Regulations*.

Clause 17. Amendment of regulation 4 (Disapplication of Territory occupational health and safety laws)

This clause omits Regulation 4(c) under the *Petroleum (Submerged Lands) (Application of Commonwealth Laws) Regulations* which cites the now repealed Part IIIA of the *Petroleum Act* which dealt with occupational health and safety matters.

