



Australian Government
Department of Resources
Energy and Tourism

AUSTRALIAN PETROLEUM NEWS

(SPECIAL EDITION) SEPTEMBER 2008

Consolidation of Regulations

The project to consolidate regulations existing under the *Petroleum (Submerged Lands) Act 1967* has now entered its final stage with policy approval being given by the Minister for Resources and Energy, The Hon Martin Ferguson AM MP to draft amendments to the regulations, which include combining existing regulations into three sets.

Completion of the consolidation project will also implement the recommendations of the Integrity Working Group and the work of the Resource Management Regulations Working Group.

An amendment bill to the *Offshore Petroleum Act 2006 (OPA)*, which includes amendments arising from the work of the Integrity Working Group and the consolidation project, is currently being prepared and will be released as an exposure draft shortly.

Commencing in the last half of 2006, the consolidation project had the key objectives of reducing duplication and unnecessary regulatory burden and providing a more integrated set of regulations.

Currently, the regulatory framework includes nine existing sets of regulations (not counting fees regulations), draft resource management regulations and residual clauses of the Schedule of Specific requirements. It is proposed these will be replaced by three new sets of regulations covering environment, safety and resource management, reporting and titles administration.

The new environment regulations will be very similar to current environment regulations. The new safety regulations will incorporate diving and occupational health and safety regulations and provide coverage for pipelines under safety case provisions. The third set of new regulations covers wells, resource management, data requirements, reporting, datum, pipelines and titles administration. The Schedule of Specific Requirements is to be revoked on the introduction of the new regulations.

Drafting instructions have been provided to the Office of Legislative Drafting and Publishing to commence amendments to the environment and safety levies regulations. It is intended that these and subsequent amendments will be circulated as exposure drafts to stakeholders progressively over the next three to four months before they are finalised. It is anticipated that the first set of regulations will be available by November with all sets drafted by early 2009.

As they are amended, the regulations will come into force under the OPA. In the interim, the current regulations made under the *Petroleum (Submerged Lands) Act 1967* remain in force under the OPA.

The contact officer for this matter is Malcolm Jamieson on telephone +61 2 6213 7334.

Customs Tariff by-law for Eastern Greater Sunrise Offshore Area

From 1 August 2008 Customs Tariff By-law 0817449 came into operation. The by-law applies to the Eastern Greater Sunrise offshore area (described in Schedule 7 of the *Offshore Petroleum Act 2006*) that straddles Australia's maritime boundary and the Joint Petroleum Development Area in the Timor Sea.

The Unitisation of the Sunrise and Troubadour Fields Agreement (the IUA) between Australia and Timor-Leste (in force from 23 February 2007) allows for the development of the petroleum resources of the Greater Sunrise field. Article 22(3) of the IUA provides for goods and equipment entering the Eastern Greater Sunrise offshore area for use in petroleum activities to be free of customs duty. The *Customs Tariff Amendment (Greater Sunrise) Act 2004* gives effect to Article 22(3) of the IUA by inserting item 22A into Schedule 4 of the *Customs Tariff Act 1995*. Item 22A provides for the duty free entry of goods as prescribed by by-law for use in petroleum activities in the Eastern Greater Sunrise Offshore Area.

By-law 0817449 prescribes those goods that will be free of customs duty as goods used in a petroleum activity (within the meaning of "petroleum activity" in the *Customs Tariff Act 1995*). It should be noted that this by-law does not cover goods used for personal domestic purposes, and users of the by-law will be ineligible for fuel tax credits on fuel entering the Eastern Greater Sunrise offshore area. The enactment of this by-law completes an important obligation for Australia under the IUA.

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