Offshore Petroleum and Greenhouse Gas Storage Amendment (Miscellaneous Matters) Act 2015

No. 33, 2015

An Act to amend the Offshore Petroleum and Greenhouse Gas Storage Act 2006, and for other purposes

Note: An electronic version of this Act is available in ComLaw (http://www.comlaw.gov.au/)
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Offshore Petroleum and Greenhouse Gas Storage Amendment (Miscellaneous Matters) Act 2015

No. 33, 2015

An Act to amend the Offshore Petroleum and Greenhouse Gas Storage Act 2006, and for other purposes

[Assented to 2 April 2015]

The Parliament of Australia enacts:
1 Short title

This Act may be cited as the *Offshore Petroleum and Greenhouse Gas Storage Amendment (Miscellaneous Matters) Act 2015*.

2 Commencement

(1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

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<td>Provisions</td>
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<tr>
<td>1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table</td>
<td>The day this Act receives the Royal Assent.</td>
<td>2 April 2015</td>
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<td>2. Schedule 1, Parts 1, 2 and 3</td>
<td>The day after this Act receives the Royal Assent.</td>
<td>3 April 2015</td>
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<td>3. Schedule 1, Part 4, Division 1</td>
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<td>4. Schedule 1, Part 4, Division 2</td>
<td>The day after this Act receives the Royal Assent.</td>
<td>3 April 2015</td>
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<td>5. Schedule 1, Part 5</td>
<td>The later of: (a) the start of the day after this Act receives the Royal Assent; and (b) immediately after the commencement of the <em>Offshore Petroleum and Greenhouse Gas Storage Amendment (Miscellaneous Measures) Act 2015</em>.</td>
<td>3 April 2015 (paragraph (a) applies)</td>
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</tbody>
</table>

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.
(2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

3 Schedules

Legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.
Schedule 1—Amendments

Part 1—Extension of the terms of permits and leases etc.

Division 1—Amendments


1 Subsection 102(2) (note 4)
   Omit “or exemption”.

2 Subsection 102(2) (after note 4)
   Insert:

   Note 4A: For a special rule about the extension of the duration of a petroleum exploration permit pending a suspension decision, see section 265A.

3 Subsection 139(2) (note 4)
   Omit “or exemption”.

4 Subsection 139(2) (after note 4)
   Insert:

   Note 4A: For a special rule about the extension of the duration of a petroleum retention lease pending a suspension decision, see section 265A.

5 After subsection 264(1)
   Insert:

   (1A) An application under item 1 of the table in subsection (1) for a variation of any of the conditions to which a permit, lease or licence is subject may be set out in the same document as an application under that item for a suspension of any of the conditions to which the permit, lease or licence is subject.

6 After subsection 264(2)
   Insert:
(2A) A variation under subsection (2) may be in the same notice as a suspension under that subsection.

7 Subsection 264(3)

Repeal the subsection, substitute:

(3) Subsection (2) does not authorise the giving of a notice to the extent that it would affect a condition of a petroleum exploration permit, petroleum retention lease or petroleum production licence requiring compliance with the Royalty Act.

Notice of refusal of application

(3A) If:
(a) an application is made under item 1 of the table in subsection (1); and
(b) the Joint Authority refuses the application;
the Joint Authority must:
(c) by written notice given to the applicant, notify the applicant of the refusal; and
(d) do so as soon as practicable after the refusal.

8 Section 265

Repeal the section, substitute:

265 Extension of term of petroleum exploration permit or petroleum retention lease—suspension of conditions

Scope

(1) This section applies if, under section 264, the Joint Authority decides to suspend any of the conditions to which a petroleum exploration permit or petroleum retention lease is subject.

Extension of term

(2) If the Joint Authority considers that the circumstances make it reasonable to do so, the Joint Authority may extend the term of the permit or lease by a period that the Joint Authority considers appropriate.
(3) In considering what period of extension may be appropriate, the Joint Authority must have regard to:
   (a) the length of the period of suspension; and
   (b) such other matters (if any) as the Joint Authority considers relevant.

(4) The extension may be:
   (a) in the notice of suspension; or
   (b) by a later written notice given to the permittee or lessee.

(5) Subsection (2) has effect subject to this Chapter but despite:
   (a) in the case of a petroleum exploration permit—section 102; and
   (b) in the case of a petroleum retention lease—section 139.

265A Extension of term of petroleum exploration permit or petroleum retention lease pending decision on application for suspension of conditions

(1) If:
   (a) a petroleum exploration permittee or a petroleum retention lessee applies for a suspension of any of the conditions to which the permit or lease is subject; and
   (b) the permit or lease would, apart from this subsection, expire before the Joint Authority makes a decision on the application;

   the permit or lease continues in force until the Joint Authority makes a decision on the application.

(2) If the Joint Authority refuses the application, the permit or lease continues in force until the end of:
   (a) the period of 2 months that began when notice of the refusal was given to the permittee or lessee; or
   (b) such longer period as the Joint Authority allows.

(3) If a petroleum exploration permit or a petroleum retention lease continues in force during a period under subsection (2), the permittee or lessee is not entitled to make an application during that period for a suspension of any of the conditions to which the permit or lease is subject.
(4) Subsections (1) and (2) have effect subject to this Chapter but despite:

(a) in the case of a petroleum exploration permit—section 102; and

(b) in the case of a petroleum retention lease—section 139.

Note: See the notes at the end of sections 102 and 139.

9 **Subsection 293(2) (note 4)**

Omit “or exemption”.

10 **Subsection 293(2) (after note 4)**

Insert:

Note 4A: For a special rule about the extension of the duration of a greenhouse gas assessment permit pending a suspension decision, see section 437A.

11 **Subsection 322(3) (note 5)**

Omit “or exemption”.

12 **Subsection 322(3) (after note 5)**

Insert:

Note 5A: For a special rule about the extension of the duration of a greenhouse gas holding lease pending a suspension decision, see section 437A.

13 **After subsection 436(1)**

Insert:

(1A) An application under item 1 of the table in subsection (1) for a variation of any of the conditions to which a permit, lease or licence is subject may be set out in the same document as an application under that item for a suspension of any of the conditions to which the permit, lease or licence is subject.

14 **Subsection 436(3)**

Repeal the subsection, substitute:

(3) A variation under subsection (2) may be in the same notice as a suspension under that subsection.
Schedule 1 Amendments

Part 1 Extension of the terms of permits and leases etc.

Notice of refusal of application

(3A) If:

(a) an application is made under item 1 of the table in subsection (1); and

(b) the responsible Commonwealth Minister refuses the application;

the responsible Commonwealth Minister must:

(c) by written notice given to the applicant, notify the applicant of the refusal; and

(d) do so as soon as practicable after the refusal.

15 Section 437

Repeal the section, substitute:

437 Extension of term of greenhouse gas assessment permit or greenhouse gas holding lease—suspension of conditions

Scope

(1) This section applies if, under section 436, the responsible Commonwealth Minister decides to suspend any of the conditions to which a greenhouse gas assessment permit or greenhouse gas holding lease is subject.

Extension of term

(2) If the responsible Commonwealth Minister considers that the circumstances make it reasonable to do so, the responsible Commonwealth Minister may extend the term of the permit or lease by a period that the responsible Commonwealth Minister considers appropriate.

(3) In considering what period of extension may be appropriate, the responsible Commonwealth Minister must have regard to:

(a) the length of the period of suspension; and

(b) such other matters (if any) as the responsible Commonwealth Minister considers relevant.

(4) The extension may be:
(a) in the notice of suspension; or
(b) by a later written notice given to the permittee or lessee.

(5) Subsection (2) has effect subject to this Chapter but despite:
(a) in the case of a greenhouse gas assessment permit—section 293; and
(b) in the case of a greenhouse gas holding lease—section 322.

437A Extension of term of greenhouse gas assessment permit or greenhouse gas holding lease pending decision on application for suspension of conditions

(1) If:
(a) a greenhouse gas assessment permittee or a greenhouse gas holding lessee applies for a suspension of any of the conditions to which the permit or lease is subject; and
(b) the permit or lease would, apart from this subsection, expire before the responsible Commonwealth Minister makes a decision on the application;
the permit or lease continues in force until the responsible Commonwealth Minister makes a decision on the application.

(2) If the responsible Commonwealth Minister refuses the application, the permit or lease continues in force until the end of:
(a) the period of 2 months that began when notice of the refusal was given to the permittee or lessee; or
(b) such longer period as the responsible Commonwealth Minister allows.

(3) If a greenhouse gas assessment permit or a greenhouse gas holding lease continues in force during a period under subsection (2), the permittee or lessee is not entitled to make an application during that period for a suspension of any of the conditions to which the permit or lease is subject.

(4) Subsections (1) and (2) have effect subject to this Chapter but despite:
(a) in the case of a greenhouse gas assessment permit—section 293; and
(b) in the case of a greenhouse gas holding lease—section 322.
Division 2—Application provisions

16 Application—extension of term of permits and leases

(1) Sections 265 and 437 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (as amended by this Part) apply in relation to a suspension if notice of the suspension was given after the commencement of this item.

(2) The repeal of sections 265 and 437 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* by this Part does not affect an extension if notice of the extension was given before the commencement of this item.

(3) Sections 265A and 437A of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (as amended by this Part) apply in relation to an application for a suspension if the application is made after the commencement of this item.

Note: See the notes at the end of sections 293 and 322.
Part 2—Automatic revocation of a petroleum exploration permit to the extent to which it relates to a block not taken up etc.

**Offshore Petroleum and Greenhouse Gas Storage Act 2006**

17 At the end of subsection 141(4)

Add:

Note: Section 188 deals with the consequences of a failure to make an application within the application period.

18 Subparagraph 142(b)(ii)

Repeal the subparagraph, substitute:

(ii) the recovery of petroleum from that area is not, at the time of the application, commercially viable; and

(iii) the recovery of petroleum from that area is likely to become commercially viable within 15 years after that time;

19 Subsection 143(2)

After “as to”, insert “one or more of”.

20 Paragraph 143(3)(b)

After “as to”, insert “one or more of”.

21 Subsection 143(3)

Omit “as to which the Joint Authority is not satisfied as mentioned in paragraph 142(b)”, substitute “covered by paragraph (b) of this subsection”.

22 At the end of paragraph 169(3)(b)

Add “and”.

23 After paragraph 169(3)(b)

Insert:
Schedule 1 Amendments

Part 2 Automatic revocation of a petroleum exploration permit to the extent to which it relates to a block not taken up etc.

(ba) the reason for the refusal is that the Joint Authority is not satisfied as to the matter referred to in subparagraph 142(b)(ii);

24 Subsection 169(3) (note)
Repeal the note, substitute:

Note: Section 188 deals with the consequences of a failure to make an application within the application period.

25 Subsection 188(1) (heading)
Repeal the heading, substitute:

Permittee does not apply for a petroleum production licence or a petroleum retention lease

26 Paragraph 188(1)(b)
Repeal the paragraph, substitute:

(b) the permittee does not:
   (i) within the application period mentioned in subsection 169(1), make the application; or
   (ii) within the application period mentioned in subsection 141(3), apply under section 141 for a petroleum retention lease;

27 Paragraph 188(1)(d)
Omit “the application period”, substitute “whichever is the later of the application periods mentioned in paragraph (b)”.

28 Subsection 188(1) (note)
Repeal the note.

29 After subsection 188(1)
Insert:

Permittee does not apply for a petroleum production licence

(1A) If:
(a) a petroleum exploration permittee applies under section 141 for a petroleum retention lease in relation to a block or blocks; and
(b) a notice refusing to grant the petroleum retention lease is given to the permittee under section 143; and
(c) the reason for the refusal is that the Joint Authority is not satisfied as to the matter referred to in subparagraph 142(b)(ii); and
(d) after the section 143 notice is given, the permittee does not, within the application period mentioned in subsection 169(3), apply under section 168 for a petroleum production licence in relation to that block or those blocks;

then:
(e) the petroleum exploration permit is revoked to the extent to which it relates to that block or those blocks; and
(f) the revocation has effect at the end of the application period mentioned in subsection 169(3).

30 At the end of paragraph 3(3)(b) of Schedule 4
Add “and”.

31 After paragraph 3(3)(b) of Schedule 4
Insert:
(ba) the reason for the refusal is that the Joint Authority is not satisfied as to the matter referred to in subparagraph 142(b)(ii);

32 Subclause 3(3) of Schedule 4 (note)
Repeal the note, substitute:
Note: Clause 8 deals with the consequences of a failure to make an application within the application period.

33 Subclause 8(1) of Schedule 4 (heading)
Repeal the heading, substitute:
Schedule 1  Amendments

Part 2  Automatic revocation of a petroleum exploration permit to the extent to which it relates to a block not taken up etc.

Permittee does not apply for a petroleum production licence or a petroleum retention lease

34 Paragraph 8(1)(b) of Schedule 4
Repeal the paragraph, substitute:

(b) the permittee does not:
   (i) within the application period mentioned in subclause 3(1), make the application; or
   (ii) within the application period mentioned in subsection 141(3), apply under section 141 for a petroleum retention lease;

35 Paragraph 8(1)(d) of Schedule 4
Omit “the application period”, substitute “whichever is the later of the application periods mentioned in paragraph (b)”.

36 Subclause 8(1) of Schedule 4 (note)
Repeal the note.

37 After subclause 8(1) of Schedule 4
Insert:

Permittee does not apply for a petroleum production licence

(1A) If:
   (a) a petroleum exploration permittee applies under section 141 for a petroleum retention lease in relation to a block or blocks; and
   (b) a notice refusing to grant the petroleum retention lease is given to the permittee under section 143; and
   (c) the reason for the refusal is that the Joint Authority is not satisfied as to the matter referred to in subparagraph 142(b)(ii); and
   (d) after the section 143 notice is given, the permittee does not, within the application period mentioned in subclause 3(3), apply under clause 2 for a petroleum production licence in relation to that block or those blocks;

then:
Amendments Schedule 1
Automatic revocation of a petroleum exploration permit to the extent to which it relates to a block not taken up etc. Part 2

(e) the petroleum exploration permit is revoked to the extent to which it relates to that block or those blocks; and
(f) the revocation has effect at the end of the application period mentioned in subclause 3(3).
Part 3—Revocation of locations

Division 1—Amendments


38 Subsection 132(6)
   Repeal the subsection.

39 Paragraph 132(7)(a)
   Omit “or forming part of”.

40 Paragraph 132(7)(b)
   Repeal the paragraph, substitute:
   (b) the reason, or one of the reasons, for the refusal is that:
      (i) the Joint Authority is not satisfied as to the matter referred to in subparagraph 142(b)(i); or
      (ii) the Joint Authority is not satisfied as to the matter referred to in subparagraph 142(b)(iii);

41 Subsection 132(7) (note)
   Repeal the note, substitute:
   Note: For the grounds for granting a petroleum retention lease, see section 142.

42 After subsection 132(7)
   Insert:
   (7A) If:
      (a) the Joint Authority refuses to grant a petroleum retention lease in relation to a block or blocks forming part of a location; and
      (b) the reason, or one of the reasons, for the refusal is that:
         (i) the Joint Authority is not satisfied as to the matter referred to in subparagraph 142(b)(i); or
(ii) the Joint Authority is not satisfied as to the matter referred to in subparagraph 142(b)(iii);

the Joint Authority must, by notice published in the Gazette, revoke the declaration of the location to the extent to which the declaration relates to:

(c) if subparagraph (b)(i) of this subsection applies—the block or blocks in relation to which the Joint Authority is not satisfied as to the matter referred to in subparagraph 142(b)(i); or

(d) if subparagraph (b)(ii) of this subsection applies—the block or blocks in relation to which the Joint Authority is not satisfied as to the matter referred to in subparagraph 142(b)(iii).

Note: For the grounds for granting a petroleum retention lease, see section 142.

43 At the end of paragraph 132(8)(d)
Add “and”.

44 After paragraph 132(8)(d)
Insert:

(e) the Joint Authority refuses to grant a petroleum production licence in relation to the remaining block or blocks; and

(f) the reason for the refusal is that the Joint Authority is not satisfied that the area comprised in any one or more of the remaining block or blocks contains petroleum;

45 Subsection 132(8)
Omit “relates to the remaining block or blocks”, substitute “relates to the block or blocks covered by paragraph (f)”.

46 At the end of section 132
Add:

Revocation if petroleum production licence refused

(9) If:

(a) an application for the grant of a petroleum production licence has been made under:

(i) section 168 or 170; or
Schedule 1 Amendments

Part 3 Revocation of locations

(ii) clause 2 or 4 of Schedule 4; and
(b) the application specifies a block or blocks; and
(c) the Joint Authority refuses to grant a petroleum production licence in relation to the block or blocks; and
(d) the reason for the refusal is that the Joint Authority is not satisfied that the area comprised in the block or blocks contains petroleum; and
(e) the block or blocks constitute or form part of a location;
the Joint Authority must, by notice published in the Gazette:
(f) in a case where the block constitutes, or the blocks constitute, the location—revoke the declaration of the location; or
(g) in a case where the block forms, or the blocks form, part of the location—revoke the declaration of the location to the extent to which the declaration relates to the block or blocks.

Division 2—Application provisions

47 Application—revocation of locations

(1) The repeal of subsection 132(6) of the Offshore Petroleum and Greenhouse Gas Storage Act 2006 by this Part applies in relation to the grant of a petroleum retention lease if the grant occurs after the commencement of this item.

(2) The amendments of subsection 132(7) of the Offshore Petroleum and Greenhouse Gas Storage Act 2006 made by this Part apply in relation to a refusal to grant a petroleum retention lease if the refusal occurs after the commencement of this item.

(3) Subsection 132(7A) of the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (as amended by this Part) applies in relation to a refusal to grant a petroleum retention lease if the refusal occurs after the commencement of this item.

(4) The amendments of subsection 132(8) of the Offshore Petroleum and Greenhouse Gas Storage Act 2006 made by this Part apply in relation to the grant of a petroleum production licence if the grant occurs after the commencement of this item.

(5) Subsection 132(9) of the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (as amended by this Part) applies in relation to a
refusal to grant a petroleum production licence if the refusal occurs after the commencement of this item.
Part 4—Changes to the boundary of the coastal waters of a State or Territory

Division 1—Amendments commencing on 20 June 2014


48 After subsection 11(1)

Insert:

(1C) If:

(a) a petroleum retention lease has been granted on the basis that an area (the relevant area) is within the offshore area of a State or the Northern Territory; and

(b) as a result of a change to the boundary of the coastal waters of the State or Territory, the relevant area:
   (i) ceases to be within the offshore area of the State or Territory; and
   (ii) falls within the coastal waters of the State or Territory; and

(c) immediately before the change, the relevant area was a part of the lease area;

then, in determining what constitutes the renewal, or the grant of a renewal, of the lease, item 2 of the table in subsection (1) has effect as if:

(d) the lease had been varied to exclude from the lease area any area that is not within the offshore area of the State or Territory; and

(e) the variation had taken effect immediately after the change.

Note: This means that an application for renewal of the lease may be made, and the lease may be renewed, as if the lease had been so varied.

(1D) For the purposes of subsection (1C):

(a) disregard section 283; and

(b) it is immaterial whether the change occurred before, at or after the commencement of this subsection.
49 Validation

A petroleum retention lease that was granted, or purportedly granted:

(a) by way of renewal; and
(b) before the day after this Act receives the Royal Assent;

is as valid and effective as it would have been if subsections 11(1C) and (1D) of the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (as amended by this Division) had been in force at all material times before that day.

Division 2—Amendments commencing on the day after Royal Assent


50 Section 7

Insert:

boundary-change petroleum exploration permit means a petroleum exploration permit granted under Division 4A of Part 2.2.

fixed-term State/Territory petroleum production title means a State/Territory petroleum production title that was granted for a term of years.

51 Section 7 (at the end of the definition of petroleum exploration permit)

Add:

; or (d) a boundary-change petroleum exploration permit.

52 Section 7 (at the end of the definition of post-commencement petroleum production licence)

Add:

; or (d) a petroleum production licence granted under section 183A; or
(e) a petroleum production licence that was granted by way of renewal, where the original petroleum production licence was granted under section 183A.
Schedule 1  Amendments
Part 4  Changes to the boundary of the coastal waters of a State or Territory

53 Section 7 (at the end of the definition of post-commencement petroleum retention lease)
Add:
; or (c) a petroleum retention lease granted under section 152A; or
(d) a petroleum retention lease that was granted by way of renewal, where the original petroleum retention lease was granted under section 152A.

54 Section 7
Insert:

State/Territory petroleum exploration title means an instrument under a law of a State or the Northern Territory that confers, in relation to the coastal waters of the State or Territory, rights that correspond to the rights that a petroleum exploration permit confers in relation to the offshore area of the State or Territory.

State/Territory petroleum production title means an instrument under a law of a State or the Northern Territory that confers, in relation to the coastal waters of the State or Territory, rights that correspond to the rights that a petroleum production licence confers in relation to the offshore area of the State or Territory.

State/Territory petroleum retention title means an instrument under a law of a State or the Northern Territory that confers, in relation to the coastal waters of the State or Territory, rights that correspond to the rights that a petroleum retention lease confers in relation to the offshore area of the State or Territory.

55 Before subsection 11(1C)
Insert:

(1A) If:
(a) a petroleum exploration permit has been granted on the basis that an area (the relevant area) is within the offshore area of a State or the Northern Territory; and
(b) as a result of a change to the boundary of the coastal waters of the State or Territory, the relevant area:
(i) ceases to be within the offshore area of the State or Territory; and
Amendments  Schedule 1
Changes to the boundary of the coastal waters of a State or Territory  Part 4

(ii) falls within the coastal waters of the State or Territory;
and
(c) immediately before the change, the relevant area was a part of the permit area;
then, in determining what constitutes the renewal, or the grant of a renewal, of the permit, item 1 of the table in subsection (1) has effect as if:
(d) the permit had been varied to exclude from the permit area any area that is not within the offshore area of the State or Territory; and
(e) the variation had taken effect immediately after the change.
Note: This means that an application for renewal of the permit may be made, and the permit may be renewed, as if the permit had been so varied.

(1B) For the purposes of subsection (1A):
(a) disregard section 283; and
(b) it is immaterial whether the change occurred before, at or after the commencement of this subsection.

56 After subsection 11(1D)

Insert:

(1E) If:
(a) a petroleum production licence has been granted on the basis that an area (the relevant area) is within the offshore area of a State or the Northern Territory; and
(b) as a result of a change to the boundary of the coastal waters of the State or Territory, the relevant area:
   (i) ceases to be within the offshore area of the State or Territory; and
   (ii) falls within the coastal waters of the State or Territory; and
(c) immediately before the change, the relevant area was a part of the licence area;
then, in determining what constitutes the renewal, or the grant of a renewal, of the licence, item 3 of the table in subsection (1) has effect as if:
Schedule 1  Amendments

Part 4  Changes to the boundary of the coastal waters of a State or Territory

(d) the licence had been varied to exclude from the licence area any area that is not within the offshore area of the State or Territory; and

(e) the variation had taken effect immediately after the change.

Note: This means that an application for renewal of the licence may be made, and the licence may be renewed, as if the licence had been so varied.

(1F) For the purposes of subsection (1E):

(a) disregard section 283; and

(b) it is immaterial whether the change occurred before, at or after the commencement of this subsection.

57 Section 96

Omit:

- There are 3 types of petroleum exploration permits:
  (a) a petroleum exploration permit granted on the basis of work program bidding (a *work-bid petroleum exploration permit*);
  (b) a petroleum exploration permit granted on the basis of cash bidding (a *cash-bid petroleum exploration permit*);
  (c) a petroleum exploration permit granted over a surrendered block or certain other blocks (a *special petroleum exploration permit*).

substitute:

- There are 4 types of petroleum exploration permits:
  (a) a petroleum exploration permit granted on the basis of work program bidding (a *work-bid petroleum exploration permit*);
  (b) a petroleum exploration permit granted on the basis of cash bidding (a *cash-bid petroleum exploration permit*);
  (c) a petroleum exploration permit granted over a surrendered block or certain other blocks (a *special petroleum exploration permit*);
Amendments Schedule 1
Changes to the boundary of the coastal waters of a State or Territory Part 4

(d) a petroleum exploration permit granted as a result of a change in the boundary of the coastal waters of a State or Territory (a *boundary-change petroleum exploration permit*).

(58) **After subsection 99(2)**

Insert:

(2A) Subsection (1) does not apply to a boundary-change petroleum exploration permit.

(59) **At the end of section 99**

Add:

*Boundary-change petroleum exploration permits*

(17) The Joint Authority may, by written notice given to the permittee of a boundary-change petroleum exploration permit, vary the permit by imposing one or more conditions to which the permit is subject.

(18) A notice under subsection (17) must be given within 14 days after the grant of the permit.

(19) A variation under subsection (17) takes effect on the day on which notice of the variation is given to the permittee.

(20) If:

(a) the grant of a boundary-change petroleum exploration permit is consequential on a State/Territory petroleum exploration title ceasing to be in force as mentioned in paragraph 118A(2)(b) or (3)(b); and

(b) the State/Territory petroleum exploration title is of a kind that corresponds to a work-bid petroleum exploration permit or a special petroleum exploration permit;

any or all of the conditions mentioned in subsection (21) of this section may be specified in:

(c) the boundary-change petroleum exploration permit; or
(d) a petroleum exploration permit granted under Division 5 by
way of the renewal of the boundary-change petroleum
exploration permit.

(21) The following conditions are specified for the purposes of
subsection (20):

(a) conditions requiring the permittee to carry out work in, or in
relation to, the permit area (including conditions requiring the
permittee to carry out the work during a period of 12 months
or longer, or during periods each of which is 12 months or
longer);

(b) conditions relating to the amounts that the permittee must
spend in carrying out such work;

(c) conditions requiring the permittee to comply with directions
that:

(i) relate to the matters covered by paragraphs (a) and (b); and

(ii) are given in accordance with the permit.

(22) Subsection (20) does not limit subsection (10) or (17).

(23) If:

(a) the grant of a boundary-change petroleum exploration permit
is consequential on a State/Territory petroleum exploration
title ceasing to be in force as mentioned in
paragraph 118A(2)(b) or (3)(b); and

(b) the State/Territory petroleum exploration title is of a kind that
corresponds to a cash-bid petroleum exploration permit;
the conditions mentioned in subsection (24) of this section must
not be specified in:

(c) the boundary-change petroleum exploration permit; or

(d) a petroleum exploration permit granted under Division 5 by
way of the renewal of the boundary-change petroleum
exploration permit.

(24) The following conditions are specified for the purposes of
subsection (23):

(a) conditions requiring the permittee to carry out work in, or in
relation to, the permit area;
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(b) conditions requiring the permittee to spend particular amounts on the carrying out of work in, or in relation to, the permit area.

60 Subsection 102(1) (table item 1, column headed “This kind of permit...”)
After “original petroleum exploration permit”, insert “(other than a boundary-change petroleum exploration permit)”.

61 Subsection 102(1) (at the end of the table)
Add:

3  a boundary-change petroleum exploration permit granted under subsection 118A(4) for the period of 5 years beginning on the day on which the permit is granted.

4  a boundary-change petroleum exploration permit granted under subsection 118A(5) for the period of 12 months beginning on the day on which the permit is granted.

62 After Division 4 of Part 2.2
Insert:

Division 4A—Obtaining a boundary-change petroleum exploration permit

118A Grant of boundary-change petroleum exploration permit

Scope

(1) This section applies if:

(a) a State/Territory petroleum exploration title has been granted by a State or the Northern Territory on the basis that an area (the relevant area) is within the coastal waters of the State or Territory; and

(b) as a result of a change to the boundary of the coastal waters of the State or Territory, the relevant area:

(i) ceases to be within the coastal waters of the State or Territory; and

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(ii) falls within the offshore area of the State or Territory; and

(c) either:
   (i) the conditions set out in subsection (2) are satisfied; or
   (ii) the conditions set out in subsection (3) are satisfied.

(2) The conditions mentioned in subparagraph (1)(c)(i) are:
   (a) one or more, but not all, of the section 33 blocks that were covered by the State/Territory petroleum exploration title immediately before the change are in the relevant area; and
   (b) the title subsequently ceases to be in force at the same time (the relevant time):
      (i) as to all of the section 33 blocks that were covered by the title immediately before the change and that are in the coastal waters of the State or Territory; and
      (ii) otherwise than as the result of the cancellation or surrender of the title.

(3) The conditions mentioned in subparagraph (1)(c)(ii) are:
   (a) all of the section 33 blocks that were covered by the State/Territory petroleum exploration title immediately before the change are in the relevant area; and
   (b) the title subsequently ceases to be in force at the same time (the relevant time):
      (i) as to all of the section 33 blocks that were covered by the title immediately before the change; and
      (ii) otherwise than as the result of the cancellation or surrender of the title.

Grant of permit where titleholder entitled to apply for renewal of the State/Territory petroleum exploration title

(4) If:
   (a) assuming that:
      (i) the change to the boundary of the coastal waters of the State or Territory had not occurred; and
      (ii) the relevant area had remained in the coastal waters of the State or Territory;
the holder of the State/Territory petroleum exploration title would have been entitled to apply under a State PSLA or Territory PSLA for the renewal of the title in relation to all of the section 33 blocks that are:
(iii) covered by the title; and
(iv) in the relevant area; and
(b) there are one or more section 33 blocks (the relevant section 33 blocks) that:
   (i) correspond to the section 33 blocks covered by paragraph (a); and
   (ii) are in the offshore area of the State or Territory; and
   (iii) are not the subject of a variation under section 267A;
the Joint Authority is taken:
(c) to have granted the holder a petroleum exploration permit over those relevant section 33 blocks; and
(d) to have done so immediately after the relevant time mentioned in whichever of subsection (2) or (3) is applicable.

Note: For the duration of the petroleum exploration permit, see item 3 of the table in subsection 102(1).

Grant of permit where titleholder not entitled to apply for renewal of the State/Territory petroleum exploration title

(5) If:
   (a) assuming that:
      (i) the change to the boundary of the coastal waters of the State or Territory had not occurred; and
      (ii) the relevant area had remained in the coastal waters of the State or Territory;
the holder of the State/Territory petroleum exploration title would not have been entitled to apply under a State PSLA or Territory PSLA for the renewal of the title in relation to all of the section 33 blocks that are:
(iii) covered by the title; and
(iv) in the relevant area; and
(b) there are one or more section 33 blocks (the relevant section 33 blocks) that:
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(i) correspond to the section 33 blocks that were covered by the State/Territory petroleum exploration title immediately before the change; and
(ii) are in the offshore area of the State or Territory; and
(iii) are not the subject of a variation under section 267A;
the Joint Authority is taken:
(c) to have granted the holder a petroleum exploration permit over those relevant section 33 blocks; and
(d) to have done so immediately after the relevant time mentioned in whichever of subsection (2) or (3) is applicable.

Note: For the duration of the petroleum exploration permit, see item 4 of the table in subsection 102(1).

Certain provisions to be disregarded

(6) For the purposes of subsections (4) and (5), disregard any of the following provisions of a State PSLA or Territory PSLA:
(a) standard halving rules;
(b) modified halving rules;
(c) a provision of a kind specified in the regulations.

Deemed section 33 block

(7) If, after the change to the boundary of the coastal waters of the State or Territory:
(a) a part of a section 33 block that was covered by the State/Territory petroleum exploration title immediately before the change is in the coastal waters of the State or Territory; and
(b) the remaining part of the section 33 block is in the offshore area of the State or Territory;
then, for the purposes of this section (other than this subsection), each of those parts is taken to constitute, and to have always constituted, a section 33 block.

(8) An assumption in paragraph (4)(a) or (5)(a) does not affect subsection (7).
Definitions

(9) In this section:

section 33 block means:

(a) a block constituted as provided by section 33; or
(b) if a graticular section is wholly within the area that was
   covered by the State/Territory petroleum exploration title—
   the graticular section; or
(c) if a part only of a graticular section is within the area that was
   covered by the State/Territory petroleum exploration title—
   that part of the graticular section.

Note: See also subsection (7).

State PSLA has the same meaning as in Part 6.9.

Territory PSLA has the same meaning as in Part 6.9.

63 After paragraph 119(2)(c)

Insert:

(ca) section 122A (limits on renewal of boundary-change
   petroleum exploration permits);

64 At the end of section 122

Add:

(3) Despite subsection (2):

(a) the standard halving rules in section 123; and
(b) the modified halving rules in section 124;

do not apply to an application for renewal of a petroleum
exploration permit if:

(c) the permit was granted on the basis that an area (the relevant
area) was within the offshore area of a State or the Northern
Territory; and

(d) as a result of a change to the boundary of the coastal waters
of the State or Territory, the relevant area:
   (i) ceased to be within the offshore area of the State or
   Territory; and

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(ii) fell within the coastal waters of the State or Territory; and
(e) immediately before the change, the relevant area was a part of the permit area.

(4) For the purposes of subsection (3):
(a) disregard section 283; and
(b) it is immaterial whether the change occurred before, at or after the commencement of this subsection.

65 After section 122

Insert:

122A Limits on renewal of boundary-change petroleum exploration permits

(1) If:
(a) the grant of a boundary-change petroleum exploration permit under subsection 118A(4) is consequential on a State/Territory petroleum exploration title ceasing to be in force as mentioned in paragraph 118A(2)(b) or (3)(b); and
(b) the State/Territory petroleum exploration title was granted otherwise than by way of renewal;

then:
(c) the standard halving rules in section 123 apply to an application for the renewal of the permit mentioned in paragraph (a); and
(d) an application must not be made for the renewal of the permit if the Joint Authority has previously granted a renewal of the permit mentioned in paragraph (a).

(2) If:
(a) the grant of a boundary-change petroleum exploration permit under subsection 118A(4) is consequential on a State/Territory petroleum exploration title ceasing to be in force as mentioned in paragraph 118A(2)(b) or (3)(b); and
(b) the State/Territory petroleum exploration title was granted by way of renewal;
(3) If a boundary-change petroleum exploration permit was granted under subsection 118A(5), an application must not be made for the renewal of the permit.

66 At the end of subsection 123(2)

Add:

; and (c) an application for renewal that is covered by paragraph 122A(1)(c).

67 After subsection 123(2)

Insert:

(2A) Subsection (2) has effect subject to subsection 122(3).

68 After subsection 124(2)

Insert:

(2A) Subsection (2) has effect subject to subsection 122(3).

69 At the end of section 131

Add:

*Deemed declaration—area ceases to be within the coastal waters of a State or Territory*

(5) If:

(a) a boundary-change petroleum exploration permit is granted over one or more section 33 blocks; and

(b) immediately before the grant, those section 33 blocks were, or were part of, a location within the meaning of a State PSLA or Territory PSLA; and

(c) apart from this subsection, those section 33 blocks are not, and are not part of, a location within the meaning of this Act; the Joint Authority is taken:

(d) to have declared those section 33 blocks to be a location; and

(e) to have done so immediately after the grant.
(6) If:
   (a) a petroleum exploration permit is varied under section 267A so as to include in the permit area one or more section 33 blocks; and
   (b) immediately before the variation, those section 33 blocks were, or were part of, a location within the meaning of a State PSLA or Territory PSLA; and
   (c) apart from this subsection, those section 33 blocks are not, and are not part of, a location within the meaning of this Act;
the Joint Authority is taken:
   (d) to have declared those section 33 blocks to be a location; and
   (e) to have done so immediately after the variation.

Definitions

(7) In this section:

section 33 block means:
   (a) a block constituted as provided by section 33; or
   (b) if a graticular section is wholly within the area that was covered by the State/Territory petroleum exploration title—the graticular section; or
   (c) if a part only of a graticular section is within the area that was covered by the State/Territory petroleum exploration title—that part of the graticular section.

State PSLA has the same meaning as in Part 6.9.

Territory PSLA has the same meaning as in Part 6.9.

70 At the end of section 134
Add:

• A petroleum retention lease may be obtained as a result of a change to the boundary of the coastal waters of a State or Territory.

71 After subsection 136(2)
Insert:
(2A) Subsection (1) does not apply to a petroleum retention lease granted under section 152A.

72 Subsection 136(10)
Omit “or (13)”, substitute “, (13) or (20)”.

73 At the end of section 136
Add:

Petroleum retention leases obtained as a result of a change to the boundary of the coastal waters of a State or Territory

(20) The Joint Authority may, by written notice given to the lessee of a petroleum retention lease granted under section 152A, vary the lease by imposing one or more conditions to which the lease is subject.

(21) A notice under subsection (20) must be given within 14 days after the grant of the lease.

(22) A variation under subsection (20) takes effect on the day on which notice of the variation is given to the lessee.

74 Subsection 139(1)
After “petroleum retention lease”, insert “(other than a lease granted under section 152A)”.

75 After subsection 139(1)
Insert:

(1A) A petroleum retention lease granted under section 152A remains in force for the period of 5 years beginning on the day on which the lease is granted.

76 Subsection 139(2)
Omit “Subsection (1) has”, substitute “Subsections (1) and (1A) have”.

77 At the end of Division 2 of Part 2.3
Add:
Subdivision C—Obtaining a petroleum retention lease as a result of a change to the boundary of the coastal waters of a State or Territory

152A Grant of petroleum retention lease as a result of a change to the boundary of the coastal waters of a State or Territory

Scope

(1) This section applies if:

(a) a State/Territory petroleum retention title has been granted by a State or the Northern Territory on the basis that an area (the relevant area) is within the coastal waters of the State or Territory; and
(b) as a result of a change to the boundary of the coastal waters of the State or Territory, the relevant area:
   (i) ceases to be within the coastal waters of the State or Territory; and
   (ii) falls within the offshore area of the State or Territory; and
(c) either:
   (i) the conditions set out in subsection (2) are satisfied; or
   (ii) the conditions set out in subsection (3) are satisfied; and
(d) there are one or more section 33 blocks (the relevant section 33 blocks) that:
   (i) correspond to the section 33 blocks that were covered by the State/Territory petroleum retention title immediately before the change; and
   (ii) are in the offshore area of the State or Territory; and
   (iii) are not the subject of a variation under section 267A.

(2) The conditions mentioned in subparagraph (1)(c)(i) are:

(a) one or more, but not all, of the section 33 blocks that were covered by the State/Territory petroleum retention title immediately before the change are in the relevant area; and
(b) the title subsequently ceases to be in force at the same time (the relevant time):
(i) as to all of the section 33 blocks that were covered by the title immediately before the change and that are in the coastal waters of the State or Territory; and

(ii) otherwise than as the result of the cancellation or surrender of the title.

(3) The conditions mentioned in subparagraph (1)(c)(ii) are:

(a) all of the section 33 blocks that were covered by the State/Territory petroleum retention title immediately before the change are in the relevant area; and

(b) the title subsequently ceases to be in force at the same time (the relevant time):
   (i) as to all of the section 33 blocks that were covered by the title immediately before the change; and

(ii) otherwise than as the result of the cancellation or surrender of the title.

Grant of lease

(4) The Joint Authority is taken:

(a) to have granted the holder of the State/Territory petroleum retention title a petroleum retention lease over the relevant section 33 blocks; and

(b) to have done so immediately after the relevant time mentioned in whichever of subsection (2) or (3) is applicable.

Note: For the duration of the petroleum retention lease, see subsection 139(1A).

Deemed section 33 block

(5) If, after the change to the boundary of the coastal waters of the State or Territory:

(a) a part of a section 33 block that was covered by the State/Territory petroleum retention title immediately before the change is in the coastal waters of the State or Territory; and

(b) the remaining part of the section 33 block is in the offshore area of the State or Territory;
then, for the purposes of this section (other than this subsection), each of those parts is taken to constitute, and to have always constituted, a section 33 block.

Definitions

(6) In this section:

section 33 block means:
(a) a block constituted as provided by section 33; or
(b) if a graticular section is wholly within the area that was covered by the State/Territory petroleum retention title—the graticular section; or
(c) if a part only of a graticular section is within the area that was covered by the State/Territory petroleum retention title—that part of the graticular section.

Note: See also subsection (5).

State PSLA has the same meaning as in Part 6.9.

Territory PSLA has the same meaning as in Part 6.9.

78 Section 159

Omit:

- There are 3 ways in which a petroleum production licence can be granted:
  (a) grant of a petroleum production licence as a result of an application made by a petroleum exploration permittee or a petroleum retention lessee;
  (b) grant of a petroleum production licence over a surrendered block or a similar block;
  (c) grant of a petroleum production licence over an individual block in exchange for another licence that was in force over the same block.

substitute:

- There are 4 ways in which a petroleum production licence can be granted:
(a) grant of a petroleum production licence as a result of an application made by a petroleum exploration permittee or a petroleum retention lessee;
(b) grant of a petroleum production licence over a surrendered block or a similar block;
(c) grant of a petroleum production licence over an individual block in exchange for another licence that was in force over the same block;
(d) grant of a petroleum production licence as a result of a change to the boundary of the coastal waters of a State or Territory.

79 After subsection 162(2)
Insert:

(2A) Subsection (1) does not apply to a petroleum production licence granted under section 183A.

80 Subsection 162(6)
Omit “or (12)”, substitute “, (12) or (19)”.

81 At the end of section 162
Add:

Petroleum production licences obtained as a result of a change to the boundary of the coastal waters of a State or Territory

(19) The Joint Authority may, by written notice given to the licensee of a petroleum production licence granted under section 183A, vary the licence by imposing one or more conditions to which the licence is subject.

(20) A notice under subsection (19) must be given within 14 days after the grant of the licence.

(21) A variation under subsection (19) takes effect on the day on which notice of the variation is given to the licensee.
82 Subsection 165(1) (table item 1, column headed “This kind of petroleum production licence...”)  
After “1998”, insert “(other than a licence granted under section 183A)”.  

83 Subsection 165(1) (at the end of the table)  
Add:  
5 a petroleum production licence granted under section 183A for the period of 21 years beginning on the day on which the licence is granted.  

84 Subsection 165(4)  
Omit “or 3”, substitute “, 3 or 5”.  

85 After Division 4 of Part 2.4  
Insert:  

Division 4A—Obtaining a petroleum production licence as a result of a change to the boundary of the coastal waters of a State or Territory  

183A Grant of petroleum production licence as a result of a change to the boundary of the coastal waters of a State or Territory  

Scope  
(1) This section applies if:  
(a) a fixed-term State/Territory petroleum production title has been granted by a State or the Northern Territory on the basis that an area (the relevant area) is within the coastal waters of the State or Territory; and  
(b) as a result of a change to the boundary of the coastal waters of the State or Territory, the relevant area:  
(i) ceases to be within the coastal waters of the State or Territory; and  
(ii) falls within the offshore area of the State or Territory; and
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(e) either:
   (i) the conditions set out in subsection (2) are satisfied; or
   (ii) the conditions set out in subsection (3) are satisfied; and

(d) there are one or more section 33 blocks (the relevant section 33 blocks) that:
   (i) correspond to the section 33 blocks that were covered by the fixed-term State/Territory petroleum production title immediately before the change; and
   (ii) are in the offshore area of the State or Territory; and
   (iii) are not the subject of a variation under section 267A.

(2) The conditions mentioned in subparagraph (1)(c)(i) are:
   (a) one or more, but not all, of the section 33 blocks that were covered by the fixed-term State/Territory petroleum production title immediately before the change are in the relevant area; and
   (b) the title subsequently ceases to be in force at the same time (the relevant time):
      (i) as to all of the section 33 blocks that were covered by the title immediately before the change and that are in the coastal waters of the State or Territory; and
      (ii) otherwise than as the result of the cancellation or surrender of the title.

(3) The conditions mentioned in subparagraph (1)(c)(ii) are:
   (a) all of the section 33 blocks that were covered by the fixed-term State/Territory petroleum production title immediately before the change are in the relevant area; and
   (b) the title subsequently ceases to be in force at the same time (the relevant time):
      (i) as to all of the section 33 blocks that were covered by the title immediately before the change; and
      (ii) otherwise than as the result of the cancellation or surrender of the title.

Grant of licence

(4) The Joint Authority is taken:


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(a) to have granted the holder of the fixed-term State/Territory petroleum production title a petroleum production licence over the relevant section 33 blocks; and
(b) to have done so immediately after the relevant time mentioned in whichever of subsection (2) or (3) is applicable.

Note: For the duration of the petroleum production licence, see item 5 of the table in subsection 165(1).

**Deemed section 33 block**

(5) If, after the change to the boundary of the coastal waters of the State or Territory:

(a) a part of a section 33 block that was covered by the fixed-term State/Territory petroleum production title immediately before the change is in the coastal waters of the State or Territory; and
(b) the remaining part of the section 33 block is in the offshore area of the State or Territory;

then, for the purposes of this section (other than this subsection), each of those parts is taken to constitute, and to have always constituted, a section 33 block.

**Definitions**

(6) In this section:

**section 33 block** means:

(a) a block constituted as provided by section 33; or
(b) if a graticular section is wholly within the area that was covered by the fixed-term State/Territory petroleum production title—the graticular section; or
(c) if a part only of a graticular section is within the area that was covered by the fixed-term State/Territory petroleum production title—that part of the graticular section.

Note: See also subsection (5).

86 **At the end of section 184**

Add:
Licences granted under section 183A

(8) If:

(a) the grant of a petroleum production licence under section 183A is consequential on a fixed-term State/Territory petroleum production title ceasing to be in force as mentioned in paragraph 183A(2)(b) or (3)(b); and

(b) the fixed-term State/Territory petroleum production title was granted otherwise than by way of renewal;

an application must not be made for the renewal of the licence if the Joint Authority has previously granted a renewal of the licence.

(9) If:

(a) the grant of a petroleum production licence under section 183A is consequential on a fixed-term State/Territory petroleum production title ceasing to be in force as mentioned in paragraph 183A(2)(b) or (3)(b); and

(b) the fixed-term State/Territory petroleum production title was granted by way of renewal;

an application must not be made for the renewal of the licence.

87 At the end of section 188

Add:

Exception—permit affected by a change to the boundary of the coastal waters of a State or Territory

(4) This section does not apply in relation to a petroleum exploration permit if:

(a) the permit has been granted on the basis that an area (the relevant area) is within the offshore area of a State or the Northern Territory; and

(b) as a result of a change to the boundary of the coastal waters of the State or Territory, the relevant area:

(i) ceases to be within the offshore area of the State or Territory; and

(ii) falls within the coastal waters of the State or Territory; and
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(c) immediately before the change, the relevant area was a part of the permit area.

(5) For the purposes of subsection (4):
   (a) disregard section 283; and
   (b) it is immaterial whether the change occurred before, at or after the commencement of this subsection.

88 At the end of Division 1 of Part 2.11

Add:

267A Variation of Commonwealth title—including an area as the result of a change to the boundary of the coastal waters of a State or Territory

Scope

(1) This section applies if:
   (a) a State/Territory title has been granted by a State or the Northern Territory on the basis that an area (the relevant area) is within the coastal waters of the State or Territory; and
   (b) as a result of a change to the boundary of the coastal waters of the State or Territory, the relevant area:
      (i) ceases to be within the coastal waters of the State or Territory; and
      (ii) falls within the offshore area of the State or Territory; and
   (c) either:
      (i) the conditions set out in subsection (2) are satisfied; or
      (ii) the conditions set out in subsection (3) are satisfied; and
   (d) immediately before the relevant time mentioned in whichever of subsection (2) or (3) is applicable:
      (i) the State/Territory title was held by the registered holder of a Commonwealth title that corresponds to the State/Territory title; and
      (ii) at least one section 33 block covered by the Commonwealth title immediately adjoined at least one
other section 33 block that was covered by the
State/Territory title and that is in the relevant area; and
(e) before the relevant time mentioned in whichever of
subsection (2) or (3) is applicable:
   (i) the holder of the State/Territory title; and
   (ii) the registered holder of the Commonwealth title;
gave the Joint Authority a written notice electing to accept
the variation under this section of the Commonwealth title.

Note: For when a Commonwealth title corresponds to a State/Territory title,
see subsection (12).

(2) The conditions mentioned in subparagraph (1)(c)(i) are:
   (a) one or more, but not all, of the section 33 blocks that were
covered by the State/Territory title immediately before the
change are in the relevant area; and
   (b) the title subsequently ceases to be in force at the same time
      (the relevant time):
      (i) as to all of the section 33 blocks that were covered by
      the title immediately before the change and that are in
      the coastal waters of the State or Territory; and
      (ii) otherwise than as the result of the cancellation or
           surrender of the title.

(3) The conditions mentioned in subparagraph (1)(c)(ii) are:
   (a) all of the section 33 blocks that were covered by the
State/Territory title immediately before the change are in the
relevant area; and
   (b) the title subsequently ceases to be in force at the same time
      (the relevant time):
      (i) as to all of the section 33 blocks that were covered by
      the title immediately before the change; and
      (ii) otherwise than as the result of the cancellation or
           surrender of the title.

Relevant Commonwealth title

(4) If the conditions set out in paragraphs (1)(d) and (e) are met by
only one Commonwealth title, that title is the relevant
Commonwealth title for the purposes of this section.
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(5) If the conditions set out in paragraphs (1)(d) and (e) would, apart from this subsection, be met by 2 or more Commonwealth titles that have the same registered holder, the Joint Authority must, by written notice given to the registered holder, declare that one of those titles is the relevant Commonwealth title for the purposes of this section.

Variation of relevant Commonwealth title

(6) If the relevant Commonwealth title is a petroleum exploration permit:
(a) the Titles Administrator must, by written notice given to the permittee, vary the permit to include in the permit area all of the section 33 blocks that:
   (i) correspond to the section 33 blocks that were covered by the State/Territory title immediately before the change; and
   (ii) are in the offshore area of the State or Territory; and
(b) the section 33 blocks included in the permit area because of the variation are, for the remainder of the term of the permit, blocks in relation to which the permit is in force.

(7) If the relevant Commonwealth title is a petroleum retention lease:
(a) the Titles Administrator must, by written notice given to the lessee, vary the lease to include in the lease area all of the section 33 blocks that:
   (i) correspond to the section 33 blocks that were covered by the State/Territory title immediately before the change; and
   (ii) are in the offshore area of the State or Territory; and
(b) the section 33 blocks included in the lease area because of the variation are, for the remainder of the term of the permit, blocks in relation to which the lease is in force.

(8) If the relevant Commonwealth title is a fixed-term petroleum production licence:
(a) the Titles Administrator must, by written notice given to the licensee, vary the licence to include in the licence area all of the section 33 blocks that:
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(i) correspond to the section 33 blocks that were covered by the State/Territory title immediately before the change; and
(ii) are in the offshore area of the State or Territory; and
(b) the section 33 blocks included in the licence area because of the variation are, for the remainder of the term of the licence, blocks in relation to which the licence is in force.

(9) Paragraphs (6)(b), (7)(b) and (8)(b) have effect subject to this Chapter.

(10) A variation under paragraph (6)(a), (7)(a) or (8)(a) takes effect immediately after the relevant time mentioned in whichever of subsection (2) or (3) is applicable.

When a block immediately adjoins another block

(11) For the purposes of this section, a section 33 block immediately adjoins another section 33 block if:
(a) the graticular section that constitutes or includes that section 33 block and the graticular section that constitutes or includes that other section 33 block:
(i) have a side in common; or
(ii) are joined together at one point only; or
(b) that section 33 block and that other section 33 block are in the same graticular section.

When a Commonwealth title corresponds to a State/Territory title

(12) For the purposes of this section:
(a) a petroleum exploration permit granted otherwise than by way of renewal corresponds to a State/Territory petroleum exploration title granted otherwise than by way of renewal; and
(b) a petroleum retention lease corresponds to a State/Territory petroleum retention title; and
(c) a fixed-term petroleum production licence granted otherwise than by way of renewal corresponds to a fixed-term State/Territory petroleum production title granted otherwise than by way of renewal; and
(d) a petroleum exploration permit granted by way of first renewal corresponds to a State/Territory petroleum exploration title granted by way of first renewal; and
(e) a fixed-term petroleum production licence granted by way of first renewal corresponds to a fixed-term State/Territory petroleum production title granted by way of first renewal; and
(f) a petroleum exploration permit granted by way of second renewal corresponds to a State/Territory petroleum exploration title granted by way of second renewal; and
(g) a fixed-term petroleum production licence granted by way of second or subsequent renewal corresponds to a fixed-term State/Territory petroleum production title granted by way of second or subsequent renewal.

Deemed section 33 block

(13) If, after the change to the boundary of the coastal waters of the State or Territory:
   (a) a part of a section 33 block that was covered by the State/Territory title immediately before the change is in the coastal waters of the State or Territory; and
   (b) the remaining part of the section 33 block is in the offshore area of the State or Territory;
then, for the purposes of this section (other than this subsection), each of those parts is taken to constitute, and to have always constituted, a section 33 block.

Definitions

(14) In this section:

  Commonwealth title means:
  (a) a petroleum exploration permit; or
  (b) a petroleum retention lease; or
  (c) a fixed-term petroleum production licence.

  section 33 block means:
  (a) a block constituted as provided by section 33; or
(b) if a graticular section is wholly within the area that was covered by the State/Territory petroleum title concerned—the graticular section; or
(c) if a part only of a graticular section is within the area that was covered by the State/Territory petroleum title concerned—that part of the graticular section.

Note: See also subsection (13).

**State/Territory title** means:
- (a) a State/Territory petroleum exploration title; or
- (b) a State/Territory petroleum retention title; or
- (c) a fixed-term State/Territory petroleum production title.

**89 Subsection 282(1) (note)**
After “case”, insert “(for example)”.

**90 After paragraph 695M(1)(b)**
Insert:

(ba) a boundary-change petroleum exploration permit;

**91 Before paragraph 775A(2)(e)**
Insert:

(a) paragraph 267A(1)(e); or

**92 At the end of clause 8 of Schedule 4**
Add:

*Exception—permit affected by a change to the boundary of the coastal waters of a State or Territory*

(5) This clause does not apply in relation to a petroleum exploration permit if:
- (a) the permit has been granted on the basis that an area (the **relevant area**) is within the offshore area of a State or the Northern Territory; and
- (b) as a result of a change to the boundary of the coastal waters of the State or Territory, the relevant area:
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(i) ceases to be within the offshore area of the State or Territory; and
(ii) falls within the coastal waters of the State or Territory; and
(c) immediately before the change, the relevant area was a part of the permit area.

(6) For the purposes of subclause (5):
(a) disregard section 283; and
(b) it is immaterial whether the change occurred before, at or after the commencement of this subclause.
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93 Before subsection 646A(1A)

Insert:

Constitutional limits—waters within the limits of a State or Territory

94 Before subsection 646A(1)

Insert:

Limits on petroleum functions

95 Paragraph 646A(1)(a)

Omit “State functions provision”, substitute “State petroleum functions provision”.

96 Paragraph 646A(1)(c)

Repeal the paragraph, substitute:

(c) the functions mentioned in paragraph 646(b), to the extent to which it relates to occupational health and safety matters in connection with offshore petroleum operations, are conferred on NOPSEMA by or under the State PSLA or Territory PSLA, as the case may be; and

(ca) the functions mentioned in paragraph 646(gb), to the extent to which it relates to structural integrity in connection with:

(i) the exploration for petroleum; or

(ii) the recovery, processing, storage, offloading or piped conveyance of petroleum;

are conferred on NOPSEMA by or under the State PSLA or Territory PSLA, as the case may be; and
97  Paragraph 646A(1)(g)
Omit “or (gj)”.

98  Subsection 646A(1) (note 1)
Omit “State functions provision”, substitute “State petroleum functions provision”.

99  Subsection 646A(3)
Omit “State functions provision”, substitute “State petroleum functions provision”.

100 Paragraph 646A(3)(c)
Omit “646(gi); or”, substitute “646(gi).”.

101 Paragraph 646A(3)(d)
Repeal the paragraph.

102 At the end of section 646A
Add:

Limits on greenhouse gas storage functions

(5) Section 646 does not authorise NOPSEMA to perform a function that is:

(a) mentioned in paragraph 646(b) to the extent to which it relates to occupational health and safety matters in connection with offshore greenhouse gas storage operations; and

(b) conferred by or under a particular State PSLA or the Territory PSLA;

unless:

(c) there are provisions of the State PSLA or Territory PSLA, as the case may be, that substantially correspond to Schedule 3 to this Act as in force:

(i) at the commencement of this subsection; or

(ii) at any later time; and

(d) there are regulations under the State PSLA or Territory PSLA, as the case may be, that substantially correspond to
the greenhouse gas storage provisions of the *Offshore Petroleum and Greenhouse Gas Storage (Safety) Regulations 2009* as in force:

(i) at the commencement of this subsection; or
(ii) at any later time.

Note: For *greenhouse gas storage provisions*, see subsection (8).

(6) Section 646 does not authorise NOPSEMA to perform a function that is:

(a) mentioned in paragraph 646(gb) to the extent to which it relates to structural integrity in connection with:

(i) the exploration for potential greenhouse gas storage formations or potential greenhouse gas injection sites; or

(ii) the injection of a greenhouse gas substance into the seabed or subsoil; or

(iii) the permanent storage of a greenhouse gas substance in the seabed or subsoil; or

(iv) the compression, processing, offloading, piped conveyance or pre-injection storage of a greenhouse gas substance; or

(v) the monitoring of a greenhouse gas substance stored in the seabed or subsoil; and

(b) conferred by or under a particular State PSLA or the Territory PSLA;

unless there are regulations under the State PSLA or Territory PSLA, as the case may be, that substantially correspond to the greenhouse gas storage provisions of Part 5 of the *Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011* as in force:

(c) at the commencement of this subsection; or

(d) at any later time.

Note: For *greenhouse gas storage provisions*, see subsection (8).

(7) Section 646 does not authorise NOPSEMA to perform a function that is:

(a) mentioned in paragraph 646(gj); and
(b) conferred by or under a particular State PSLA or the Territory PSLA;

unless there are regulations under the State PSLA or Territory PSLA, as the case may be, that substantially correspond to the greenhouse gas storage provisions of the Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009 as in force:

(c) at the commencement of this subsection; or

(d) at any later time.

Note: For greenhouse gas storage provisions, see subsection (8).

(8) For the purposes of this section, greenhouse gas storage provisions means provisions to the extent to which they relate to:

(a) the exploration for potential greenhouse gas storage formations or potential greenhouse gas injection sites; or

(b) the injection of a greenhouse gas substance into the seabed or subsoil; or

(c) the permanent storage of a greenhouse gas substance in the seabed or subsoil; or

(d) the compression, processing, offloading, piped conveyance or pre-injection storage of a greenhouse gas substance; or

(e) the monitoring of a greenhouse gas substance stored in the seabed or subsoil.

Limits relating to cost recovery

(9) A State PSLA or the Territory PSLA must not confer functions on NOPSEMA:

(a) in connection with operations in; or

(b) in relation to the structural integrity of facilities, wells or well-related equipment located in;

so much of the designated coastal waters of the State or the Northern Territory, as the case may be, as are on the landward side of the territorial sea unless:

(c) there is an agreement between the responsible Commonwealth Minister and the responsible State Minister, or the responsible Northern Territory Minister, as the case may be, that deals with measures to be implemented by the State or the Northern Territory, as the case may be, for the

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payment of amounts to NOPSEMA in respect of the performance of some or all of those functions; and
(d) those measures have been implemented by the State or the Northern Territory, as the case may be.

(10) For the purpose of subsection (9), assume that the breadth of the territorial sea of Australia had never been determined or declared to be greater than 3 nautical miles, but had continued to be 3 nautical miles.

[Minister’s second reading speech made in—
House of Representatives on 26 February 2015
Senate on 4 March 2015]