

EXPLANATORY STATEMENT

Issued by the authority of the Minister for Resources, Energy and Tourism

Offshore Petroleum Act 2006

PROCLAMATION

Subsection 2 (1) of the *Offshore Petroleum Act 2006* (the Act) provides that sections 3 to 5 of the Act commence on a day to be fixed by Proclamation. Parts 1.2, 1.3 and 1.4, Chapters 2 to 6, Schedules 1, 2, 3, 4 and 5, Schedule 6 clauses 1 to 38 and, Schedule 6, clauses 40 to 42 of the Act, will commence at the same time as sections 3 to 5. The remainder of the Act commenced when it received Royal Assent on 29 March 2006.

The purpose of the Proclamation is to fix 1 July 2008 as the day on which items 3 to 5 of the Act commence.

The *Petroleum (Submerged Lands) Act 1967* (PSLA) has been the primary legislation for the administration of Australia's offshore petroleum resources. The PSLA is now 40 years old and, through age and many amendments, it has become complex and unwieldy. Therefore the need arose to rewrite the PSLA to provide a more user-friendly enactment to reduce compliance costs for governments and the industry. The *Offshore Petroleum Act 2006* in effect rewrote the PSLA to bring its language, style and structure up to modern standards. The Act will help ensure Australia remains one of the most attractive places in the world to explore for and develop petroleum resources. Industry and stakeholders were consulted extensively during the rewrite of the PSLA.

Schedule 1 to the *Offshore Petroleum (Repeals and Consequential Amendments) Act 2006* provides for the whole of the PSLA and associated Acts to be repealed.

The Proclamation is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.