



Express law fast track information for clients

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Two new national bodies to regulate offshore petroleum titles and operations

Two new offshore petroleum regulatory bodies – the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) and the National Offshore Petroleum Titles Administrator (Titles Administrator) – are to be established under the *Offshore [Petroleum and Greenhouse Gas Storage Amendment \(National Regulator\) Act 2011](#)* (the National Regulator Act), passed by Parliament last night.

NOPSEMA will regulate petroleum and greenhouse gas storage operations in Commonwealth waters in the Australian offshore area. The Titles Administrator will provide technical resource assessments and advice to the Joint Authorities (who grant titles in Commonwealth waters) and perform other title-related functions. Both entities are expected to commence operations on 1 January 2012.

The National Regulator Act abolishes the State and Northern Territory Designated Authorities, which have up until now combined both regulatory and resource development functions.

Background

Since 1 January 2005 the National Offshore Petroleum Safety Authority (NOPSA) has regulated occupational health and safety in Commonwealth waters under the Commonwealth Act and in State and Northern Territory coastal waters under the State and Northern Territory Petroleum (Submerged Lands) Acts. Since mid-June 2011, NOPSA has also regulated wells and well operations in Commonwealth waters.

Both the April 2009 Productivity Commission Review of Regulatory Burden on the Upstream Petroleum (Oil & Gas) Sector and the June 2010 Report of the Montara Commission of Inquiry recommended that a national offshore petroleum regulator for Commonwealth waters be established.

National Offshore Petroleum Safety and Environmental Management Authority

Principal functions

NOPSEMA will take over NOPSA's role but will have additional functions. The principal functions will be to regulate:

- occupational health and safety
- structural integrity of facilities, wells and well-related equipment
- environmental management
- day-to-day petroleum operations.

NOPSEMA will be fully funded by industry via cost recovery levies and fees.

Jurisdiction

NOPSEMA's primary jurisdiction is over Commonwealth waters: that is, waters of the territorial sea between 3 and 12 nautical miles as well as the Exclusive Economic Zone and the offshore areas of external Territories.

The States or the Northern Territory may also confer functions on NOPSEMA for designated coastal waters: that is, the first 3 nautical miles of the territorial sea adjacent to each State or Northern Territory plus (in the case of Western Australia) some historical petroleum title areas landward of the (3-mile) territorial sea baseline but external to the State.

The States and Northern Territory may also contract with NOPSEMA to provide regulatory services in any State or Northern Territory waters or onshore. Constitutional restrictions apply to onshore operations. NOPSEMA may also perform services under contract with overseas government authorities.

National Offshore Petroleum Titles Administrator

Principal functions

The Titles Administrator will hold an APS office within the Department of Resources, Energy and Tourism. The Titles Administrator will:

- provide information, assessments, analysis, reports, advice and recommendations to members of the Joint Authorities and the responsible Commonwealth Minister about the grant or revocation etc of titles and resource management and security
- collect, manage and release data
- administer titles
- approve and register transfers and dealings
- keep the registers of petroleum and greenhouse gas titles.

Jurisdiction

The Titles Administrator's jurisdiction is over Commonwealth waters and, if conferred, over States or Northern Territory designated coastal waters.

Joint Authorities

- There will be no change to the Joint Authority arrangement for petroleum titles. The Joint Authority for each State and the Northern Territory comprises the 'responsible Commonwealth Minister' and the relevant State or Northern Territory Minister. Joint Authorities make the major decisions under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* in relation to granting petroleum titles, imposing title conditions, cancellation for breach etc and core decisions about resource management and resource security. It is the Titles Administrator's principal role to advise and support the Joint Authorities when they make these decisions.

AGS was closely involved with the Department of Resources, Energy and Tourism in establishing NOPSEMA and the Titles Administrator, with one of its lawyers outposted to the Department.

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