

PETROLEUM TITLES (BROWSE BASIN) BILL 2014

Receipt and First Reading

Bill received from the Assembly; and, on motion by **Hon Ken Baston (Minister for Agriculture and Food)**, read a first time.

Second Reading

HON KEN BASTON (Mining and Pastoral — Minister for Agriculture and Food) [5.44 pm]: I move —

That the bill be now read a second time.

On 22 May 2014, Geoscience Australia wrote to the Department of Mines and Petroleum advising that a recent survey had discovered that several reefs in commonwealth waters were above mean low-water mark. This discovery has prompted changes to the state–commonwealth maritime boundaries around south Scott and north Scott—collectively known as Scott Reef—and Seringapatam Reef areas.

These boundary changes came into effect from 20 May 2014 and affect commonwealth and state petroleum retention leases around Scott Reef, and two commonwealth exploration permits in the Seringapatam Reef area. The changes are not confined to Western Australia and could happen elsewhere in the future, and neither state nor commonwealth petroleum legislation currently provides for significant boundary changes such as these. The purpose of the bill is to provide the legislative framework to allow for a smooth transition of tenure at the time of renewal of the commonwealth titles in the Scott Reef and Seringapatam Reef areas where jurisdictional boundaries have changed. The bill also provides for the creation of like-for-like equivalent state titles where parts of commonwealth titles previously existed. The approach taken in the bill is for stand-alone legislation due to the unique circumstances of the state petroleum titles in the Scott Reef and Seringapatam Reef areas.

Scott Reef and Seringapatam Reef lie approximately 450 kilometres north of Broome in an area of the Indian Ocean known as the Browse Basin. Located off the north-west coast of Western Australia, the highly prospective Browse Basin is home to a large number of gas and condensate discoveries, a number of which are being developed as liquefied natural gas projects. Large areas of the basin are covered by commonwealth petroleum titles, under which lie extensive gas fields. Scott Reef is located in the Torosa gas field area. The petroleum titles in the Scott Reef area are held by the Woodside Browse joint venture, whilst to the north, Seringapatam Reef lies over part of the Kronos–Poseidon gas field held by the ConocoPhillips Australia joint venture. In the Scott Reef area, these titles consist of one commonwealth retention lease and two state retention leases. Retention leases are titles that are awarded for non-commercial petroleum discoveries that are likely to become commercial within 15 years. In the Seringapatam Reef area, there are two active commonwealth exploration permits. The current terms of the three Scott Reef retention leases end on 23 December 2014. The terms of the Seringapatam exploration permits end in August 2015 and October 2016 respectively.

Without the provisions in the bill, due to the boundary change, some areas currently under a commonwealth lease or permit would become vacant upon renewal. With the reduction of the area of commonwealth retention lease WA–30–R upon renewal on or after 24 December 2014, the existing state retention leases TR/5 and R2 will expand to cover all of the area previously covered by the commonwealth retention lease. In the north Scott Reef area, the increase in the state area also requires the creation of a new small exploration permit under the Petroleum (Submerged Lands) Act 1982 to cover part of commonwealth exploration permit WA–315–P, currently held by the ConocoPhillips Australia joint venture. This action will occur at the time of the renewal of WA–315–P in October 2015.

To the north, the Seringapatam Reef area is covered by two commonwealth exploration permits, WA–315–P and WA–398–P. Although there are currently no state permits in this area, the bill provides for the grant of two state exploration permits when the existing commonwealth titles are renewed in 2015 and 2016 respectively.

As for the new title at the extreme tip of the north Scott Reef area, this action occurs in a like-with-like manner. This renewal will lead to the creation of a title covering the waters within the Seringapatam Reef lagoonal area under the jurisdiction of the Petroleum and Geothermal Energy Resources Act 1967. At the same time, a second state exploration permit will be granted over the newly available area under the Petroleum (Submerged Lands) Act 1982. In order to avoid creating a separate Petroleum (Submerged Lands) Act 1982 exploration permit over a much smaller area at the time of renewal of WA–398–P in 2016, the bill provides that upon renewal of WA–398–P, this area will join the Petroleum (Submerged Lands) Act 1982 exploration permit granted in 2015, as the area is held by the same titleholders.

I turn to the key elements of the bill. The bill covers four discrete areas. Firstly, the bill deals with the commencement provisions and the terms used for the bill; secondly, the bill deals with the petroleum titles in the Scott and north Scott Reef areas; part 3 of the bill deals with the petroleum titles in the Seringapatam Reef area,

where the state currently has no titles; and the final part of the bill deals with the transitional provisions required for the bill.

In conclusion, the purpose of the bill is to provide the legislative framework to allow for a smooth transition of tenure at the time of renewal of the commonwealth titles in the Scott Reef and Seringapatam Reef areas where jurisdictional boundaries have changed. By providing for the creation of like-for-like titles where required, the bill removes any sovereign risk that could arise from a loss of tenure.

Pursuant to standing order 126(1), I advise that this bill is not a uniform legislation bill. It does not ratify or give effect to an intergovernmental or multilateral agreement to which the government of the state is a party; nor does this bill, by reason of its subject matter, introduce a uniform scheme or uniform laws throughout the commonwealth.

I commend the bill to the house and I table the explanatory memorandum.

Debate adjourned, pursuant to standing orders.

[See paper 2209.]

House adjourned at 5.50 pm
