

PETROLEUM AND GEOTHERMAL ENERGY SAFETY LEVIES AMENDMENT BILL 2012

Receipt and First Reading

Bill received from the Assembly; and, on motion by **Hon Simon O'Brien (Minister for Finance)** on behalf of the Minister for Mines and Petroleum, read a first time.

Second Reading

HON SIMON O'BRIEN (South Metropolitan — Minister for Finance) [8.27 pm]: I move —

That the bill be now read a second time.

The purpose of the bill is to amend the Petroleum and Geothermal Energy Safety Levies Act 2011 to expand the current levy system to include regulatory activities performed in relation to the submerged lands adjacent to the coast of Western Australia. This will enable the adequate funding of the regulator to provide for services rendered in relation to occupational safety and health laws under the Petroleum (Submerged Lands) Act 1982.

A cost-recovery regime to establish ample long-term funding towards regulating occupational safety and health for the onshore petroleum industry was achieved via the introduction of the Petroleum and Geothermal Energy Safety Levies Act 2011 and the Petroleum and Geothermal Energy Safety Levies Regulations 2011, both of which came into effect on 1 January 2012. Also coming into effect on 1 January 2012 was legislation amending the Petroleum (Submerged Lands) Act 1982, and its pursuant regulations, to revoke the functions and powers of the National Offshore Petroleum Safety Authority and to reinstate the state, via the Resources Safety division of the Department of Mines and Petroleum, as the safety regulator in the submerged lands adjacent to the coast of Western Australia.

This recent conferral of responsibility for the administration and enforcement of the Petroleum (Submerged Lands) Act 1982 has increased the workload of the Resources Safety division of the Department of Mines and Petroleum and has resulted in an increased strain on resources. Now that the state has responsibility for regulating occupational safety and health in this area, it is imperative that the petroleum safety levies legislation is amended to enable cost recovery under the Petroleum (Submerged Lands) Act 1982, via the imposition of safety levies upon industry operating in the adjacent waters. The model of cost recovery set out in the bill is a simplified version of the NOPSA offshore levy model, which is accepted by industry. Industry operating under the Petroleum (Submerged Lands) Act 1982 was paying levies to NOPSA under that model up until 1 January 2012 when responsibility for the legislation transferred to the state. Currently, approximately 20 operators will be affected by the levies. The levies introduced by this bill follow the model of the levies already in force in the Petroleum and Geothermal Energy Safety Levies Act 2011.

The main provisions of the bill are briefly outlined as follows. Clauses 1 to 5 of the bill set out the short title, the commencement provision and amendments to the long title of the act and the definitions used in the act. Clauses 6 to 8 of the bill set out minor administrative amendments to the provisions imposing the existing safety case levy and renaming it for clarity. Clause 9 of the bill sets out the structure of the three new safety levies payable, creating a new division for each new levy. Proposed division 3 states that a levy will be payable when a safety case is in force for a facility. This is payable by the operator of the facility and the amount of levy payable will be worked out in accordance with the regulations. Proposed division 4 states that a levy will be payable when a pipeline management plan is in force for a pipeline. This is payable by the pipeline licensee and the amount of levy payable will be worked out in accordance with the regulations. Proposed division 5 states that a levy will be payable when there is an accepted diving safety management system. This is payable by the diving contractor and the amount of levy payable will be worked out in accordance with the regulations. Clauses 10 to 12 of the bill set out minor administrative amendments required for clarity and to accommodate the new provisions.

The resources industry in Australia is continuing to develop and expand, and plays an important role in the growth of this state. It is imperative that the government is able to continue to deliver world-class services and ensure best practice safety regulation. Now that the state is responsible for the administration of the Petroleum (Submerged Lands) Act 1982, it is vital that cost recovery be instated for these services. The amendments to the Petroleum and Geothermal Energy Safety Levies Act 2011 contained in this bill will enable the safety regulator to continue to provide services commensurate with what industry expects and needs.

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.

[See paper 4665.]

Debate adjourned, pursuant to standing orders.