

**Petroleum (Submerged Lands)
Amendment (Permits and Leases)
Bill 2005**

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The object of this Bill is to amend the *Petroleum (Submerged Lands) Act 1982 (the NSW Act)*:

(a) to limit to two the maximum number of renewals of exploration permits for petroleum, and

(b) to reduce from two to one the number of requests that the Minister may make during the term of a retention lease for petroleum for the lessee to conduct a re-evaluation of the commercial viability of petroleum production in the lease area.

These proposed amendments are to be made in consequence of the enactment of Commonwealth legislation and in pursuance of paragraph (d) of the Preamble to the NSW Act.

This Bill also transfers to the Act the effect of a savings provision concerning the method by which the adjacent area of New South Wales is determined. This Bill repeals the Regulation that currently contains that provision.

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on the date of assent.

Clause 3 is a formal provision that gives effect to the amendments to the *Petroleum (Submerged Lands) Act 1982* set out in Schedules 1 and 2.

Clause 4 repeals the *Petroleum (Submerged Lands) Savings Regulation 2000* as a consequence of the amendments made by Schedule 2 [1] and [2].

Schedule 1 Amendments relating to permits and leases

Schedule 1 [1] and [2] limit to two the maximum number of renewals of an exploration permit for petroleum. The amendments do not apply to existing permits.

Schedule 1 [3] reduces from two to one the number of requests that the Minister may make during the term of a retention lease for petroleum for the lessee to conduct a re-evaluation of the commercial viability of petroleum production in the lease area.

Schedule 1 [7] ensures that the amendment made by Schedule 1 [3] applies in respect of existing leases.

Schedule 1 [4]–[6] provides for the making of savings and transitional regulations consequent on the enactment of the proposed Act.

Schedule 2 Amendments by way of statute law revision

Schedule 2 [1] and [2] transfer to the *Petroleum (Submerged Lands) Act 1982* the effect of a savings provision in the *Petroleum (Submerged Lands) Savings Regulation 2000*. That provision was made to ensure that the area identified in the NSW Act as **the adjacent area** of New South Wales did not change as a consequence of the repeal and re-enactment of section 7 of the NSW Act by the *Survey (Geocentric Datum of Australia) Act 1999*, which changed the method used to determine positions from the Australian Geodetic Datum to the Geocentric Datum of Australia.

Schedule 2 [3] updates an outdated reference.