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Oil and gas industry welcomes Government's responses to Montara, Productivity Commission reports

The Australian oil and gas industry has welcomed the Australian Government's responses to reports by the Productivity Commission and the Montara Commission of Inquiry.

Australian Petroleum Production & Exploration Association (APPEA) Chief Executive, Belinda Robinson, said: "Both of these reports have major implications for the oil and gas industry.

"Industry and government need a strong understanding of what happened at Montara and what can be done to reduce the chance of a similar incident occurring ever again. We also need a more efficient regulatory regime that continues to attract vital investment in Australia's oil and gas resources without compromising health, safety or environmental outcomes."

In a 2009 report, the Productivity Commission found that current regulatory arrangements for the industry were overly complex, imposing unnecessary regulatory burdens and increasing costs.

"Significantly the Commission believes that a 50 per cent reduction in approval times is achievable and an across-the-board one-year reduction in total approval time for major projects could increase future national income by billions of dollars each year," Ms Robinson said.

Last year, the Montara Commission of Inquiry found Australia's offshore oil and gas regulatory regime to be seriously wanting in its oversight of safety and environmental management. This reinforced the findings of the Productivity Commission and made a compelling case for setting up a single integrated offshore regulatory authority for these critical operational areas.

"Government and industry now have a great opportunity to develop new regulatory frameworks that comprehensively address efficiency, safety and environmental concerns," Ms Robinson said.

"Legislation to establish the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) and the National Offshore Petroleum Titles Administrator (NOPTA) – announced by Minister for Resources and Energy, Martin Ferguson, today – is a big step forward in this important task.

"APPEA looks forward to closely examining the detail of these new regulatory agencies to confirm that appropriate funding, accountability and governance arrangements are in place – factors that both the Productivity Commission and the Montara Commission of Inquiry identified as being very important."

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The Australian Petroleum Production & Exploration Association represents the upstream oil and gas industry in Australia. APPEA member companies produce around 98 per cent of Australia's oil and gas.