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16 JAN 2007
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15 January 2007

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Dear Ms Morris

Inquiry into the Native Title Amendment Bill 2006

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Thank you for providing the Australian Petroleum Production & Exploration Association (APPEA) the opportunity to make a submission to the Parliamentary inquiry into the Native Title Amendment Bill 2006 to the *Native Title Act 1993* ('NTA').

INTERNET
<http://www.appea.com.au>

APPEA is the peak national body representing the collective interests of companies engaged in petroleum exploration, development and production. The Association's membership comprises companies that account for around 98 per cent of Australia's petroleum production and the vast majority of exploration.

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The industry has embarked on a coordinated initiative to maximise the contribution that the oil and gas sector can make to the well-being of Australians and the economy. Through this Industry Strategy, *Australia's upstream oil and gas industry: A Platform for Prosperity*, industry, governments and the community are working closely together to identify challenges and opportunities to ensure the above goals are achieved in relation to land access issues. The Australian Government is a key participant in this process. APPEA would envisage a range of actions will arise as part of the process that will have policy implications.

Timely access to undertake exploration and appraisal activities on resources is critical for industries such as the upstream oil and gas sector. With investment decisions made many years in advance of activities, the commercial terms for the access need to be agreed in advance as well to limit the level of sovereign risk to the commercial parties. In the case of oil and gas exploration and development, the investment decisions are made well in advance of any exploration effort on a 'full life-cycle' basis. Therefore, it is imperative for the oil and gas industry to obtain a conjunctive agreement to both explore and develop, in the case of making a commercial discovery, oil and gas resources. This conjunctive right is expressed in parent legislation which administers the oil and gas industry in both Federal and State/Territory jurisdictions and has been the subject of many successful native title agreements.

Over the many years that the NTA has been in place, the oil and gas industry has worked closely with Federal, State/Territory governments, native title representative bodies and native title holders and claimants to achieve the best possible outcome for both the industry and the community.

APPEA welcomes the amendments to the NTA as embodied in the Native Title Amendment Bill 2006. While we agree with all the amendments we would like to highlight the following:

Native Title Representative Bodies

We believe that these amendments will further enhance the operability and functioning of the native title representative bodies, providing them with sufficient scope to undertake the responsibility of representing their indigenous constituents. This is essential so as to ensure that the oil and gas industry can commence negotiations under the NTA through the auspices of the native title representative bodies.

Behaviour of Parties

The Bill contemplates statutory obligations for parties to mediate in 'good faith'. This, in APPEA's view, will encourage all parties to behave responsibly during any negotiation process under the NTA.

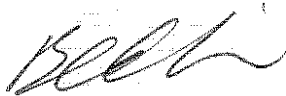
Respondent Funding Schemes

APPEA welcomes the possibility of financial assistance to respondents including for the development of template agreements such as those relating to the right to negotiate process. Some of our member companies would particularly benefit from this assistance, which would assist them in the legal process of negotiations and reaching an agreement under the NTA.

We look forward to the proclamation of these amendments in due course.

Please contact Mr Rangarajan Parimala, Director, Exploration and Access for any further details regarding this submission.

Yours sincerely



Belinda Robinson
CHIEF EXECUTIVE