

BARROW ISLAND AMENDMENT BILL 2013 EXPLANATORY MEMORANDA

Overview of the Bill

The *Barrow Island Amendment Bill 2013* amends the *Barrow Island Act 2003* to increase the area of uncleared land available for gas processing project purposes on Barrow Island from 300 hectares to 332 hectares, and ratifies “2013 variation agreement” to the *Gorgon Gas Processing and Infrastructure Project Agreement*, providing the Gorgon Joint Venturers with the use of the additional 32 hectares.

Clause 1. Short title

The short title of the Act will be the *Barrow Island Amendment Act 2013*.

Clause 2. Commencement

Proposed sections 1 and 2 of the Act will come into operation on assent. The rest of the proposed Act will commence on the day after assent.

Clause 3. Act amended

Clause 3 provides that this is an Act to amend the *Barrow Island Act*.

Clause 4. Long title amended

Clause 4 amends the long title to insert “332” hectares for “300” hectares which is the area of uncleared land available for gas processing project purposes on Barrow Island.

Clause 5. Section 3 amended

Clause 5 amends the definitions in section 3 in two parts.

1. It inserts a new definition of “2013 variation agreement” which is the amendment to the *Gorgon Gas Processing and Infrastructure Project Agreement*.
2. Clause 5 also amends the definition of the *Gorgon Gas Processing and Infrastructure Project Agreement* to recognise and incorporate the “2013 variation agreement” amendments.

Clause 6. Section 5 amended

Clause 6 amends section 5, inserting a subsection to ratify the “2013 variation agreement”

Clause 7. Section 9 amended

Clause 7 amends section 9 to increase the area of uncleared land available for gas processing project purposes from 300 hectares to 332 hectares.

Clause 8. Schedule 2 inserted

Clause 8 provides for the insertion of the “2013 variation agreement” at Schedule 2.

GORGON GAS PROCESSING AND INFRASTRUCTURE PROJECT VARIATION AGREEMENT DATED 21 OCTOBER 2013

Parties

The State of Western Australia (“the State”) and Chevron (TAPL) Pty Ltd, Mobil Australia Resources Company Pty Ltd, Shell Development (Australia) Pty Ltd, Osaka Gas Gorgon Pty Ltd, Tokyo Gas Gorgon Pty Ltd and Chubu Electric Power Gorgon Pty Ltd (“the Joint Venturers”).

Recitals

- A. Defines the **Principal Agreement** to be the agreement dated 9 September 2003 executed between the Parties, that was subsequently varied by the Agreement dated 9 September 2009.
- B. Advises that the Parties wish to vary the Principal Agreement in accordance with the terms and conditions of this Agreement.

Clause 1. Interpretation

The words and expressions utilised in this Variation Agreement are to be interpreted in the manner that they are used in the Principal Agreement.

Clause 2(1) and 2(2)

State that except for Clause 1, 2(1) and 2(2), that the Variation Agreement will come into operation once it’s ratified by an Act of Parliament, unless it’s terminated in accordance with the terms of the agreement.

Clause 2(3)

States that a Bill to ratify the Variation Agreement must be introduced into Parliament before 31 December 2013 and that the State must endeavour to secure its passage as an Act.

Clause 2(4)

That the Variation Agreement will terminate on 30 June 2014 unless it’s ratified by an Act of Parliament or further amended subject to the agreement of the parties.

Clause 3(1)

Varies clause 1 of the Principal Agreement by replacing “300 hectares” with “332 hectares” in the definition of “Gas Processing Area”.

Clause 3(2)

Amends clause 5 of the Principal Agreement dealing with the sharing of existing infrastructure, replacing “300 hectares” with “332 hectares” in respect to the area of uncleared land available for gas development project purposes.

Clause 3(3)

Inserts a new subclause 12 in clause 6 that amends the Principal Agreement relating to the reservation of the “300 hectares” and the manner in which this uncleared land may be accessed and used.

The new clause is inserted to enable the Gorgon Joint Venturers to secure leases, licences and easements over the additional 32 hectares, subject to the Ministers approval under clause 8(7) (*that deals with variations to approved proposals*).

Clause 3(4)

Amends clause 22(1) of the Principal Agreement, replacing “300 hectares” with “332 hectares”.

The clause reinforces that: “the Parties to the Agreement may not agree to extend the Gas Processing Area beyond 332 hectares”.