



Queensland

Petroleum and Gas (Production and Safety) Amendment Regulation (No. 2) 2010

Subordinate Legislation 2010 No. 143

made under the

Petroleum and Gas (Production and Safety) Act 2004

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1 Short title

This regulation may be cited as the *Petroleum and Gas (Production and Safety) Amendment Regulation (No. 2) 2010*.

2 Commencement

This regulation commences on 30 June 2010.

3 Regulation amended

This regulation amends the *Petroleum and Gas (Production and Safety) Regulation 2004*.

4 Amendment of s 73 (Additional requirement for operator of an operating plant in or adjacent to the area of a coal mining lease)

Section 73(2)(a), ‘affect’—

omit, insert—

‘effect’.

5 Amendment of s 115A (Causing existing gas system to not comply with safety requirements)

Section 115A, example, after ‘such as’—

insert—

‘an’.

6 Amendment of ch 6, pt 2, div 2, hdg

Chapter 6, part 2, division 2, heading, ‘Audit and inspection fees’—

omit, insert—

‘**Safety and health fees**’.

[s 7]

7 Replacement of ch 6, pt 2, div 2, sdiv 1, hdg and insertion of new s 134A

Chapter 6, part 2, division 2, subdivision 1, heading—

omit, insert—

‘Subdivision 1 Purpose of fees and liability to pay fees

‘134A Purpose of safety and health fees

‘The purpose of safety and health fees is to cover the cost of the department’s activities carried out for the purposes of safety and health matters relating to operating plant during each quarter.

Note—

See the *Geothermal Exploration Act 2004*, section 132A (Application of petroleum safety provisions to geothermal exploration) and the *Greenhouse Gas Storage Act 2009*, section 4(c) (Facilitation of Act by Petroleum and Gas (Production and Safety) Act 2004).’.

8 Amendment of s 135 (Who is liable to pay an audit and inspection fee)

(1) Section 135, ‘an audit and inspection fee’—

omit, insert—

‘a safety and health fee’.

(2) Section 135(2)(a), after ‘well’—

insert—

‘, geothermal well (other than a well drilled for wet geothermal production), GHG well or UCG well’.

(3) Section 135(2)(c) and (d)—

omit, insert—

‘(c) the operator of a petroleum facility that is any of the following—

(i) a major processing facility;

-
- (ii) a facility that produces syngas;
 - (iii) a facility that produces LPG from petroleum;
 - (iv) a facility that produces LNG and—
 - (A) is not a major hazard facility under the *Dangerous Goods Safety Management Act 2001*; and
 - (B) must operate under a safety management plan;
 - (v) a facility that produces CNG and must operate under a safety management plan;
 - (vi) a facility that produces an underground gasification product;
 - (vii) a petroleum facility on an area to which a petroleum facility licence applies that is not included in subparagraphs (i) to (vi).’.
- (4) Section 135(2)—
insert—
 ‘(ea) the operator of a distribution pipeline that is not part of a distribution system;
 (eb) the operator of a GHG stream pipeline under the GHG storage Act;’.
- (5) Section 135(2)(h) to (j)—
renumber as section 135(2)(i) to (k).
- (6) Section 135(2)(g)—
omit, insert—
 ‘(g) the operator of an LPG delivery network that is an operating plant, if section 675A(1) of the Act applies for any stage of the operating plant;
 (h) the operator of an LPG delivery network that is an operating plant if paragraph (g) does not apply to the network;’.
- (7) Section 135(2)—

[s 9]

insert—

- ‘(l) the operator of a work over rig that performs well completion or maintenance work for a petroleum well, geothermal well, GHG well or UCG well;
 - (m) the holder of an authority to prospect;
 - (n) the holder of a geothermal exploration permit;
 - (o) the holder of a GHG permit;
 - (p) the operator of a facility, including a well, or a series of wells, and associated storage and injection equipment used to carry out injection of a GHG stream into the same or associated reservoirs that are part of the 1 GHG project;
 - (q) the operator of a facility that produces, processes or uses—
 - (i) biogas; or
 - (ii) gas derived from a waste disposal tip; or
 - (iii) gas derived during the treatment of sewage;
 - (r) the operator of a gas system used for special effects for entertainment or amusement purposes.’.
- (8) Section 135(3), ‘Subject to subsection (5), the’—

omit, insert—

‘The’.

- (9) Section 135(5) and (6)—

omit, insert—

- ‘(5) In this section—

category of liable person means each type of liable person mentioned in subsection (2).’.

9 Amendment of ch 6, pt 2, div 2, sdivs 3 and 4, hdgs

Chapter 6, part 2, division 2, subdivisions 3 and 4, headings, ‘audit and inspection fee’—

omit, insert—

‘safety and health fee’.

10 Amendment of s 139 (Requirement to lodge audit and inspection fee return)

(1) Section 139, heading, ‘audit and inspection fee’—

omit, insert—

‘safety and health fee’.

(2) Section 139(1)—

omit, insert—

‘(1) The person must lodge a return (a *safety and health fee return*)—

(a) for each quarter ending on 31 March, by 20 April immediately after the end of the quarter; and

(b) for each quarter ending on 30 June, by 20 July immediately after the end of the quarter; and

(c) for each quarter ending on 30 September, by 20 October immediately after the end of the quarter; and

(d) for each quarter ending on 31 December, by 20 January immediately after the end of the quarter.

Maximum penalty—20 penalty units.’.

(3) Section 139(2), ‘An audit and inspection fee’—

omit, insert—

‘A safety and health fee’.

(4) Section 139(2)(a), after ‘wells’—

insert—

‘, geothermal wells, GHG wells or UCG wells’.

(5) Section 139(2)(a), (b) and (e), ‘year’—

omit, insert—

‘quarter’.

(6) Section 139(2)(c) to (i)—

omit, insert—

- ‘(c) for a person mentioned in section 135(2)(c)—the amount of petroleum (m³) processed by the petroleum facility during the quarter; and
- (d) for a person mentioned in section 135(2)(e), (ea), (eb) or (f)—the length (km) and diameter (mm) of any of the following that was used to transport petroleum or fuel gas, or that was commissioned, during the quarter—
 - (i) a pipeline under the licence; or
 - (ii) a distribution pipeline that is not part of a distribution system; or
 - (iii) a GHG stream pipeline under the GHG storage Act; or
 - (iv) a pipeline in the distribution system; and
- (e) for a person mentioned in section 135(2)(g)—the number of LPG delivery networks operated by the person during the quarter; and
- (f) for a person mentioned in section 135(2)(h)—the maximum number of each of the following fuel gas containers owned by the person at any time during the quarter—
 - (i) fuel gas containers with a capacity less than 50L;
 - (ii) fuel gas containers with a capacity 50L or more but less than 1kL;
 - (iii) fuel gas containers with a capacity 1kL or more but less than 8kL;
 - (iv) fuel gas containers with a capacity more than 8kL; and
- (g) for a person mentioned in section 135(2)(i)—the number of times the person supplied automotive LPG to an automotive LPG site during the quarter; and
- (h) for a person mentioned in section 135(2)(j)—

-
- (i) the number of deliveries by the person of automotive LPG to automotive LPG sites during the quarter; and
 - (ii) the volume of automotive LPG delivered by the person during the quarter; and
 - (iii) the number of automotive LPG sites to which the person delivered automotive LPG during the quarter; and
- (i) for a person mentioned in section 135(2)(k)—
 - (i) the total amount of gas (TJ) consumed at the site during the quarter; and
 - (ii) the maximum consumption rate (in GJ/hr) for which the gas device is designed; and
 - (iii) the actual maximum consumption rate (in GJ/hr) of the gas device at any time during the quarter; and
 - (j) for a person mentioned in section 135(2)(l)—the total number of wells for which completion or maintenance work was performed by the person during the quarter; and
 - (k) for a person mentioned in section 135(2)(m)—the number of authorities to prospect, and the area, in square kilometres, of the authorities to prospect, held by the person during the quarter; and
 - (l) for a person mentioned in section 135(2)(n)—the number of geothermal exploration permits, and the area, in square kilometres, of the geothermal exploration permits, held by the person during the quarter; and
 - (m) for a person mentioned in section 135(2)(o)—the number of GHG permits, and the area, in square kilometres, of the GHG permits, held by the person during the quarter; and
 - (n) for a person mentioned in section 135(2)(p)—the number of GHG projects started during the quarter; and

[s 11]

- (o) for a person mentioned in section 135(2)(q)—the number of sites, operated by the person during the quarter, with facilities that produce, process or use—
 - (i) biogas; or
 - (ii) gas derived from a waste disposal tip; or
 - (iii) gas derived during the treatment of sewage; and
- (p) for a person mentioned in section 135(2)(r)—
 - (i) the number of gas systems mentioned in that section operated by the person during the quarter; and
 - (ii) the number of times the gas system was operated during the quarter; and
 - (iii) the amount of fuel gas used by the gas system during the quarter.’.

11 Amendment of s 140 (Fee for late lodgement of audit and inspection fee return)

- (1) Section 140, heading, ‘audit and inspection fee’—
omit, insert—
‘safety and health fee’.
- (2) Section 140(1)(a) and (2), ‘an audit and inspection fee’—
omit, insert—
‘a safety and health fee’.
- (3) Section 140(1)(a), ‘for a financial year’—
omit, insert—
‘under section 139’.
- (4) Section 140(1)(b), ‘audit and inspection fee’—
omit, insert—
‘safety and health fee’.
- (5) Section 140(3), ‘section 8(2)’—

omit, insert—

‘section 16(2)’.

12 Replacement of s 141 (Requirement for invoice to be given)

Section 141—

omit, insert—

‘141 Requirement for invoice to be given

‘The chief executive must give the liable person an invoice for the amount of the safety and health fee on or before 10 October after the end of the financial year.’.

13 Amendment of s 142 (Date for payment)

(1) Section 142(1)—

omit, insert—

‘(1) The safety and health fee must be paid by the liable person on or before 31 October after the end of the financial year.’.

(2) Section 142(2), ‘section 8(1)’—

omit, insert—

‘section 16(1)’.

14 Insertion of new s 142A

After section 142—

insert—

‘142A Interest payable on unpaid fees

‘(1) This section applies if a liable person does not pay an amount of a safety and health fee payable under this division.

‘(2) The liable person must pay interest on the unpaid amount at the rate of 15% a year.

‘(3) The interest must be calculated as simple interest.

[s 15]

‘(4) The interest payable on the unpaid amount may be recovered by the chief executive as a debt.’.

15 Amendment of s 143 (Notice may be given to liable person if return not lodged or is inadequate)

(1) Section 143(1) and (4), ‘an audit and inspection fee’—

omit, insert—

‘a safety and health fee’.

(2) Section 143(2)(a)(iii) ‘audit and inspection fee’—

omit, insert—

‘safety and health fee’.

16 Amendment of s 144 (Refund of overpayment of audit and inspection fee)

(1) Section 144, heading, ‘audit and inspection fee’—

omit, insert—

‘safety and health fee’.

(2) Section 144(1), ‘an audit and inspection fee’—

omit, insert—

‘a safety and health fee’.

17 Insertion of new ch 7, pt 5

Chapter 7—

insert—

‘Part 5

**Transitional provision for
Petroleum and Gas (Production
and Safety) Amendment
Regulation (No. 2) 2010**

‘169 Safety and health fee return for 2010–2011 year

- ‘(1) A liable person must lodge a return, instead of a safety and health fee return required under section 139(1)—
- (a) for the financial year ending on 30 June 2010, by 31 August 2010; and
 - (b) for the half year ending on 31 December 2010, by 20 January 2011; and
 - (c) for the quarter year ending on 31 March 2011, by 20 April 2011; and
 - (c) for the quarter year ending on 30 June 2011, by 20 July 2011.

Maximum penalty—20 penalty units.

- ‘(2) The provisions of this regulation, other than section 139(1), relating to a safety and health fee return apply for a return under subsection (1) as if the return were a safety and health fee return.
- ‘(3) However, a reference in section 139(2) to the quarter is taken to be a reference to the period to which the return required to be lodged by the liable person under subsection (1) relates.’.

18 Amendment of sch 1 (Mandatory and preferred standards for safety requirements)

Schedule 1, part 1, entry for ISO 10407, column 1, from ‘ISO 10407’ to ‘(1993)’—

omit, insert—

‘ISO 10407 ‘Petroleum and natural gas industries—Drilling and Production equipment—Drill stem design and operating limits’ (1993)’.

19 Amendment of sch 7 (Safety requirements for transporting cylinders in vehicles)

- (1) Schedule 7, part 2, section 3, heading, ‘30 litre’—

[s 20]

omit, insert—

‘30L’.

(2) Schedule 7, part 2, section 3, ‘30I’—

omit, insert—

‘30L’.

20 Replacement of sch 9, pt 8 (Audit and inspection fees)

Schedule 9, part 8—

omit, insert—

‘Part 8 Safety and health fees

‘1 Drilling wells

‘The safety and health fee payable for a financial year by the operator of an operating plant used to drill a prescribed well, geothermal well, GHG well or UCG well during the year is \$1160 for each kilometre drilled.

‘2 Well completion or maintenance work

‘The safety and health fee payable for a financial year by the operator of a work over rig that performs well completion or maintenance work for a petroleum well, geothermal well, GHG well or UCG well during the year is \$218 for each well for which completion or maintenance work was done during the year.

‘3 Exploration

‘The safety and health fee payable for a financial year by the holder of an authority to prospect, a geothermal exploration permit or a GHG permit is \$0.65 for each square kilometre of the area to which the authority or permit applies.

‘4 Producing petroleum under a petroleum lease or 1923 Act lease

‘The safety and health fee payable for a financial year by the holder of a petroleum lease, or 1923 Act lease, under which petroleum was produced during the year is \$5.23 for each terajoule of petroleum produced.

‘5 Petroleum facilities

‘(1) The safety and health fee payable for a financial year by the operator of a petroleum facility is as follows—

- (a) for the operation of a major processing facility—\$10000;
- (b) for the operation of a facility that produces syngas—\$5000;
- (c) for the operation of a facility that produces LPG from petroleum—\$7500;
- (d) for the operation of a facility that produces LNG and is not a major hazard facility under the *Dangerous Goods Safety Management Act 2001* and must operate under a safety management plan—\$7500;
- (e) for the operation of a facility that produces CNG and must operate under a safety management plan—\$3500;
- (f) for the operation of a facility that produces an underground gasification product—\$10000;
- (g) for the operation of a petroleum facility on an area to which a petroleum facility licence applies that is not included in paragraphs (a) to (f)—\$10000.

‘(2) However, if there is more than 1 facility mentioned in subsection (1)(a) to (g) operated at a single site under a single safety management plan, the operator is only required to pay—

- (a) if the fee under subsection (1) for any of the facilities is higher than the fee under that subsection for any other of the facilities—the highest of the fees; or
- (b) otherwise—only the fee for 1 of the facilities.

Example for paragraph (a)—

If there is a facility that produces syngas and a facility that produces a gasification product operated at a single site under a single safety management plan, the operator of the facilities is only required to pay a fee of \$10000 rather than fees totalling \$15000.

‘6 Facility used to carry out a GHG storage activity

‘The safety and health fee payable for a financial year by the operator of a facility, including a well, or a series of wells, and associated storage and injection equipment used to carry out injection of a GHG stream into the same or associated reservoirs that are part of the 1 GHG project is \$10000 for each GHG project for which any work was started by the operator during the year.

‘7 Pipelines

‘(1) The safety and health fee payable for a financial year by the operator of a pipeline under a pipeline licence or the operator of GHG stream pipeline under the GHG Storage Act or a distribution pipeline that is not part of a distribution system is \$0.00029 for each pipeline index for the pipeline.

‘(2) The *pipeline index* for a pipeline means the amount calculated using the following formula—

$$PI = L \times D^2$$

where—

D means the diameter (mm) of the pipeline.

L means the length (km) of the pipeline.

PI means the pipeline index.

‘8 Operating a distribution system

‘The safety and health fee payable for a financial year by the operator of a distribution system is \$152 for each kilometre of pipeline in the distribution system that was used to transport fuel gas, or was commissioned, during the year.

‘9 LPG delivery network if section 675A(1) of Act applies

‘The safety and health fee payable for a financial year by the operator of an LPG delivery network that is an operating plant, if section 675A(1) of the Act applies for any stage of the operating plant, is \$450 for each LPG delivery network.

‘10 Other LPG delivery network

‘(1) The safety and health fee payable for a financial year by the operator of an LPG delivery network that is an operating plant, if section 9 does not apply, is \$0.70 for each container index of the operator for the year.

‘(2) However—

(a) the minimum fee payable by the operator under subsection (1) for a financial year is \$3500; and

(a) the maximum fee payable by the operator under subsection (1) for a financial year is \$500000.

‘(3) The *container index* of the operator for the year must be worked out using the following formula—

$$CI = D/40 + (E \times 2) + (G \times 5) + (H \times 25)$$

where—

CI is the container index.

D is the number of fuel gas containers owned by the operator at any time during the year with a capacity less than 50L.

E is the number of fuel gas containers owned by the operator at any time during the year with a capacity of 50L or more but less than 1kL.

G is the number of fuel gas containers owned by the operator at any time during the year with a capacity of 1kL or more but less than 8kL.

H is the number of fuel gas containers owned by the operator at any time during the year with a capacity of 8kL or more.

[s 20]

‘11 Product supplier of automotive LPG

‘The safety and health fee payable for a financial year by a product supplier of automotive LPG is \$3.46 for each time the product supplier supplied automotive LPG to an automotive LPG site during the year.

‘12 Tanker delivery carrier

‘The safety and health fee payable for a financial year by a tanker delivery carrier is \$0.35 for each site the tanker delivery carrier delivers to.

‘13 Major consumer

‘The safety and health fee for a financial year by a major consumer is as follows—

- (a) for a site that has a total gas capacity of not more than 150GJ for each hour—\$7500;
- (b) for a site that has a total gas capacity of more than 150 but not more than 500GJ for each hour—\$12500;
- (c) for a site that has a total gas capacity more than 500GJ for each hour—\$15000.

‘14 Biogas or gas derived from a waste disposal tip or during treatment of sewage

‘The safety and health fee payable for a financial year by the operator of a facility that produces, processes or uses biogas or gas derived from a waste disposal tip or during the treatment of sewage is \$3500 for each site operated by the operator during the year.

‘15 Entertainment events

‘The safety and health fee payable for a financial year by the operator of a gas system used for special effects for entertainment or amusement purposes is \$1000 for each gas system operated by the person during the year.

‘16 Late fees

- ‘(1) The late fee for paying a safety and health fee after the last day for payment under section 142(1) is the lesser of the following—
- (a) \$500;
 - (b) the safety and health fee.
- ‘(2) For section 140(3), the late fee for lodging a safety and health fee return after the last day for lodging the return under section 139(1) is \$500.’.

21 Amendment of sch 12 (Dictionary)

- (1) Schedule 12, definitions *audit and inspection fee* and *audit and inspection fee return*.

omit.

- (2) Schedule 12—

insert—

‘**CNG** means compressed natural gas.

geothermal well means an exploration bore as defined under the *Geothermal Exploration Act 2004*.

GHG project means a group of facilities located in the same geographic area and used to carry out GHG injection activities operated under a single safety management plan.

GHG stream pipeline see the GHG storage Act, schedule 2.

GHG well see the GHG storage Act, schedule 2.

LNG means liquefied natural gas.

safety and health fee means a fee payable under section 135.

safety and health fee return see section 139(1).

syngas means a mixture of hydrogen, carbon monoxide and other gases (if any).

UCG well means a hole in the ground made or being made by drilling, boring or any other means as part of an underground gasification activity.

[s 21]

wet geothermal production means the recovery of geothermal energy by the extraction of hot water from a subartesian basin.’

- (3) Schedule 12, definition *major consumer*, ‘section 135(2)(j)’—
omit, insert—
‘section 135(2)(k)’.

ENDNOTES

- 1 Made by the Governor in Council on 24 June 2010.
- 2 Notified in the gazette on 25 June 2010.
- 3 Laid before the Legislative Assembly on . . .
- 4 The administering agency is the Department of Employment, Economic Development and Innovation.

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