

# **Petroleum and Gas (General Provisions) Regulation 2017**

Explanatory notes for SL 2017 No. 162

made under the

*Petroleum Act 1923*

*Petroleum and Gas (Production and Safety) Act 2004*

## **General Outline**

### **Short title**

*Petroleum and Gas (General Provisions) Regulation 2017*

### **Authorising law**

Section 149 of the *Petroleum Act 1923*

Section 859 of the *Petroleum and Gas (Production and Safety) Act 2004*

### **Policy objectives and the reasons for them**

Under section 54 of the *Statutory Instruments Act 1992*, subordinate legislation automatically expires on 1 September first occurring after the tenth anniversary of the day of its making, unless it has been repealed sooner, or an exemption regulation is made to extend its expiry date.

The *Petroleum Regulation 2004* and the *Petroleum and Gas (Production and Safety) Regulation 2004* came into effect in 2004 and have been exempted from expiry since 2014. The current exemption from expiry ends on 31 August 2017.

The *Petroleum Regulation 2004* and the *Petroleum and Gas (Production and Safety) Regulation 2004* have some, or all of the following three components:

- general provisions (predominantly consisting of notifications about the start and end of particular authorised activities for petroleum tenure or authorities, the reporting about these activities, records and samples taken during these activities, measurement tolerances for meters, annual fees and rents);
- safety and health provisions, and
- royalty provisions.

The *Petroleum Regulation 2004*, includes general provisions; and safety and health provisions.

The *Petroleum and Gas (Production and Safety) Regulation 2004*, includes general provisions; safety and health provisions and royalty provisions.

Initially, the *Petroleum Regulation 2004* and the *Petroleum and Gas (Production and Safety) Regulation 2004* were to both be remade, with the objective of extracting both the general provisions and the safety and health provisions and remaking them into stand-alone regulations. The royalty provisions were to remain in the *Petroleum and Gas (Production and Safety) Regulation 2004*. To this end, the *Petroleum and Gas (Production and Safety) Regulation 2004* has been exempted from expiry for a further 12 month period.

The safety and health provisions will remain in the *Petroleum and Gas (Production and Safety) Regulation 2004* and the safety and health provisions in the *Petroleum Regulation 2004* would be transposed to the *Petroleum and Gas (Production and Safety) Regulation 2004* via the *Petroleum and Gas (Production and Safety) and Other Legislation Amendment Regulation 2017*.

The royalty provisions are to remain in the *Petroleum and Gas (Production and Safety) Regulation 2004* until such time as Queensland Treasury carry out a State-wide review of royalties payable. Subject to a stand-alone royalty regulation being made, the *Petroleum and Gas (Production and Safety) Regulation 2004* will be allowed to expire.

The general provisions have been extracted from the *Petroleum Regulation 2004* and the *Petroleum and Gas (Production and Safety) Regulation 2004* and remade into the *Petroleum and Gas (General Provisions) Regulation 2017*.

The making of the *Petroleum and Gas (General Provisions) Regulation 2017* and the *Petroleum and Gas (Production and Safety) and Other Legislation Amendment Regulation 2017* and the continuation of the *Petroleum and Gas (Production and Safety) Regulation 2004* supports the policy objectives of the *Petroleum Act 1923* and the *Petroleum and Gas (Production and Safety) Act 2004* and will remain necessary for their continued effective operation.

## **Achievement of policy objectives**

The policy objectives will be achieved through making the following changes:

- The provisions of the existing *Petroleum Regulation 2004* and the *Petroleum and Gas (Production and Safety) Regulation 2004* have been combined and the separate components (general; safety and health; and royalty) are to ultimately be remade into three stand-alone regulations.
- The *Petroleum and Gas (General Provisions) Regulation 2017* is the first of these stand-alone regulations. Essentially, it combines the existing general provisions of the *Petroleum Regulation 2004* and the *Petroleum and Gas (Production and Safety) Regulation 2004* with a remade, consolidated and

contemporised regulation consisting of petroleum tenure or authority operational matters predominantly relating to notification about, and reporting on, authorised activities.

- Specifically, the *Petroleum and Gas (General Provisions) Regulation 2017* provides detailed requirements for matters such as reports, notices, records, samples, measurement tolerances for meters, fees and rents. This ensures, among other things, that there is an adequate level of information being supplied to the state government in relation to, and the results of, authorised activities for petroleum authorities or tenure.
- Only minor amendments are proposed to be made by the *Petroleum and Gas (General Provisions) Regulation 2017*. These amendments will be to sections that refer to versions of documents that have been updated by a newer version, to update addresses prescribed in the regulation, and amendments because of machinery of government changes or due to current drafting styles. No amendments will be made that result in a change from the original intent, interpretation or effect of the current *Petroleum Regulation 2004* and the *Petroleum and Gas (Production and Safety) Regulation 2004*.
- The *Petroleum and Gas (General Provisions) Regulation 2017* is complemented by the *Petroleum and Gas (Production and Safety) and Other Legislation Amendment Regulation 2017*. The *Petroleum and Gas (Production and Safety) and Other Legislation Amendment Regulation 2017* does this by amending the *Petroleum and Gas (Production and Safety) Regulation 2004* to remove the general provisions that are contained in the *Petroleum and Gas (General Provisions) Regulation 2017*.
- The *Petroleum and Gas (Production and Safety) and Other Legislation Amendment Regulation 2017* also transposes provisions that relate to safety and health from the *Petroleum Regulation 2004* into the *Petroleum and Gas (Production and Safety) Regulation 2004*. This will allow for the expiry of the *Petroleum Regulation 2004* on 31 August 2017.
- The *Petroleum and Gas (Production and Safety) Regulation 2004* will continue in force with the royalty, and safety and health provisions. It is proposed that the safety and health components will be remade into a stand-alone petroleum safety and health regulation prior to the expiry of the *Petroleum and Gas (Production and Safety) Regulation 2004*.

## **Consistency with policy objectives of authorising law**

The *Petroleum and Gas (General Provisions) Regulation 2017* is consistent with the policy objectives of the authorising law as it provides an administrative framework necessary to facilitate and regulate the carrying out of responsible authorised petroleum activities.

## **Inconsistency with policy objectives of other legislation**

The *Petroleum and Gas (General Provisions) Regulation 2017* is not inconsistent with the policy objectives of other legislation.

## **Alternative ways of achieving policy objectives**

Not remaking the general provisions of the *Petroleum Regulation 2004* and the *Petroleum and Gas (Production and Safety) Regulation 2004* would result in an incomplete and largely incomprehensible regulatory framework (which includes the specification of fees and rents payable) causing uncertainty to both government and to the petroleum industry.

## **Benefits and costs of implementation**

The benefits of the making of the *Petroleum and Gas (General Provisions) Regulation 2017* include the following:

- A clear distinction has been made between the general provisions; the safety and health provisions; and the royalty provisions which will be of benefit to the petroleum and gas industry and administrators;
- It supports both the *Petroleum Act 1923* and the *Petroleum and Gas (Production and Safety) Act 2004* but reduces duplication of requirements; and
- It updates references to out-of-date documents and locations of documents, and contemporises the drafting style of its provisions.

Implementing the *Petroleum and Gas (General Provisions) Regulation 2017* should not result in an increase in costs for government as administration will remain largely subject to existing processes and staffing.

## **Consistency with fundamental legislative principles**

The *Petroleum and Gas (General Provisions) Regulation 2017* has been drafted with regard to the fundamental legislative principles as defined in section 4 of the *Legislative Standards Act 1992* and is considered not to breach any fundamental legislative principles.

## **Consultation**

The Office of Best Practice Regulation within the Queensland Productivity Commission was consulted regarding the need to prepare a Regulatory Impact Statement for the remaking of the *Petroleum Regulation 2004* and the *Petroleum and Gas (Production and Safety) Regulation 2004*. The Office of Best Practice Regulation advised that the remake will involve only the removal of minor and redundant provisions with no effect on stakeholders. The Office of Best Practice Regulation considered that the remake is unlikely to result in significant impacts and no further assessment under the system guidelines is required.

Peak petroleum industry representative bodies, the Australian Petroleum Production and Exploration Association and the Queensland Resources Council, have been consulted and support the making of the *Petroleum and Gas (General Provisions)*

*Regulation 2017 and by inference, the Petroleum and Gas (Production and Safety) and Other Legislation Amendment Regulation 2017.*

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