



Queensland

Mines and Energy Legislation Amendment Regulation (No. 1) 2011

Explanatory Notes for SL 2011 No. 32

made under the

Mineral Resources Act 1989

Petroleum and Gas (Production and Safety) Act 2004

General outline

Short title

Mines and Energy Legislation Amendment Regulation (No. 1) 2011.

Authorising law

Section 859 of the *Petroleum and Gas (Production and Safety) Act 2004* (P&G Act) and section 417 of the *Mineral Resources Act 1989* (MRA).

Policy objectives and reasons for them

The policy objective of the legislation is to provide the statutory provisions for the collection of mining and petroleum royalty revenue estimates.

The legislation will provide a framework within the royalty sections of the *Mineral Resources Regulation 2003* and the *Petroleum and Gas (Production and Safety) Regulation 2004* for the collection of prospective royalty revenue estimates.

Achievement of policy objectives

Mining and petroleum royalties are paid to the Crown on a self-assessing basis once the commodity has been sold, disposed of or used.

The Government has a long-standing administrative practice of requesting forward royalty estimates from the holders of major productive mining and petroleum tenures for the purposes of compiling revenue estimates for the State Budget and for year-end accrual purposes.

Given the large size of royalty revenue collected, and the need to ensure greater compliance with requests for data, the Government determined to formalise this long-standing administrative practice. Accordingly, legislative provisions for the collection of this data were included in the *Mines and Energy Legislative Amendment Act 2011*, to provide the authority under the MRA and P&G Act. As a consequence of these legislative changes providing authority to collect royalty revenue estimates, this regulation provides a detailed framework concerning the data requirements and the relevant timeframes.

Consistency with policy objectives of authorising law

The provisions of the regulation are consistent with the policy objectives of the authorising legislation.

Inconsistency with policy objectives of other legislation

The subordinate legislation is not inconsistent with any policy objectives of any other legislation.

Alternative ways of achieving policy objectives

The MRA and P&G Act set out the framework for the administration of mining and petroleum royalties. There are no alternative means to effectively achieve the policy objectives.

Benefits and costs of implementation

Statutory provisions for the collection of prospective royalty revenue estimates formalises a long-standing administrative practice and provides certainty as to the type of information that will be required.

There are no additional costs associated with implementing statutory provisions for the collection of prospective royalty revenue estimates.

Consistency with fundamental legislative principles

The amendment has been drafted with regard to the fundamental legislative principles and is considered to comply with these principles.

Consultation

Consultation was undertaken with the key industry bodies of the groups who would be affected by the amendments:

- the Australian Petroleum Production and Exploration Association; and
- the Queensland Resources Council

The key industry bodies consulted in principle supported the proposed amendments.

ENDNOTES

- 1 Laid before the Legislative Assembly on . . .
- 2 The administering agency is the Department of Employment, Economic Development and Innovation.