



Queensland

Petroleum and Other Legislation Amendment Regulation (No. 1) 2011

Explanatory Notes for SL 2011 No. 35

made under the

Petroleum Act 1923

Petroleum and Gas (Production and Safety) Act 2004

General outline

Short title

Petroleum and Other Legislation Amendment Regulation (No. 1) 2011.

Authorising law

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

Section 149 of the *Petroleum Act 1923*

Policy objectives and the reasons for them

The primary objectives of the amendments are to provide that the holders of tenures granted under the *Petroleum Act 1923* and the *Petroleum and Gas (Production and Safety) Act 2004*-

- give notices to the owners or occupiers of land of the intention to drill wells using hydraulic fracturing techniques; and
- to require that, on completion of drilling, the holder lodges a completion report and a hydraulic fracturing fluid statement.

The subordinate legislation also clarifies the amounts of certain fees in Schedule 9 to the *Petroleum and Gas (production and Safety) Act 2004*.

Achievement of policy objectives

To help allay concerns of land owners and occupiers, about certain authorised activities for petroleum being conducted on their land, it is proposed that amendments be made to the *Petroleum and Gas (Production and Safety) Regulation 2004* and the *Petroleum Regulation 2004*.

To achieve the policy objectives, the proposed amendments provide for:

- a notice about the commencement of hydraulic fracturing activities for petroleum wells (which includes coal seam gas (CSG) wells);
- a notice about the completion of hydraulic fracturing activities for petroleum wells;
- notices about hydraulic fracturing activities for petroleum wells, and all other notices about the commencement and completion of authorised activities for petroleum (such as drilling of wells and seismic surveys), to be given to each land owner and occupier of land on whose land the activity is to be, or was conducted;
- a report, the contents of which are also detailed in this amendment regulation, to be submitted to the Department of Employment, Skills and Mining within 2 months of the end of the hydraulic fracturing activities for the petroleum well;
- A hydraulic fracturing fluid statement containing details of fluids used, as specified in the regulation, which must be submitted to the Department of Employment, Skills and Mining with the report;
- a confidentiality period of 5 years from the date of lodgement or the required date of submission for the report about hydraulic fracturing activities (whichever is the earlier); and
- for reports about hydraulic fracturing activities already submitted, a confidentiality period for these reports of 5 years from the commencement of this amendment regulation.

Clarification of the amounts of certain fees in Schedule 9 to the *Petroleum and Gas (Production and Safety) Regulation 2004* will be achieved by correcting drafting errors inadvertently introduced by *Mines and Energy Legislation Amendment Regulation (No. 3) 2010*.

Consistency with policy objectives of authorising law

In each case, the provisions of the amendment 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 authorising Acts set out the framework for the giving of notices and reporting requirements in relation to authorised activities for petroleum. There are no alternative means of achieving the policy objectives.

Benefits and costs of implementation

Benefits

- The amendments to the *Petroleum Regulation 2004* and the *Petroleum and Gas (Production and Safety) Regulation 2004* will provide certainty in the process of gaining access to land for the purpose of conducting drilling using hydraulic fracturing techniques. The information supplied with the completion report and hydraulic fracturing fluid statement will allow the Department of Employment, Skills and Mining to monitor compliance with the requirements for hydraulic fracturing. At the end of the 5 year confidentiality period, the completion report and hydraulic fracturing fluid statement will be made publicly available.
- The amendment to Schedule 9 to the *Petroleum and Gas (Production and Safety) Regulation 2004* will ensure that the fees imposed are consistent with the fees imposed under the *Petroleum Regulation 2004*.

Costs

The costs related to the amendments of the *Petroleum Regulation 2004* and the *Petroleum and Gas (Production and Safety) Regulation 2004* are-

- modification of departmental computer systems;
- training of departmental staff; and
- promotion of community awareness of processes.

Consistency with fundamental legislative principles

The amendments have been drafted with regard to the fundamental legislative principles and it is considered that they comply with these principles. The amendments are intended to protect the rights and liberties of individuals by clarifying and providing certainty in the law.

Consultation

External consultation was undertaken with the following groups who would be affected by the amendments:

- The Australian Petroleum Production and Exploration Association (APPEA), one of the key petroleum industry representative bodies; and
- An APPEA reporting sub-committee with a cross section of industry proponents.

All parties consulted were supportive of the amendments.

ENDNOTES

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