



Queensland

# Geothermal Energy Regulation 2012

## Explanatory Notes for SL 2012 No. 6

made under the

*Geothermal Energy Act 2010*

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## General outline

### Short title

*Geothermal Energy Regulation 2012.*

### Authorising law

Section 385 of the *Geothermal Energy Act 2010* (the Act)

### Policy objectives and reasons for them

The objective of the regulation is to support the Act by providing an effective and efficient regulatory system for the administration of geothermal tenures under the Act.

The regulation provides detailed requirements for matters such as reports and information, notices, records and samples, fees, rents, plugging and abandoning wells and the establishment of the geothermal energy register.

The provisions of the regulation ensure that there is an adequate level of information being supplied in relation to applications and with respect to the results of authorised activities. The required application information is the minimum needed to enable the State to make an informed decision to grant or refuse the application. The information allows the State to effectively manage the granting of exploration and production tenure, to

optimise the benefit of these resources to the community. Provisions relating to the results of authorised activities are needed for both compliance monitoring and as a means of determining the possibility of any liability in relation to authorised activities becoming the responsibility of the State.

The specification of rents and fees payable provides certainty in relation to the amounts that the holder of a geothermal tenure will have to pay. Application fees have generally been set at a level that covers the cost of assessing an application.

The regulation should be read in conjunction with the *Petroleum and Gas (Production and Safety) Regulation 2004* which provides for safety requirements for activities under the *Petroleum and Gas (Production and Safety) Act 2004*.

### **Achievement of policy objectives**

The regulation supports the Act by providing an effective and efficient regulatory system for the geothermal energy framework established by the Act.

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

The regulation is consistent with the main objectives of the Act.

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

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

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

The regulation supports the Act which sets out the framework for exploration and production of geothermal energy in Queensland. There are no alternative means to effectively achieve the policy objectives.

## **Benefits and costs of implementation**

The regulation provides industry with the level of information the Department requires for the assessment and development of the State's resources. It will also give certainty to industry by providing guidance on the requirements about exploring and producing geothermal energy in Queensland and establishing a foundational schedule of fees and charges upon commencement of the Act. This approach will enhance the regulatory framework and subsequently support investment and attraction opportunities in Queensland.

A Preliminary Impact Statement completed in April 2011 determined the Regulation did not require a Regulatory Impact Statement (RAS) as, pursuant to section 3.3 of the Queensland RAS System Guidelines, application of the RAS system to the proposal would produce negligible net benefit as the proposal will not impose significant impacts on the community, business or government. Compliance with Part 5 of the *Statutory Instruments Act 1992* (SIA) is determined pursuant to section 43 of the SIA for the same reason.

## **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**

Extensive consultation was undertaken between the geothermal industry and the Department of Employment, Economic Development and Innovation (DEEDI) representatives throughout 2008 and 2009 during the development of the Act. The primary focus of consultation was in relation to the development of the geothermal energy framework. The mechanics of how the framework would operate has at all times been intended to be included in the subordinate legislation.

On 5 August 2009, a draft Bill and consultation paper were released for public comment. The consultation paper highlighted key aspects of the Bill and provided references to specific provisions for stakeholders to review. In summary, the key aspects for consultation included the reporting requirements and compliance matters geothermal tenures must fulfil. A number of these provisions specified that further matters may be prescribed under a regulation.

Following consultation, 28 submissions were received from a range of stakeholders including Queensland government departments, local governments, geothermal and resource industry stakeholders and peak resource bodies.

A consultation draft of the Regulation was emailed to the Queensland Resources Council, Australian Petroleum Production and Exploration Association and Australian Geothermal Energy Association Inc for distribution to their members on 21 September 2011 for comments to be made by 14 October 2011. No comments were received from external stakeholders.

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#### ENDNOTES

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

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