



Queensland

Revenue Legislation Amendment Regulation (No. 1) 2012

Explanatory Notes for SL 2012 No. 89

made under the

Duties Act 2001

Land Tax Act 2010

Mineral Resources Act 1989

Petroleum and Gas (Production and Safety) Act 2004

General outline

Short title

Revenue Legislation Amendment Regulation (No. 1) 2012.

Authorising law

Sections 495(3), 508(1) and (2)(a) of the *Duties Act 2001*

Sections 63(2)(a), 85(1) and (2)(a) of the *Land Tax Act 2010*

Sections 320(4), 417(1) and (2)(a) of the *Mineral Resources Act 1989*

Sections 595(3), 859(1) and (2)(a) of the *Petroleum and Gas (Production and Safety) Act 2004*

Policy objectives and the reasons for them

An annual rate of 3.5% per annum of indexation is to apply to fees and charges in accordance with Government policy.

Fees under the *Duties Regulation 2002* and *Land Tax Regulation 2010*

The fees under each regulation are indexed annually in accordance with Government policy.

Royalty late lodgement fees under the *Mineral Resources Regulation 2003* and *Petroleum and Gas (Production and Safety) Regulation 2004*

Responsibility for royalties administration was transferred from the former Department of Employment, Economic Development and Innovation (DEEDI) to the Office of State Revenue (OSR) on 1 July 2011. The Department of Natural Resources and Mines (DNRM) now retains responsibility for all other non-royalty related fee increases in the *Mineral Resources Regulation 2003* and *Petroleum and Gas (Production and Safety) Regulation 2004* (a responsibility previously held by DEEDI). In order to align the indexation of royalty late lodgement fees with existing OSR fees each 1 July, royalty late lodgement fees for the 2012-2013 financial year are also increased by 3.5% per annum, but calculated on a pro rata basis to reflect that these fees were last adjusted on 1 September 2011.

Achievement of policy objectives

The regulation amends the *Duties Regulation 2002*, *Land Tax Regulation 2010*, *Mineral Resources Regulation 2003* and *Petroleum and Gas (Production and Safety) Regulation 2004* by increasing particular prescribed fees for the 2012-2013 financial year.

Fees under the *Duties Regulation 2002* and *Land Tax Regulation 2010*

The amendment of particular fees contained in the *Duties Regulation 2002* and the *Land Tax Regulation 2010* by 3.5% per annum will ensure the fees charged under those regulations are appropriate and are in accordance with Government policy.

Royalty late lodgement fees under the *Mineral Resources Regulation 2003* and *Petroleum and Gas (Production and Safety) Regulation 2004*

The amendment of royalty late lodgement fees under the *Mineral Resources Regulation 2003* and *Petroleum and Gas (Production and*

Safety) Regulation 2004 by reference to the pro rata 3.5% per annum indexation rate since the previous increase in fees (2.917%), will ensure the fees charged under those regulations are appropriate and in accordance with Government policy.

Consistency with policy objectives of authorising law

Amendments increasing the fees in the *Duties Regulation 2002* are consistent with the policy objective of the *Duties Act 2001* that the fees are prescribed by regulation.

Amendments increasing the fees in the *Land Tax Regulation 2010* are consistent with the policy objective of the *Land Tax Act 2010* that the fees are prescribed by regulation.

The amendment increasing the royalty late lodgement fee in the *Mineral Resources Regulation 2003* is consistent with the policy objective of the *Mineral Resources Act 1989* that the fee is prescribed by regulation.

The amendment increasing the royalty late lodgement fee in the *Petroleum and Gas (Production and Safety) Regulation 2004* is consistent with the policy objective of the *Petroleum and Gas (Production and Safety) Act 2004* that the fee is prescribed by regulation.

Inconsistency with policy objectives of other legislation

Not applicable.

Benefits and costs of implementation

Implementing the regulation will ensure that costs of the prescribed fees keep in line with Government policy.

Implementing the amendments increasing fees in the *Duties Regulation 2002* and *Land Tax Regulation 2010* would not result in an increase in costs for Government as the administration of the fees would remain subject to existing processes, systems and staffing.

Implementing the amendments increasing royalty late lodgement fees in the *Mineral Resources Regulation 2003* and *Petroleum and Gas (Production and Safety) Regulation 2004* would also not result in an increase in costs for Government as the indexation of the fees aligns the

administration of the fees with existing processes and systems used by OSR.

Consistency with fundamental legislative principles

The regulation is consistent with fundamental legislative principles.

Consultation

The Regulatory Review Branch was consulted regarding the need to prepare a Regulatory Assessment Statement (RAS).

The Regulatory Review Branch advised that with regard to the obligations imposed by Part 5 of the *Statutory Instruments Act 1992* and the RAS System, a RAS is not required as the regulation proposes standard annual fee variations in line with, or below, a government-endorsed indexation factor.

Fees under the *Duties Regulation 2002* and *Land Tax Regulation 2010*

The increase in the fees under the *Duties Regulation 2002* and the *Land Tax Regulation 2010* by an annual rate of 3.5% are consistent with Government policy. Consultation on the indexation of the fees was, therefore, considered unnecessary.

Royalty late lodgement fees under the *Mineral Resources Regulation 2003* and *Petroleum and Gas (Production and Safety) Regulation 2004*

DNRM was consulted regarding the alignment of the increase in royalty late lodgement fees with other OSR fees. DNRM has raised no issues with aligning the manner in which royalty late lodgement fees are increased with other OSR fees.

ENDNOTES

- 1 Laid before the Legislative Assembly on . . .
- 2 The administering agency is the Queensland Treasury and Trade.

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