

Petroleum and Gas (Production and Safety) Amendment Regulation (No. 1) 2014

Explanatory notes for SL 2014 No. 136

made under the

Petroleum and Gas (Production and Safety) Act 2004

General Outline

Short title

Petroleum and Gas (Production and Safety) Amendment Regulation (No. 1) 2014

Authorising law

Sections 669, 728C(2)(a) and 859(2)(a) of the *Petroleum and Gas (Production and Safety) Act 2004* (the Act).

Policy objectives and the reasons for them

Safety and health stakeholders raised concerns about the clarity of some provisions in the *Petroleum and Gas (Production and Safety) Regulation 2004*. Industry stakeholders also have an expectation for revised Standards to apply to their operations following the formal adoption of revisions by Standards Australia.

Other objectives of the amendment regulation are:

- to update references and application of standards in line with industry expectation and practices;
- to clarify provisions for the petroleum and gas safety and health fee; and
- to remove a contradictory requirement for gas work authorisation (industrial appliances).

Achievement of policy objectives

The policy objectives are achieved by:

- refreshing the references of four Australian Standards (AS2885, AS/NZS1596, AS/NZS1425, AS/NZS5601) to reflect the most recent version of these Standards;
- applying AS2885 to pipelines constructed from steel and used for production of petroleum and fuel gas distribution. This standard already applies to transmission

pipelines and certain incidental pipeline license activities. The new application aligns with current industry practice and formalises standards used by Queensland operators;

- making clear the operator of a pipeline distribution system is liable for the safety and health fee where the pipeline was in commission for any period during the year;
- making clear the reporting requirement and fee payable by pipeline operators is based on an “outside” measurement of the diameter of relevant pipelines;
- making clear that biogas users are not liable for the safety and health fee;
- changing the publication date of the department’s estimate from 1 to 31 March; and
- repealing a contrary provision for gas work authorisation (industrial appliances).

Consistency with policy objectives of authorising law

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

Inconsistency with policy objectives of other legislation

The amendment regulation is consistent with the policy objectives of other legislation.

Benefits and costs of implementation

Implementation of the amendments will provide regulatory clarity and certainty for a number of fee related matters without incurring substantial cost as they require adjustment to existing processes rather than new or significant alteration to existing processes.

Consistency with fundamental legislative principles

The amendments in the *Petroleum and Gas (Production and Safety) Amendment Regulation (No. 1) 2014* do not breach any fundamental legislative principles set out in section 4 of the *Legislative Standards Act 1992*.

Consultation

The amendment in the *Petroleum and Gas (Production and Safety) Amendment Regulation (No. 1) 2014* related to gas work authorisations were initiated in response to feedback from stakeholders. The amendments in the *Petroleum and Gas (Production and Safety) Amendment Regulation (No. 1) 2014* to update and apply Standards are consistent with industry expectation and its existing practices.