

Water (Annual Levy for Underground Water Management) Amendment Regulation 2019

Explanatory notes for SL 2019 No. 242

made under the

Water Act 2000

General Outline

Short title

Water (Annual Levy for Underground Water Management) Amendment Regulation 2019.

Authorising law

Sections 479 and 1014 of the *Water Act 2000*.

Policy objectives and the reasons for them

The *Water (Annual Levy for Underground Water Management) Amendment Regulation 2019* (the amendment regulation) establishes a levy structure to recover the costs of the Office of Groundwater Impact Assessment's (OGIA's) mining-related functions. This will allow OGIA to be fully funded by a levy on industry to enable it to perform its statutory functions.

Achievement of policy objectives

The amendment regulation achieves its objectives by amending the *Water Regulation 2016* to:

- Define relevant mining tenures for the purposes of charging the levy and establishes three new classes of relevant mining tenure that will be charged an annual levy;
- Require the OGIA to separately estimate its costs (on which the levy is calculated) for all petroleum tenure holders and all mining tenure holders, having regard to the proportion of OGIA's functions carried out for petroleum and mining tenure holders respectively; and

- Apportion the annual levy amongst the relevant classes of mining tenure holders.

The amendment regulation also makes consequential changes to give effect to the policy objective.

Consistency with policy objectives of authorising law

The amendment regulation is consistent with the objectives of the *Water Act 2000*, to ensure the sustainable management of Queensland's water resources including the management of impacts on underground water caused by the exercise of underground water rights by the resource sector.

Inconsistency with policy objectives of other legislation

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

Alternative ways of achieving policy objectives

Options to establish the levy structure were canvassed in a Consultation Regulatory Impact Statement (RIS). Five options for the levy structure were detailed, with two preferred options identified.

Consultation on the RIS supported the two preferred options, which are being implemented in the amendment regulation.

Benefits and costs of implementation

Implementing the levy will enable OGIA to recover the costs of its mining-related functions proportional to the classes of mining tenure holders that it performs functions for.

OGIA has established administrative procedures for allocating and collecting a levy to recover the costs of its petroleum-related functions. Expanding the levy to recover OGIA's mining-related costs will involve an extension to the role of current positions, administration of charges under the levy and amounts payable by mining tenure holders, and preparation of invoices to mining tenure holders. These additional costs specific to the administration of the levy are expected to be marginal and will be recovered via the levy, as is currently the case with the levy for OGIA's petroleum-related functions.

Consistency with fundamental legislative principles

The amendment regulation is consistent with fundamental legislative principles.

Consultation

Consultation on the levy structure was undertaken through the release of a Consultation RIS. The Consultation RIS was released on the Get Involved website from 17 June 2019 to 15 July 2019. The Consultation RIS identified two preferred options to fully recover OGIA's mining-related functions.

Four submissions were received from the Queensland Resources Council, World Wildlife Fund, the Environmental Defenders Office and the Darling Downs Environment Council. All submissions supported that OGIA's functions be fully cost recovered from industry, with the majority of submitters supporting the preferred options outlined in the Consultation RIS.

Following consultation, there were no changes to the preferred options for the levy structure.

The Queensland Productivity Commission advised that the Consultation RIS and Decision RIS met the requirements of the *Queensland Government Guide to Better Regulation*.