

# **Petroleum and Gas (Safety) Amendment Regulation (No. 1) 2020**

Explanatory notes for SL 2020 No. 32

made under the  
*Petroleum Act 1923*  
*Petroleum and Gas (Production and Safety) Act 2004*

## **General Outline**

### **Short title**

*Petroleum and Gas (Safety) Amendment Regulation (No. 1) 2020*

### **Authorising law**

Section 149 of the *Petroleum Act 1923*  
Section 859 of the *Petroleum and Gas (Production and Safety) Act 2004* (the PG Act)

### **Policy objectives and the reasons for them**

The policy objective of the *Petroleum and Gas (Safety) Amendment Regulation (No. 1) 2020* (Amendment Regulation) is to amend the *Petroleum and Gas (Safety) Regulation 2018* (PG Safety Regulation) to support the operation of amendments made by the *Land, Explosives and Other Legislation Amendment Act 2019* (LEOLA Act) to the PG Act. The amendments made by the LEOLA Act streamline and make consistent, safety provisions for fuel gas delivery networks.

It is important that gas safety regulation is contemporary to support safety outcomes for workers and for communities. Routine review of safety legislation ensures it is relevant and appropriate in view of changes in industry practice, innovation and community expectations.

The PG Act and the PG Safety Regulation set safety requirements for Queensland petroleum and gas industries. The Petroleum and Gas Inspectorate (the Inspectorate), within the Department of Natural Resources, Mines and Energy regulates the safety of these industries, including fuel gas delivery networks.

Safety requirements for fuel gas delivery networks are needed to ensure the high fire and explosion risks associated with the storage and handling of fuel gas are managed appropriately. Fuel gas delivery networks incorporate the supply, delivery and storage

of fuel gas and incidental activities such as the exchange and storage of gas cylinders, the filling of cylinders and tanks, maintenance of fuel gas containers and storage equipment and dispensing automotive fuel gas to vehicles.

A review of safety requirements for fuel gas delivery networks in the PG Act and the PG Safety Regulation found inconsistency in the structure and terminology of provisions for following types of fuel gas delivery networks regulated by the Inspectorate:

- Liquefied Petroleum Gas (LPG);
- Automotive LPG;
- Compressed natural gas (CNG); and
- Liquefied natural gas (LNG).

The LEOLA Act amendments provide a consistent and single regulatory approach for fuel gas delivery networks for the different types of fuel gas regulated by the Inspectorate. Amendments to the PG Safety Regulation are needed so that safety requirements for fuel gas networks are also consistent and support the streamlined approach established by the LEOLA Act amendments.

## **Achievement of policy objectives**

The objective of the Amendment Regulation is achieved by making amendments to the PG Safety Regulation that replace separate safety provisions for cylinder storage, bulk fuel gas storage facilities, LPG delivery networks, automotive LPG product suppliers, and automotive LPG sites with fuel gas delivery network safety provisions; as well as remove a safety and health fee for tanker delivery of automotive LPG.

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

The Amendment Regulation is consistent with policy objectives of the PG Act.

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

There is no inconsistency with policy objectives of other legislation.

## **Benefits and costs of implementation**

The fee for tanker delivery drivers is minimal as is its contribution to the total petroleum and gas safety and health fee revenue. It is anticipated that the removal of this fee will reduce associated administrative fees for all parties.

Another benefit anticipated from streamlined regulatory provisions for fuel gas delivery networks is reduced regulatory burden without lessening safety outcomes.

Any additional compliance costs for LNG and CNG delivery networks are anticipated to be minimal given these operations are already subject to most of the current safety requirements for fuel gas delivery networks.

No additional compliance costs are anticipated for the government, with minimal costs for refreshing web based information about fuel gas delivery networks.

## **Consistency with fundamental legislative principles**

The Amendment Regulation is consistent with fundamental legislative principles.

## **Consultation**

Consultation with fuel gas delivery networks has been ongoing since 2017 about the proposed restructure of safety provisions. No concerns about the proposed amendments have been raised by industry stakeholders.

The Office of Best Practice Regulation (OBPR) within the Queensland Productivity Commission was consulted regarding the need to prepare a Regulatory Impact Statement under the *Queensland Government Guide to Better Regulation* (the guidelines). OBPR advised that the proposals are unlikely to result in significant adverse impacts, and no further assessment is required under the guidelines.