

Petroleum and Gas (General Provisions) and Other Legislation Amendment Regulation 2020

Explanatory notes for SL 2020 No. 171

made under the

Mineral Resources Act 1989

Petroleum Act 1923

Petroleum and Gas (Production and Safety) Act 2004

General Outline

Short title

Petroleum and Gas (General Provisions) and Other Legislation Amendment Regulation 2020

Authorising law

Section 417 of the *Mineral Resources Act 1989* (MRA)

Section 149 of the *Petroleum Act 1923*

Section 859 of the *Petroleum and Gas (Production and Safety) Act 2004* (P&G Act)

Policy objectives and the reasons for them

The objective of the *Petroleum and Gas (General Provisions) and Other Legislation Amendment Regulation 2020* (the Regulation) is to introduce three application fees that are required to be prescribed in the *Mineral Resources Regulation 2013* and the *Petroleum and Gas (General Provisions) Regulation 2017*.

The *Natural Resources and Other Legislation Amendment Act 2019* (NROLA Act) was assented to on 24 May 2019. Amendments to the resources legislation in Chapter 5 of the NROLA Act commenced on 25 May 2020, with the exception of the provisions relating to the amalgamation of potential commercial areas under sections 107AA – 107AE of the P&G Act that commenced on 1 July 2020.

The NROLA Act introduced three new application processes, however, did not introduce the corresponding fees into the *Mineral Resources Regulation 2013* and the *Petroleum and Gas (General Provisions) Regulation 2017*.

The prescribed fees are for:

- an application for extension of the last renewed term of an exploration permit under new section 147CA(3)(b)(ii) of the MRA;

- an application to the Minister to amalgamate two or more potential commercial areas for an authority to prospect into a single potential commercial area for the authority to prospect under new section 107AB(d) of the P&G Act; and
- an application to the Minister to amalgamate two or more petroleum leases into a single petroleum lease under section 170C(c) of the P&G Act.

The proposed fees for an application for extension of the last renewed term of an exploration permit are:

- \$667.00 for an exploration permit for coal;
- \$200.50 for an exploration permit for any other mineral for four or fewer sub-blocks in restricted area 256, 257, 258, 259, 260, 261, 262, 263, 264 or 265; and
- \$667.00 for any other exploration permit for minerals.

The proposed fee for an application to the Minister to amalgamate two or more potential commercial areas for an authority to prospect into a single potential commercial area for the authority to prospect is \$2005.00.

The proposed fee for an application to the Minister to amalgamate two or more petroleum leases into a single petroleum lease is \$4687.00.

Achievement of policy objectives

The Regulation achieves the policy objective by amending Schedule 5 of the *Mineral Resources Regulation 2013* and Schedule 2 of the *Petroleum and Gas (General Provisions) Regulation 2017* to include the prescribed fees.

The objective of government action is to ensure that the Department of Natural Resources, Mines and Energy is collecting a fee for its effort in assessing applications, consistent with other applications in the MRA and the P&G Act.

Consistency with policy objectives of authorising law

The Regulation is consistent with the following policy objectives of the authorising law:

- one of the objectives under section 2(f) of the MRA, is to provide an administrative framework to expedite and regulate prospecting and exploring for and mining of minerals; and
- one of the main purposes under section 3(1)(c) of the P&G Act is to create an effective and efficient regulatory system for the carrying out of petroleum activities and the use of petroleum and fuel gas.

Inconsistency with policy objectives of other legislation

There is no inconsistency with policy objectives of other legislation.

Alternative ways of achieving policy objectives

There are no alternative ways of achieving the policy objectives without regulatory amendments.

Benefits and costs of implementation

The benefits of charging these fees will be that the Department of Natural Resources, Mines and Energy is collecting a fee for its effort in assessing applications, consistent with other applications in the MRA and the P&G Act. The proposed fees are proportional to other fees charged under the MRA and the P&G Act for similar application types.

The Department of Natural Resources, Mines and Energy's costs for implementing these fees will be met from within existing resources.

Consistency with fundamental legislative principles

No potential breaches of fundamental legislative principles have been identified.

Consultation

Extensive consultation occurred with both internal and external stakeholders during development of the *Natural Resources and Other Legislation Amendment Bill 2019*. Specific consultation about the fees has not taken place, however the proposed fees are based on prescribed fees for similar application processes.

The Queensland Productivity Commission was consulted on the proposed amendments and advised that the proposed amendments are unlikely to result in significant adverse impacts and that no further regulatory impact analysis is required under the *Queensland Government Guide to Better Regulation*.