

Petroleum and Gas (General Provisions) (Reporting Requirements) Amendment Regulation 2020

Explanatory notes for SL 2020 No. 208

made under the

Petroleum Act 1923

Petroleum and Gas (Production and Safety) Act 2004

General Outline

Short title

*Petroleum and Gas (General Provisions) (Reporting Requirements) Amendment
Regulation 2020*

Authorising law

Section 149 *Petroleum Act 1923*

Section 859 *Petroleum and Gas (Production and Safety) Act 2004*

Policy objectives and the reasons for them

The Department of Natural Resources, Mines and Energy (DNRME) collects geoscience and other information (required information) from the resources companies that it regulates through a framework of reporting obligations in the *Mineral Resources Act 1989*, *Petroleum Act 1923*, and *Petroleum and Gas (Production and Safety) Act 2004* and their associated regulations.

This information allows DNRME to maintain and develop an understanding of the geology of Queensland, and the financial and technical performance of the resources companies that it regulates.

The policy objectives of the *Petroleum and Gas (General Provisions) (Reporting Requirements) Amendment Regulation 2020* (Amendment Regulation) are to:

- establish a more modern and responsive reporting framework;
- clarify the information requirements for certain documents and reports under the *Petroleum and Gas (General Provisions) Regulation 2017* that must be lodged to DNRME by resource companies;

- seek more detailed information about Queensland's petroleum and gas reserves; and
- provide an appropriate amount of time for information submitted to DNRME from petroleum companies to remain confidential prior to it being published.

The Amendment Regulation also establishes a transitional period to provide that petroleum and gas reports that were lodged under the old confidentiality and publication regime receive the extended confidentiality periods offered by the new provisions.

Achievement of policy objectives

The policy objectives will be achieved by:

- substituting the detailed information required under the *Petroleum and Gas (General Provisions) Regulation 2017* for a requirement that the report contain any other data or information required under a practice direction;
- expanding the scope of petroleum reserves reports to require that tenure holders lodge information about their 1P, 2P,3P and 2C contingent reserves;
- providing guidance about what geoscience data is required and how it is provided in view of improvements in technology, with a focus on moving from 'static reports' or summaries to the acquisition of raw data;
- providing that the petroleum and gas reporting guideline is a practice direction to ensure compliance by industry;
- extending lodgement timeframes to better reflect the time it takes to process geoscience data; and
- updating the existing confidentiality and publication framework provided in schedule 1 of the *Petroleum and Gas (General Provisions) Regulation 2017* to define a series of confidentiality periods for:
 - annual reports;
 - petroleum well or bore completion and abandonment reports;
 - seismic survey reports;
 - technical or scientific survey reports;
 - petroleum production reports;
 - petroleum resources and reserves reports;
 - production testing reports;
 - cutting, core or fluid samples; and
 - hydraulic fracturing activities completion reports.

Consistency with policy objectives of authorising law

The Amendment Regulation is consistent with the policy objectives of authorising law as it supports an administrative framework necessary to facilitate and regulate the carrying out of responsible petroleum and gas exploration and production activities.

Inconsistency with policy objectives of other legislation

There is no inconsistency with the policy objectives of other legislation.

Benefits and costs of implementation

The Amendment Regulation is required to ensure that the regulatory framework supporting the *Petroleum and Gas (Production and Safety) Act 2004* and the *Petroleum Act 1923* functions appropriately. A robust framework regulating petroleum and gas exploration and production benefits government and industry by clarifying stakeholder obligations, responsibilities and entitlements.

Implementing the Amendment Regulation should not result in any increase in costs for government or industry and will provide future benefits that increase the quality and value of the data captured by geoscience reports. Any costs to DNRME will be met within existing resources.

Consistency with fundamental legislative principles

The Amendment Regulation has been assessed for consistency with fundamental legislative principles as defined in section 4 of the *Legislative Standards Act 1992*. No breaches of fundamental legislative principles have been identified.

Consultation

DNRME conducted a review of the current geoscience reporting regime and identified a number of issues. DNRME has extensively consulted with the Queensland Resources Council, the Australian Petroleum Production and Exploration Association and the Association of Mining and Exploration Companies, and has regular meetings with tenure management service providers to keep them informed of changes.

Subsequent consultation was undertaken with industry groups about the introduction and length of confidentiality periods. Further consultation with industry was undertaken once the draft regulation and draft practice direction were available. DNRME has run industry workshops and events from February 2018 to February 2020 and further activities are planned to educate companies on their responsibilities under the proposed changes.

Feedback from the consultation has informed the policy objectives of the Amendment Regulation. Feedback from industry centred on ensuring there was an adequate timeframe for adapting to the new regime which has been reflected by adding a transitional period to defer reporting until 30 June 2021.

The Queensland Productivity Commission was consulted and advised that the proposals appear unlikely to result in significant adverse impacts and therefore excluded from further regulatory impact analysis under the Queensland Government Guide to Better Regulation.

NOTES ON PROVISIONS

Clause 1 provides the short title of the amendment regulation is the *Petroleum and Gas (General Provisions) Reporting Requirements Amendment Regulation 2020*.

Clause 2 provides that the regulation commences on 1 October 2020.

Clause 3 provides that the regulation amends the *Petroleum and Gas (General Provisions) Regulation 2017*.

Clause 4 amends section 18 of the *Petroleum and Gas (General Provisions) Regulation 2017* to provide flexibility by amending the meaning of 'general area information' to include a more general reference to spatial information. The section also now references any other data or information required under a practice direction.

Clause 5 amends section 19 of the *Petroleum and Gas (General Provisions) Regulation 2017* to simplify the definition of hazard information. The definition also removes references to 'safe and optimal mining of coal' which a petroleum company would not normally be able to assess.

Clause 6 amends section 20 of the *Petroleum and Gas (General Provisions) Regulation 2017* to no longer require a relinquishment report to stipulate the day the tenure was granted. This information is not required in the reports, because it is already held by the Department of Natural Resources, Mines and Energy.

Clause 7 simplifies section 21 of the *Petroleum and Gas (General Provisions) Regulation 2017* by replacing requirements about the relinquishment or surrender report – for an authority to prospect – with a general obligation to include any other data or information for the report that is required under the practice direction.

Clause 8 simplifies section 22 of the *Petroleum and Gas (General Provisions) Regulation 2017* by replacing requirements about the relinquishment report – for a petroleum lease – with a general obligation to include any other data or information for the report that is required under the practice direction.

Clause 9 simplifies section 23 of the *Petroleum and Gas (General Provisions) Regulation 2017* by replacing requirements about the surrender report – for a petroleum lease – with a general obligation to include any other data or information for the report that is required under the practice direction.

Clause 10 amends section 24 of the *Petroleum and Gas (General Provisions) Regulation 2017* by adding requirements to provide details of maintenance and hazard information in a surrender report for pipeline licences, and also includes a general obligation to include any other data or information for the report that is required under the practice direction.

Clause 11 simplifies section 26 of the *Petroleum and Gas (General Provisions) Regulation 2017* by removing the requirement for an index in an end of authority report, and includes a general obligation to include any other data or information for the report that is required under the practice direction.

Clause 12 amends section 35 of the *Petroleum and Gas (General Provisions) Regulation 2017* to include a general obligation to include any other data or information for the report that is required under the practice direction.

Clause 13 amends section 36 of the *Petroleum and Gas (General Provisions) Regulation 2017*.

The amended section 36 will provide that a petroleum well or bore completion report must be lodged within twelve months after the rig release day for the well or bore. The report will now need to include a summary of the well or bore, including the information required under the practice direction. The amendment also clarifies the wording of some existing provisions about how to describe the interval depth at which tests are carried out.

Clause 14 amends section 37 of the *Petroleum and Gas (General Provisions) Regulation 2017* to provide that lodgement of a petroleum well or bore abandonment report must be lodged within six months after the day the plugging and abandoning of the well or bore is completed. The clause also replaces the list of items that the report must contain. The new list of items includes a definition of prescribed equipment, and a general obligation to include any other data or information for the report that is required under the practice direction.

Clause 15 amends section 38 of the *Petroleum and Gas (General Provisions) Regulation 2017* to provide an extended period for the lodgement of seismic survey reports, and to provide a separate lodgement date if the tenure holder later reprocesses their raw data.

It also replaces the list of items that the report must contain. The new list of items includes a definition of prescribed equipment, and a general obligation to include any other data or information for the report that is required under the practice direction.

Clause 16 amends section 39 of the *Petroleum and Gas (General Provisions) Regulation 2017* to provide an extended period for lodgement of scientific or technical survey reports, and to provide a separate lodgement date if the tenure holder later reprocesses their raw data.

It also replaces the list of items that the report must contain. The new list of items includes a definition of prescribed equipment, and a general obligation to include any other data or information for the report that is required under the practice direction.

Clause 17 replaces section 41 of the *Petroleum and Gas (General Provisions) Regulation 2017* to provide standard units of measurement for volumes of water, gas and LPG, and standard units of measurement for energy, length, depth or other distance.

Clause 18 amends section 42 of the *Petroleum and Gas (General Provisions) Regulation 2017* to simplify the requirements for a petroleum production report, to extend the lodgement period to sixty business days.

It also simplifies the list of items that the report must contain, inserts a definition for *first produced petroleum* and provides a general obligation to include any other data or information for the report that is required under the practice direction.

Clause 19 amends section 43 of the *Petroleum and Gas (General Provisions) Regulation 2017* to introduce a requirement to report on 2C contingent resources and 1P, 2P and 3P reserves. Previously, the petroleum reserves report was only required to include information on 2P reserves, and to report on changes greater than 10 per cent.

The clause also includes a new definition of ‘project maturity subclass’, and provides for an extended lodgement period of sixty business days.

Clause 20 amends section 44 of the *Petroleum and Gas (General Provisions) Regulation 2017* to provide an extended lodgement period of sixty business days for production testing reports, to require data in relation to samples and analysis, and to provide a general obligation to include any other data or information for the report that is required under the practice direction.

Clause 21 amends section 45 of the *Petroleum and Gas (General Provisions) Regulation 2017* to extend the lodgement timeframe for hydraulic fracturing activities completion reports from two months to six months, and to provide a general obligation to include any other data or information for the report that is required under the practice direction.

Clause 22 replaces existing section 52 of the *Petroleum and Gas (General Provisions) Regulation 2017* to clarify when a confidentiality period for required information begins and ends for petroleum tenures under both the *Petroleum Act 1923* and the *Petroleum and Gas (Production and Safety) Act 2004*. It also clarifies when there is no confidentiality period for a petroleum well or bore abandonment report.

Clause 23 amends section 56 of the *Petroleum and Gas (General Provisions) Regulation 2017* to remove reference to the Queensland Digital Exploration Reports System and simply require that the holder must lodge reporting under that section.

Clause 24 replaces the heading of Part 6 of the *Petroleum and Gas (General Provisions) Regulation 2017*, to replace ‘Measurement’ with ‘Metering Parameters’ to be more specific of the contents of the Part.

Clause 25 replaces the heading for Part 9 of the *Petroleum and Gas (General Provisions) Regulation 2017* to provide that the Part deals with transitional provisions for subordinate legislation number 162 of 2017.

Clause 26 inserts a new part 10 into the *Petroleum and Gas (General Provisions) Regulation 2017* that provides transitional provisions for this regulation. The Part consists of two new sections – section 76 and section 77.

New section 76 provides for an extended lodgement period for reports that are required to be lodged after commencement but before 30 June 2021. This section will allow holders to adapt to the new lodgement portal, with the lodgement date for these reports taken to be 30 June 2021.

New section 77 provides that if required information has been lodged before commencement, but not yet publicly released, then on commencement that information has the confidentiality periods outlined in the amended schedule 1. Combined with the extended time periods in schedule 1, the effect of this transitional period is to give an extended confidentiality period to any information that has been lodged, but not yet published.

Clause 27 replaces schedule 1 of the *Petroleum and Gas (General Provisions) Regulation 2017* to update the confidentiality requirements for reports required to be lodged under the regulation.

Clause 28 amends schedule 5 of the *Petroleum and Gas (General Provisions) Regulation 2017* to insert a definition for *practice direction* and updates the definition for *proved and probable resources*.