

Resources Legislation (Fees) Amendment Regulation 2022

Explanatory notes for SL 2022 No. 84

made under the

Land Act 1994

Petroleum Act 1923

Petroleum and Gas (Production and Safety) Act 2004

General Outline

Short title

Resources Legislation (Fees) Amendment Regulation 2022.

Authorising law

Section 448 of the *Land Act 1994*

Section 149 of the *Petroleum Act 1923*

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

Policy objectives and the reasons for them

The objective of the *Resources Legislation (Fees) Amendment Regulation 2022* (amendment regulation) is to amend two regulatory fees for the Department of Resources (the department), that are not recorded in fee units.

Net present value amounts prescribed in the *Land Regulation 2020* and the fee for national regulation of gas pipelines prescribed in the *Petroleum and Gas (General Provisions) Regulation 2017*, were not converted to fee units, as these are independently reviewed annually and adjusted accordingly.

Queensland Treasury undertake the review of net present value amounts and Australian Energy Market Commission (AEMC) review the fee for national regulation of gas pipelines.

Achievement of policy objectives

The amendment regulation will achieve its objective by increasing two fees and charges under the Acts administered by the department.

Queensland Treasury has advised that the net present value terminal growth rate be increased to 2.5 per cent to reflect current long-term market inflation estimates.

The fee for national regulation of gas pipelines is being amended to ensure recovery of Queensland's contribution to the gas market functions of the AEMC. This will increase by 9.40 per cent to ensure recovery of the cost of Queensland's share of the gas market functions of the AEMC from covered pipeline owners.

Both fees will commence 1 July 2022.

Consistency with policy objectives of authorising law

The amendment regulation is consistent with the objective of the relevant Acts.

Inconsistency with policy objectives of other legislation

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

Benefits and costs of implementation

The adjustment of fees provides a mechanism understood by the community and industry to maintain price relativity, aiding the government in formulating the state and departmental budgets.

There are no additional costs associated with implementing the amendment regulation.

Consistency with fundamental legislative principles

The amendment regulation is consistent with fundamental legislative principles.

Consultation

There was no consultation with Office of Best Practice Regulation (OBPR) for net present value terminal growth rate, as the department applied a self-assessable exclusion from undertaking further regulatory impact analysis (category (h) - Regulatory proposals that put forward standard annual fee variations in line with or below a government endorsed indexation factor).

In accordance with the *Queensland Government Guide to Better Regulation* (the guidelines), the OBPR was consulted in relation to the regulatory proposal for gas pipelines.

OBPR considers that the proposal is an administrative matter provided for under the Act. The proposal will not add to the burden of regulation and is unlikely to result in significant adverse impacts. No further regulatory impact analysis is required under the guidelines.

Stakeholder consultation was undertaken as part of the independent process of reviewing these fees. There was therefore no additional stakeholder consultation undertaken for the regulation amendment.

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