

Geothermal Energy Regulation 2022

Explanatory notes for SL 2022 No. 112

made under the

Geothermal Energy Act 2010
Greenhouse Gas Storage Act 2009

General Outline

Short title

Geothermal Energy Regulation 2022

Authorising law

Section 385 of the *Geothermal Energy Act 2010*
Section 429 of the *Greenhouse Gas Storage Act 2009*

Policy objectives and the reasons for them

The objective of the *Geothermal Energy Regulation 2022* is to replace the *Geothermal Energy Regulation 2012*.

Section 54 of the *Statutory Instruments Act 1992* provides that subordinate legislation expires 10 years after its making, unless a regulation is made exempting it from expiry. The *Geothermal Energy Regulation 2012* came into effect in 2012 and is due to expire on 1 September 2022.

The provisions contained in the *Geothermal Energy Regulation 2022* remain necessary for the continued effective operation of the *Geothermal Energy Act 2010*.

Amendments to the *Greenhouse Gas Storage Regulation 2021* are also included in the *Geothermal Energy Regulation 2022*. The amendments harmonise reporting requirements and confidentiality periods with the *Geothermal Energy Regulation 2022* and the *Petroleum and Gas (General Provisions) Regulation 2018*.

Achievement of policy objectives

The remade *Geothermal Energy Regulation 2022* is part of the legislative framework governing the exploration and production of geothermal energy and plays an important role in supporting the policy objectives of the *Geothermal Energy Act 2010*. The

Geothermal Energy Regulation 2022 sets out the requirements for work programs and development plans, plugging and abandoning wells, reporting, notices, sample collection and prescribed rents and fees.

The *Geothermal Energy Regulation 2022* is made in substantially similar form to the *Geothermal Energy Regulation 2012*, except where amendments have been made to correct errors, update reference standards, update wording based on current drafting style or incorporate changes as a result of the review and consultation processes.

To continue to achieve policy objectives, and to align with current practices, the below changes have been incorporated as a result of stakeholder consultation:

- an amendment to replace the ‘*Australian Geothermal Reporting Code*’ and associated terminology with the ‘*Specifications for the Application of the United Nations Framework Classification to Geothermal Energy Resources*’; and
- a number of amendments to reporting requirements, timeframes, and confidentiality periods to harmonise the geothermal reporting framework with the *Petroleum and Gas (General Provisions) Regulation 2018*.

The *Geothermal Energy Regulation 2022* also includes, as a matter of convenience, a number of amendments to the *Greenhouse Gas Storage Regulation 2021*. The amendments harmonise reporting requirements and confidentiality periods with the *Geothermal Energy Regulation 2022* and the *Petroleum and Gas (General Provisions) Regulation 2018*.

Consistency with policy objectives of authorising law

The remake of the *Geothermal Energy Regulation 2022* is consistent with the policy objectives of authorising law as they provide an administrative framework necessary to facilitate and regulate the carrying out of responsible geothermal energy 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 remake of the *Geothermal Energy Regulation 2022* is required to ensure that the regulatory framework supporting the *Geothermal Energy Act 2010* continues appropriately. A robust framework regulating geothermal energy benefits government and industry by clarifying stakeholder obligations, responsibilities and entitlements.

Amendments to the reporting requirements and confidentiality periods under the *Greenhouse Gas Storage Regulation 2019*, which are included in the *Geothermal Energy Regulation 2021*, will harmonise these provisions with *Petroleum and Gas (General Provisions) Regulation 2017*. These amendments will streamline the reporting requirements and provide appropriate timeframes for lodgement of reports.

Implementing the *Geothermal Energy Regulation 2022* will not result in any increased costs for government, industry or community as the regulation remains substantively the same as the preceding statute, the *Geothermal Energy Regulation 2012*.

Consistency with fundamental legislative principles

The *Geothermal Energy Regulation 2022* has been drafted with regard to fundamental legislative principles and is not considered to breach any fundamental legislative principles.

Consultation

The review of the *Geothermal Energy Regulation 2012* involved consultation with stakeholders including the Australian Geothermal Association, Queensland Resources Council, the Association of Mining and Exploration Companies, Australian Petroleum Production and Exploration Association and Peak Services. Key feedback from consultation related to the recommendation to replace a geothermal reporting code and related definitions. This change was necessary as the geothermal reporting code in the *Geothermal Energy Regulation 2012* was no longer supported by the geothermal industry.

Stakeholders were consulted and invited to make submissions about the draft remake of the *Geothermal Energy Regulation 2022* and amendments to the *Greenhouse Gas Storage Regulation 2021*. No issues were raised by stakeholders.

The Office of Best Practice Regulation (OBPR) was consulted and advised that the Department of Resources (the department) had satisfactorily met the objectives for sunset reviews as set out in the guidelines, as the information provided to OBPR, demonstrated a need for continued regulatory action and evaluated that the remake of the *Geothermal Energy Regulation 2022* continues to satisfy its objectives. Likewise, OBPR advised that the department had satisfactorily met the requirements for a preliminary impact assessment for the amendments to the *Greenhouse Gas Storage Regulation 2021*. Therefore, no further regulatory impact analysis was required under the guidelines.