

# ***Petroleum and Gas (Safety) Amendment Regulation 2022***

Explanatory notes for SL 2022 No. 139

made under the

*Petroleum Act 1923*

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

## **General Outline**

### **Short title**

*Petroleum and Gas (Safety) Amendment Regulation 2022*

### **Authorising law**

Section 149 of the *Petroleum Act 1923*

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

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

Section 149 of the *Petroleum Act 1923* and section 859 of the PG Act states the Governor in Council may make regulations under these Acts.

The objective of the *Petroleum and Gas (Safety) Amendment Regulation 2022* (the amendment regulation) is to correct a technical error that occurred in the drafting of the *Resources Legislation (Safety and Health Fees) Amendment Regulation 2021* (the fee amendment regulation). Part 5 of the fee amendment regulation related to amendments to the *Petroleum and Gas (Safety) Regulation 2018* (PG Regulation) which took effect on 1 July 2022.

A safety and health tiered fee structure for biogas and biomethane was introduced under the fee amendment regulation. The tiered structure uses a measurement of 50kW/h. The tiered fee structure under Schedule 6, part 3, section 14 of the PG Regulation is as follows:

The safety and health fee payable by the operator of a facility mentioned in section 155(2)(q), for each site operated by the operator during the year, is as follows—

- a) if the actual gas usage, or nameplate capacity, of the facility is less than 50kW/h—\$0;
- (b) if the actual gas usage, or nameplate capacity, of the facility is at least 50kW/h and not more than 2MW/h—\$2,385.50;

(c) if the actual gas usage, or nameplate capacity, of the facility is more than 2MW/h and not more than 5MW/h—\$4,771.

The measurement unit of kW/h is an error as this unit of measurement does not have any technical meaning. The correct measurement to be used is kW. Similarly, the fee amendment regulation makes reference to the measurement unit of MW/h which is also incorrect and should instead refer to MW. The new tiered fees for biogas and biomethane fees are required under the PG Regulation to be invoiced on 10 November 2022. The amendment regulation is required to correct these technical errors before the fees are invoiced.

## **Achievement of policy objectives**

The amendment regulation achieves the policy objectives by amending the PG Regulation to correct the identified technical error that was made in the drafting process of the fee amendment regulation.

## **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 policy objectives of other legislation.

## **Benefits and costs of implementation**

The amendment regulation will have benefits for industry and the regulator as it will ensure there is no confusion and ambiguity concerning the meaning of an incorrect measurement unit. There are no additional costs with correcting the units of measurement from the incorrect kW/h to the correct kW and the incorrect MW/h to MW.

## **Consistency with fundamental legislative principles**

The amendment regulation is consistent with fundamental legislative principles.

## **Consultation**

No stakeholder consultation was undertaken as the amendment is a correction of a technical error.

The proposed amendment has been agency-assessed as excluded from undertaking further regulatory impact analysis under the *Queensland Government Guide to Better Regulation*. (Category (f) Regulatory proposals that correct technical errors or amend legislation to take account of current Queensland drafting practice - The

appropriate unit of measure should be kW and MW. The units of measure used are currently incorrect and therefore require amendment as they have no meaning).

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