

Petroleum and Gas (Safety) (Fee Unit Conversion) Amendment Regulation 2023

Explanatory notes for SL 2023 No. 149

made under the

Petroleum Act 1923

Petroleum and Gas (Production and Safety) Act 2004

General Outline

Short title

Petroleum and Gas (Safety) (Fee Unit Conversion) Amendment Regulation 2023

Authorising law

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 *Petroleum and Gas (Safety) (Fee Unit Conversion) Amendment Regulation 2023* (the Amendment Regulation) is to amend the *Petroleum and Gas (Safety) Regulation 2018* (the P&G Regulation) to convert methane/biogas fees prescribed under schedule 6, part 3, section 14 of the P&G Regulation into the fee unit model.

Regulatory in-scope fees are to be converted into fee units in line with Government's fee unit model policy. Per the *Queensland Treasury Principles for Fees and Charges* (October 2021), the fee unit model required that by 1 July 2022, all in-scope fees captured by the Government's indexation policy be displayed as a number of fee units, not a dollar amount, in agencies' respective regulations, unless an exemption has been provided. The legislative provisions for establishing the fee unit model are included in sections 48B and 48C of the *Acts Interpretation Act 1954* (the AIA) and its subordinate legislation. Per section 48B of the AIA the value (dollar amount) of the fee unit is prescribed by regulation and is subject to annual indexation.

The value of the fee unit is updated by Queensland Treasury annually in line with the Government Indexation Rate. The fee unit model streamlines the annual process of indexing regulatory fees. It provides for indexation of the fee unit rather than the amendment of hundreds of pages of regulation each year.

The *Resources Safety and Health Legislation (Fee Unit Conversion) Amendment Regulation 2022* implemented the fee unit model policy for the regulatory fees in subordinate legislation administered by Resources Safety and Health Queensland, which took effect from 1 July 2022, except for the methane/biogas fees. The methane/biogas fees prescribed under schedule 6, part 3, section 14 of the P&G Regulation were subject to Queensland Treasury's exemption from the fee unit conversion for 12 months, ending on 30 June 2023. The conversion for these fees was to take effect from 1 July 2023. However, due a drafting error, the fees were not converted to fee units. The Amendment Regulation will rectify this error and ensure the methane/biogas fees can be indexed by converting those fees into the fee unit model upon notification.

Given that the methane/biogas fees were not indexed on 1 July 2023, the current dollar value of these fees has been adjusted by the current Government Indexation Rate for 2023–24 of 3.4 per cent, then converted into fee units by dividing it by the current value of a fee unit under the *Acts Interpretation (Fee Unit) Regulation 2022* of \$1.060.

As the Amendment Regulation is to rectify a drafting error, Resources Safety and health Queensland (RSHQ) has prepared an Impact Analysis Statement and determined that the proposal be agency-assessed as a regulatory proposal that does not require further impact analysis under *The Queensland Government Better Regulation Policy* (September 2023), because the proposal is minor.

Achievement of policy objectives

The Amendment Regulation achieves its objective by amending fees prescribed for methane/biogas under schedule 6, part 3, section 14 of the P&G Regulation to fee units.

Consistency with policy objectives of authorising law

The Amendment Regulation is consistent with the policy objectives of the respective Acts.

Inconsistency with policy objectives of other legislation

The Amendment Regulation is not inconsistent with the policy objectives of any other jurisdictions.

Benefits and costs of implementation

Under *The Queensland Government Better Regulation Policy* (September 2023), this regulatory proposal is considered minor and machinery in nature (that is, with no or negligible costs), as it corrects a previous drafting error. There are no additional costs associated with implementing the Amendment Regulation.

Consistency with fundamental legislative principles

The Amendment Regulation has been drafted to be consistent with fundamental legislative principles, as defined in section 4 of the *Legislative Standards Act 1992*.

Consultation

As the regulatory proposal is to correct a drafting error and minor in nature, RSHQ has not undertaken public consultation on these specific legislative amendments in the Amendment Regulation.

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