

Petroleum and Gas (Production and Safety) Legislation Amendment Regulation 2024

Explanatory notes for SL 2024 No. 32

made under the

Petroleum and Gas (Production and Safety) Act 2004

General Outline

Short title

Petroleum and Gas (Production and Safety) Legislation Amendment Regulation 2024.

Authorising law

Sections 11, 11A, 669 and 859 of the *Petroleum and Gas (Production and Safety) Act 2004*.

Policy objectives and the reasons for them

The objectives of the *Petroleum and Gas (Production and Safety) Legislation Amendment Regulation 2024* is to make amendments to the *Petroleum and Gas (General Provisions) Regulation 2017* and *Petroleum and Gas (Safety) Regulation 2018* to enable the expansion of the petroleum and gas pipelines framework to hydrogen carriers and to make consequential amendments to better align with the National Gas Law.

Pipelines will be essential infrastructure to support hydrogen production, allowing the transport of hydrogen and other gases from production facilities to other facilities such as export terminals.

On 28 October 2022, Energy Ministers agreed to extend the National Gas Law and the National Energy Retail Law to hydrogen and other renewable gases.

On 10 October 2023, the *Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Act 2023* (GSOL(HID)A Act) was passed by Queensland Parliament. The GSOL(HID)A Act contains amendments to the *Petroleum and Gas (Production and Safety) Act 2004* to provide for the licencing and operation of transmission pipelines to transport hydrogen and hydrogen carriers.

The Petroleum and Gas (Production and Safety) Legislation Amendment Regulation 2024 supports the commencement of the GSOL(HID)A Act and provides clarity for the regulation of hydrogen in Queensland.

Achievement of policy objectives

The Petroleum and Gas (Production and Safety) Legislation Amendment Regulation 2024 achieves its objectives by amending section 6 of the *Petroleum and Gas (General Provisions) Regulation 2017* to remove hydrogen and insert synthetic methane as substances prescribed as fuel gas under section 11 of the *Petroleum and Gas (Production and Safety) Act 2004*. It also inserts a new section 6A to prescribe substances that are regulated hydrogen under new section 11A of the *Petroleum and Gas (Production and Safety) Act 2004*.

The Petroleum and Gas (Production and Safety) Legislation Amendment Regulation 2024 also achieves its objectives by amending the definitions in the *Petroleum and Gas (Safety) Regulation 2018* to better align with amendments being progressed to the National Gas Law and gas elements of the National Electricity Retail Law.

As the *Petroleum and Gas (Production and Safety) Legislation Amendment Regulation 2024* maintains the existing licencing regime for the construction and operation of pipelines, albeit with some additional substances, the department has prepared an Impact Analysis Statement and determined that the proposal does not require further impact analysis under *The Queensland Government Better Regulation Policy* (September 2023), because the proposal is minor and consequential to the GSOL(HID)A Act.

Consistency with policy objectives of authorising law

The Petroleum and Gas (Production and Safety) Legislation Amendment Regulation 2024 is consistent with purposes of the *Petroleum and Gas (Production and Safety) Act 2004* which seek to facilitate and regulate, as a key authorised activity for pipeline licences, the construction and operation of pipelines for regulated hydrogen in a way that is safe, effective and efficient.

Inconsistency with policy objectives of other legislation

No inconsistencies with the policy objectives of other legislation have been identified.

Alternative ways of achieving policy objectives

Amending the *Petroleum and Gas (General Provisions) Regulation 2017* and *Petroleum and Gas (Safety) Regulation 2018* is the only way to achieve the policy objectives.

Benefits and costs of implementation

The *Petroleum and Gas (Production and Safety) Legislation Amendment Regulation 2024* has clear benefits by providing certainty for investors and communities about the substances that can be transported under pipeline licences.

There are no additional costs associated with the implementation of the *Petroleum and Gas (Production and Safety) Legislation Amendment Regulation 2024*.

Consistency with fundamental legislative principles

The *Petroleum and Gas (Production and Safety) Legislation Amendment Regulation 2024* has been drafted with regard to fundamental legislative principles as defined in section 4 of the *Legislative Standards Act 1992* and is consistent with these provisions.

Consultation

Proposed amendments to the *Petroleum and Gas (General Provisions) Regulation 2017* were released for consultation in March 2023. More than 125 stakeholders from industry, local government, the agricultural sector, resource sector, environmental groups, First Nations stakeholder groups, government owned corporations and distribution authority holders were targeted for feedback and briefing sessions were held with key stakeholders.

Ten submissions were received on the consultation version of the proposed amendments to the *Petroleum and Gas (General Provisions) Regulation 2017*. Stakeholders indicated broad support for the proposed amendments with minor points of feedback and clarification addressed.