

# **Petroleum and Gas (General Provisions) (Annual Fee) Amendment Regulation 2024**

Explanatory notes for SL 2024 No. 68

made under the

*Petroleum Act 1923*

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

## **General Outline**

### **Short title**

*Petroleum and Gas (General Provisions) (Annual Fee) Amendment Regulation 2024*

### **Authorising law**

Section 149 of the *Petroleum Act 1923*

Sections 423 and 859 of the *Petroleum and Gas (Production and Safety) Act 2004* (P&G Act)

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

The objective of the *Petroleum and Gas (General Provisions) (Annual Fee) Amendment Regulation 2024* (Amendment Regulation) is to insert a formula to calculate the annual fee payable by the operator of a scheme gas transmission pipeline in Queensland under section 423(3) of the *Petroleum and Gas (Production and Safety) Act 2004* (P&G Act). This will enable the continued recovery of a proportion of Queensland's annual funding commitment to the Australia Energy Market Commission (AEMC) through the levy of an annual fee on holders of a petroleum pipeline licence for a scheme gas transmission pipeline.

### **Achievement of policy objectives**

Amending section 66A of the *Petroleum and Gas (General Provisions) Regulation 2017* (P&G Regulation) to insert a formula will achieve the policy objective and remove the need for the P&G Regulation to be updated annually to prescribe an annual fee. The formula reflects the existing methodology for calculating the annual fee payable by a petroleum pipeline licence holder for each kilometre of pipeline the subject of the licence and will be the basis for calculating the annual fee. There is no regulatory or policy change to the way in which the annual fee is calculated.

The Department of Resources has prepared an Impact Analysis Statement and determined the Amendment Regulation does not require further impact analysis under the *Queensland Government Better Regulation Policy* (September 2023). This is because the proposal facilitates a routine task of government by setting out the government endorsed methodology for calculating the annual fee payable by a pipeline licence holder for each kilometre of pipeline the subject of the licence. The fee amount would be the same, and have the same impacts, whether it is prescribed in regulation on an annual basis, or calculated on an annual basis using the prescribed formula.

## **Consistency with policy objectives of authorising law**

The Amendment Regulation is consistent with the objective section 423(3) of the P&G Act, which establishes the head of power for the annual fee to be prescribed by regulation.

## **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 inclusion of a formula as the basis for calculating the annual fee supports the continued recovery of a proportion of Queensland's annual funding commitment to the AEMC and delivers regulatory efficiency by eliminating the requirement for annual amendments to section 66A of the P&G Regulation. There are no additional costs associated with implementing the Amendment Regulation.

## **Consistency with fundamental legislative principles**

The Amendment Regulation 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**

APA Group Limited, is the only holder of a pipeline licence for a scheme gas transmission pipeline in Queensland. They have been consulted and raised no concerns.

Office of Best Practice Regulation was consulted and advised that the proposal will not add to the burden of regulation and is unlikely to result in significant adverse impacts. The amendment is considered minor, and no further assessment is required.