



Petroleum and Gas (Production and Safety) Act 2004

Petroleum and Gas (Royalty) Regulation 2004

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Queensland

Petroleum and Gas (Royalty) Regulation 2004

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Petroleum and Gas (Royalty) Regulation 2004

Chapter 1 Preliminary

Part 1 Introduction

1 Short title

This regulation may be cited as the *Petroleum and Gas (Royalty) Regulation 2004*.

3 Dictionary

The dictionary in schedule 1 defines particular words used in this regulation.

Chapter 6 Petroleum royalty

Part 1 Preliminary

Division 1 Purpose

133 Purpose of chapter

This chapter prescribes—

- (a) for section 590(2)(a) of the Act, the time on or before which petroleum royalty must be paid; and

- (b) for section 590(2)(b) of the Act, the way in which petroleum royalty is calculated; and
- (c) for section 590(2)(c) of the Act, the rate at which petroleum royalty is payable.

Division 2 Interpretation

134 Definitions for chapter

- (1) In this chapter—

average hedge settlement rate, for a royalty return period, means the average, worked out for the royalty return period, of the hedge settlement rates for each day in the royalty return period.

domestic gas see section 135.

gas means petroleum in a gaseous state at standard temperature and pressure.

hedge settlement rate, for a day, means the WM/Reuters Australian Fix 10.00a.m. rate on the day.

independent buyer, in relation to a petroleum producer or a reseller for the producer, means a person who is not a relevant entity for the producer.

liquid petroleum see section 138.

LNG means liquefied natural gas.

LNG project means an LNG project under a determination of the revenue commissioner under section 139.

LNG project buyer, in relation to a petroleum producer or a reseller for the producer, means a person who the producer or reseller knows is a member of an LNG project because—

- (a) the person has, under section 141(2), given the producer or the reseller a notice stating that the person is a member of the LNG project; or

- (b) the revenue commissioner has, under section 141(4), told the producer or the reseller that the person is a member of the LNG project.

member, of an LNG project, means a member of an LNG project under a determination of the revenue commissioner under section 139.

oil means petroleum in a liquid state.

project gas see section 137.

relevant entity, for a petroleum producer, means—

- (a) for a petroleum producer that is a corporation—
- (i) an associated entity of the corporation within the meaning of the Corporations Act, section 50AAA; or
 - (ii) a related entity of the corporation within the meaning of the Corporations Act, section 9, definition *related entity*; or
 - (iii) a related party of the corporation within the meaning of the Corporations Act, section 228; or
- (b) for a petroleum producer who is an individual—a related person of the individual within the meaning of the *Duties Act 2001*, section 61, other than section 61(1)(d) of that Act.

reseller, for a petroleum producer, means a relevant entity for the producer that sells, or otherwise transfers ownership of, petroleum that is produced by the producer and owned by the reseller.

standard temperature and pressure means an absolute pressure of 101.325kPa at a temperature of 15°C.

supply gas see section 136.

- (2) To remove any doubt, it is declared that, for this chapter, a reference to a petroleum producer includes a participant in a joint venture, or other arrangement, involving the production of petroleum who is taken to be a petroleum producer under section 590(4) of the Act.

135 What is *domestic gas*

- (1) Petroleum produced by a petroleum producer in a royalty return period is *domestic gas* if—
 - (a) the petroleum is gas; and
 - (b) during the royalty return period, the petroleum is—
 - (i) sold or otherwise transferred, either directly by the producer or indirectly by the producer through 1 or more resellers for the producer, to a person who is not an LNG project buyer; or
 - (ii) flared, used or vented; or
 - (iii) if the producer is not a member of an LNG project—stored by, or kept in the possession of, the producer or 1 or more resellers for the producer; and
 - (c) the petroleum is not supply gas.
- (2) In this section—

use, petroleum, does not include convert the petroleum into LNG.

136 What is *supply gas*

- Petroleum produced by a petroleum producer in a royalty return period is *supply gas* if—
- (a) the petroleum is gas; and
 - (b) the petroleum is not produced by the producer as a member of an LNG project; and
 - (c) during the royalty return period, the petroleum is sold or otherwise transferred, either directly by the producer or indirectly by the producer through 1 or more resellers for the producer, to a person who is an LNG project buyer.

137 What is *project gas*

Petroleum produced by a petroleum producer in a royalty return period is *project gas* if—

- (a) the petroleum is gas; and
- (b) the petroleum is produced by the petroleum producer as a member of an LNG project; and
- (c) the petroleum is not domestic gas.

138 What is *liquid petroleum*

Petroleum produced by a petroleum producer in a royalty return period is *liquid petroleum* if the petroleum is oil.

Part 2 LNG projects

139 Revenue commissioner may make determination that petroleum venture is LNG project

- (1) This section applies if the revenue commissioner believes a petroleum venture exists between—
 - (a) 1 or more petroleum producers; and
 - (b) 1 or more other persons each of whom is a relevant entity for a petroleum producer mentioned in paragraph (a).
- (2) The revenue commissioner may make a determination that the petroleum venture is an LNG project.
- (3) If the revenue commissioner makes a determination under subsection (2), the revenue commissioner must also make a determination of who are the members of the LNG project.
- (4) The revenue commissioner must give each person who is a member of the LNG project notice of the determinations under subsections (2) and (3).
- (5) The notice must include the following information—

- (a) a description of the petroleum venture that constitutes the LNG project;
 - (b) the names of the members of the LNG project;
 - (c) the names of the petroleum producers who are members of the LNG project;
 - (d) the petroleum tenures under which petroleum is produced for the LNG project.
- (6) A determination under subsection (2) or (3) takes effect on the day stated in the notice.
- (7) The revenue commissioner may amend or revoke a determination made under subsection (2) or (3) by notice given to each person who is, or was before the amendment or revocation, a member of the LNG project.
- (8) An amendment or revocation under subsection (7) takes effect on the day stated in the notice.
- (9) For subsections (6) and (8), the day stated in the notice may be a day before the day on which the revenue commissioner makes, amends or revokes the determination.
- (10) In this section—
- petroleum venture* means a joint venture or other arrangement involving—
- (a) the production of gas for the purpose of converting the gas into LNG; and
 - (b) the processing, transportation, storage, conversion, sale or purchase of the gas or LNG mentioned in paragraph (a).

140 Revenue commissioner must reassess amount of royalty payable if particular determinations made

- (1) This section applies if the revenue commissioner—
- (a) has made, amended or revoked a determination under section 139 (each a *new decision*); and

- (b) has made an assessment under the *Taxation Administration Act 2001* of the amount of petroleum royalty payable by a petroleum producer for a royalty return period without having regard to the new decision.
- (2) The revenue commissioner must reassess, under the *Taxation Administration Act 2001*, the amount of petroleum royalty payable by the petroleum producer for the royalty return period having regard to the new decision.

Note—

See the *Taxation Administration Act 2001*, part 4 for the revenue commissioner's obligation to refund any excess amount on the making of the reassessment.

- (3) Subsection (4) applies if, on the reassessment, the petroleum producer is liable for penalty tax, unpaid tax interest or a civil penalty (each a *relevant liability*).
- (4) The revenue commissioner must remit the relevant liability to the extent it is payable only because of the operation of subsection (2).

141 Notification of status when petroleum producer, or reseller for producer, sells to member of LNG project

- (1) This section applies if a person—
 - (a) is a member of an LNG project; and
 - (b) purchases gas from a petroleum producer, or a reseller for the producer, who is not a member of the LNG project mentioned in paragraph (a).
- (2) The person must, as soon as reasonably practicable after the purchase, give the petroleum producer, or the reseller for the producer, a notice stating that the person is a member of the LNG project.

Maximum penalty—100 penalty units.

- (3) However, subsection (2) does not apply if the person has already given the petroleum producer, or the reseller for the producer, a notice stating that the person is a member of the LNG project.

- (4) The revenue commissioner may tell the petroleum producer, or the reseller for the producer, that the person is a member of the LNG project.

142 Notification of revenue commissioner when persons involved in petroleum venture change

- (1) Subsection (2) applies if a person who is a member of an LNG project (the *departing member*) stops being involved in the petroleum venture that constitutes the LNG project.
- (2) Each petroleum producer who continues to be involved in the petroleum venture must, within 30 days after the departing member stops being involved in the venture, give the revenue commissioner a notice stating that the departing member has stopped being involved in the venture.

Maximum penalty—100 penalty units.

- (3) Subsection (4) applies if a person (the *new participant*) starts being involved in a petroleum venture that constitutes an LNG project.
- (4) Each petroleum producer, including the new participant if the new participant is a petroleum producer, who is involved in the petroleum venture must, within 30 days after the new participant starts being involved in the venture, give the revenue commissioner a notice stating that the new participant has started being involved in the venture.

Maximum penalty—100 penalty units.

- (5) A petroleum producer may give a notice under subsection (2) or (4) jointly with another petroleum producer.
- (6) The revenue commissioner must, after receiving a notice under subsection (2) or (4), make a decision about whether to amend or revoke—
 - (a) the determination of the LNG project; or
 - (b) the determination of the members of the LNG project.

Part 3 Royalty rates

Division 1 Preliminary

143 Definitions for part

In this part—

relevant period, for a royalty return period, means—

- (a) if the royalty return period is a calendar quarter—the 3-month period starting on the day that is 4 months immediately before the start of the royalty return period; or
- (b) if the royalty return period is a financial year—the 12-month period starting on the day that is 4 months immediately before the start of the royalty return period.

volume, of petroleum, means—

- (a) for domestic gas, supply gas, project gas, gas or LNG—the volume converted to gigajoules; or
- (b) for liquid petroleum or oil—the volume measured in barrels.

Division 2 Domestic gas

144 Definitions for division

In this division—

average sales price, for domestic gas for a petroleum producer for a royalty return period, see sections 146 and 147.

benchmark price, for domestic gas for a royalty return period, means the firm End of Day Wallumbilla Benchmark Price averaged over the period.

145 Petroleum royalty for domestic gas

If petroleum produced by a petroleum producer in a royalty return period is domestic gas, the producer must pay petroleum royalty for the period on the volume of domestic gas produced in the period at the following rate—

- (a) if the average sales price for domestic gas for the producer for the period is not more than \$3 per gigajoule—0.02 cents per gigajoule for each 1 cent per gigajoule more than \$0 per gigajoule;
- (b) if the average sales price for domestic gas for the producer for the period is more than \$3, but not more than \$8, per gigajoule—6 cents per gigajoule plus 0.08 cents per gigajoule for each 1 cent per gigajoule more than \$3 per gigajoule;
- (c) if the average sales price for domestic gas for the producer for the period is more than \$8 per gigajoule—46 cents per gigajoule plus 0.10 cents per gigajoule for each 1 cent per gigajoule more than \$8 per gigajoule.

146 What is the *average sales price* for domestic gas

- (1) The *average sales price* for domestic gas for a petroleum producer for a royalty return period is worked out using the following formula—

$$ASP = \frac{AR + DS}{AV + DV}$$

where—

ASP is the average sales price.

AR is the total revenue from all gas sold in the royalty return period, either directly by the producer or indirectly by the producer through 1 or more resellers for the producer, to a person who—

- (a) is not an LNG project buyer; and

(b) is an independent buyer.

AV is the total volume of all gas sold in the royalty return period, either directly by the producer or indirectly by the producer through 1 or more resellers for the producer, to a person who—

(a) is not an LNG project buyer; and

(b) is an independent buyer.

DS is the deemed sales value of all gas sold in the royalty return period, either directly by the producer or indirectly by the producer through 1 or more resellers for the producer, to a person who—

(a) is not an LNG project buyer; and

(b) is not an independent buyer.

DV is the total volume of all gas sold in the royalty return period, either directly by the producer or indirectly by the producer through 1 or more resellers for the producer, to a person who—

(a) is not an LNG project buyer; and

(b) is not an independent buyer.

(2) For subsection (1), the deemed sales value of all gas sold in the royalty return period, either directly by the producer or indirectly by the producer through 1 or more resellers for the producer, to a person who is not an LNG project buyer and is not an independent buyer is worked out using the following formula—

$$DS = BP \times DV$$

where—

DS is the deemed sales value.

BP is the benchmark price for domestic gas for the royalty return period.

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DV is the total volume of all gas sold in the royalty return period, either directly by the producer or indirectly by the producer through 1 or more resellers for the producer, to a person who—

- (a) is not an LNG project buyer; and
- (b) is not an independent buyer.

147 When average sales price is the benchmark price

- (1) This section applies in relation to domestic gas produced by a petroleum producer in a royalty return period if—
 - (a) an election made by the producer under subsection (3) is in effect; or
 - (b) the producer does not provide, for an assessment, the information required to work out, under section 146, the average sales price for domestic gas for the producer for the period; or
 - (c) no gas is sold in the period, either directly by the producer or indirectly by the producer through 1 or more resellers for the producer, to a person who—
 - (i) is not an LNG project buyer; and
 - (ii) is an independent buyer; or
 - (d) the revenue commissioner considers it is appropriate for the protection of the public revenue for subsection (2) to apply.
- (2) Despite section 146, the average sales price for domestic gas for the petroleum producer for the royalty return period is the benchmark price for domestic gas for the period.
- (3) A petroleum producer may make an election in a royalty return lodged by the producer for subsection (2) to apply.
- (4) An election made by a petroleum producer under subsection (3)—
 - (a) starts on the first day of the royalty return period for the royalty return in which the election is made; and

- (b) continues in effect for each royalty return period after the royalty return period mentioned in paragraph (a) unless the revenue commissioner ends the election under subsection (6).
- (5) A petroleum producer may apply to the revenue commissioner in the approved form to end an election made under subsection (3).
- (6) The revenue commissioner may decide to end the election only if the revenue commissioner considers ending the election is appropriate having regard to all of the circumstances, including, for example, the protection of the public revenue.
- (7) The revenue commissioner must give the petroleum producer notice of a decision under subsection (6).
- (8) The election ends on the day stated in the notice.
- (9) For subsection (8), the day stated in the notice may be a day before the day on which the petroleum producer made the application under subsection (5) to end the election.
- (10) In making a decision under subsection (1)(d), the revenue commissioner may have regard to any of the following matters—
 - (a) any arrangements existing between the petroleum producer, or 1 or more resellers for the producer, and a person who purchases domestic gas from the producer or reseller;
 - (b) the number of sales in the royalty return period of domestic gas produced by the petroleum producer;
 - (c) the volume of domestic gas produced by the petroleum producer in the royalty return period that is sold to an independent buyer;
 - (d) the volume of domestic gas produced by the petroleum producer in the royalty return period that is sold to a person other than an independent buyer;
 - (e) any other matter the revenue commissioner considers relevant.

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- (11) The revenue commissioner must give a petroleum producer notice of a decision under subsection (1)(d).
- (12) The decision takes effect on the day stated in the notice.
- (13) For subsection (12), the day stated in the notice may be a day before the day on which the revenue commissioner makes the decision.

Division 3 Supply gas

148 Definitions for division

In this division—

average sales price, for supply gas for a petroleum producer for a royalty return period, see sections 148B and 148D.

benchmark price, for supply gas for a royalty return period, see section 148C.

148A Petroleum royalty for supply gas

If petroleum produced by a petroleum producer in a royalty return period is supply gas, the producer must pay petroleum royalty for the period on the volume of supply gas produced in the period at the following rate—

- (a) if the average sales price for supply gas for the producer for the period is not more than \$3 per gigajoule—0.05 cents per gigajoule for each 1 cent per gigajoule more than \$0 per gigajoule;
- (b) if the average sales price for supply gas for the producer for the period is more than \$3, but not more than \$8, per gigajoule—15 cents per gigajoule plus 0.10 cents per gigajoule for each 1 cent per gigajoule more than \$3 per gigajoule;
- (c) if the average sales price for supply gas for the producer for the period is more than \$8 per gigajoule—65 cents

per gigajoule plus 0.125 cents per gigajoule for each 1 cent per gigajoule more than \$8 per gigajoule.

148B What is the *average sales price* for supply gas

- (1) The *average sales price* for supply gas for a petroleum producer for a royalty return period is worked out using the following formula—

$$ASP = \frac{AR + DS}{AV + DV}$$

where—

ASP is the average sales price.

AR is the total revenue from all gas sold in the royalty return period, either directly by the producer or indirectly by the producer through 1 or more resellers for the producer, to a person who—

- (a) is an LNG project buyer; and
- (b) is an independent buyer.

AV is the total volume of all gas sold in the royalty return period, either directly by the producer or indirectly by the producer through 1 or more resellers for the producer, to a person who—

- (a) is an LNG project buyer; and
- (b) is an independent buyer.

DS is the deemed sales value of all gas sold in the royalty return period, either directly by the producer or indirectly by the producer through 1 or more resellers for the producer, to a person who—

- (a) is an LNG project buyer; and
- (b) is not an independent buyer.

DV is the total volume of all gas sold in the royalty return period, either directly by the producer or indirectly by the

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producer through 1 or more resellers for the producer, to a person who—

- (a) is an LNG project buyer; and
 - (b) is not an independent buyer.
- (2) For subsection (1), the deemed sales value of all gas sold in the royalty return period, either directly by the petroleum producer or indirectly by the producer through 1 or more resellers for the producer, to a person who is an LNG project buyer and is not an independent buyer is worked out using the following formula—

$$DS = BP \times DV$$

where—

DS is the deemed sales value.

BP is the benchmark price for supply gas for the royalty return period.

DV is the total volume of all gas sold in the royalty return period, either directly by the producer or indirectly by the producer through 1 or more resellers for the producer, to a person who—

- (a) is an LNG project buyer; and
- (b) is not an independent buyer.

148C What is the *benchmark price* for supply gas

The *benchmark price* for supply gas for a royalty return period is the price worked out using the following formula—

$$BP = SP \times 0.09 \text{ barrels per gigajoule}$$

where—

BP is the benchmark price for supply gas.

SP is the average, for the relevant period for the royalty return period, of the daily Europe Brent Spot Price FOB (Dollars per Barrel) converted into Australian dollars at the average hedge settlement rate for the royalty return period.

148D When average sales price is the benchmark price

- (1) This section applies in relation to supply gas produced by a petroleum producer in a royalty return period if—
 - (a) an election made by the producer under subsection (3) is in effect; or
 - (b) the producer does not provide, for an assessment, the information required to work out, under section 148B, the average sales price for supply gas for the producer for the period; or
 - (c) no gas is sold in the period, either directly by the producer or indirectly by the producer through 1 or more resellers for the producer, to a person who—
 - (i) is an LNG project buyer; and
 - (ii) is an independent buyer; or
 - (d) the revenue commissioner considers it is appropriate for the protection of the public revenue for subsection (2) to apply.
- (2) Despite section 148B, the average sales price for supply gas for the petroleum producer for the royalty return period is the benchmark price for supply gas for the period.
- (3) A petroleum producer may make an election in a royalty return lodged by the producer for subsection (2) to apply.
- (4) An election made by a petroleum producer under subsection (3)—
 - (a) starts on the first day of the royalty return period for the royalty return in which the election is made; and
 - (b) continues in effect for each royalty return period after the royalty return period mentioned in paragraph (a)

unless the revenue commissioner ends the election under subsection (6).

- (5) A petroleum producer may apply to the revenue commissioner in the approved form to end an election made under subsection (3).
- (6) The revenue commissioner may decide to end the election only if the revenue commissioner considers ending the election is appropriate having regard to all of the circumstances, including, for example, the protection of the public revenue.
- (7) The revenue commissioner must give the petroleum producer notice of a decision under subsection (6).
- (8) The election ends on the day stated in the notice.
- (9) For subsection (8), the day stated in the notice may be a day before the day on which the petroleum producer made the application under subsection (5) to end the election.
- (10) In making a decision under subsection (1)(d), the revenue commissioner may have regard to any of the following matters—
 - (a) any arrangements existing between the petroleum producer, or 1 or more resellers for the producer, and a person who purchases supply gas from the producer or reseller;
 - (b) the number of sales in the royalty return period of supply gas produced by the petroleum producer;
 - (c) the volume of supply gas produced by the petroleum producer in the royalty return period that is sold to an independent buyer;
 - (d) the volume of supply gas produced by the petroleum producer in the royalty return period that is sold to a person other than an independent buyer;
 - (e) any other matter the revenue commissioner considers relevant.

- (11) The revenue commissioner must give a petroleum producer notice of a decision under subsection (1)(d).
- (12) The decision takes effect on the day stated in the notice.
- (13) For subsection (12), the day stated in the notice may be a day before the day on which the revenue commissioner makes the decision.

Division 4 Project gas

148E Definitions for division

In this division—

average sales price, for project gas for a petroleum producer for a royalty return period, see sections 148G and 148I.

benchmark price, for project gas for a royalty return period, see section 148H.

148F Petroleum royalty for project gas

If petroleum produced by a petroleum producer in a royalty return period is project gas, the producer must pay petroleum royalty for the period on the volume of project gas produced in the period at the following rate—

- (a) if the average sales price for project gas for the producer for the period is not more than \$9 per gigajoule—0.03 cents per gigajoule for each 1 cent per gigajoule more than \$0 per gigajoule;
- (b) if the average sales price for project gas for the producer for the period is more than \$9, but not more than \$14, per gigajoule—27 cents per gigajoule plus 0.09 cents per gigajoule for each 1 cent per gigajoule more than \$9 per gigajoule;
- (c) if the average sales price for project gas for the producer for the period is more than \$14 per gigajoule—72 cents

per gigajoule plus 0.125 cents per gigajoule for each 1 cent per gigajoule more than \$14 per gigajoule.

148G What is the *average sales price* for project gas

- (1) The *average sales price* for project gas for a petroleum producer for a royalty return period is worked out using the following formula—

$$ASP = \frac{AR + DS}{AV + DV}$$

where—

ASP is the average sales price.

AR is the total revenue from all LNG sold in the royalty return period, by each member of the LNG project of which the producer is a member, to a person who is neither a member of the LNG project nor a relevant entity for a member of the LNG project.

AV is the total volume of all LNG sold in the royalty return period, by each member of the LNG project of which the producer is a member, to a person who is neither a member of the LNG project nor a relevant entity for a member of the LNG project.

DS is the deemed sales value of all LNG sold in the royalty return period, by each member of the LNG project of which the producer is a member, to a person who is either a member of the LNG project or a relevant entity for a member of the LNG project.

DV is the total volume of all LNG sold in the royalty return period, by each member of the LNG project of which the producer is a member, to a person who is either a member of the LNG project or a relevant entity for a member of the LNG project.

- (2) For subsection (1), the deemed sales value of all LNG sold in the period, by each member of the LNG project of which the petroleum producer is a member, to a person who is either a

member of the LNG project or a relevant entity for a member of the LNG project is worked out using the following formula—

$$DS = BP \times DV$$

where—

DS is the deemed sales value.

BP is the benchmark price for project gas for the royalty return period.

DV is the total volume of all LNG sold in the royalty return period, by each member of the LNG project of which the producer is a member, to a person who is either a member of the LNG project or a relevant entity for a member of the LNG project.

148H What is the *benchmark price* for project gas

The *benchmark price* for project gas for a royalty return period is the price worked out using the following formula—

$$BP = SP \times 0.135 \text{ barrels per gigajoule}$$

where—

BP is the benchmark price for project gas.

SP is the average, for the relevant period for the royalty return period, of the daily Europe Brent Spot Price FOB (Dollars per Barrel) converted into Australian dollars at the average hedge settlement rate for the royalty return period.

148I When average sales price is the benchmark price

- (1) This section applies in relation to project gas produced by a petroleum producer in a royalty return period if—

- (a) an election made by the producer under subsection (3) is in effect; or
 - (b) the producer does not provide, for an assessment, the information required to work out, under section 148G, the average sales price for project gas for the producer for the period; or
 - (c) no LNG is sold in the period, by a member of the LNG project of which the producer is a member, to a person who is neither a member of the LNG project nor a relevant entity for a member of the LNG project; or
 - (d) the revenue commissioner considers it is appropriate for the protection of the public revenue for subsection (2) to apply.
- (2) Despite section 148G, the average sales price for project gas for the petroleum producer for the royalty return period is the benchmark price for project gas for the period.
- (3) A petroleum producer may make an election in a royalty return lodged by the producer for subsection (2) to apply.
- (4) An election made by a petroleum producer under subsection (3)—
- (a) starts on the first day of the royalty return period for the royalty return in which the election is made; and
 - (b) continues in effect for each royalty return period after the royalty return period mentioned in paragraph (a) unless the revenue commissioner ends the election under subsection (6).
- (5) A petroleum producer may apply to the revenue commissioner in the approved form to end an election made under subsection (3).
- (6) The revenue commissioner may decide to end the election only if the revenue commissioner considers ending the election is appropriate having regard to all of the circumstances, including, for example, the protection of the public revenue.

- (7) The revenue commissioner must give the petroleum producer notice of a decision under subsection (6).
- (8) The election ends on the day stated in the notice.
- (9) For subsection (8), the day stated in the notice may be a day before the day on which the petroleum producer made the application under subsection (5) to end the election.
- (10) In making a decision under subsection (1)(d), the revenue commissioner may have regard to any of the following matters—
 - (a) any arrangements existing between a member of the LNG project of which the petroleum producer is a member and a person who purchases LNG from a member of the LNG project;
 - (b) the number of sales of LNG in the royalty return period by all members of the LNG project of which the petroleum producer is a member;
 - (c) the volume of LNG sold in the royalty return period by all members of the LNG project of which the petroleum producer is a member to a person who is neither a member of the LNG project nor a relevant entity for a member of the LNG project;
 - (d) the volume of LNG sold in the royalty return period by all members of the LNG project of which the petroleum producer is a member to a person who is a member of the LNG project or a relevant entity for a member of the LNG project;
 - (e) any other matter the revenue commissioner considers relevant.
- (11) The revenue commissioner must give a petroleum producer notice of a decision under subsection (1)(d).
- (12) The decision takes effect on the day stated in the notice.
- (13) For subsection (12), the day stated in the notice may be a day before the day on which the revenue commissioner makes the decision.

Division 5 Liquid petroleum

148J Definitions for division

In this division—

average sales price, for liquid petroleum for a petroleum producer for a royalty return period, see sections 148L and 148M.

benchmark price, for liquid petroleum for a royalty return period, is the average, for the royalty return period, of the daily Europe Brent Spot Price FOB (Dollars per Barrel) converted into Australian dollars at the average hedge settlement rate for the royalty return period.

148K Petroleum royalty for liquid petroleum

If petroleum produced by a petroleum producer in a royalty return period is liquid petroleum, the producer must pay petroleum royalty for the period on the volume of liquid petroleum produced in the period at the following rate—

- (a) if the average sales price for liquid petroleum for the producer for the period is not more than \$50 per barrel—0.03 cents per barrel for each 1 cent per barrel more than \$0 per barrel;
- (b) if the average sales price for liquid petroleum for the producer for the period is more than \$50, but not more than \$100, per barrel—\$1.50 per barrel plus 0.115 cents per barrel for each 1 cent per barrel more than \$50 per barrel;
- (c) if the average sales price for liquid petroleum for the producer for the period is more than \$100 per barrel—\$7.25 per barrel plus 0.125 cents per barrel for each 1 cent per barrel more than \$100 per barrel.

148L What is the *average sales price* for liquid petroleum

- (1) The *average sales price* for liquid petroleum for a petroleum producer for a royalty return period is worked out using the following formula—

$$ASP = \frac{AR + DS}{AV + DV}$$

where—

ASP is the average sales price.

AR is the total revenue from all oil sold in the period, either directly by the producer or indirectly by the producer through 1 or more resellers for the producer, to an independent buyer.

AV is the total volume of all oil sold in the period, either directly by the producer or indirectly by the producer through 1 or more resellers for the producer, to an independent buyer.

DS is the deemed sales value of all oil sold in the period, either directly by the producer or indirectly by the producer through 1 or more resellers for the producer, to a person other than an independent buyer.

DV is the total volume of all oil sold in the period, either directly by the producer or indirectly by the producer through 1 or more resellers for the producer, to a person other than an independent buyer.

- (2) For subsection (1), the deemed sales value of all oil sold in the royalty return period, either directly by the producer or indirectly by the producer through 1 or more resellers for the producer, to a person other than an independent buyer is worked out using the following formula—

$$DS = BP \times DV$$

where—

DS is the deemed sales value.

BP is the benchmark price for liquid petroleum for the royalty return period.

DV is the total volume of all oil sold in the royalty return period, either directly by the producer or indirectly by the producer through 1 or more resellers for the producer, to a person other than an independent buyer.

148M When average sales price is the benchmark price

- (1) This section applies in relation to liquid petroleum produced by a petroleum producer in a royalty return period if—
 - (a) an election made by the producer under subsection (3) is in effect; or
 - (b) the producer does not provide, for an assessment, the information required to work out, under section 148L, the average sales price for liquid petroleum for the producer for the period; or
 - (c) no oil is sold in the period, either directly by the producer or indirectly by the producer through 1 or more resellers for the producer, to an independent buyer; or
 - (d) the revenue commissioner considers it is appropriate for the protection of the public revenue for subsection (2) to apply.
- (2) Despite section 148L, the average sales price for liquid petroleum for the petroleum producer for the royalty return period is the benchmark price for liquid petroleum for the period.
- (3) A petroleum producer may make an election in a royalty return lodged by the producer for subsection (2) to apply.
- (4) An election made by a petroleum producer under subsection (3)—
 - (a) starts on the first day of the royalty return period for the royalty return in which the election is made; and

- (b) continues in effect for each royalty return period after the royalty return period mentioned in paragraph (a) unless the revenue commissioner ends the election under subsection (6).
- (5) A petroleum producer may apply to the revenue commissioner in the approved form to end an election made under subsection (3).
- (6) The revenue commissioner may decide to end the election only if the revenue commissioner considers ending the election is appropriate having regard to all of the circumstances, including, for example, the protection of the public revenue.
- (7) The revenue commissioner must give the petroleum producer notice of a decision under subsection (6).
- (8) The election ends on the day stated in the notice.
- (9) For subsection (8), the day stated in the notice may be a day before the day on which the petroleum producer made the application under subsection (5) to end the election.
- (10) In making a decision under subsection (1)(d), the revenue commissioner may have regard to any of the following matters—
 - (a) any arrangements existing between the petroleum producer, or 1 or more resellers for the producer, and a person who purchases liquid petroleum from the producer or reseller;
 - (b) the number of sales in the royalty return period of liquid petroleum produced by the petroleum producer;
 - (c) the volume of liquid petroleum produced by the petroleum producer in the royalty return period that is sold to an independent buyer;
 - (d) the volume of liquid petroleum produced by the petroleum producer in the royalty return period that is sold to a person other than an independent buyer;
 - (e) any other matter the revenue commissioner considers relevant.

[s 148N]

- (11) The revenue commissioner must give a petroleum producer notice of a decision under subsection (1)(d).
- (12) The decision takes effect on the day stated in the notice.
- (13) For subsection (12), the day stated in the notice may be a day before the day on which the revenue commissioner makes the decision.

Part 4 Royalty returns

148N Purpose of part

For section 592A of the Act, this part prescribes the requirements for royalty returns lodged under the Act.

148O Lodgement with revenue commissioner

A royalty return must be lodged with the revenue commissioner.

148P Form of royalty returns

A royalty return lodged under the Act must be in the approved form.

148Q Period to which royalty return must relate

- (1) A royalty return required under the Act to be lodged by a petroleum producer must relate to a period of—
 - (a) if the petroleum producer holds a petroleum lease or a 1923 Act lease—a calendar quarter; or
 - (b) otherwise—a financial year.
- (2) However, if the revenue commissioner considers it appropriate having regard to the amount of the petroleum royalty likely to be payable by the petroleum producer, the revenue commissioner may decide that—

- (a) for a petroleum producer to whom subsection (1)(a) applies—a royalty return must relate to a financial year; or
 - (b) for a petroleum producer to whom subsection (1)(b) applies—a royalty return must relate to a calendar quarter.
- (3) A petroleum producer may ask the revenue commissioner to make a decision under subsection (2)(b).
- (4) If the revenue commissioner makes a decision under subsection (2)(a) or (b) or (3)—
- (a) the revenue commissioner must give notice of the decision to the petroleum producer required to lodge the return; and
 - (b) the notice must state the day on which the decision is to take effect; and
 - (c) for subsection (2)(b) or (3)—the day stated in the notice must not be earlier than the day the revenue commissioner gives the petroleum producer the notice unless the person agrees otherwise.
- (5) The decision takes effect on the day stated in the notice.

148R When royalty return must be lodged

- (1) A royalty return required under the Act to be lodged by a petroleum producer that relates to a financial year must be lodged within 3 months after the day the year ends.
- (2) A royalty return required under the Act to be lodged by a petroleum producer that relates to a calendar quarter must be lodged on or before the last business day of the month after the day the quarter ends.
- (3) This section applies subject to section 148S.

148S Revenue commissioner may require royalty return to be lodged on particular day

- (1) This section applies if the revenue commissioner considers that, for the protection of the public revenue, a royalty return should be lodged on a day that is earlier than the day mentioned in section 148R(1) or (2).
- (2) The revenue commissioner may, by notice, require the petroleum producer required to lodge the royalty return to lodge it on a stated day that is at least 7 days after the day the revenue commissioner gives the petroleum producer the notice.

148T Fee for failing to lodge royalty return on time

- (1) If a petroleum producer is required to lodge a royalty return and does not lodge the return by the day it is required to be lodged, the petroleum producer must pay the prescribed fee.
- (2) The prescribed fee is \$206.70.
- (3) For the *Taxation Administration Act 2001*, section 30(1)(d), the time by which the prescribed fee is payable is the day the assessment is made of the petroleum royalty payable for the period to which the return relates.
- (4) The revenue commissioner may remit the whole or part of the fee.
- (5) The remission must be made by assessment under the *Taxation Administration Act 2001*.

Part 5 Payment of petroleum royalty

148U When petroleum royalty payable—yearly return period

For the *Taxation Administration Act 2001*, section 30(1), the petroleum royalty payable by a petroleum producer under the Act for a royalty return period that is a financial year is payable on the day the royalty return must be lodged for the royalty return period.

148V When petroleum royalty payable— return period that is calendar quarter

- (1) Subject to section 148W, the petroleum royalty payable by a petroleum producer under the Act for a royalty return period that is a calendar quarter is payable as follows—
 - (a) instalment 1 is payable on the last business day of the second month of the royalty return period;
 - (b) instalment 2 is payable on the last business day of the third month of the royalty return period;
 - (c) under the *Taxation Administration Act 2001*, section 30(1)(a), instalment 3 is payable on the day a royalty return must be lodged for the royalty return period.
- (2) A petroleum producer must lodge an approved form for a payment under subsection (1) when the payment is made.
- (3) In this section—

instalment 1, for a royalty return period that is a calendar quarter, means—

- (a) the amount payable by the petroleum producer for the first month of the royalty return period worked out under section 148X; or
- (b) if an election under section 148Z applies for the first month of the royalty return period—the amount payable by the petroleum producer for the first month worked out under section 148Z(5)(a).

instalment 2, for a royalty return period that is a calendar quarter, means—

- (a) the amount payable by the petroleum producer for the second month of the royalty return period worked out under section 148X; or
- (b) if an election under section 148Z applies for the second month of the royalty return period—the amount payable by the petroleum producer for the second month worked out under section 148Z(5)(b).

instalment 3, for a royalty return period that is a calendar quarter, means—

- (a) if the sum of instalment 1 and instalment 2 for the royalty return period is less than the petroleum royalty payable by the petroleum producer under the Act for the royalty return period (the *total royalty*)—the amount of the total royalty less the sum; or
- (b) otherwise—zero.

148W Quarterly payment notice

- (1) If the revenue commissioner considers it appropriate, the revenue commissioner may, by notice (a *quarterly payment notice*) given to a petroleum producer, state that the day petroleum royalty is payable by the petroleum producer for a royalty return period that is a calendar quarter is the day the royalty return must be lodged for the period instead of an earlier time under section 148V(1)(a) or (b).
- (2) A quarterly payment notice given to a petroleum producer must state the period for which the notice applies.
- (3) If the revenue commissioner considers it appropriate to do so, the revenue commissioner may, by notice, withdraw a quarterly payment notice.
- (4) A withdrawal under subsection (3) takes effect from the start of the next royalty return period after the end of the royalty return period in which the notice of the withdrawal is given.

148X Working out monthly payments for return period that is calendar quarter generally

- (1) This section provides, for section 148V(1), the amounts payable by a petroleum producer for the first and second months of a royalty return period (the *current royalty return period*).

Note—

See, however, section 148Z.

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- (2) The amount payable by the petroleum producer for each of the first and second months of the current royalty return period is a third of the total amount of the petroleum royalty payable by the petroleum producer under the Act for the previous royalty return period—
- (a) taking into account any assessment under the *Taxation Administration Act 2001*, for the petroleum royalty payable for the previous royalty return period, made before the earlier of the following events happens—
- (i) the amount for the first month of the current royalty return period is paid;
- (ii) the amount for the first month of the current royalty return period becomes payable; and
- (b) disregarding any assessment under the *Taxation Administration Act 2001*, for the petroleum royalty payable for the previous royalty return period, made when, or after, the earlier of the events mentioned in paragraph (a)(i) and (ii) happens.

Example—

The petroleum royalty paid for the previous royalty return period was \$90,000. A reassessment for the previous royalty return period was made by the revenue commissioner under the *Taxation Administration Act 2001* to increase the petroleum royalty payable for the previous royalty return period to \$120,000. The reassessment was made before the amount payable for the first month of the royalty return period is paid or becomes payable (whichever is the earlier). Accordingly, the amount payable under this section for the first month and second month of the royalty return period is \$40,000 (being a third of \$120,000).

148Y Working out monthly payments for return period that is calendar quarter in particular circumstances

- (1) This section applies if—
- (a) an amount is payable by a petroleum producer under section 148X(2) for the first and second months of a royalty return period (the *current royalty return period*); and
- (b) either—

- (i) the petroleum producer did not lodge a royalty return for the previous royalty return period, as required under the Act; or
 - (ii) the previous royalty return period was not a calendar quarter.
 - (2) For working out the amounts payable by the petroleum producer under section 148X(2)—
 - (a) the revenue commissioner may—
 - (i) if subsection (1)(b)(i) applies—estimate the total amount of petroleum royalty payable by the petroleum producer under the Act for the previous royalty return period; or
 - (ii) if subsection (1)(b)(ii) applies—adjust the amount of petroleum royalty payable by the petroleum producer under the Act for the previous royalty return period to estimate an amount representative of the petroleum royalty that would have been payable if the previous royalty return period were a calendar quarter; and
 - (b) the revenue commissioner must give the petroleum producer a notice stating the amount (the *estimated amount*) estimated by the revenue commissioner under paragraph (a)(i) or (ii); and
 - (c) the estimated amount is the total amount of petroleum royalty payable by the petroleum producer under the Act for the previous royalty return period.
 - (3) In estimating an amount for subsection (2)(a)(i) or (ii), the revenue commissioner may have regard to—
 - (a) any other royalty returns lodged by the petroleum producer; and
 - (b) the volume of petroleum for which the petroleum royalty is payable; and
 - (c) any other relevant matter.

148Z Election to change monthly payments for return period that is calendar quarter

- (1) This section applies if, at the relevant time—
 - (a) a petroleum producer reasonably believes the amount of petroleum royalty payable by the producer under the Act for a royalty return period that is a calendar quarter (the *current royalty return period*) will be less than the petroleum royalty payable by the producer under the Act for the previous royalty return period; and
 - (b) the revenue commissioner has not given the petroleum producer a notice under section 148ZA.
- (2) For subsection (1), the petroleum royalty payable by the petroleum producer under the Act for the previous royalty return period is the amount that, under section 148X or 148Y, is the petroleum royalty payable by the producer under the Act for the previous royalty return period for section 148X(2).
- (3) The petroleum producer may elect to change the amount payable for the first or second months of the current royalty return period.
- (4) The election must—
 - (a) be in the approved form; and
 - (b) state the amount of petroleum royalty the petroleum producer reasonably believes will be payable by the petroleum producer under the Act for the current royalty return period; and
 - (c) unless the revenue commissioner, by notice given to the petroleum producer, approves another day for making the election—be lodged on or before—
 - (i) for an election for the first month of the current royalty return period—the last business day of the second month of the royalty return period; or
 - (ii) for an election for the second month of the current royalty return period—the last business day of the third month of the royalty return period.

- (5) Subject to subsection (6)—
 - (a) if the petroleum producer makes an election under subsection (3) for the first month of the current royalty return period, the amount payable for that month is a third of the amount mentioned in subsection (4)(b) for the election; or
 - (b) if the petroleum producer makes an election under subsection (3) for the second month of the current royalty return period, the amount payable for that month is a third of the amount mentioned in subsection (4)(b) for the election.
- (6) The amount payable, as changed under subsection (3) for the first or second months of a royalty return period, may be more than the amount payable under subsection (5)(a) or (5)(b).
- (7) In this section—

relevant time, for an election for the first month or the second month of a royalty return period, means when the amount payable for the month becomes payable under section 148V.

148ZA Revenue commissioner may give notice requiring petroleum royalty payable to be worked out under s 148X

- (1) This section applies if—
 - (a) a petroleum producer has previously made an election under section 148Z(3); and
 - (b) the revenue commissioner considers the petroleum producer did not have a reasonable basis for forming the belief mentioned in section 148Z(1)(a) for the election.
- (2) The revenue commissioner may give the petroleum producer a notice stating that the amounts payable by the petroleum producer for the first and second months of 1 or more royalty return periods must be worked out under section 148X.
- (3) The petroleum producer may not make an election under section 148Z(3) for a royalty return period to which the notice relates.

Part 6 Joint venture tenures

148ZB Definitions for part

In this part—

amount, of petroleum produced under a joint venture tenure, includes a percentage or proportion of petroleum produced under the tenure.

election period, for a joint venture tenure, means the period for which a non-tenure holder is taken to be a petroleum producer, in relation to an amount of petroleum produced under the joint venture tenure, for a royalty provision.

joint venture tenure see section 148ZC(1)(b).

non-tenure holder see section 148ZC(1)(a).

tenure holder see section 148ZC(1)(b).

148ZC Non-tenure holder may apply to be treated as petroleum producer for joint venture tenure

- (1) This section applies if—
 - (a) a person (the *non-tenure holder*) is a participant in a joint venture, or other arrangement, involving the production of petroleum and does not hold a petroleum tenure under which the petroleum for the joint venture or other arrangement is produced; and
 - (b) another person (the *tenure holder*) holds a petroleum tenure under which the petroleum for the joint venture or other arrangement is produced (the *joint venture tenure*).
- (2) The non-tenure holder may apply to the revenue commissioner to be taken to be a petroleum producer, in relation to a stated amount of petroleum produced under the joint venture tenure, for a royalty provision.
- (3) The application must—

- (a) be in the approved form; and
 - (b) identify the joint venture tenure; and
 - (c) state the proposed amount of petroleum produced under the joint venture tenure for which the non-tenure holder is to be taken to be a petroleum producer for a royalty provision; and
 - (d) state the proposed day for the election period for the joint venture tenure to start; and
 - (e) state either—
 - (i) the proposed day for the election period for the joint venture tenure to end; or
 - (ii) that the election period for the joint venture tenure is to end under section 148ZD; and
 - (f) be accompanied by the consent to the application of the tenure holder.
- (4) The revenue commissioner must decide the application by—
- (a) granting the application in the way proposed; or
 - (b) granting the application in another way, with the written agreement of the non-tenure holder and tenure holder; or
 - (c) refusing to grant the application.
- (5) The revenue commissioner may grant the application only if the revenue commissioner is satisfied the decision would not adversely affect the protection of the public revenue.
- (6) The election period must not—
- (a) start on a day earlier than the first day of the current royalty return period; or
 - (b) if a day is stated under subsection (3)(e)(i)—end on a day later than the stated day.
- (7) The revenue commissioner must give the non-tenure holder and the tenure holder notice of the decision.

- (8) If the decision is to refuse to grant the application, the notice must include reasons for the decision.
- (9) If the revenue commissioner decides to grant the application, for the election period for the joint venture tenure—
- (a) the non-tenure holder is taken to produce the amount of petroleum produced under the joint venture tenure that is decided by the revenue commissioner; and
 - (b) the non-tenure holder is taken to be a petroleum producer, in relation to the amount of petroleum mentioned in paragraph (a), for a royalty provision; and
 - (c) the non-tenure holder is taken to be a taxpayer under the *Taxation Administration Act 2001* in relation to petroleum royalty payable on the amount of petroleum mentioned in paragraph (a); and
 - (d) a provision relating to when a royalty return is required to be lodged is taken to apply to the non-tenure holder as if the non-tenure holder held the joint venture tenure; and
 - (e) sections 591 and 591A of the Act are taken to apply, in relation to the amount of petroleum mentioned in paragraph (a), as if the non-tenure holder held the joint venture tenure.
- (10) This section does not affect the tenure holder's liability to pay petroleum royalty on the amount of petroleum mentioned in subsection (9)(a) if the non-tenure holder does not pay the royalty.
- (11) In this section—
- current royalty return period*** means the royalty return period applying in relation to the joint venture tenure on the day the application under this section is made.

148ZD Ending of election period on application or by revenue commissioner

- (1) This section applies if the revenue commissioner has approved an application in relation to a joint venture tenure under section 148ZC.
- (2) The non-tenure holder or tenure holder for the joint venture tenure may apply to the revenue commissioner to end the election period for the joint venture tenure.
- (3) The application must—
 - (a) be in the approved form; and
 - (b) state the proposed day for the election period for the joint venture tenure to end; and
 - (c) if the application is made by the non-tenure holder—be accompanied by evidence that the non-tenure holder has notified the tenure holder of the application; and
 - (d) if the application is made by the tenure holder—be accompanied by evidence that the tenure holder has notified the non-tenure holder of the application.
- (4) The revenue commissioner must decide the application by—
 - (a) ending the election period on the day proposed; or
 - (b) ending the election period on another day, with the written agreement of the non-tenure holder and tenure holder; or
 - (c) refusing to end the election period.
- (5) The revenue commissioner must decide to end the election period if the revenue commissioner is satisfied that ending the election period would not adversely affect the protection of the public revenue.
- (6) The revenue commissioner may also decide, on the revenue commissioner's own initiative, to end the election period for the joint venture tenure if the revenue commissioner is satisfied that ending the election period is appropriate for the protection of the public revenue.

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- (7) The day on which the election period ends must not be earlier than the first day of the current royalty return period.
 - (8) The revenue commissioner must give the non-tenure holder and the tenure holder notice of a decision under subsection (4) or (6).
 - (9) If the decision is under subsection (6), the notice must include reasons for the decision.
 - (10) To remove any doubt, it is declared that the ending of the election period for the joint venture tenure does not affect a liability arising before the ending of the period.
 - (11) In this section—
current royalty return period means—
 - (a) for an application under subsection (2)—the royalty return period applying in relation to the joint venture tenure on the day the application is made; or
 - (b) for a decision under subsection (6)—the royalty return period applying in relation to the joint venture tenure on the day the decision is made.

Part 7 Miscellaneous

149 Application of chapter to swap arrangements

- (1) The revenue commissioner may make a determination about how this chapter applies to swap arrangements.
- (2) Without limiting subsection (1), for petroleum subject to a swap arrangement, a determination may be made about—
 - (a) how the average sales price for the petroleum is to be worked out for part 3; and
 - (b) if the petroleum is gas—whether the gas is to be classified as domestic gas, supply gas or project gas.
- (3) The revenue commissioner must publish a determination made under subsection (1) on the department's website.

(4) In this section—

swap arrangement means an arrangement entered into between petroleum producers to swap rights or obligations in relation to petroleum produced by the producers to the extent the arrangement relates to exchanging the same volume and quality of petroleum in a particular period.

Part 8 Royalty estimate

149A Purpose of part

This part prescribes for section 593(2) of the Act the requirements for royalty estimates.

149B What notice must contain

- (1) The notice given by the revenue commissioner to a petroleum producer under section 593 of the Act (a *royalty estimate notice*) must include the following—
 - (a) the period (the *estimate period*) for which the petroleum producer is to estimate the royalties payable by the petroleum producer under section 590 of the Act;
 - (b) the day by which the petroleum producer must provide the royalty estimate;
 - (c) the form in which the petroleum producer must provide the royalty estimate;
 - (d) a description of the information the petroleum producer must provide in the royalty estimate.
- (2) For subsection (1)(d), the information the revenue commissioner may ask a petroleum producer to provide in the royalty estimate includes the following—
 - (a) a statement of each type of petroleum the producer expects to produce in the estimate period;

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- (b) for each type of petroleum stated under paragraph (a), an estimate of the following for the estimate period—
- (i) the volume of petroleum the producer expects to produce;
 - (ii) the volume of petroleum the producer expects to be exempt from petroleum royalty under section 591 or 591A of the Act;
 - (iii) the volume of petroleum the producer expects to be subject to the benchmark price for the petroleum;
 - (iv) the average sales price for the petroleum for the petroleum producer for the estimate period.
- (3) Subsection (2) does not limit the information the revenue commissioner may ask to be included in the royalty estimate.
- (4) In this section—
- type*, of petroleum, means—
- (a) domestic gas; or
 - (b) supply gas; or
 - (c) project gas; or
 - (d) liquid petroleum.

149C Form of and information to be included in royalty estimate

The royalty estimate must—

- (a) be in the form stated in the royalty estimate notice; and
- (b) include the information asked for in the royalty estimate notice.

149D Revenue commissioner may request information to support royalty estimate

- (1) The revenue commissioner may, by notice to a petroleum producer who has lodged a royalty estimate, ask the

petroleum producer to give the revenue commissioner, by the day stated in the notice, information to support the matters stated in the royalty estimate.

- (2) The revenue commissioner may, by notice to a petroleum producer who must provide a royalty estimate under section 593(2) of the Act, ask the petroleum producer to give the revenue commissioner, by the day stated in the notice, additional information about the matters that must be included in the royalty estimate.
- (3) If the revenue commissioner asks a petroleum producer for information under subsection (1) or (2), the petroleum producer must provide the information by the day stated in the notice.

Part 9 Civil penalty

149E Imposition of civil penalty—Act, s 594

- (1) This section applies if a petroleum producer makes a section 148Z election and either—
 - (a) the petroleum royalty payable for the current royalty return period exceeds the petroleum royalty payable for the previous royalty return period by an amount that is more than 15% of the petroleum royalty payable for the previous royalty return period; or
 - (b) both of the following apply—
 - (i) the petroleum royalty payable for the current royalty return period is less than the petroleum royalty payable for the previous royalty return period;
 - (ii) the total of the petroleum royalty payable for the first month and the second month of the current royalty return period is less than 50% of the total petroleum royalty payable for the current royalty return period.

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- (2) The producer is liable to the State for an amount (*civil penalty*) equal to 25% of the default estimate difference, if any, for each month of the current royalty return period for which the producer makes the section 148Z election.
 - (3) For subsection (2), the *default estimate difference* for a month of the current royalty return period is the difference between—
 - (a) the amount that would have been payable for the month under section 148X if the producer had not made the section 148Z election; and
 - (b) the amount payable for the month under the section 148Z election.
 - (4) However, if the amount mentioned in subsection (3)(a) is less than the amount mentioned in subsection (3)(b), the default estimate difference for the month is taken to be 0.
 - (5) Subsection (6) applies if, for petroleum royalty payable for the current royalty return period, an assessment is made under the *Taxation Administration Act 2001*.
 - (6) For subsection (1), the petroleum royalty payable for the current royalty return period is the amount of petroleum royalty payable taking into account the assessment.
 - (7) For subsection (1), a reference to the petroleum royalty payable for the previous royalty return period is a reference to the amount worked out under section 148Z(2).
 - (8) The revenue commissioner may remit the whole or part of the civil penalty.
 - (9) The remission must be made by assessment.
 - (10) In this section—

current royalty return period see section 148Z(1)(a).

section 148Z election means an election under section 148Z(3) to change the amount payable for the first month or the second month, or both, of the current royalty return period.

Part 10 Unpaid tax interest

149I Unpaid tax interest on petroleum royalty—Taxation Administration Act 2001, s 54

- (1) For the *Taxation Administration Act 2001*, section 54(9), this section provides for working out the period for which unpaid tax interest accrues if—
 - (a) petroleum royalty is payable by a person under section 148V(1) for a royalty return period that is a calendar quarter; and
 - (b) the person has not paid all of the amount payable for instalment 1, instalment 2 or instalment 3 as required under section 148V.
- (2) If instalment 1 or instalment 2 is not paid in full by the day required under section 148V, unpaid tax interest accrues on the amount unpaid, from time to time, for the period—
 - (a) starting on, and including, the day after the day the instalment is required to be paid; and
 - (b) ending on, and including, the earlier of the following days—
 - (i) the day the instalment is paid in full;
 - (ii) the lodgement day.
- (3) If the petroleum royalty payable for the royalty return period is not paid in full on the lodgement day, unpaid tax interest accrues on the total amount unpaid, from time to time, for the period—
 - (a) starting on, and including, the day after the lodgement day; and
 - (b) ending on, and including, the day the total amount is paid in full.
- (4) In this section—

lodgement day means the day a petroleum royalty return must be lodged for a royalty return period, disregarding any

extension given under the *Taxation Administration Act 2001*, section 151.

Chapter 7 Transitional and saving provisions

Note—

Some provisions referred to in this chapter were repealed by the *Petroleum and Gas (Production and Safety) and Other Legislation Amendment Regulation 2017* or the *Petroleum and Gas (Safety) Regulation 2018*.

Part 1 Transitional and savings provisions for SL No. 309 of 2004

Division 1 Transitional provisions relating to the Gas (Residual Provisions) Regulation 1989

156 Definitions for div 1

In this division—

chief gas examiner means the chief gas examiner under the repealed *Gas (Residual Provisions) Act 1965*.

commencement means the commencement of section 860 of the Act.

existing, for an approval or certificate given under the repealed regulation, means an approval or certificate that is in effect immediately before the commencement.

repealed regulation means the repealed *Gas (Residual Provisions) Regulation 1989*.

157 Approval for non-conforming gas

An existing approval given by the chief gas examiner under section 21 of the repealed regulation is, on the commencement, taken to be a gas quality approval given by the chief inspector under section 622 of the Act.

158 Approval of gas devices etc.

- (1) An existing approval for an appliance, container, fitting or system given by an approval body under section 81 of the repealed regulation is taken to be an approval given by the chief inspector, or a person or body approved by the chief inspector, under section 733(1) of the Act.
- (2) In this section—
approval body means—
 - (a) the chief gas examiner; or
 - (b) a person or body approved by the chief gas examiner under section 81 of the repealed regulation.

159 Continuing effect of certificates of compliance

- (1) An existing certificate of compliance under section 99 of the repealed regulation continues, on the commencement, to have effect as a gas inspection certificate under chapter 5, part 3.
- (2) A certificate mentioned in section 109(2A)(b) of the repealed regulation given by a licensed person is, on the commencement, taken to be a certification given under section 734(3) of the Act.
- (3) A certificate mentioned in section 110(2), 111(2) or 112(2) of the repealed regulation given by a licensed person continues, on the commencement, to have effect as a gas inspection certificate under chapter 5, part 3.

(4) In this section—

licensed person means a licensed person under the repealed regulation.

160 Approval of plans and specifications for particular installations

- (1) An existing approval given by the chief gas examiner under section 100(2) of the repealed regulation continues, on the commencement, to have effect.
- (2) The installation to which the approval relates is not required to comply with a safety requirement to the extent that the approval relates to an aspect of the plans and specifications for the installation that does not comply with the safety requirement.
- (3) However, subsection (2) no longer applies if—
 - (a) the installation is modified so that it no longer complies with the approved plans and specifications; or
 - (b) the plans and specifications that were approved are modified.

161 Effect of existing approval of vessel's gas system

- (1) This section applies if the plans and specifications for a gas fuel system used for the propulsion of a vessel were approved under section 105 of the repealed regulation.
- (2) For section 104, the plans and specifications of the vessel's gas system are taken to have been approved by an inspector.

162 Continuing effect of exemption

- (1) This section applies if—
 - (a) an existing exemption was given by the chief gas examiner under section 122 of the repealed regulation; and

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- (b) the exemption related to a requirement under the repealed regulation for which there is a corresponding requirement under this regulation.
- (2) On the commencement, the exemption continues to have effect for the purpose of the corresponding requirement.
- (3) However—
 - (a) the chief inspector may cancel the exemption at any time by giving notice to the holder of the exemption; and
 - (b) section 122(3) of the repealed regulation continues in force in relation to the exemption.

Division 2 Other transitional provisions

163 Continued application of Petroleum Act 1923 in relation to drilling of particular wells

- (1) Sections 57 and 68 do not apply in relation to a prescribed well—
 - (a) that was drilled before the commencement; or
 - (b) if drilling of the well starts before 1 July 2005.
- (2) If sections 57 and 68 do not apply in relation to a prescribed well, the drilling of the well must comply with all relevant requirements under the 1923 Act, as it was before the commencement.

164 Audit and inspection fee for 2004–2005 financial year

The audit and inspection fee payable by a liable person for the financial year starting on 1 July 2004 is the amount that is one-half of the fee for the year provided for under chapter 6, part 2, division 2.

Part 2 **Transitional provisions for the Petroleum and Gas (Production and Safety) Amendment Regulation (No. 1) 2007**

165 Person not required to give notice about use of preferred standard for existing activity or thing

Section 7(4)(b)(i) does not apply to a person, who immediately before commencement of this section, was required to comply with a safety requirement that was a preferred standard under section 7(2) and schedule 1 for an activity or thing.

166 Application of provision about competency requirements for drilling rig workers

Section 54AA does not apply to the operator of a drilling operating plant until 1 January 2009.

Part 3 **Transitional provision for the Mines and Energy Legislation Amendment Regulation (No. 2) 2008**

167 Payment of annual rent for a particular period

- (1) This section applies to annual rent for an authority that would have been payable on or before 30 August 2008 under the unamended provision.
- (2) The proportion of the annual rent relating to the period from the day the annual rent would have been payable under the unamended provision to 31 August 2008, is payable on or before 31 August 2008 with the annual rent for the authority payable on that day under section 145, as amended by the

Mines and Energy Legislation Amendment Regulation (No. 2) 2008.

- (3) In this section—

unamended provision means section 145(3)(b) as in force immediately before the commencement of this section.

Part 4

Transitional provision for the Mines and Energy Legislation Amendment Regulation (No. 4) 2008

168 Payment of annual licence fee

- (1) This section applies to an annual licence fee that would, under the unamended provision, be payable on the anniversary day for a pipeline or a petroleum facility licence from 1 September 2008 to 30 August 2009.
- (2) The annual licence fee must be paid on the anniversary day.
- (3) The amount of the annual licence fee payable on the anniversary day must be worked out using the formula—

$$A = B/365 \times F$$

where—

A is the amount of the annual licence fee payable on the anniversary day.

B is the number of days from the anniversary day to 30 August 2009.

F is the annual licence fee stated in schedule 9, part 4.

- (4) In this section—

anniversary day means the anniversary of the day the licence took effect.

unamended provision means section 134 as in force immediately before the commencement of this section.

Part 5 **Transitional provision for the Mines and Energy Legislation Amendment Regulation (No. 2) 2010**

169 **Confidentiality period for required information lodged before commencement**

- (1) This section applies to required information for a petroleum tenure if the required information is lodged before the commencement of this section.
- (2) Despite section 51(4), the confidentiality period for the required information is the confidentiality period mentioned in section 51(2) of the pre-amended regulation.
- (3) In this section—

pre-amended regulation means this regulation as in force immediately before the commencement.

Part 6 **Transitional provision for Petroleum and Gas (Production and Safety) Amendment Regulation (No. 2) 2010**

170 **Safety and health fee return for 2010–2011 year**

- (1) A liable person must lodge a return, instead of a safety and health fee return required under section 139(1)—
 - (a) for the financial year ending on 30 June 2010, by 31 August 2010; and
 - (b) for the half year ending on 31 December 2010, by 20 January 2011; and
 - (c) for the quarter year ending on 31 March 2011, by 20 April 2011; and

- (d) for the quarter year ending on 30 June 2011, by 20 July 2011.

Maximum penalty—20 penalty units.

- (2) The provisions of this regulation, other than section 139(1), relating to a safety and health fee return apply for a return under subsection (1) as if the return were a safety and health fee return.
- (3) However, a reference in section 139(2) to the quarter is taken to be a reference to the period to which the return required to be lodged by the liable person under subsection (1) relates.

Part 7

Transitional provisions for Petroleum and Other Legislation Amendment Regulation (No. 1) 2011

171 Existing intention to drill a petroleum well or bore

- (1) This section applies if—
- (a) before the commencement of this section, a petroleum tenure holder intended to drill a well or bore; and
- (b) the holder is required to lodge, but has not lodged, a notice under section 31 for the well or bore.
- (2) Old section 31 continues to apply to the holder for the well or bore.
- (3) In this section—
- old section 31* means section 31 as in force immediately before the commencement of this section.

172 Confidentiality period for report about hydraulic fracturing activities lodged before commencement

- (1) This section applies to a report, about hydraulic fracturing activities carried out by the holder of a petroleum tenure,

lodged under section 553(1)(b) of the Act before the commencement.

(2) Despite section 51(2)(j), the prescribed confidentiality period for the report starts on the commencement and ends on the day that is 5 years after the commencement.

(3) In this section—

commencement means commencement of this section.

Part 8 Transitional provision for Resources Legislation and Another Regulation Amendment Regulation (No. 1) 2012

173 Application of s 149H—unpaid royalty interest rate

(1) This section applies if, immediately before 1 October 2012, an amount of petroleum royalty payable by a petroleum producer is unpaid (the *unpaid petroleum royalty*).

(2) Section 149H, as in force on 1 October 2012, applies to the unpaid petroleum royalty on and from that day.

Part 9 Transitional provisions for Natural Resources and Mines Legislation Amendment Regulation (No. 1) 2013

174 Superseded version of amended mandatory or preferred standard taken to apply until changeover date

(1) This section applies if there is an amended mandatory standard or an amended preferred standard for a safety requirement.

- (2) A person is taken, until the changeover date, to comply with an amended mandatory standard for a safety requirement if the person complies with the superseded version of the standard.
- (3) For an amended preferred standard for a safety requirement, a person is taken, until the changeover date—
 - (a) to comply with the standard if the person complies with the superseded version of the standard; and
 - (b) to comply with the safety requirement without complying with the standard if the person—
 - (i) gives the chief inspector a notice that the person is not complying with the superseded version of the standard; and
 - (ii) has written evidence showing the level of risk for the activity or thing to which the safety requirement applies is equal to or less than the level of risk that would be achieved by complying with the superseded version of the standard.

Example of written evidence—

a report setting out a risk assessment carried out by a competent person

- (4) If the superseded version of an amended mandatory standard or an amended preferred standard for a safety requirement allows a competent person, or any other person, to grant an exemption from, or in any other way change, the requirements stated in the superseded version, the exemption or change may only be granted or made by the chief inspector.

Example—

The superseded version of an amended preferred standard might provide that a competent person can grant an exemption from provisions of the superseded standard. For the purpose of this regulation, the exemption can only be granted by the chief inspector.

- (5) If a safety requirement taken to be complied with under this section is inconsistent with an other safety requirement, the other safety requirement prevails to the extent of the inconsistency.

(6) In this section—

amended mandatory standard means a mandatory standard whose title is amended at the commencement of this section.

amended preferred standard means a preferred standard whose title is amended at the commencement of this section.

changeover date means the day that is 6 months after the commencement of this section.

superseded version, of an amended mandatory standard or an amended preferred standard, means the version of the amended standard stated in schedule 1, column 1, immediately before the commencement of this section.

175 **Superseded version of amended transmission pipeline standard applies for pipeline being constructed**

(1) This section applies if, at the commencement of this section, the holder of a pipeline licence has started, but has not completed, construction of a pipeline in the area of the licence.

(2) For the pipeline being constructed, the holder, or a person acting for the holder, is taken to comply with the amended transmission pipeline standard for a safety requirement if the person complies with the superseded version of the standard.

(3) In this section—

amended transmission pipeline standard means the transmission pipeline standard, as amended at the commencement of this section.

superseded version, of the amended transmission pipeline standard, means the version of the amended transmission pipeline standard stated in schedule 1, part 2, column 1, immediately before the commencement of this section.

transmission pipeline standard means the standard stated in schedule 1, part 2, column 1 immediately before the commencement of this section.

Part 10 **Transitional provision for Petroleum and Gas (Production and Safety) Amendment Regulation (No. 1) 2013**

176 **Estimation and publication of safety and health costs for 2013–14 financial year**

- (1) The chief executive must, for the 2013–14 financial year, prepare a costs estimate of the safety and health operating costs for each relevant category of liable person for the year.
- (2) The costs estimate must be published on the department’s website on, or as soon as practicable after, the commencement.
- (3) This section applies despite section 134AA(2).
- (4) In this section—

2013–14 financial year means the financial year ending 30 June 2014.

Part 11 **Transitional provision for Petroleum Legislation Amendment Regulation (No. 1) 2015**

177 **Particular samples not required to be kept**

- (1) This section applies to the holder of a petroleum tenure if, before the commencement, the holder was given an exemption under section 47(4), as in force immediately before the commencement, from having to keep a sample from a coal seam gas well.
- (2) The holder is not required to keep the sample under section 47(1).

Part 12 **Transitional provisions for Revenue Legislation Amendment Regulation (No. 1) 2016**

178 **Definitions for part**

In this part—

new, in relation to a provision of this regulation, means the provision as in force on the commencement.

pre-commencement decision means a petroleum royalty decision made before the commencement.

previous, in relation to a provision of this regulation, means the provision as in force immediately before the commencement.

179 **Existing applications for petroleum royalty decisions**

- (1) This section applies if—
- (a) before the commencement, a petroleum producer made an application (the *pre-commencement application*) for a petroleum royalty decision for petroleum—
 - (i) in compliance with a request under previous section 148C(1)(b) by the Minister; or
 - (ii) under previous section 148D; and
 - (b) the application relates to either—
 - (i) for petroleum produced or that will be produced under a petroleum tenure or 1923 Act petroleum tenure—an amount of petroleum to be disposed of on or after the commencement; or
 - (ii) for petroleum produced or that will be produced other than under a petroleum tenure or 1923 Act petroleum tenure—an amount of petroleum to be produced on or after the commencement; and

- (c) on the commencement, the application had not been decided.
- (2) To the extent the application relates to petroleum disposed of or produced before the commencement—
 - (a) the application must be decided under previous chapter 6, part 2, division 4; and
 - (b) previous chapter 6, part 2, division 4 continues to apply in relation to the application and any decision on the application as if the *Revenue Legislation Amendment Regulation (No. 1) 2016* had not been made.
- (3) To the extent the application relates to petroleum to be disposed of or produced on or after the commencement—
 - (a) a separate application for a petroleum royalty decision is taken to have been made under new section 148B for that petroleum; and
 - (b) the separate application must be decided under new chapter 6, part 2, division 4; and
 - (c) that division applies in relation to the separate application and any decision on the application.

Example of the operation of subsections (2) and (3)—

An application made before the commencement relates to petroleum that has been disposed of or produced before the commencement and petroleum to be disposed of or produced after the commencement. The Minister must make 2 separate decisions for the application.

In relation to petroleum disposed of or produced before the commencement, the application must be decided under previous chapter 6, part 2, division 4 and those provisions continue to apply in relation to the decision.

In relation to petroleum disposed of or produced after the commencement, a separate application is taken to have been made under section 148B. The decision for that application must be made under new section 148B, and new chapter 6, part 2, division 4 applies in relation to the decision.

- (4) Anything done or existing in relation to the pre-commencement application is taken to have been done or existing in relation to the separate application.

180 Existing petroleum royalty decisions

- (1) This section applies to a pre-commencement decision relating to the following petroleum (the *relevant petroleum*)—
 - (a) if the petroleum is produced or will be produced under a petroleum tenure or 1923 Act petroleum tenure—an amount of petroleum to be disposed of on or after the commencement;
 - (b) if the petroleum is produced or will be produced other than under a petroleum tenure or 1923 Act petroleum tenure—an amount of petroleum to be produced on or after the commencement.
- (2) To the extent the decision relates to relevant petroleum, the decision is taken to have been made under new chapter 6, part 2, division 4.
- (3) However, the petroleum producer for the petroleum can not apply for a review, under section 148J(1)(a), of the decision.

Example of the operation of subsections (2) and (3)—

A petroleum royalty decision is made under previous chapter 6, part 2, division 4 that states a method of working out a component of the wellhead value of both relevant petroleum, and petroleum produced or disposed of before the commencement.

To the extent the decision relates to relevant petroleum, the decision may be applied after its expiry under section 148F, and may be amended under section 148H or 148K. The producer must comply with its obligations to notify the Minister under section 148G, and may also seek a review of a decision to amend the petroleum royalty decision under section 148J(1)(b), in relation to the relevant petroleum.

However, if the decision is amended in relation to petroleum produced or disposed of before the commencement, the previous provisions of this regulation apply in relation to the amendment of the decision. This means, for example, the producer can not seek a review of the decision to amend the petroleum royalty decision for the petroleum produced before the commencement under section 148J(1)(a).

- (4) The Minister must, within 60 days after the commencement, give the petroleum producer for the relevant petroleum a notice complying with subsection (5).
- (5) The notice must identify any facts or circumstances stated in the pre-commencement decision that the Minister considers

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would have a direct or indirect impact on the decision, in relation to the relevant petroleum, if the fact or circumstance were to change.

- (6) Each fact or circumstance mentioned in subsection (5) that is identified in the notice is taken to be a stated factor for the decision, in relation to the relevant petroleum.

181 Review by Minister of pre-commencement decisions on or after right to amend day

- (1) This section applies to a pre-commencement decision only if the Minister has not amended the pre-commencement decision under new section 148H(1)(a), (b) or (d).
- (2) The Minister may review the pre-commencement decision on or after the day (the *right to amend day*) that is 5 years after the day liability for petroleum royalty for petroleum the subject of the pre-commencement decision first became payable by the producer.
- (3) In reviewing the decision, the Minister may—
 - (a) consider any matter mentioned in section 148D(b) or (c) as if that matter related to the review; and
 - (b) in relation to a component of the wellhead value of the petroleum, decide any matter mentioned in section 148E(2), (4) or (5) as if it related to the review; and
 - (c) amend the pre-commencement decision.
- (4) A pre-commencement decision that is amended under this section is the *new decision*.
- (5) The new decision—
 - (a) applies only in relation to petroleum disposed of or produced on or after the right to amend day; and
 - (b) is taken to be a petroleum royalty decision that has been amended under section 148H.
- (6) The Minister must give the producer a notice for the new decision stating—

- (a) that the Minister has amended the pre-commencement decision; and
- (b) how the pre-commencement decision has been amended; and
- (c) the reasons why the Minister has amended the pre-commencement decision.

Part 13

Transitional provision for Mineral and Energy Resources (Common Provisions) Regulation 2016

182 Application of joint interaction management plan provisions

- (1) The pre-amended regulation continues to apply in relation to the following for a period of 6 months after the commencement as if the joint interaction management plan provisions had not commenced—
 - (a) an operating plant, or the area of a petroleum tenure in which an operating plant is situated, mentioned in the pre-amended Act, section 386(1)(a);
 - (b) an operating plant, the area of a coal or oil shale mining lease (the *lease area*) in which an operating plant is situated, or an area adjacent to the lease area, mentioned in the pre-amended Act, section 705(a);
 - (c) an activity under an authority to prospect (csg) carried out in an overlapping area the subject of an authority to prospect (csg) within the meaning of the Common Provisions Act, section 103 if coal mining operations under an exploration permit (coal), mineral development licence (coal) or mining lease (coal) within the meaning of the Common Provisions Act, section 103 are also carried out in the overlapping area.
- (2) In this section—

joint interaction management plan provisions means sections 72B, 72C and 72D.

pre-amended Act means the Act as in force immediately before the commencement of the *Water Reform and Other Legislation Amendment Act 2014*.

pre-amended regulation means this regulation as in force immediately before the commencement.

Part 14 Transitional provisions for Royalty Legislation Amendment Act 2020

183 Definitions for part

In this part—

amending Act means the *Royalty Legislation Amendment Act 2020*.

former, for a provision of the Act or this regulation, means the provision as in force from time to time before the commencement.

new, for a provision of this regulation, means the provision as in force from the commencement.

184 Financial year 2020–2021 taken to start on 1 October 2020 for new ch 6

- (1) This section applies if a petroleum producer is required, under new section 148Q(1)(b), to lodge a royalty return for a financial year.
- (2) For new chapter 6, the financial year that starts on 1 July 2020 and ends on 30 June 2021 is taken to start on 1 October 2020 and end on 30 June 2021.

185 Petroleum royalty payable on petroleum produced in royalty return period ending before 1 October 2020 but not disposed of before 1 October 2020

- (1) This section applies if—
 - (a) a petroleum producer produced petroleum under a petroleum tenure or a 1923 Act petroleum tenure in a royalty return period that ended before 1 October 2020; and
 - (b) the petroleum was not disposed of before 1 October 2020.
- (2) For former chapter 6, the petroleum royalty payable by the petroleum producer is—
 - (a) despite former section 147(1)(a), taken to be payable for the royalty return period that ended on 30 September 2020; and
 - (b) despite former section 147C(a), taken to be payable at the rate of 12.5% of the wellhead value of the petroleum mentioned in subsection (1).
- (3) To remove any doubt, it is declared that former section 148 continues to apply for working out the wellhead value of the petroleum.
- (4) In this section—

royalty return period see former section 146A.

186 Petroleum royalty payable on petroleum produced in annual return period ending before 1 October 2020 but not disposed of before 1 October 2020

- (1) This section applies if—
 - (a) a petroleum producer produced petroleum under a petroleum tenure or a 1923 Act petroleum tenure in an annual return period that ended before 1 October 2020; and
 - (b) the petroleum was not disposed of before 1 October 2020.

- (2) For former chapter 6, the petroleum royalty payable by the petroleum producer is—
 - (a) despite former section 147BA(1)(a), taken to be payable for the annual return period that ended on 30 September 2020; and
 - (b) despite former section 147C(a), taken to be payable at the rate of 12.5% of the wellhead value of the petroleum mentioned in subsection (1).
- (3) To remove any doubt, it is declared that former section 148 continues to apply for working out the wellhead value of the petroleum.
- (4) In this section—

annual return period see former section 599(11) of the Act.

187 Working out components of wellhead value of petroleum produced before 1 October 2020

- (1) This section applies if petroleum was produced by a petroleum producer before 1 October 2020.
- (2) Former chapter 6, part 2, division 4, subdivisions 2 and 2A continue to apply, as if the amending Act had not commenced, for working out the components of the wellhead value of the petroleum.
- (3) Without limiting subsection (2), any of the following may happen after the commencement in relation to the petroleum—
 - (a) the petroleum producer may apply under former section 148B for a petroleum royalty decision;
 - (b) a notice may be given to the petroleum producer under former section 148C(3);
 - (c) a petroleum royalty decision may be made under former section 148E;
 - (d) a petroleum royalty decision may be amended under former section 148H;

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- (e) the petroleum producer may apply under former section 148J for review of—
 - (i) a petroleum royalty decision; or
 - (ii) an amendment of a petroleum royalty decision;
 - (f) a review application may be decided under former section 148K;
 - (g) a reassessment may be made under former section 148M.
- (4) However, for subsection (3)(e), the petroleum producer may apply under former section 148J for review of a petroleum royalty decision, or an amendment of a petroleum royalty decision, only if the decision or the amendment was made before the commencement.

188 Petroleum producer to advise revenue commissioner of particular matters affecting petroleum royalty decision

- (1) This section applies if, before or after the commencement, a petroleum royalty decision was or is made under former section 148E in relation to a petroleum producer.
- (2) Section 148G, as in force immediately before the commencement, continues to apply in relation to the petroleum producer as if the amending Act had not commenced.

189 Application for petroleum royalty decision made before commencement

- (1) This section applies if—
 - (a) before the commencement, a petroleum producer made an application under former section 148B(1) for a petroleum royalty decision; and
 - (b) immediately before the commencement, the application had not been finally dealt with.

- (2) Former chapter 6 continues to apply in relation to the application as if the amending Act had not commenced.
- (3) This section does not limit section 187.

190 Application for review made before commencement

- (1) This section applies if—
 - (a) before the commencement, a petroleum producer made an application under former section 148J for the review of a petroleum royalty decision or an amendment of a petroleum royalty decision; and
 - (b) immediately before the commencement, the application had not been finally dealt with.
- (2) Former chapter 6 continues to apply in relation to the application as if the amending Act had not commenced.
- (3) This section does not limit section 187.

191 References to Minister taken to be references to revenue commissioner

- (1) This section applies if a provision of this part provides that a former provision of this regulation is to continue to apply in relation to a matter as if the amending Act had not commenced.
- (2) A reference in the former provision to the Minister is taken to be a reference to the revenue commissioner.

Schedule 1 Dictionary

section 3

amount, of petroleum produced under a joint venture tenure, for chapter 6, part 6, see section 148ZB.

average hedge settlement rate, for a royalty return period, for chapter 6, see section 134(1).

average sales price—

- (a) for domestic gas for a petroleum producer for a royalty return period, for chapter 6, part 3, division 2—see sections 146 and 147; or
- (b) for supply gas for a petroleum producer for a royalty return period, for chapter 6, part 3, division 3—see sections 148B and 148D; or
- (c) for project gas for a petroleum producer for a royalty return period, for chapter 6, part 3, division 4—see sections 148G and 148I; or
- (d) for liquid petroleum for a petroleum producer for a royalty return period, for chapter 6, part 3, division 5—see sections 148L and 148M.

benchmark price—

- (a) for domestic gas for a royalty return period, for chapter 6, part 3, division 2—see section 144; or
- (b) for supply gas for a royalty return period, for chapter 6, part 3, division 3—see section 148C; or
- (c) for project gas for a royalty return period, for chapter 6, part 3, division 4—see section 148H; or
- (d) for liquid petroleum for a royalty return period, for chapter 6, part 3, division 5—see section 148J.

bore means a water observation bore or a water supply bore.

calendar quarter means each of the following 3-month periods in a year—

- (a) 1 January to 31 March;
- (b) 1 April to 30 June;
- (c) 1 July to 30 September;
- (d) 1 October to 31 December.

coal mining operations see the Coal Mining Safety and Health Act, schedule 3.

condensate means liquid formed as a result of condensation caused by reduced pressure and temperature of hydrocarbons in a gaseous state in a natural underground reservoir.

domestic gas, for chapter 6, see section 135.

drilling operating plant means an operating plant used for any of the following—

- (a) to drill a prescribed well;
- (b) to complete, maintain or work on a prescribed well for the production of petroleum;
- (c) to plug and abandon a prescribed well.

election period, for a joint venture tenure, for chapter 6, part 6, see section 148ZB.

gas, for chapter 6, see section 134(1).

gas fuel system means a gas system that supplies gas as a fuel to an engine.

hedge settlement rate, for a day, for chapter 6, see section 134(1).

hydraulic fracturing activities means a form of stimulation that involves specially engineered fluids being pumped at a high pressure and rate into a reservoir for the purpose of opening fractures.

independent buyer, in relation to a petroleum producer or a reseller for the producer, for chapter 6, see section 134(1).

joint venture tenure, for chapter 6, part 6, see section 148ZC(1)(b).

liquid petroleum, for chapter 6, see section 138.

LNG, for chapter 6, see section 134(1).

LNG project, for chapter 6, see section 134(1).

LNG project buyer, in relation to a petroleum producer or a reseller for the producer, for chapter 6, see section 134(1).

member, of an LNG project, for chapter 6, see section 134(1).

non-tenure holder, for chapter 6, part 6, see section 148ZC(1)(a).

oil, for chapter 6, see section 134(1).

prescribed well means—

- (a) a petroleum well; or
- (b) a well under the 1923 Act.

previous royalty return period, in relation to a royalty return period, means the royalty return period immediately preceding the royalty return period.

project gas, for chapter 6, see section 137.

quarterly period means each of the following 3-month periods in a year—

- (a) 1 January to 31 March;
- (b) 1 April to 30 June;
- (c) 1 July to 30 September;
- (d) 1 October to 31 December.

relevant entity, for a petroleum producer, for chapter 6, see section 134(1).

relevant period, for a royalty return period, for chapter 6, part 3, see section 143.

reseller, for a petroleum producer, for chapter 6, see section 134(1).

royalty estimate notice see section 149B(1).

safety requirement means a safety requirement prescribed under section 669 of the Act.

standard temperature and pressure, for chapter 6, see section 134(1).

supply gas, for chapter 6, see section 136.

tenure holder, for chapter 6, part 6, see section 148ZC(1)(b).

unpaid tax interest see the *Taxation Administration Act 2001*, section 54(1).

vessel see the *Transport Operations (Road Use Management) Act 1995*, schedule 4.

volume, of petroleum, for chapter 6, part 3, see section 143.