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21 October 2016

Mr Peter Noonan  
Business Manager  
Office of Groundwater Impact Assessment  
Department of Natural Resources and Mines  
PO Box 15216  
CITY EAST QLD 4002

Dear Mr Noonan

**Consultation Post Implementation Review: Office of Groundwater Impact Assessment Industry levy**

Thank you for your initial enquiry of 8 September 2016, and further information provided 13 and 19 October 2016, seeking advice on the adequacy of the Consultation Post Implementation Review (PIR) related to the Office of Groundwater Impact Assessment's (OGIA) industry levy.

Under the *Water Act 2000* (the Act) OGIA is established as an independent entity to support assessment and management of groundwater impacts from resource activities. Under the Act, petroleum and gas tenure holders are required to pay a levy to recover the costs of OGIA's activities.

Information provided by the Department of Natural Resources and Mines (the Department) notes the levy was first established in 2012 after the completion of a Regulatory Impact Statement (RIS). In that RIS, it is stated that a review of the levy's structure, which is now prescribed in the *Water Regulation 2002* (the Regulation), would be undertaken every three years. The Department has subsequently developed a Consultation PIR to satisfy this review requirement. If a change in the levy structure is proposed, amendments would be required to the Regulation.

The Consultation PIR details the performance of the prescribed levy as well as presenting an assessment of different levy options against the following policy objectives:

- petroleum and gas tenure holders should meet the costs associated with the management of their rights to take groundwater
- the levy should fairly apportion the cost of OGIA's activities to groups of petroleum and gas tenure holders according to their relative benefit
- the levy should be efficient in that it should be easy to understand, supported by robust data and be cost-effective to administer.

These options were also subject to an impact assessment which considered potential economic (including competition and compliance), social and environmental impacts. The Consultation PIR

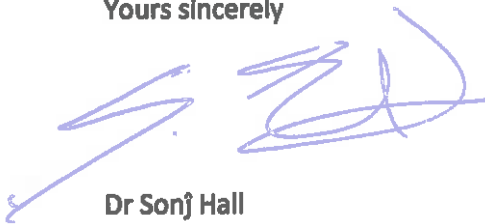
ultimately recommends the retention of the current industry levy structure as the Department considers it meets all of the stated policy objectives.

The Commission has assessed the Department's Consultation PIR, and considers it adequate for the purpose of public consultation. Consultation with stakeholders will assist in further development of the proposal, including verifying the Department's analysis of the impact of different levies and levy structures on both government and industry.

Consistent with the Queensland Government Guide to Better Regulation, the final Consultation PIR and this letter of adequacy will be published on the Commission's website once the PIR is approved for release. After consultation has concluded, a Decision PIR incorporating the consideration of public comments should be provided to the Commission for assessment before the matter is finally referred for decision.

Please contact Sean Mackay, Principal Analyst on (07) 3015 5149 if you require any additional information or guidance in relation to the above comments or the Queensland Government Guide to Better Regulation.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'S. Hall', is written over a faint, illegible stamp or watermark.

**Dr Sonj Hall**  
Executive Director