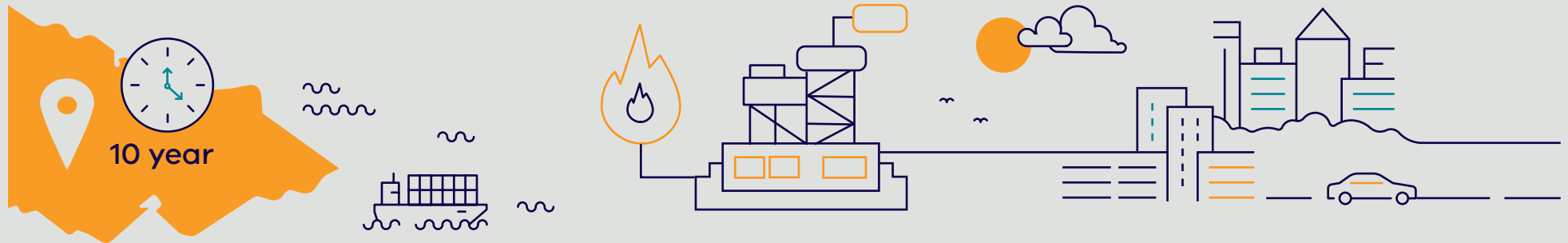


REGULATORY IMPACT STATEMENT – PROVIDING YOUR VIEWS



A Regulatory Impact Statement (RIS) has been prepared to support understanding, engagement and input on the proposed Petroleum Regulations 2021.

The RIS analyses the potential impacts of several different regulatory options.

In Victoria, regulations sunset every ten years. This allows government to periodically assess its regulations against changes in technology, community expectations and business practices.

In line with these requirements, the Petroleum Regulations have had a full review. This provides the opportunity to incorporate the findings of the Victorian Gas Program.

The new regulations are intended to:

- build community confidence in the onshore conventional gas resource sector.
- improve outcomes for the environment and public safety.
- encourage onshore conventional gas exploration and development in Victoria.

The changes required are in these areas of the regulations:

- authority, applications and grants
- conduct of operations
- information provision and publication requirements.

Regulatory Impact Statements:

- consider the costs, benefits and alternatives to regulatory changes.
- present a best-practice, transparent framework for undertaking an assessment of the economic and social impacts of regulatory changes.
- provide a mechanism for government to engage with stakeholders likely to be affected by regulatory changes.
- ensure that there is an adequate level of public consultation in the development of subordinate legislation.

What is the preferred option?

The RIS analyses three options in detail, which are compared to a hypothetical scenario of having no regulations.

Option 2 was assessed as the preferred option. This is the standards-based regulation option, it is more prescriptive in detail and includes a legislated Code of Practice on drilling and well management. It also has a stronger focus on community consultation requirements and allows for consideration of economic, social and environmental factors in decision-making under the Act. Option 2 was assessed as the best option for achieving the objectives of the criteria for reform, with the strongest benefit-cost ratio.

The draft regulations for your consideration are based on Option 2.



What do we need from you?

We want your feedback on the draft regulations - do they achieve the objectives of the reforms? If not, why not?

A detailed list of questions is set out at engage.vic.gov.au/regulatory-impact-statement-draft-petroleum-regulations

Are there any other matters you wish to raise in relation to the draft regulations?

Please provide a written submission via the portal at Engage Victoria.

Then what?

Once consultation is completed, the Minister for Resources will review and consider all feedback prior to finalising the regulations. A notice of decision and statement of reasons will then be published, outlining how public submissions were taken into account in making the final regulations.

The Regulations are currently anticipated to be made and to commence in October 2021.

Once the regulations are made:

- A mid-term review of the operation and effectiveness of the new regulations will be undertaken within 3-5 years of commencement.

More Information

Information on the Victorian Gas Program including technical and progress reports is available at:

earthresources.vic.gov.au/gasprogram

Information on the work that Earth Resources Regulation has been doing to support the orderly restart of the conventional gas industry is available at:

earthresources.vic.gov.au/onshoregas