1. As part of the 2019-20 State Budget, the Government announced a review of Queensland’s petroleum royalty regime (Petroleum Royalty Review). The objectives of the review were to ensure greater certainty, equity and simplicity, and identify opportunities to simplify the current petroleum royalty regime, while providing an appropriate return to Queenslanders from their valuable non-renewable resources.
2. The Petroleum Royalty Review, independently chaired by the Honourable Jay Weatherill, was undertaken by a working group comprising industry representative bodies and the Office of State Revenue. Following broad consultation and consideration of alternative models, the review concluded the current petroleum royalty regime is not suitable for the existing configuration of the Queensland gas industry.
3. The review recommended the current wellhead value model be discontinued and petroleum royalty instead be determined based on the volume of petroleum produced.
4. In addition to petroleum royalty, the Office of State Revenue also administers mineral royalty and the State’s taxes.
5. The *Taxation Administration Act 2001* provides a comprehensive and contemporary revenue administration framework for administering these taxes, being duties, land tax, payroll tax and betting tax.
6. A number of provisions modelled on the *Taxation Administration Act 2001* have been progressively included in the mineral and petroleum royalty provisions of the *Mineral Resources Act 1989* and *Petroleum and Gas (Production and Safety) Act 2004*. However, the *Taxation Administration Act 2001* has not been fully adopted for the royalty legislation in the same way it applies for the tax legislation.
7. The Royalty Administration Modernisation Program will apply the *Taxation Administration Act 2001* formineral and petroleum royalties in the same way it applies to the State’s taxes. As this Program is only concerned with royalty administration, it does not effect changes to the imposition of royalty, royalty rates or exemptions.
8. Cabinet approved that the Royalty Legislation Administration Bill 2020 be introduced into the Legislative Assembly.
9. *Attachments*:
* [Royalty Legislation Amendment Bill 2020](Attachments/Bill.PDF)
* [Explanatory Notes](Attachments/ENs.PDF)
* [Statement of Compatibility](Attachments/SoC.PDF)