



Tenure Matters

Issue 1 - March 2014



A column by Sue Slater, Senior Advisor Petroleum, RLMS

Welcome to the first issue of Tenure Matters. In this monthly column, I plan to address issues affecting tenure security, proposed or recent legislative or policy changes and operational practices that may impact on your tenure activities, as well as other issues that may be of general interest to petroleum tenure holders.

In this first column, I want to highlight the proposed legislative changes and policies that are currently out for consultation or under consideration. There is a lot going on, and it can be difficult to keep up; but sometimes the consequences are significant, so it is important to keep informed.

Unless you have been hiding under a rock, you will be aware of the Department of Natural Resources and Mines **Modernising Queensland Resources Acts Program** (MQRA). The goal of this program is to replace the existing five resource Acts with a single common Act. The Department expects this to take a number of years and will progressively repeal sections of the existing Acts and replace them with a “Common Provisions Act”. The new Act will be supported by a number of Regulations. In keeping with the current legislative trend of “framework” legislation supported by Regulations that contain much of the detail, we should expect to see the same type of approach here.

Bill 1 is proposed to be introduced to Parliament this year, and will include common dealing provisions, land access and overlapping tenure. There has already been some rationalisation of the dealing provisions as part of the Streamlining Project, including the introduction of amendments that allow online lodgement of many application types and dealings. Some of these apply to petroleum tenures, although at the moment EPM holders are the main beneficiaries.

The new Act is likely to be called the *Mineral and Energy Resources Act* (MERA).

Currently a draft Potential Commercial Area Operational Policy is out for consultation. APPEA has prepared a coordinated response from the sector. The proposals in the policy are far more wide-reaching than the requirements under the *Petroleum & Gas (Production & Safety) Act 2004* and it seems unlikely that many of the currently outstanding applications would be able to meet the proposed new criteria for declaration. The sector needs a viable and accessible retention system in

a regulatory climate of mandatory relinquishment and strict compliance. Under the 1923 Act, there was no retention system, but holders had the ability to waive relinquishment by spending more money and increasing the work program commitments. In essence this is the concept behind the PCA: it is essentially a waiver of relinquishment in return for increased expenditure (via the evaluation program). The Department is concerned about land banking, and always will be; but there does need to be some common ground established to maintain exploration interest particularly in greenfields areas where any discovered resources are likely to be stranded assets for some time.

In the Government's Six Monthly Action Plan a number of initiatives were introduced that will impact on tenure holders.

- The Regional Interests Planning Bill and the co-existence criteria have created a storm of commentary from the sector, and the Government plans to pass this Bill in this 6 month period. Without being able to review and critique the accompanying regulations there is still some uncertainty around the full extent of the impact. However, for certain projects in certain areas there will be an additional approval process to go through before activities are undertaken. The grant of the tenure and the EA is not dependent upon this additional approval, but it will be important to monitor timeframes as delays may impact on the ability to meet yearly work program commitments and therefore impact on substantial compliance.
- The plan also announced that the Department would commence consultation on a blueprint to streamline and reform mining and petroleum reporting requirements. Currently there is not much information available on these proposed reforms.
- Also announced was an intention to "provide the resources sector greater certainty and consistency through the introduction of model conditions for petroleum and gas production". This seems to refer to the Environmental Authority conditions.
- The commitment to introduce legislation for the management of overlapping coal and petroleum tenures in Queensland has already been mentioned, as part of the first Bill for the proposed Common Provisions Act.
- **ResourcesQ** is a 30 year plan for the Queensland resources sector and workshops have commenced.

I am happy to hear suggestions about topics you would like covered. Feel free to email me at sue.slater@rlms.com.au with the subject heading Tenure Matters.

In the meantime, remember "Tenures make the Project; the Project doesn't make the Tenures".

RLMS covers the project spectrum from planning through to State and Federal government approvals, including land access, compensation, environmental impact statements and work schedules for clients ranging from entrepreneurs to major corporations, from start-ups to government agencies, and state significant projects such as Queensland's LNG giants. Contact RLMS at:

Level 14, 10 Eagle St
BRISBANE QLD 4000
P. +61 7 3229 8472
E. rlms@rlms.com.au