



Tenure Matters

Issue 5 - July 2014



A column by Sue Slater, Senior Advisor Petroleum, RLMS

Welcome back to the fifth issue of Tenure Matters. Thanks to those of you who have provided some feedback and suggestions, I will try to cover the topics suggested over the coming months.

This month I thought it was worth having a look at some of the reform processes that are in progress by the State Government. There is a lot happening, and it is happening very quickly. We need to make sure that we take the opportunities offered for consultation and provide feedback.

Already we have seen the introduction of the ***Land and Other Legislation Amendment Act 2014*** which has introduced some changes for petroleum through amendments to both the *Petroleum Act 1923* and the *Petroleum & Gas (Production & Safety) Act 2004*. The Act was passed on 28 May. The main gain from this amendment Act was an extension of the ATP work program terms from 4 years to 6 years, and an associated deferral of the 33.3% relinquishment normally required at the end of 4 years (sections 63A to 63E). There has also been a removal of the previous requirement for Petroleum Lease application and grant for 20% of reserves to be 2P (amended Sections 118(e) and 121(1)(b)(ii)).

The ***Mineral and Energy Resources (Common Provisions) Bill 2014*** was introduced to Parliament on 5 June 2014, and is the first bill of the **Modernising Queensland's Resources Act Program (MQRA)**. The focus in this Bill is to:

- introduce provisions for consistent treatment across the resource sector in relation to tenure dealings;
- introduce the overlapping tenure regime between coal and coal seam gas holders;
- alters the land access framework for private land;
- introduces measures to reduce red-tape for the small scale alluvial mining sector;
- provides provisions uncontrolled emissions from legacy boreholes.

Also underway are a number of initiatives that impact on resource tenures. These include the **Tenure Reform Taskforce**, which is charged with delivering a draft policy position paper outlining the concepts of a new tenure framework by the end of July, to be finalised and presented to the Resource Cabinet Committee by 30 September 2014. This reform process has been directed to take account of outcomes from the **ResourcesQ** program, the **Queensland Competition Authority Coal Seam Gas Review** and the **Ministerial Advisory Committee on Exploration** (MACE) report to Government released in June 2014. Consultation is occurring via the peak industry bodies.

So exactly what are all these reviews and reports?

Resources Q is a partnership between government and industry to develop a long-term vision and action plan for the resources sector. The government has taken a staged approach to its collaboration with key stakeholder groups. An industry leaders' workshop was held on the 27 February 2014 and was attended by more than 40 resource companies. Information is available at:

<http://www.dnrm.qld.gov.au/mining/resourcesq/about-resourcesq>

The **Ministerial Advisory Committee on Exploration** (MACE) was formed in October 2013. The report was released in June 2014 following consultation and working group meetings with resource sector peak bodies and exploration companies. The Committee made 18 recommendations across nine themes.

More information is available here:

<http://www.dnrm.qld.gov.au/our-department/policies-initiatives/mining-and-resources-initiatives/mace>

Queensland Competition Authority final report on its CSG Regulatory Review was delivered in January 2014 and can be downloaded here:

<http://www.qca.org.au/Productivity/Completed-Reviews/Coal-Seam-Gas/Final-Report/CSG-Regulatory-Review#finalpos>

Other projects are occurring within the department, often in collaboration with other relevant departments and include the ongoing Streamlining Approvals Project, the Water Reform Project and the Industry Reporting Reform Project.

Streamlining Approvals Project continues and has already delivered some good results with respect to moving many application processes to an online environment and aligning legislation across the resources. Whilst early focus was on minerals tenure, there are now a number of petroleum approvals able to be lodged online through MyMinesOnline with further development and functionality improvements to come. Transfers, dealings and administrative functions are currently available online. The *Mines Legislation (Streamlining) Amendment Act 2012* enabled some of the streamlining project initiatives. Information on the Streamlining Project can be found here:

<http://mines.industry.qld.gov.au/mining/streamlining-project.htm>

Also underway is the **Water Reform Project**; which is intending to reform the *Water Act 2000*. Proposed changes will impact the management of underground water for resource companies.

Currently tenures managed under the *Mineral Resources Act 1989* have a different water management regime to those under the *Petroleum & Gas (Production & Safety) Act 2004*. It is proposed that associated water and non-associated water will be treated under the same part of the water legislation for all resources. Thus associated water will come under the provisions of Chapter 3 (or its equivalent in a revised Act) and non-associated water will come under the provisions of Chapter 2 (or its equivalent in a revised Act): this means a change for petroleum tenures in how non-associated water is accessed. Other aspects of the *Water Act 2000* are also under review.

More information is available here:

<http://www.dnrm.qld.gov.au/water/catchments-planning/water-reform>

Industry Reporting Reform Project (IRRP) is an initiative of the Resources Q program and meets the Premier's six-month action plan to commence consultation on streamlining and reforming mining and petroleum reporting requirements. A Blueprint paper is expected soon.

As you can see, there are a number of changes potentially coming to how we need to manage tenures, and I will endeavour to keep readers up-to-date as much as possible. Some consultation feedback timeframes are likely to be quite short, but it is important that industry has an input into the processes. We also need to make sure we are not getting change for the sake of change; and that the planned reforms actually deliver a better process and better outcomes for resource management.

As always, 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

July 2014

