

Impact Analysis Statement

A Summary Impact Analysis Statement (IAS) must be completed for all regulatory proposals. Once completed, the IAS must be published.

Summary IAS

Details

Lead department	Department of Resources (Resources)
Name of the proposal	Regulatory efficiency amendments to Queensland's Resource Acts
Submission type	Summary IAS
Title of related legislative or regulatory instrument	<p>The Mineral and Energy Resources and Other Legislation Amendment Bill 2024 (MEROLA Bill) will amend the following Acts (Resources Acts):</p> <ul style="list-style-type: none"> • <i>Fossicking Act 1994</i> (Fossicking Act) • <i>Geothermal Energy Act 2010</i> (GE Act) • <i>Greenhouse Gas Storage Act 2009</i> (GHGS Act) • <i>Mineral and Energy Resources (Common Provisions) Act 2014</i> (MERCPC Act) • <i>Mineral Resources Act 1989</i> (MR Act) • <i>Petroleum Act 1923</i> (1923 Act) • <i>Petroleum and Gas (Production and Safety) Act 2004</i> (P&G Act).
Date of issue	28 March 2024

For proposals noted in the table below, no further analysis is required.

Proposal type	Details
Minor and machinery in nature	<p>The following proposals are minor and have negligible regulatory cost or are machinery in nature and do not result in a substantive change to regulatory policy or new impacts on business, government, or the community:</p> <ul style="list-style-type: none"> • Introducing a mandatory condition for mining leases that a holder must maintain the surface of the lease in a tidy state. This proposal is intended to manage hazards that can lead to injuries, fires and other harm. No substantive regulatory or policy change is proposed as similar obligations already exist in safety legislation. This amendment simply provides a more coordinated approach to promoting compliance by allowing compliance action under the resource authority. • Amending the MR Act to replace expired transitional provisions in relation to prescribed mineral thresholds. These amendments will ensure industry has appropriate time in which to submit development plans following a change to prescribed mineral thresholds in the <i>Mineral Resources Regulation 2013</i>.

	<ul style="list-style-type: none"> • Updating to the Resources Acts to clarify existing provisions in relation to confidentiality periods, in line with current departmental practice. As a result, this does not involve any substantive regulatory or policy change. • Improving the operation of the P&G Act and the 1923 Act by: <ul style="list-style-type: none"> ○ including an additional transitional provision ○ correcting technical errors ○ making minor clarifications to development plan, production commencement date, amalgamation and information/reporting provisions. <p>No substantive regulatory or policy change is proposed.</p> • Making several routine and minor updates, including corrections, such as updating the legacy use of 'local authority' to reflect current drafting practice and correcting drafting errors relating to caveats and later development plans.
<p>Regulatory proposals where no RIA is required</p>	<p>The following proposals do not require regulatory impact analysis under the Better Regulation Policy:</p> <ul style="list-style-type: none"> • A deregulatory proposal to remove the requirement to replace each individual 1923 Act petroleum lease under the P&G Act before applying for an amalgamation of those leases.

For all other proposals

Rent management framework

<p>What is the nature, size and scope of the problem? What are the objectives of government action?</p>
<p><i>Issue</i></p> <p>Paying rent is a condition of a granted resource authority and compensates for having access to the land within the area of the resource authority. During the COVID-19 pandemic, the Queensland Government sought to provide relief to the resources industry by waiving the rent payable for certain resource authorities. However, this proved difficult due to a lack of flexibility in relation to rent powers under the Resources Acts.</p> <p><i>Objective</i></p> <p>This proposal seeks to amend the MERC Act to allow the Minister to defer, or to reduce, rent on a resource authority in exceptional circumstances (for example, a natural disaster or adverse economic conditions).</p>
<p>What options were considered?</p>
<p>As Queensland's rent management framework is established in legislation, legislative amendment is the only viable option to provide the desired rental flexibility.</p>
<p>What are the impacts?</p>
<p>This proposal is designed to reduce the burden of regulation and no significant adverse impacts are expected on industry or the community. Any administration costs etc. involved in applying for a rental flexibility will be voluntary.</p>



Additionally, while there are no immediate financial implications for government, it is difficult to predict the frequency and significance of exceptional circumstances requiring rental flexibility. As a result, the impacts of any potential/proposed rent relief will be assessed on a case by case basis in response to exceptional circumstances, as they arise.

Who was consulted?

On 27 September 2023, Resources released a public consultation paper inviting feedback on this proposal for approximately 8 weeks. Key stakeholders in the agricultural, resources, and local government sectors were notified directly, via e-mail, of the consultation process.

The resources sector supported the amendments, subject to reviewing the draft legislation. Further, no concerns were raised by agricultural or local government sector.

What is the recommended option and why?

The proposed amendment is the only viable means of providing the Minister with a discretion to defer the payment of resource authority rent and will not impose an additional regulatory burden, or have a significant adverse impact on, the resource industry. The amendments will also provide Resources with flexibility to respond more efficiently to support the resources sector in exceptional circumstances.

Impact assessment

	First full year	First 10 years**
Direct costs – Compliance costs	0	0
Direct costs – Government costs	0	0

Aerial surveying

What is the nature, size and scope of the problem? What are the objectives of government action?

Issue

To protect landholders, the MERC Act imposes obligations on resources companies that conduct aerial surveys. If, for example, the land below the survey area is less than 100 hectares and is used for intensive farming or broadacre agriculture, aerial surveying is considered an 'advanced activity' and resources companies must negotiate a conduct and compensation agreement (CCA) with the landholder. Resource authority holders conducting aerial surveys must also currently submit entry notices and periodic entry reports before the surveys may take place. This uniform approach does not consider different types of surveys, heights at which they fly or the likelihood of impact on the ground.

Objective

This proposal seeks to amend the MERC Act to provide exemptions from entry notice and periodic entry report requirements for aerial surveying conducted at 1000ft or above. Aerial surveying at or above this height would also no longer automatically be considered as an advanced activity, requiring the negotiation of a CCA. The proposed framework recognises that surveys conducted at or over 1000ft above ground level are unlikely to have a significant impact and will support industry by reducing regulatory burden.

What options were considered?

As the requirements for aerial surveying are established in legislation, legislative amendment is the only viable option to provide the desired outcome.



What are the impacts?
<p>This proposal is designed to reduce the burden of regulation for industry. Additionally, the proposed changes are not expected to significantly affect underlying landholders, because:</p> <ul style="list-style-type: none"> any activities exempted from state regulation will continue to be regulated by the Civil Aviation Safety Authority (CASA) the level of nuisance posed is unlikely to be more significant than the activity of non-resource-related aerial activities, which are not subject to additional regulations at this height. <p>Consequently, the proposal is not expected to add to the burden of regulation and is unlikely to result in significant adverse impacts.</p>
Who was consulted?
<p>On 27 September 2023, Resources released a public consultation paper inviting feedback on this proposal for approximately 8 weeks. Key stakeholders in the agricultural, resources and local government sectors were notified directly, via e-mail, of the consultation process.</p> <p>The resources sector supported the proposal in principle, but suggested similar exemptions be granted for surveying conducted below 1000ft. Conversely, the agricultural sector did not support the amendments, on the basis that flights at any height can impact livestock, landholders and aerial farming activities.</p>
What is the recommended option and why?
<p>The proposed amendment is the only viable means of striking a balance between reducing unnecessary regulatory burden on industry, while also recognising the impacts of low-altitude aerial surveying on livestock and landholders. The proposal is not expected add to the burden of regulation and is unlikely to result in significant adverse impacts as aerial surveying is conducted in several non-resource-related contexts with minimal interruption. Further, the proposal is not expected to significantly impact existing aerial activities (aerial farming activities) as the activities exempted from state regulation will continue to be regulated by CASA.</p>

Impact assessment

	First full year	First 10 years**
Direct costs – Compliance costs	0	0
Direct costs – Government costs	0	0



Strategic land release

What is the nature, size and scope of the problem? What are the objectives of government action?
<p><i>Issue</i></p> <p>Currently, unless land is being relinquished for inclusion in another exploration permit or a higher form of tenure, it must be re-released within two months of the conclusion of a former exploration permit. This does not allow discretion in re-releasing land.</p> <p>Such discretion would allow the State to, for example, bring to market a land release process that aggregates land with known deposits of critical minerals, enhancing critical mineral opportunities and maximising the benefit of each release.</p> <p><i>Objective</i></p> <p>Under this proposal, the MR Act would be amended to allow for Ministerial discretion in the length of time that may elapse before land is re-released after being subject to an exploration permit when it is in the best interests of the State to do so. This will support the Queensland Government's commitment to facilitate critical mineral mining opportunities around the State and to maximise the exploration of known deposits of critical minerals.</p>
What options were considered?
<p>As the relevant land release requirements are established in legislation, legislative amendment is the only viable option to provide the desired outcome.</p>
What are the impacts?
<p>The amendments will allow the Minister to decide how and when land that has been relinquished is re-released by the Queensland Government. This means that, in circumstances where industry may have previously predicted land of interest may become available, this will no longer be guaranteed. However, no significant adverse impacts are expected, as the amendment simply allows Ministerial discretion in re-releasing land, as opposed to the restrictive approach currently adopted by the legislation creating arbitrary outcomes. This discretion can be effectively used to maximise the benefit of each release, with a range of considerations taken into account as part of this decision. This could include consideration of a range of stakeholder interests, including those of junior explorers.</p>
Who was consulted?
<p>On 27 September 2023, the Resources released a public consultation paper inviting feedback on this proposal for approximately 8 weeks. Key stakeholders in the agricultural, resources and local government sectors were notified directly, via e-mail, of the consultation process.</p> <p>The resources sector noted that junior explorers may be disadvantaged by aggregated releases. However, no concerns were raised by agricultural or local government sector.</p>
What is the recommended option and why?
<p>The proposed amendment is the only viable means of providing the Minister with a discretion to defer the re-release of land. The proposal will not impose an additional regulatory burden, or have a significant adverse impact on the resources industry as industry concerns about the impact of the proposal on junior explorers can be mitigated in the exercise of the discretion. It is proposed that the need to aggregate land for strategic reasons be balanced against the need to foster industry participation by junior explorers.</p>

Impact assessment

	First full year	First 10 years**
Direct costs – Compliance costs*	0	0
Direct costs – Government costs	0	0

Coordinated fossicking permissions

What is the nature, size and scope of the problem? What are the objectives of government action?
<p><i>Issue</i></p> <p>Under the Fossicking Act, people may fossick on land subject to a mining claim or mining lease with the permission of the tenure holder. However, fossickers do not need permission to fossick on land where a mining lease application has been lodged. Mining lease applicants have a significant interest in the land included in their application and have invested significant time and capital to reach the application lodgement stage. Further, the commercial quantity and quality figures relevant to the application may be impacted by fossicking activities, requiring greater coordination and collaboration between fossickers and applicants.</p> <p><i>Objective</i></p> <p>Proposed changes to the Fossicking Act seek to require fossickers to obtain written permission from the relevant mining lease applicant before fossicking on the land.</p>
What options were considered?
<p>Several voluntary options were considered (e.g. an education campaign and/or voluntary notification requirements), however, these were not considered effective in promoting the behavioural change required.</p>
What are the impacts?
<p>While fossicking licensees will be asked to seek permission to fossick in areas where there is a current mining lease application, this is similar to current requirements, where a licensee must obtain the consent of the landowner to fossick on their land. Requiring permission from the mining lease application holder is also an extension of existing requirements where permission must be obtained prior to fossicking on a mining tenure. Consequently, the proposal is not expected to add significantly to the burden of regulation and is unlikely to result in significant adverse impacts.</p>
Who was consulted?
<p>On 27 September 2023, Resources released a public consultation paper inviting feedback on this proposal for approximately 8 weeks. Key stakeholders in the agricultural, resources and local government sectors were notified directly, via e-mail, of the consultation process.</p> <p>Fossicking stakeholders expressed concern about the impact of the proposal on the availability of land for fossicking and noted that, should the amendments pass, alternative arrangements would need to be made to protect the economic contribution of fossicking in the state. Some local government stakeholders expressed concern about the impact of these proposals on the tourism benefits of fossicking.</p>



What is the recommended option and why?

Despite the issues raised, Resources remains of the view that the proposed amendments result in the greatest net benefit to the state and that they assist in managing the potential conflict between mining and fossicking uses in a way that is not unnecessarily restrictive (e.g. imposing restricted areas).

Impact assessment

	First full year	First 10 years**
Direct costs – <i>Compliance costs</i> *	Negligible	Negligible
Direct costs – <i>Government costs</i>	0	0

Signed

Director-General, Department of Resources
Date: 02/04/2024

Minister for Resources and Critical Minerals
Date: 09/04/2024