

Operational policy

Renewal of exploration permits in areas proposed for national parks and regional parks

Policy number 8/2014
October 2014
Version 1.01

Application

This policy relates to the following sections of the *Mineral Resources Act 1989* (MRA), the *Petroleum and Gas (Production and Safety) Act 2004* (P&G Act) and the *Geothermal Energy Act 2010* (GE Act).

<p><i>Mineral Resources Act 1989</i></p> <ul style="list-style-type: none"> • s140 Voluntary reduction in area of exploration permit • s147 Application for renewal of exploration permit • s147A Decision on Application • s161 Surrender of Exploration Permit • s386M Particular criteria generally not exhaustive • s391 Restrictions on Grant etc 	<p><i>Petroleum and Gas (Production and Safety) Act 2004</i></p> <ul style="list-style-type: none"> • s99 Minister's power to decide excluded land • s65 Standard Relinquishment Condition • s71 Ending an authority to Prospect if all of its area relinquished • <i>Geothermal Energy Act 2010</i> s33 Restrictions on Grant etc
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These sections are applied either when assessing an application for the renewal of an exploration permit or authority to prospect, or in guiding the voluntary relinquishment of land affected by this policy.


Purpose

The purpose of this policy is to inform industry that the Department may, when making a decision to renew an exploration permit (EPs, EPCs, and ATPs), consider other land use priorities in areas which have been acquired with the intent that they become National Parks or Regional Parks under the *Nature Conservation Act 1992*. Such areas have been placed by the Minister in

Restricted Area 404 under the *Mineral Resources Act 1989* and/or the *Geothermal Energy Act 2010*. This policy will only be applied to areas of land within, or to sub-blocks which partially or fully overlap, Restricted Area 404.

This policy is written to:

- ensure that broader government land use priorities and commitments are considered in environmentally significant areas;
- assist sound decision making to weigh the likelihood of significant discoveries in areas covered by existing exploration permits versus the environmental values of the area; and;

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- provide a clear and transparent approach to managing existing tenures in areas designated to become a National Park or Regional Park under the *Nature Conservation Act 1992*.

This policy **does not limit the discretion** of the decision maker when considering the renewal of that part of an exploration tenure covered by RA404, but rather indicates the intention to consider broader land use interests.

Operation of the Restricted Area System

Under section 391 of the MRA and section 33 of the GE Act, the Minister may, after considering the public interest, place restrictions on the grant of new exploration permits. Such restrictions are designated as “Restricted Areas.”

Specifically, Restricted Area 404 (RA404) has been designated as a Restricted Area into which all areas designated as proposed National Parks and Regional Parks are placed. These are areas which the Department of Environment and Heritage Protection have designated as areas of particular environmental importance and which the Government has decided to declare as Regional or National Parks pending resolution of other land use constraints. These areas stay in RA404 until such time as they are gazetted as National or Regional Parks in their own right after which time they receive the protection afforded by the *Nature Conservation Act 1992*.

It is only these areas covered by existing exploration tenure, within the boundaries of RA404, which are the focus of this policy.

Holders of existing permits (held before the declaration of a restriction) are not affected by the restriction in that they are able to continue their activities under the terms of their current permit and are able to apply for higher forms of tenure. That is, the holder of an exploration permit or an authority to prospect is able to move to a higher form of tenure. The imposition of a restricted area does however prevent applications for new exploration permits.

Renewal of Exploration Permits and Authorities to Prospect under RA404

Exploration Permits for Minerals, Coal and Geothermal

As areas under Restricted Area 404 are designated as future National and Regional Parks, the

Minister may, under sections 147A (specifically 147A(1)(d) and 386M) of the MRA and/or section 33 of the *Geothermal Energy Act 2010*, consider the public interest in assessing a renewal application for exploration permits in these areas. In the circumstances of assessing a renewal of areas within RA404, the factors to be considered include (but are not limited to):

- The results of exploration to date and the likelihood and viability of a significant commercial project being progressed from the current permit based on results to date.

- Whether the permit holder has lodged, during the current term of the exploration permit, an application for a production permit.
- If a production permits application has been lodged, is the expected production of the area likely to be of significant size and the economic merit to outweigh the environmental values of the area.
- A desk-top assessment by the Geological Survey of Queensland on the geological prospects and likely commercial return of any future activities, based on exploration results to date.

In circumstances where the renewal does not meet the above requirements, it is unlikely that the permit area within RA404 will be renewed. Requests for renewal based on the need for further exploration will not generally be considered except in exceptional circumstances and it is in the interests of the exploration permit holder to submit an application for a production tenure prior to the expiry of the current term of their exploration permit.

Only those sub-blocks of a permit which lie within or overlap areas within RA404 will be considered under this policy and this policy will not apply to whole sub-blocks outside of RA404. Where a sub block overlaps RA404, the sub block may be renewed however it will have the portion which lies within RA404 excluded.

Tenure holders may at any time propose the voluntary relinquishment of areas within the proposed protected area.


Authorities to Prospect

Although the P&G Act does not utilise a system of restricted areas due to the method of land release (via tender), such areas are considered by the Minister in deciding appropriate areas for petroleum exploration to be released, or on which exploration activities should occur. Therefore the Minister will also consider the designation of land as a proposed National or Regional Park (as part of RA404) in deciding whether or not to approve the renewal of an Authority to Prospect (ATP) under the *Petroleum and Gas (Production and Safety) Act 2004*.

When deciding whether or not to approve an application for renewal of an ATP the Minister may decide to exclude land within a proposed protected area from the area of the ATP under section 99 of the P&G Act. In deciding whether to exercise his power under this section, the Minister may take into consideration the same range of factors as outlined for Exploration Permits for Mineral and Coal outlined above.

If an applicant cannot demonstrate that they are progressing towards a production tenure, evidenced through the lodgement of a relevant application supported by exploration results, it is unlikely that the parts of the tenure covered by RA404 will be renewed.

Only that area of a permit which is within proposed protected areas will be considered under this policy and this policy will not apply to areas of the ATP located outside of the proposed protected area. Where a sub block overlaps RA404, the sub block may be renewed however it will have the portion which lies within RA404 excluded.



Tenure holders may at any time propose the voluntary relinquishment of areas within the proposed protected area.

Collaborative Relinquishment

The Department encourages permit and authority holders affected by this policy to contact the Department to discuss the relinquishment of areas within RA404. The Department will ensure it works with affected permit holders to find acceptable solutions for affected permits. In the first instance an enquiry should be addressed to the relevant assessment hub requesting an officer contact the permit holder to discuss relinquishment options for the relevant permit.

In recognition of any proposed voluntary relinquishment of areas within RA404 which occurs prior to renewal, the Department will consider a relinquishment holiday on an equivalent permit held by the same owner for an equivalent area outside of RA404.

Renewal to Occur only after consultation

In order to ensure sound decision making has occurred, the delegated officer processing a renewal must seek the endorsement of the Executive Director, Mining and Petroleum Operations, before renewing or cancelling an area which lies within or overlaps a proposed protected area to ensure proper consideration of this policy has been undertaken.

Andrew Cripps MP Minister for Natural Resources and Mines

October 2014

Enquiries:

For help, information and technical support contact the MyMinesOnline helpdesk.

8.30am – 4.30pm (AEST) Monday to Friday on Queensland business days.

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Disclaimer

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