

Operational policy

Project-based permit administration

Policy number 8/2012
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Version 1.01

Application

This policy relates to the following sections of the *Mineral Resources Act 1989* (MRA):

- s.141 Conditions of exploration permit
- s.141C Application to vary conditions of existing permit
- s.392 Substantial compliance with Act may be accepted as compliance

These sections are to be considered when conditioning a project based exploration permit or assessing an application to vary the conditions of an exploration permit.

Purpose

The purpose of this policy is to inform industry of the processes and expectations in relation to how a project based exploration permit is defined; how project based permits will be conditioned and how they will be assessed when an application is made to vary the conditions of a project based permit.

This policy is written to:

- provide guidance and clarity to both applicants and departmental officers;
- promote consistency of tenure administration and regulation across the state; and
- increase the department's timeliness and efficiency of processing exploration permit applications and requests.

The information provided in this policy **does not limit the exercising of discretion** nor does it override legislative requirements when considering whether or not there has been substantial compliance. It reflects current practices within the department which may change from time to time. All changes will be published through a revised version of this policy.


What is a project and what would qualify for project consideration?

To have exploration permits (EPs) considered part of a project, holders must substantiate why the EP can, with other EPs, qualify as a project.

A project may be defined as a local group of EPs situated within a specific geological terrain that has a unifying exploration concept or proposed development outcome and that are individually integral to the whole resource economic concept. The separate parts of the project may be adjacent EPs or may be separated by a nominal maximum distance of 50-100 kilometres, depending on the unifying concept or commodity.

Only EPs held by the same tenure holder will be considered for project-based administration and management.

Generally EPs which are in the first three years of their initial term may not be considered for project based administration and management. However if an EP holder is seeking to apply their relinquishment requirement to an alternative permit, they may apply for project consideration in the first three years of the initial term.



If the EP holder is granted project based consideration in the first three years of the term, it will only apply to their relinquishment condition. Project consideration **will not** apply to the work program condition until the first three years of the initial term is complete.

Some examples of what may be termed a project include but are not limited to:

- A group of EPs that are being explored for, and/or are producing a commodity in a geological unit/s (or sequence) using a particular geological model even though the EPs are separated from each other.
- A group of EPs that are for the same mineral/s and have different geological models, but will utilise a central processing site when progression is made to a mining tenure.
- A group of EPs that have different target commodities but form part of the same value added project with centralised infrastructure - such as limestone, coal, iron, and chromium, for the production of steel or other refinery products.
- A group of EPs exploring for different coal types in different portions of the same basin / sub-basin, and using the resources for blending for the export market.
- A logical demonstrable reason that a group of local EPs can be linked as an integral group for exploration and reporting purposes.

Some examples of what might not be termed a project:

- A group of EPs that do not have a common linking element such as a geological concept, processing plant, target market, or product.
- A group of EPs linked by a common objective but having a totally separate and unlinked project imbedded within the tenure which comprise the main project.
- A group of EPs that are for different minerals and under different geological concepts and do not have a linking element such as common processing or product.

The permit holders must supply in writing to the Mining Registrar the project justification. It should contain:

- project name;
- current EPs in the project;
- EPs to be included;
- targeted minerals;
- contact company name and address; and
- justification for inclusion in a project.

Conditioning project based exploration permits

All EPs are subject to the **Work Program and Condition Relinquishment Conditions Policy**. This policy recognises that compliance with a work program and/or expenditure should be assessed in year three of the EP term and at the renewal, rather than on a yearly basis. This policy provides the freedom to the EP holder to comply with their program of work and expenditure commitments over a longer period.

EPs under the MRA will continue to be assessed individually, but proponents may also use the participation in an **approved project** to spread the individual program of work and expenditure commitments over the range of project EPs. This gives an EP holder even greater freedom to meet their commitments, as EPs that are a part of a project may use the extension of the individual programs of work and expenditure commitments to demonstrate compliance.

Varying the conditions of project-based exploration permits

Under s.141C of the MRA an application to vary the conditions of an EP may be made to the Minister administering that Act, and the Minister may decide the application.

The department is aware that many larger exploration and mining programs are administered by proponents on a project basis. Because of the structure of the MRA the corporate database (MERLIN) and the MyMinesOnline program, the department administers EPs on an individual basis.

All applications to vary will be subject to the requirements of the **Varying Conditions Policy for Exploration Permits (Minerals and Coal)**. EP holders may use their involvement in a project to satisfy prerequisites of a variation request under this policy. However the assessment by the Minister of an application made by a project based EP holder, may include consideration of the participation of an EP, the subject of the application, in a project comprised of a number of related EPs.

The permit holder will be required to supply exploration expenditure details (conditioned and actual), relinquishment schedule (conditioned and actual) and the reporting status details for each EP in any project.

IMPORTANT NOTE

Consideration for project based EPs does not restrict the Minister from taking non-compliance action pursuant to s.160 of the MRA where it is considered there has been contravention by the holder of an EP.

Andrew Cripps MP
Minister for Natural Resources and Mines
21 October 2012

Enquiries:

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

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Disclaimer

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