

# **Mineral Resources and Other Legislation (Extension of Waiver Provisions—COVID-19) Amendment Regulation 2020**

Explanatory notes for SL 2020 No. 253

made under the

*Mineral Resources Act 1989*

*Petroleum Act 1923*

*Petroleum and Gas (Production and Safety) Act 2004*

## **General Outline**

### **Short title**

*Mineral Resources and Other Legislation (Extension of Waiver Provisions—COVID-19)  
Amendment Regulation 2020*

### **Authorising law**

Sections 138 and 417 of the *Mineral Resources Act 1989*

Sections 74N and 149 of the *Petroleum Act 1923*

Sections 75, 107A and 859 of the *Petroleum and Gas (Production and Safety) Act 2004*

### **Policy objectives and the reasons for them**

Maintaining a strong resources sector is important to the Queensland economy, and maintaining a healthy and economically viable exploration sector is critical to ensuring a pipeline of resource projects into the future.

The COVID-19 pandemic is continuing to create challenges for mining and petroleum exploration companies in Queensland, with many relying on capital raising (privately or on the ASX) to meet their ongoing capital and operational expenditures. With a downturn in economic conditions as a result of the COVID-19 pandemic, many companies are having difficulty raising adequate capital to fund work program commitments and meet ongoing operational costs.

The *Explosives Legislation (COVID-19 Emergency Response) Regulation 2020* amended the *Mineral Resources Regulation 2013* and the *Petroleum and Gas (General Provisions) Regulation 2017* to provide:

- A six-month rent waiver for exploration permit and authority to prospect (petroleum and gas) holders whose rent falls due within the period of 1 April and 30 September 2020; and
- a six-month waiver of the \$1,337 fee related to special amendment applications for authorities to prospect under the *Petroleum and Gas (Production and Safety) Act 2004* to 30 September 2020.

The policy objectives of the *Mineral Resources and Other Legislation (Extension of Waiver Provisions—COVID-19) Amendment Regulation 2020* are to:

- extend short-term economic relief to the resource exploration industry by waiving rent payable by exploration permit and authority to prospect (petroleum and gas) holders; and
- provide flexibility to exploration tenure holders to assist with meeting their regulatory obligations whilst complying with the current public health directions issued by the Queensland Government in response to the COVID-19 pandemic.

## **Achievement of policy objectives**

The policy objectives will be achieved by:

- extending the rent waiver for exploration permit (coal and minerals) and authority to prospect (petroleum and gas) holders by six months to ensure that, in total, no rent will be payable by these holders for the period between 1 April 2020 and 31 March 2021; and
- waiving for a further six months the fee payable by authority to prospect holders who apply for a special amendment so that, in total, no fee will be payable for the period between 1 April 2020 and 31 March 2021.

## **Consistency with policy objectives of authorising law**

The *Mineral Resources and Other Legislation (Extension of Waiver Provisions—COVID-19) Amendment Regulation 2020* is consistent with the policy objectives of the authorising laws as it supports the viability and economic recovery of the exploration sector during the COVID-19 pandemic.

## **Inconsistency with policy objectives of other legislation**

The *Mineral Resources and Other Legislation (Extension of Waiver Provisions—COVID-19) Amendment Regulation 2020* is not inconsistent with the policy objectives of other legislation.

## **Alternative ways of achieving policy objectives**

The policy objectives cannot be met except by regulatory amendment.

## **Benefits and costs of implementation**

These waiver extensions for the exploration sector are estimated to result in foregone revenue to the State of up to \$6.73 million. This cost will provide a clear benefit to exploration companies which hold an authority to prospect or exploration permit whose holding costs will be reduced by the rent and fee waiver.

The cost of implementing the rent and fee waiver will be met by existing resources.

## **Consistency with fundamental legislative principles**

The *Mineral Resources and Other Legislation (Extension of Waiver Provisions—COVID-19) Amendment Regulation 2020* is consistent with fundamental legislative principles.

Although the rent and fee relief delivered by the amendments have retrospective effect, this is not a breach of fundamental legislative principles. *The Legislative Standards Act 1992* provides that legislation must have sufficient regard to the rights and liberties of individuals by not adversely affecting rights or liberties or imposing obligations retrospectively. Although retrospective, the effect of these provisions is clearly beneficial, and does not impose new obligations.

## **Consultation**

The Queensland Government has been regularly meeting with the relevant industry peak bodies (the Queensland Resources Council, Australian Petroleum Production and Exploration Association and the Association of Mining and Exploration Companies). These peak bodies have requested government extend the rent waiver and other relief measures for a further six months.

In accordance with the *Queensland Government Guide to Better Regulation* (the guidelines), the Queensland Productivity Commission (QPC) was consulted on the proposal. The QPC advised that the proposal is unlikely to result in significant adverse impacts and that no further regulatory impact analysis is required under the guidelines.

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