

Mineral Resources Amendment Regulation 2023

Explanatory notes for SL 2023 No. 121

made under the

Mineral Resources Act 1989

General Outline

Short title

Mineral Resources Amendment Regulation 2023

Authorising law

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

Policy objectives and the reasons for them

The Queensland Resources Industry Development Plan (QRIDP) is the Queensland Government's plan for the next 30 years for the Queensland resources industry and the businesses and communities it supports. Action 42 of QRIDP commits the Queensland Government to reviewing rent settings to ensure tenures are actively explored and developed. Several QRIDP actions also recognise the opportunity for Queensland in exploring for, mining and processing the critical minerals used to produce the renewable energy technologies that are needed to achieve global decarbonisation.

Building on QRIDP, the Queensland Critical Minerals Strategy, released in June 2023, is a plan to promote and accelerate Queensland's critical minerals industry. One action under the strategy is to reduce the rent for existing and new exploration permits for a mineral other than coal (EPM) to \$0 for five years. Reducing rent for EPM will incentivise companies to invest in Queensland and provide them more upfront capital to fund exploration activity. Increased exploration improves the chances of resource discovery and can accelerate the critical minerals sector.

The objectives of the *Mineral Resources Amendment Regulation 2023* (the Amendment Regulation) are to:

1. Implement the Queensland Critical Minerals Strategy action
2. Support the minerals exploration industry by lowering the initial expenditure of exploration companies and allowing them to reallocate funds into their business and exploration activities, stimulating the critical minerals sector.
3. Encourage increased exploration activity to support new mineral discoveries.

Achievement of policy objectives

The Amendment Regulation achieves its objectives by amending schedule 4 of the *Mineral Resources Regulation 2013* to prescribe that the fee units payable per sub-block to which an EPM applies is nil.

Future amendments to the *Mineral Resources Regulation 2013* will establish the rental payable that will apply after the five-year period ends.

Consistency with policy objectives of authorising law

The Amendment Regulation is consistent with the principal objective of the *Mineral Resources Act 1989* to encourage and facilitate exploring for minerals.

Inconsistency with policy objectives of other legislation

No inconsistencies with the policy objectives of other legislation have been identified.

Alternative ways of achieving policy objectives

Prescribing as nil the fee units for rental payable for EPM in the *Mineral Resources Regulation 2013* is the only way to achieve the policy objectives.

Benefits and costs of implementation

The Amendment Regulation has clear benefits for industry by reducing the upfront costs associated with undertaking exploration activities.

The Office of Best Practice Regulation (OBPR) advised that the Amendment Regulation will reduce the burden of regulation.

The implementation of the Amendment Regulation will result in approximately \$55 million in foregone revenue that would otherwise be received in rental payments. This cost will be met by the Queensland Government.

Consistency with fundamental legislative principles

The Amendment Regulation has been drafted with regard to fundamental legislative principles as defined in section 4 of the *Legislative Standards Act 1992* and is consistent with these provisions.

Consultation

More than 50 stakeholders were consulted in the development of the Queensland Critical Minerals Strategy, including the Association of Mining and Exploration Companies, which is the peak industry body for mineral exploration and mining.

No public consultation took place on the Amendment Regulation as the amendments simply implement the Critical Minerals Strategy action.

In accordance with the *Queensland Government Guide to Better Regulation* (the guidelines), OBPR was engaged to assess the rent reduction proposal. OBPR advised that the proposal will not add to the burden of regulation and is unlikely to result in significant adverse impacts. No further assessment is required under the guidelines.

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