

To: Department of Resources

Re: Improving Queensland's Land Release Process

Date submitted: 24 February 2023

Introduction

The Association of Mining and Exploration Companies (AMEC) appreciates the opportunity to make a submission on the *Improving Queensland's Land Release Process discussion paper*.

How land is released—over the counter or by EOI and the associated Queensland Exploration Program (QEP) tender process—is a fundamental step in the resources project life cycle. Having a well-functioning, predictable and efficient land release system is a positive for any jurisdiction and helps attract investment to that area.

AMEC is actively engaged on this matter to articulate the real and potential affects that will arise for the Queensland exploration industry, specifically for junior operators.

About AMEC

AMEC is a national peak industry body representing over 500 mineral exploration and mining companies across Australia. Our members are mineral explorers, emerging miners, producers, and a wide range of businesses working in and for the industry. Collectively, AMEC's member companies account for over \$100 billion of the mineral exploration and mining sector's capital value.

AMEC's Queensland members, of which there are more than 70, work in and for the resources industry, exploring, developing and producing minerals including Antimony, Bauxite, Coal, Cobalt, Copper, Gold, Graphite, Lead, Lithium, Mineral Sands, Molybdenum, Nickel, Phosphate, Rare Earths, Silver, Tungsten, Vanadium and Zinc.

General comments

AMEC notes that the discussion paper was developed to deliver on the commitment made under action 37 of the Queensland Resources Industry Development Plan (QRIDP), namely:

<p>37. Improve land release process</p>	<p>Lead: Government (Department of Resources) When: 2022–23</p>	<p>The Queensland Government has a land release process that includes both direct applications (for non-coal minerals) and competitive tendering (all commodities) for resources tenure. Recent reviews of Queensland's land release and competitive tendering process have identified issues that affect operational efficiency, industry, and community confidence in the process, and, ultimately, the level of investment in Queensland's exploration sector. The Queensland Government will consult stakeholders on reforms to the land release process and implement improvements such as:</p> <ul style="list-style-type: none">» updating the land release model, tender timing, and frequency» streamlining decision making and reduce timeframes» including highly prospective minerals exploration areas in the Queensland Exploration Program.
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A meaningful review of Queensland's land release arrangements could have significant and positive strategic and operational consequences. AMEC urges the department to make the most of the opportunity and lean into a bold review of how land release is done with the objective of using the arrangements as one that can help facilitate:

- transformation of the resources sector, in particular active support for frontier developments
- responsiveness to policy shifts and markets, both domestic and international
- broad regional and community benefits, which include but are not limited to improving:
 - energy affordability

- energy security
- energy transition
- energy wealth, and
- achieving meaningful steps towards decarbonisation.

It is worth noting that junior minerals explorers—AMEC’s main membership base—traditionally acquire their Exploration Permit for Minerals (EPM) over the counter. Note however, where there is more than one application for an area, these applications become competitive processes, which are assessed and awarded by the department.

Theme 1 – Improve strategy and framework for land release

AMEC notes that the aim of the QEP and the supporting competitive tender process is to fairly and transparently allocate a resources authority to the company with the greatest exploration and development capacity and capability. While the discussion paper identifies the number of tenders that have been completed, areas of land and expressions of interest (EOI) received, it does not articulate any meaningful information about what the development outcome of these processes has been to date. AMEC suggests that this is where one of the key answers, as far as the QEP’s effectiveness lies and should be shared with stakeholders to help inform feedback from stakeholders.

AMEC is anecdotally aware that a perverse outcome of the current land release system, is that land banking can occur. As such, AMEC suggests that a strong position on land banking would be beneficial and a “use it or lose it” policy be developed and implemented to facilitate work programs being implemented or land being turned over.

As a fundamental principle, AMEC agrees that clear articulation of the QEP’s strategy and how it supports the Queensland Government’s priorities and objectives would be positive. The strategy should be reflective of the government-of-the-day’s policy priorities and deliver certainty to proponents that are seeking tenements in Queensland.

Under the current policy settings, AMEC would see it appropriate for a transparent land release strategy to clearly reflect the following:

- the need for steel-making coal for decades to come
- the role of Queensland’s thermal coal to deliver energy security and wealth in other jurisdictions while they undergo their own energy transition
- the importance of targeted gas development to firm and support energy transition while Queensland phases out coal fired power by 2035
- resources development that supports affordable and reliable energy solutions for all Queenslanders that supports the transition to deep electrification of households, transport and industry, and
- consideration of the commercial and development realities of greenfield and brownfield releases and their connectivity to infrastructure.

AMEC suggests that it would be appropriate for such a strategy to be co-developed with industry and its implementation co-developed with community stakeholders. At a minimum it would be preferable that the strategy was updated every four years post the State election to ensure that the government-of-the-day’s priorities are reflected. It would also be desirable if the strategy could be agile and updated to reflect domestic and international market changes.

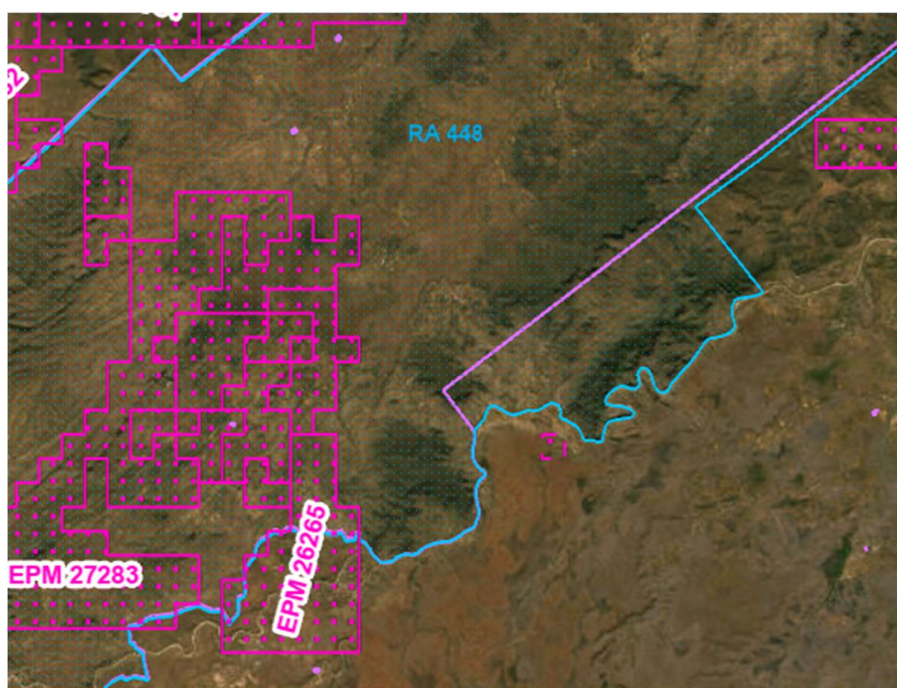
At a more operational level, with regards to the current QEP consultation requirements, the focus on market need is domestic, however there can be a strong demand for resources at both domestic and export level. Therefore, it is important to understand the limitations around market demands when the



QEP area and packages are drafted up. This will also help tenders when considering location, particularly if an applicant is interested in applying and consolidating to an existing operational areas.

It would be helpful if there was a clear report that could be generated from GeoResGlobe (similar to the Vegetation Report that are generated for the Vegetation Management Act) that shows areas that are sanitised from EOI and QEP. Prospective applications could print a report and then adjust their expectations and applications based on a deeper degree of understanding in the initial phases of the EOI processes.

It is also noted that most of Queensland is covered in one form of constrained land or another. So there also needs to be a degree of understanding that if there is a constraint whether or not it can be resolved. As an example, EPM27283 and 26265 (granted in 2019) is constrained by RA488 which was granted in 2020. AMEC is not suggesting we have intimate knowledge of this example, only that for operators navigating the process, the system can provide a lot of conflicting information about what areas will be considered for an EOI and are likely to have success. AMEC appreciates that the RA does not extinguish rights, however from a commercial point of view it is not an ideal situation and rights are essentially extinguished due to the inability to responsibly and ethically attract investment.



Theme 2 - Streamline the land release process

There would be merit in the department looking to other jurisdictions, such as South Australia and Western Australia, and at a minimum pilot and evaluate the ability for over the counter applications for all exploration—coal, petroleum and gas—outside of highly prospective areas and mature producing basins. This would allow those explorers who are seeking the next frontier discovery the ability to do so within the current framework and will help generate investment attraction into the sector.

Improving certainty in the EOI and QEP tender timeframes would also improve the overall operation of the land release program for both proponents and administrators / assessors. The current process



creates significant uncertainty. It would be ideal if there were regular known dates for industry, for example, set Q1 and Q3 dates, and a consistent process of notification. Whatever the frequency, this should be mapped out to embed how the timing would practically work with development and budget cycles, as well as seasonal needs.

In terms of the barriers that industry experience especially for exploration AMEC notes the following cycles within business.

- End of Financial Year and End of Year reporting, ideally avoiding Q2 release for tender or awarding tenders. Also avoiding Q4 which is the height of the wet season.
- Annual Wet Season events. Most drilling and exploration targets periods of time when there can be good line of sight on the expected weather impacts (i.e. the dry verse the wet season).

The standardisation of forms with strict parameters, for example on word length, would also help streamline the processes. The current process means that industry is unsure of the extent of information to provide for EOI or QEP tenders and whether their applications are fit for assessment.

Theme 3 – Improve stakeholder engagement and communication

AMEC supports broadly the Queensland Government investing in the communication of the benefits of the resources sector to the community broadly, in addition to targeted engagement with QEP associated communities.

It would also be conducive if consultation was completed jointly with the exploration parties and the department. It would reduce any misinformation or duplication of information. A lot of stakeholders can experience consultation fatigue, and this can often lead to animosity building. Exploration companies are then normally at the end of this process and enacting the land access process and this can just be very overwhelming and lead to conflict. This also speaks to the Potential measure 3 around peak industry bodies, local government and attendance at community and consultation events.

Theme 4 – Increase transparency of the process and decision making

As a general principle, AMEC supports steps to make government decision making more transparent. AMEC is highly supportive of the measure to support new entrants into the process. However, guidelines and briefing might be a little limited. It would be good to also have direct points of contact (e.g., leaning on the 'Hubs'). This provision of a front counter is still a great way for organisations to gain information and support.

Decision making at the EOI stage is essential for junior explorers, especially understanding the constraints and limitation factors. EOI areas can be adjusted and amended, but the old saying you don't know what you don't know applies. For example, there are approximately 62 constraints that are known all with varying degrees of independent legislative requirements and considerations. AMEC is supportive of a decision statement to the applicant that provides clarity to the applicant on why they were or were not successful at the EOI and QEP tender stages.

Theme 5 – Ensure data and information is available

As a general principle, AMEC supports increasing data availability to potential applicants to help inform better decision making early on. As AMEC provided earlier if GeoResGlobe could include an additional layer as it relates to EOI constraints this is highly supported.



Highly prospective minerals exploration areas in the Queensland Exploration Program

AMEC is highly concerned of the impacts applying a QEP-competitive tendering model might have on junior operators. It is noted that the QEP was designed for the resources sector at a point in time, predominantly made up of large gas and coal companies vying for similar pieces of country. Traditionally the structure of these companies was such that exploration is a part of their inhouse operations.

In the last five years Queensland's exploration sector has changed at pace. Global market forces and the race to reduce emissions and transition to clean energy technologies and proliferation of other technologies, such as handheld devices and their capability, has seen the resources sector diversify, with significant growth in junior explorers seeking to define critical minerals and base metal prospects across Queensland. Adding to this is the increasing feasibility of extracting smaller deposits as larger deposits become exhausted, and the acceptance and success of hub-and-spoke business and operational models. Junior explorers are lean operations, many have not been operating for long periods of time and they are willing to entertain risk if the geology indicates the prospect is potentially positive.

If the Department of Resources was to consider including critical minerals in the QEP, AMEC is concerned that this action will service the needs of the big end of town only. Systemising the current over the counter process to be consistent with the QEP presents a real risk that it could lead to a process that favors organisations that are well resourced (i.e. the big end of town), and make navigating the system for junior operators, as well as their ability to be competitive, unviable. A further perverse outcome that AMEC is concerned could arise is that it could potentially lock up large parts of country making it inaccessible to junior explorers.

AMEC is concerned that such a proposal could reduce Queensland's attractiveness as an investment destination and drive economic investment and development into jurisdictions where it is easier for juniors to explore and develop minerals. Fundamentally, any actions that discourage junior operators is inconsistent with the Queensland's Governments ambition for a diverse and transformative resource sector, as described in the Queensland Resources Industry Development Plan. It is also at odds with the State's emission reduction targets and renewable energy transition as articulated in the Queensland Energy and Jobs Plan.

Key to the success of these targets and commitments will be ready access to the critical minerals, REE, metals and coal-making steel essential for implementing renewable energy technologies, batteries and infrastructure. AMEC's members are leading the exploration and development of these critical minerals and REE and will be increasingly moving into development and production in the coming years. Any actions to change the current frameworks operation need to be well analysed and the fundamental principles of scalable, adaptive, fair and fit-for-operations need to be embedded.

One of the reasons Western Australia remains a top rate resources jurisdiction is its open land release process, which can be done over the counter and online for all minerals. AMEC suggests the department consider the Western Australia model for mineral land release and the environment of investment attraction this generates, as a good working model of a comparable jurisdiction. AMEC would be happy to connect departmental officers with those is the Department of Mines, Industry Regulation and Safety to better understand how their process works.

Critical mineral zones

AMEC notes the mention of 'critical minerals zones', but also notes the lack of explanation and thinking included in the discussion paper. While encouraging to see the concept mature enough to be



included in the paper, it is also concerning as there are no doubt groups participating in the consultation that might find this term alarming, with no explanation.

As far as the zones are concerned, AMEC has been engaging across the Queensland Government and discussing several ideas that might be beneficial for trialing on a zonal basis to build exploration and consequently development momentum and investment attractiveness. AMEC seeks that the ambition is that the learnings and wins from the zones are eventually applied in a geographically and mineral agnostic way, as the State builds their capability and comfort with their use. These zone ideas include but are not limited to:

- having zonal land access arrangements in place, for example but not limited to, capped compensation rates, native title negotiations, landholder engagement, and standardised land access agreements
- having a zone's state and national environmental values defined for explorers seeking to move into development can use an 'off the shelf' assessment that will consequently drive down costs and assessment timeframes
- development of geological hazard mapping (or similar) and a move to standard conditioning based on this profiling for critical minerals to streamline assessment processes, and
- where a consortium of explorers/developers comes together, funding critical common user infrastructure—roads, water security, green energy provision, port access—within a zone to support development viability and investment attractiveness.

Conclusion

AMEC welcomes the opportunity to discuss these concerns and proposals with the department and facilitate engagement with the membership to achieve a land release framework that delivers for all involved parties.

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