Impact Analysis Statement – Mineral Resources Regulation remake

Summary IAS

Details

Lead department	Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development (NRMMRRD)
Name of the proposal	*Mineral Resources Regulation 2025*
Submission type	Summary IAS
Title of related legislative or regulatory instrument	*Mineral Resources Regulation 2013*
Date of issue	19 May 2025

What is the nature, size and scope of the problem? What are the objectives of government action?

Under section 54 of the *Statutory Instruments Act 1992*, subordinate legislation expires on 1 September after the 10th anniversary of the day of its making.

The *Mineral Resources Regulation 2013* (2013 Regulation) was due to expire on 1 September 2023, however an exemption to the expiry was granted for the past two years on the grounds that the *Mineral Resources Act 1989* (MR Act) was under review. The MRR is now approaching expiry on 31 August 2025.

Following the sunset review, three options have emerged. The option being progressed is to remake the regulation (Mineral Resources Regulation 2025 (2025 Regulation)) with minor changes encompassing removal of redundant or superfluous provisions, aligning reporting dates and amendments which are of a clarifying nature and correcting errors.

Mineral Resources Regulatory Framework

The mineral resources regulatory framework consists of the MR Act, the *Minerals and Energy Resources (Common Provisions) Act 2014* (MERCP Act), the 2013 Regulation, the *Mineral and Energy Resources (Common Provisions) Regulation 2016*, and associated practice directions and codes. The framework regulates mineral and coal exploration and mining, including resource authority conditions, fees and charges, reporting requirements and other miscellaneous provisions. Through this framework, as of May 2025 there are 952 resources companies and 346 individual miners who are guided in understanding their obligations and achieving compliance.

The 2013 Regulation is an important element of the regulatory framework for the mineral and coal industries in Queensland. The 2013 Regulation supports the MR Act by ensuring the effective administration of land access, tenure management (including compliance with work programs), and the calculation of rents. All of these are important components that contribute to the known and stable regulatory environment surrounding the sector.

The 2013 Regulation is jointly administered by two agencies, with the resources provisions administered by NRMMRRD and the royalty provisions administered by Queensland Treasury (QT). The sunset review

and subsequent remake of the 2013 Regulation is being undertaken in consultation with QT, which has decided to remove the royalty provisions from the 2013 Regulation and include them in a separate statutory instrument. QT is managing this process. The creation of a standalone royalty regulation is supported by NRMMRRD and is consistent with the way other resource types are regulated in Queensland.

The total cost to industry per year as a result of the 2013 Regulation is estimated to be $88,678,200. To further understand specific costs, the following table has been developed to illustrate estimated costs per year for each regulatory impact. The material in this section should be read in conjunction with the relevant discussions that form part of the broader document below in relation to each regulatory obligation.

Figure 1 – Cost to industry of the current regulation

Regulatory obligation	Section	Estimated number per year	Cost per unit		Estimated total cost to industry
Conditions on permits	4, 8, 11, 12, 22, 30-31, Schedule 1	200	$350		$70,000
Security	5	400	Admin	$350	$140,000
			Security	$2,500	$1 million
			Subtotal		$1.14 million
Reports	13,14,16,17,18, 29 A-h, 87-88, 93-4	4000 (all reports)	$100 – $10,000+ (varies by report)		$5 million
JIMPS	23-29	< 5	$1,750		$8,750
Associated water	31a-d	100	$350		$35,000
Misc	6, 19, 20, 21	< 5	$140		$700
Prescribed Mineral Thresholds	97A	< 5	$1,750		$8,750
Rent	98 and schedule 4	6500	Admin	$350	$2.275 million
			Rent	$0 – $200 per subblock/hectare	$79 million
			Subtotal		$81.275 million
Fees	101 and Schedule 5	400	Admin	$350	$140,000
			Fees	$50 – $5,000 (varies by fee)	$1 million
			Subtotal		$1.14 million
			TOTAL		**$88,678,200**

The cost to industry in the above table is approximated based on the following assumptions:

- Conditions – Only relates to condition referred to above in 2013 Regulation. Number per year estimated from compliance matters. Assumed 5 hours of preparation and seeking required consents from occupiers by an officer at a rate of $70 per hour ($40 median hourly wage reported by the Australian Bureau of Statistics for 2024 multiplied by 1.75 to account for on-costs to reflect the full cost of employment e.g., Superannuation).
- Security – Number per year estimated from number of new permits. Assumed 5 hours of preparation by an officer at a rate of $70 per hour.

- Reports – Number per year estimated from reports lodged with NRMMRRD. Cost to industry estimated using assumed cost of preparation of $1,250 estimated based on average costs of activity reports (most common report type).
- Joint Interaction Management Plans (JIMPs) – Number per year estimated from previous trends of JIMP applications. Assumed around 1 week of preparation work by an officer at a rate of $70 per hour. No JIMPS have been lodged with Resources Health and Safety Queensland in the last 12 months. NRMMRRD is not releasing coal and coal seam gas tender areas that overlap in order to avoid overlapping issues.
- Associated water – Number per year estimated from associated water reports lodged with NRMMRRD. Assumed 5 hours of preparation work by an officer at a rate of $70 per hour.
- Misc – Estimate is average of costs across each section. Number per year estimated from reporting data. Cost to industry estimated based on prescribed fee for a copy of mining lease application (54.2 fee units) and assumed 1-2 hours of preparation work by an officer at a rate of $70 per hour.
- Prescribed Mineral Thresholds – Number per year estimated from average number of later development plans lodged with NRMMRRD from prescribed mineral threshold requirements. Assumed 25 hours of preparation work by an officer at a rate of $70 per hour.
- Rent – Number per year estimated from average number of authorities NRMMRRD is responsible for each year. Assumed 5 hours of preparation work by an officer at a rate of $70 per hour.
- Fees – Number per year estimated from average number of new authorities. Administrative fees estimated at 5 hours of preparation by an officer at a rate of $70 per hour.

Mineral and Coal Sectors – Scope and Size of the Industry

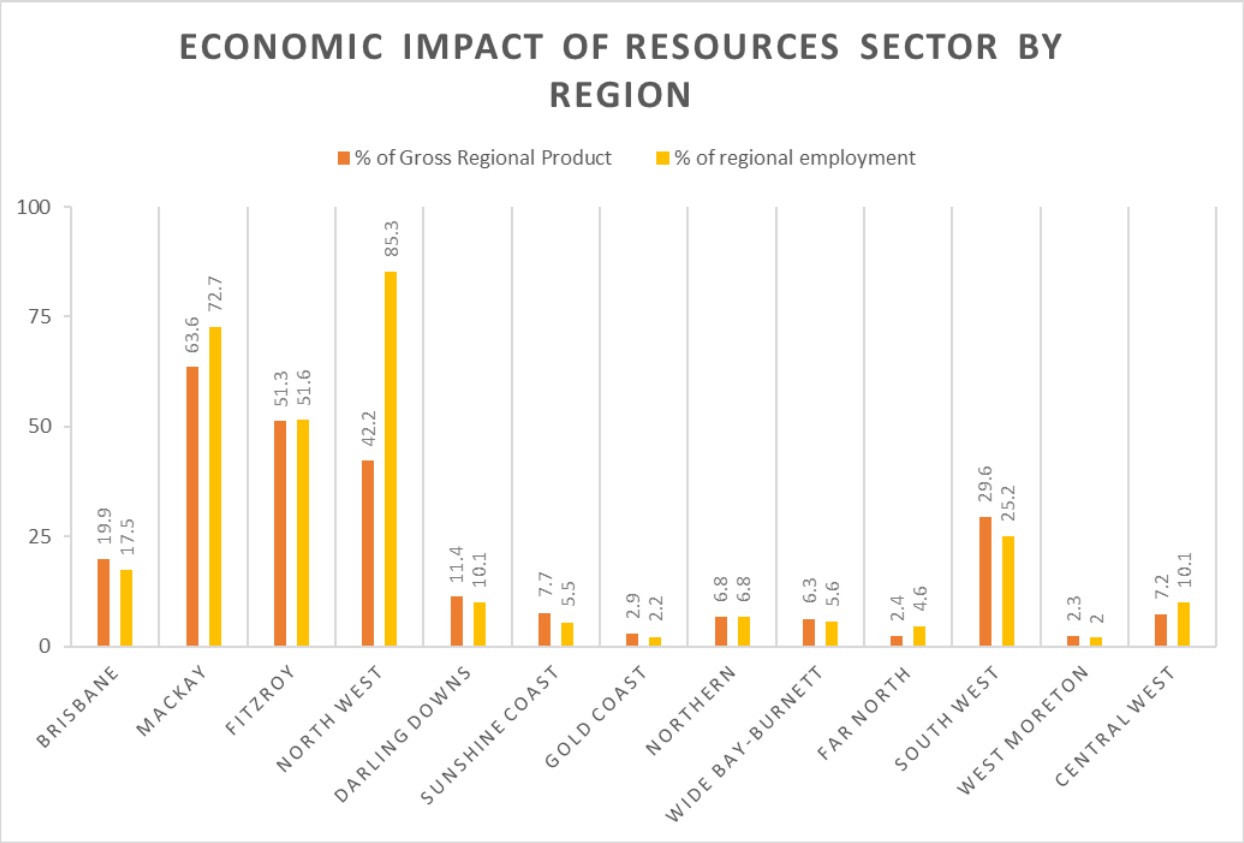
The minerals and coal industries contributed $103.372 billion to Queensland's economy in the 2023–24 financial year (FY), as reported by the Queensland Resources Council. This contribution is underpinned by around 6,500 resource authorities currently in operation, and a further 750 applications for new resource authorities pending. For the broader resource sector in Queensland (including petroleum and gas), approximately 85% of its economic contribution is attributed to the minerals and coal sectors, with the majority (71%) from coal alone. This includes not only direct economic benefits but also job creation, infrastructure development, and significant regional economic contributions. The 2013 Regulation supports the MR Act by providing a stable and predictable regulatory environment which encourages investment in this critical sector for Queensland's economy. Specific contributions to the economy, for example rent, are outlined further below.

The minerals and coal sector are a critical part of the economy of Queensland's regions, accounting for most of the employment in three regions (Mackay, Fitzroy, Northwest) and the majority of Gross Regional Product in two regions (Mackay and Fitzroy). Across Queensland generally, the Queensland Resources Council 2023-24 report estimates the total economic impact of the resources sector to be around 23.9% of Queensland's Gross State Product, and 19.4% of Queensland's employment.

The graph in Figure 2 uses data showing the contribution of the broader resources sector to Queensland regions, rather than just minerals and coal. However, it is still a reasonable representation of the economic impact as minerals and coal alone make up about 85% of the total economic contribution for the resources sector in Queensland.

In addition to economic and employment contributions, Queensland minerals and energy companies contribute significantly to communities. In 2023-24, resource companies supported 13,466 local businesses and directly contributed to over 1,650 (number from broader resource sector) community groups in a wide range of areas including health, education, environment and the arts.

Figure 2 – Regional Economic Contribution of Mining

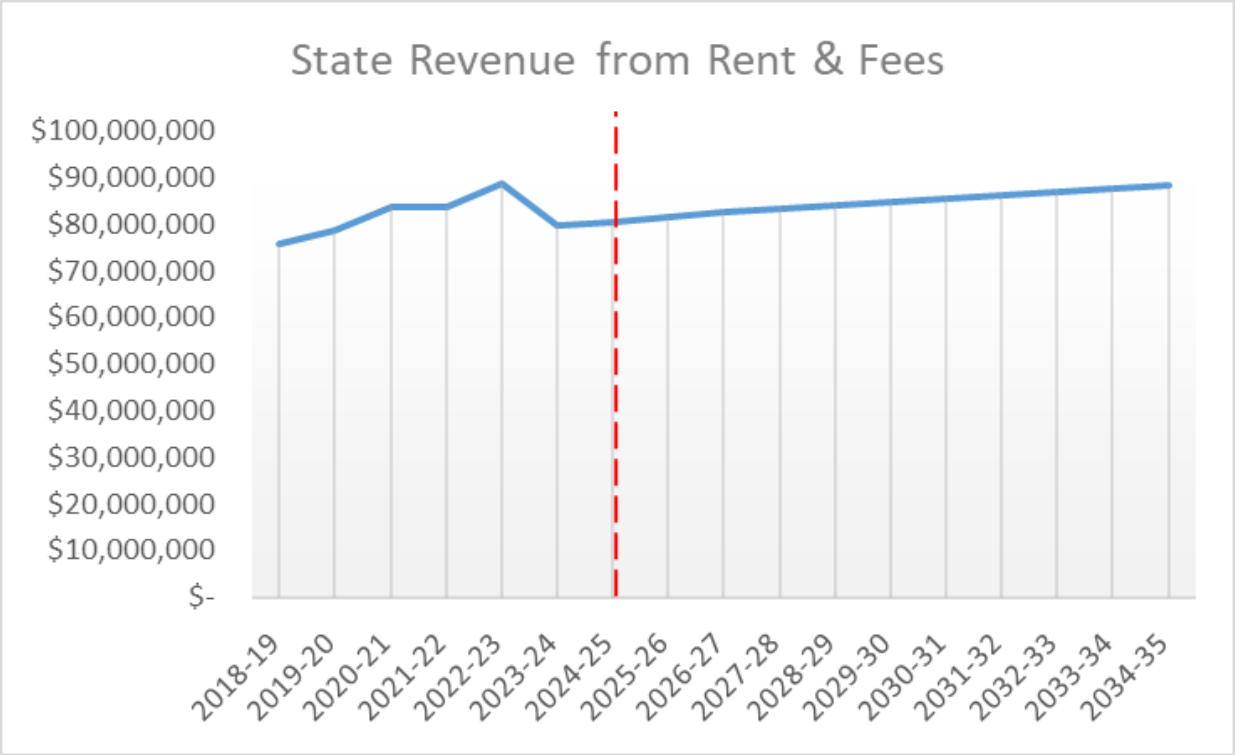


The Minerals and Coal sectors make a significant economic contribution to the State's finances. The State collects on average $80 million in rent each year, in addition to approximately $1.5 million in administration fees (refer below). Forecast data taken from MyMinesOnline (NRMMRRD's official register) and NRMMRRD's financial systems indicates that this revenue will remain relatively consistent over the next 5 years, with a slight upward trend broadly in line with economic growth. The impact of royalties is not discussed in this impact analysis as it will be dealt with in the process to create a standalone royalty regulation.

Figure 3 – State revenue from rent and fees over time

Year	Rent	Fees
2018-19	$ 75,785,791.91	Data not available due to system change over
2019-20	$ 78,530,720.39	Data not available due to system change over
2020-21	$ 81,133,221.47	$ 488,419.45
2021-22	$ 81,772,884.43	$ 2,028,801.35
2022-23	$ 87,274,935.52	$ 1,486,457.71
2023-24	$ 77,998,942.96	$ 1,660,790.87
2024-25	$ 79,114,367.47	$ 1,253,016.15
TOTAL	$ 563,264,306.30	$ 6,917,485.53

Figure 4 – State revenue from rent and fees forecast to 2035



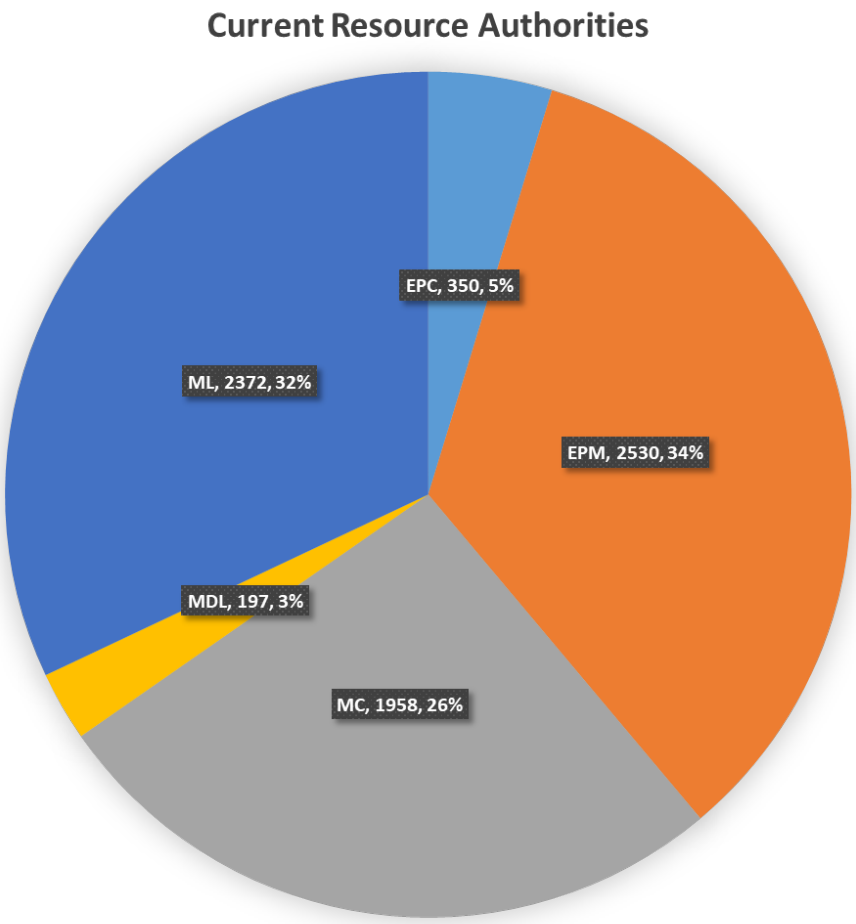
The Minerals and Coal sectors are subject to cyclical forces that include mineral and coal prices (supply and demand), the emergence or decline of new sectors (critical minerals) and as new basins or mineral provinces are opened up. For example, the industry may see a wave of exploration in one area that then transitions over time through the Mineral Development Licence and Mining Lease phases over the period of a decade or more.

Figure 5 – Current Resource Authorities (as at May 2025)

Permit Types	Application	Granted	Grand Total
Exploration Permit for Coal (EPC)	3	347	350
Exploration Permit for Minerals (EPM)	502	2,028	2,530
Mining Claim (MC)	69	1,889	1,958
Mineral Development Licence (MDL)	11	186	197
Mining Lease (ML)	191	2,181	2,372
Grand Total	**776**	**6631**	**7407**

There are currently 6,631 granted resource authorities and 776 applications across Queensland, administered and regulated under the 2013 Regulation, highlighting the ongoing quantum of activity that it regulates in managing resource interests in the State (see Figure 5). The majority of resource authorities are granted for large operations, with only a quarter of current resource authorities for small-scale mining operations (mining claims).

Figure 6 – Current Resource Authorities by Type (as at May 2025)



There are 2,697 unique registered authorised holders that are subject to the 2013 Regulation framework. These numbers fluctuate according to industry dynamics but highlight the ongoing need for the regulation to support the administration of the resources industry in Queensland. The 2013 Regulation deals predominantly with prescribed requirements for reporting and conditions for minerals and coal resource authorities of the MR Act, where this need is ongoing.

Figure 7 – Resource authorities over time by type

Permit	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
EPC	791	617	560	511	464	416	402	381	369	346
EPM	2,172	1,811	1,614	1,626	1,700	1,681	1,783	1,856	1,966	2,065
MC	1,983	1,896	1,843	1,865	1,837	1,818	1,864	1,895	1,908	1,893
MDL	236	215	199	198	194	195	192	189	185	187
ML	2,566	2,478	2,370	2,372	2,338	2,291	2,241	2,242	2,233	2,180
Total	7,748	7,017	6,586	6,572	6,533	6,401	6,482	6,563	6,661	6,671

Figure 8 – Resource authorities over time by type

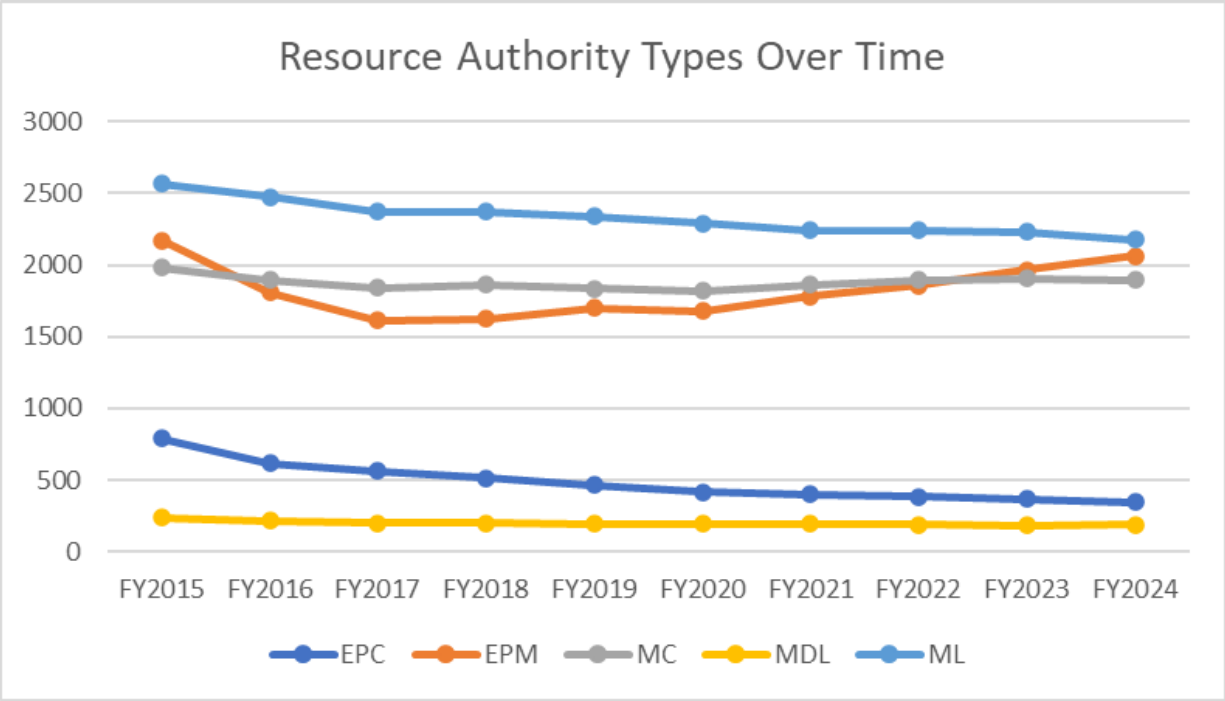
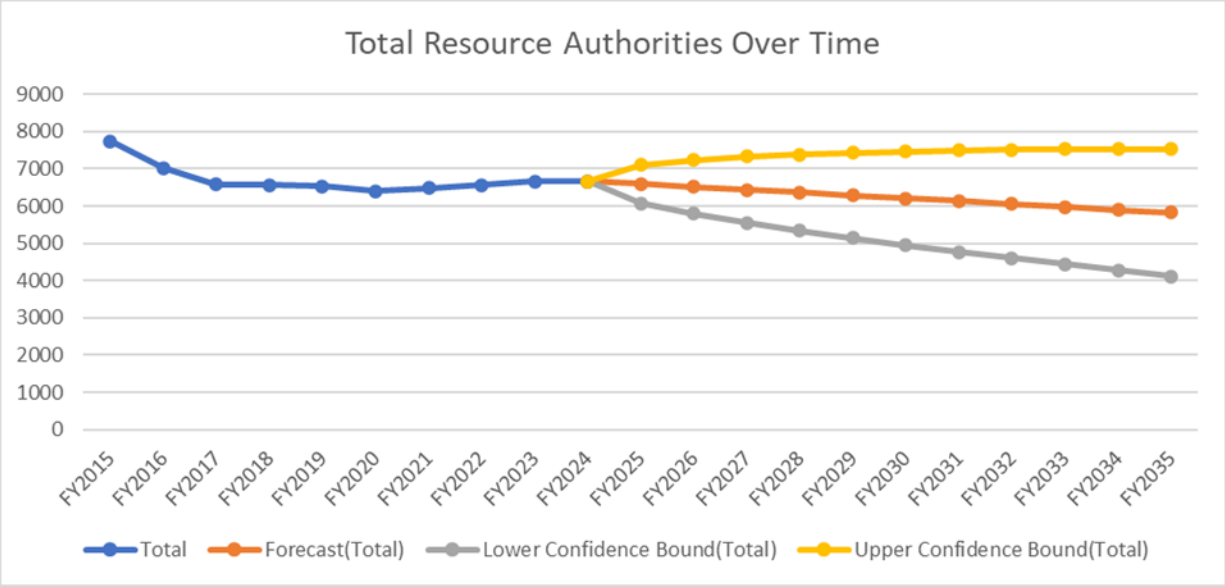


Figure 9 – Resource authorities over time with forecast



Resource authorities vary overtime and will fluctuate depending on economic market conditions. Over the past 5 years, there has been a slight increase in the number of exploration permits for minerals while the number of exploration permits for coal and mining leases has had a slight downward trend. Forecast of the total number of resource authorities suggests that over the next 10 years, NRMMRRD is likely to retain responsibility of between 6,000 and 7,000 total resource authorities each year. As noted above however, forecasting resource industry depends on several unknown variables like commodity prices and economic trends in the resource sub-sectors.

It is noted that exploration permits for coal differ from other resource authorities in that applications are only accepted through a controlled land release process managed by NRMMRRD. Unlike other resource authorities, proponents cannot independently choose the timing or location to lodge an application, as this is determined by the NRMMRRD's land release framework.

The industry can be generalised into the following sub-sectors in terms of scale as follows:

- Small scale mining activities, predominantly reflected by the Mining claim authority type (although they can hold small Exploration Permit for Minerals and Mining Leases in certain circumstances).
- Mid-sized exploration companies who would tend to hold Exploration Permits for Minerals as well as some Mineral Development Licences and Mining Leases.
- Large diversified miners, who would own a portfolio of exploration permits, Mineral Development Licences and Mining Leases and who focus on production.

In recognition of the differences in scale the 2013 Regulation prescribes several requirements highlighting the distinction between small-scale mining operations and other operations and reflects the proportionally lesser burden placed on small miners. For example, mining claims attract substantially smaller application and variation fees than other tenure types and there is currently no prescribed rent. In addition, small miners are unlikely to exceed the prescribed mineral thresholds meaning they will not trigger the later development plan requirements. These different conditions recognise the need for proportional regulation, with lower costs prescribed in recognition of the lower production volumes and limited financial capacity of small miners.

Objectives of the government action

The objective of the government action is to ensure that appropriate and efficient regulations are in place to continue to provide the stability and regulatory certainty necessary to support continued growth and investment in Queensland's minerals and coal resource sectors. It will achieve this by reviewing each of the broad group of regulations to ensure they are transparent and efficient for resource authority holders and align with the principal objectives of the MR Act.

The principal goal of the 2013 Regulation is to support the MR Act in delivering on its key objectives namely to:

(a) encourage and facilitate prospecting and exploring for and mining of minerals;

(b) enhance knowledge of the mineral resources of the State;

(c) minimise land use conflict with respect to prospecting, exploring and mining;

(d) encourage environmental responsibility in prospecting, exploring and mining; and

(e) ensure an appropriate financial return to the State from mining;

Further detail on how specific provisions contribute to these objectives are discussed in detail below.

Without the 2013 Regulation, there would be no clear framework for enforcing essential functions like land access agreements and tenure management. Government would be unable to ensure that permit holders conform to their work programs (including reporting obligations) to ensure that the mineral resources of Queensland are best managed in the public interest. For example, the loss of geologic data which is obtained through considerable expenditure by the industry, which was estimated to be approximately $533 million in 2022, would be lost to future explorers without regulation.

Consultation, Feedback and Interjurisdictional Review.

NRMMRRD undertook a comprehensive review of the 2013 Regulation and engaged both internal and external stakeholders. Internal stakeholders included all relevant areas of NRMMRRD and other relevant government agencies. External stakeholders included an established list of peak bodies ranging across the resource sector, environmental and agricultural groups. External stakeholders received a targeted request sent to peak bodies that are directly regulated by the 2013 Regulation and this request was followed up

with a number of one-on-one meetings with NRMMRRD to solicit feedback and walk through the proposed changes. The consultation period ran from February 2025 to April 2025. NRMMRRD asked recipients to identify any issues of concerns or amendments required to improve regulatory efficiency within the scope of remaking the regulation. All feedback was considered in undertaking the review. Where an idea was out of scope (for example requiring amendment of the principal Act, the MR Act), then this was recorded on an issue register to pursue as a separate reform opportunity.

Based on the consistent views that industry has reported to NRMMRRD over time, the absence of regulatory clarity can result in confusion, delays in project approvals, and in severe cases disruption to ongoing operations, ultimately stalling developments and hindering growth. Additionally, the lack of a supporting regulation would undermine investor confidence and raise concerns about sovereign risk in Queensland.

The resources sector thrives on a stable and predictable regulatory environment, and the expiration of the 2013 Regulation would signal significant instability. Domestic and international investors, who rely on a clear and enforceable regulatory framework to assess risk and make long-term commitments, repeatedly stress the stability of a regulatory environment is important from a sovereign risk perspective when determining where to invest.

At the same time as the review an interjurisdictional review was undertaken which compared Queensland's regulation with those of other comparable states and territories. The review found that Queensland's regulatory approach was broadly similar in approach to other state and territory jurisdictions for relevant parts of the regulation, for example charging of fees and rent, and the requirement to submit reports to the State for geological data and tenure administration. Queensland's regulation tends to be more prescriptive than other jurisdictions, for example by prescribing specific conditions to certain tenure types compared to other jurisdictions such as Western Australia which set conditions on a more discretionary basis.

This approach is intentional and by design. The Queensland approach supports compliance certainty and consistency while still allowing flexibility when required. NRMMRRD notes that the nature of the regulation has evolved in this manner through close consultation in industry where specificity assists industry to submit the correct information in reports the first-time round. This approach has proven to reduce regulatory friction that exists where a lack of specificity may cause confusion and uncertainty. To this effect NRMMRRD makes a strategic use of practice directions associated with this regulation to ensure clear and transparent information is provided on what industry must provide and in what consistent format.

In the consultation that was undertaken, there was broad support within industry for a continuation of the current regulatory framework, with most feedback focused on small elements within the proposed changes or requests for clarification on intent which were subsequently resolved. No stakeholder proposed having either no or a radically different regulatory framework during the consultation process. The industry regularly stresses the need for consistency in regulation to enable and foster a stable investment environment. No feedback was received from agricultural or environmental peak bodies.

Broader community concern and debate regarding the mineral and coal industry typically focuses on damage to the environment (including climate change), managing land use conflicts and ensuring good corporate citizenship by the mining and coal industry. Environmental aspects are not managed by the 2013 Regulation. Environmental aspects are administered through other Acts and regulations administered by relevant agencies such as the environmental authority framework within the *Environmental Protection Act 1994*, and the Financial Provisioning Scheme administered by Queensland Treasury through the *Mineral and Energy Resources (Financial Provisioning) Act 2018*.

The regulation does however include conditions on resource authorities that manage the negative impacts that mining can have on landholders through the conditions imposed in the regulation (Schedule 1) which are imposed to foster good relationships where there are competing land uses involved (such as agriculture and mining) and by ensuring areas of the State reserved for small mining activities are not over-exploited by restricting the scale of operations in these areas and the types of equipment that can be used.

Evaluation of the effectiveness and efficiency of the 2013 Regulation

An analysis of the effectiveness and efficiency of the 2013 Regulation is provided below along with any recommended changes to improve the operation of the 2013 Regulation that has occurred as a result of the review and consultation feedback. The analysis was undertaken by collecting the provisions within the regulation into the following sections. Each of the following groups of regulatory obligations are discussed below:

- Conditions - restricted area conditions and general permit conditions (all types)
- Reporting requirements and confidentiality periods, associated water reporting, prescribed mineral thresholds, and coal seam gas and oil shale provisions
- Required knowledge for reserves and JIMPs
- Financial – Rent, fees and security
- Miscellaneous provisions. plug and abandon, survey, prescribed areas, general lodgement requirements, judicial and administrative functions.

Conditions

Context

Schedule 1 of the 2013 Regulation contains conditions about conduct for mining tenements. The conditions are imposed in addition to other conditions under the MR Act, with some conditions only applying to certain resource authorities and in certain circumstances (such as when an authority overlaps occupied land).

Schedule 1 contains 6 conditions which include that the authority holder must:

1. Use, if practicable, only existing roads or tracks on the land;
2. Take reasonable steps to ensure no reproductive material of a declared plant is moved onto, within, or from the land;
3. Not allow an animal of the holder on the land unless it is fenced or restrained;
4. Not discharge a firearm unless they have written consent of the landowner and has lodged that consent with the chief executive;
5. Not light an open fire unless they have written consent of the landowner and has lodged that consent with the chief executive; and
6. Not access the land other that at a point designated by the chief executive unless they have written consent of the landowner and has lodged that consent with the chief executive.

The conditions prescribed by regulation apply per the below table, with additional conditions prescribed for occupied land depending on the type of resource authority.

Figure 10 – Regulation conditions for various authority types

Resource authority	Conditions	Conditions if occupied land
Prospecting permit	1, 2, 3	4, 5, 6
Mining claim	1, 2, 3, prohibited machinery (s 8)	4
Exploration permit (coal or mineral)	1, 2, 3	4, 5
Mineral development licence	1, 2, 3	4, 5, 6
Mining lease	1, 2, 3	4

Without appropriate common conditions, resource authority holders could embark on activities that would create conflict and possible hardship with owners and occupiers. The conditions are designed to ensure basic levels of good practice are adhered at minimal or no cost to the resource authority holder in order to

reduce land use conflict with land holders or occupiers. The conditions themselves are estimated to incur only a minimal regulatory burden cost (estimated at only $70,000), but rather set expectations for behaviour while on certain land.

The regulation does however provide a framework where NRMMRRD's compliance officers can take non-compliance activities if these conditions are not adequately adhered to, providing a regulation that promotes good behaviour by resource authority holders as well as providing transparency about expectations to both. NRMMRRD undertakes a range of compliance actions each year including land access compliance checks, rent and royalty, and ensuring tenure holders comply with special conditions. On average, it is estimated that 150 resource authorities are subject to compliance actions each year. With the State being responsible for administering around 6,500 resource authorities each year, that equates to approximately 2% of authorities being subject to compliance action each year. NRMMRRD interprets this low level of actions with the presence of a clear and transparent regulation setting standards for behaviour on land.

While the current conditions continue to serve their purpose, they have not been updated since 2013. The lapse of the 2013 Regulation provides an opportunity to modernise them to reflect changes in legislation and current practices and reduce unnecessary administrative burden such as the removal of the requirement to lodge landholder consent with NRMMRRD which will remove a redundant administrative burden.

Interjurisdictional analysis

The 2013 Regulation tends to be more prescriptive than regulations from other jurisdictions but does this with intent in order to effectively manage land use conflict. Queensland prescribes specific conditions for each tenure type in regulation, whereas most other jurisdictions rely more heavily on case-by-case analysis and discretion when determining the appropriate conditions. In Queensland's experience this has proven very effective in establishing basic behavioural obligations between both owner/occupiers and authority holder when interacting and is a significant design feature of the Queensland regulatory environment.

Despite this contrasting approach, stakeholder feedback was supportive of remaking the regulation with this approach. The Queensland approach provides greater compliance certainty for industry while also allowing flexibility to tailor conditions to unique projects.

Occupier's consent

The conditions require that authority holders seek occupier's written consent (where the permit relates to occupied land) and to lodge that consent with NRMMRRD before undertaking certain acts such as discharging a firearm, lighting an open fire, or accessing the land from a particular access point.

The review has determined that the requirement for occupier's consent to be lodged with NRMMRRD is an unnecessary administrative burden and will be removed. This will remove the cost of needing to submit this consent to NRMMRRD which will result in minor savings.

If a landholder makes a claim that a tenement holder has acted without consent, the NRMMRRD can request the information if it be so required, and take compliance action if the required consent has not been sought.

Prohibited machinery

The MR Act sets out requirements relating to prohibited machinery for mining claims (sections 110-112). The MR Act states that the Governor in Council can prescribe what is prohibited machinery. These provisions have been in place since 1990 and the list of prohibited machinery would have been made, if one exists, by the Order of Council. No list has ever been made.

The current regulatory approach to this issue is to use section 8 of the 2013 Regulation which provides that holders of a mining claim resource authority (for small-scale mining) must not use prohibited machinery, and defines prohibited machinery as:

(a) a backhoe, bobcat, bucket excavator, bulldozer, clamshell, continuous miner, dragline, end-loader, excavator, grader, loader, ripper, rooter, scarifier, scoop, scoopmobile, scraper, tractor or traxcavator;

(b) a cart, crane, locomotive, monorail, motor vehicle with or without a trailer, or a ropeway;

(c) a dredge;

(d) a vehicle-mounted drill.

The restrictions on the type of machinery used are unique to small mining areas as prescribed in the regulation. The limitation of machinery use in small mining is designed by intent to restrict the scale and resource depletion rate of these areas to ensure field longevity and preserve the areas for a longer future mining life (as opposed to maximising the extraction for economic return). The small-scale mining industry tends to be geographically concentrated around Queensland's opal and gemfields, as well as alluvial gold mining in North Queensland. As the opal and gem fields do not tend to overlap with other commodity types, the restrictions do not impact the large-scale miners pursing commercial minerals and coal.

This serves to protect the small-scale mining industry from encroachment from larger operators. Given this intent, the regulatory restrictions from the perspective of the MR Act does not impose a regulatory burden as to allow this machinery would see a relatively quick exhaustion of these fields and decline of this sector of the industry which supports remote regional Queensland through its economic activity and tourism potential. While some elements of the small-scale mining community would like to see the increased use of machinery, the majority recognises the value of restricting activities in order to preserve the opal and gemfield areas for future generations.

During the review it was identified that the regulatory framework treats prohibited machinery as a condition rather than separately, and as an unintended consequence has made the 2013 Regulation silent in relation to sections 110-112 of the MR Act and made these provisions inoperable. Further, it was identified that the 2013 Regulation is unclear that mining claim holders can use prohibited machinery to reduce fire hazards and to manage water ingress without having to seek special permission. These will be the subject of small changes during the remake with no material impact.

Additionally, the list of prohibited machinery in the MRR contains terms that include brand names rather than the machinery type and does not include several machines that have become popular since the regulation was last remade.

Amendment to the 2013 Regulation is necessary to modernise the list of prohibited machinery, clarify the operation of the section and exceptions to prohibited machinery, and streamline its operation alongside sections 110-112 of the MR Act.

Note that while it was actively considered to replace a prescriptive list with outcomes-based regulation, it is noted that the primary users of the small-scale mining provisions rejected this approach during a face-to-face meeting preferring to keep a prescriptive list approach.

Change of Document Reference

The regulation refers to the *Australian guidelines for estimating and reporting of inventory coal, coal resources and coal reserves* (2003) published by the Coalfields Geology Council of New South Wales and the Queensland Mining Council. As part of the regulation review, the NRMMRRD has decided that it was not appropriate to use this guide to determine resources reserves for minerals and coal as it is not an internationally recognised standard and no longer maintained.

The *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (JORC Code) is a professional code of practice that sets minimum standards for public reporting of minerals

exploration results, mineral resources and ore reserves. These reporting standards are recognised and adopted world-wide for market-related reporting and financial investment.

A major component of the regulation is the imposition of reporting obligations on resource authority holders as illustrated by the graph below. It is therefore imperative to reference a consistent and international recognised standard to support the submission of relevant data. This change will support and assist the reporting sections (discussed below).

Joint Interaction Management Plans (JIMPs)

Context

JIMPs were introduced into the current regulation to manage resource activities on land where overlapping coal and gas resource authorities existed. These plans aimed not only to coordinate what activities would occur on the land, but also how they could be undertaken safely. Provision for JIMPs was in the MR Act.

This overlap presented a new challenge for industry, as the gas sector sought to extract coal seam gas by accessing the coal seams, while the coal industry was focused on mining the coal itself. To safely mine coal, it was necessary to first degas the seams, a process that traditionally involved releasing or flaring the gas. While this helped achieve safe operating conditions, it also contributed to greenhouse gas. Over time, it became clear that capturing the gas, rather than flaring it, could offer both environmental and economic benefits.

This shift gave rise to the coal seam gas industry, which created practical and safety-related challenges due to the physical and operational overlap of coal and gas activities on the same land. In many cases, simultaneous operations were not feasible, and uncoordinated activity risked compromising safety, landholder interests, and resource recovery. JIMPs were therefore established as a mechanism to ensure overlapping tenure holders could communicate, coordinate, and plan their activities effectively.

During the life of the 2013 Regulation, there have been 24 resource authorities which are classified as overlapping tenures. 14 JIMPs have been lodged during this time.

Recommendation for change

The sunset review has identified that the provisions of the MR Act relating to JIMPs have been repealed and included with the resource's safety legislation. As the head of power for JIMP requirements is no longer in the MR Act and there is still a head of power remaining in the *Coal Mining Health and Safety Act 1999*, the provisions in the regulation relating to JIMPs will be transferred to the Coal Mining Safety and Health Regulation 2017 (CMSHR). The JIMP provisions only apply to mining leases granted prior to 2017. Mining leases granted after this date are regulated under the *Mineral and Energy Resources (Common Provisions) Act 2014*. Modern safety systems, operational separation, and the existing safety resources legislation already address the risks JIMPs were designed for. Moving these provisions to the CMSHR will shift the regulatory burden of the small number of JIMPs that were lodged out of the 2025 Regulation. Resources Safety and Health Queensland will further review the JIMP provisions in the sunset review for the CMSHR in 2027.

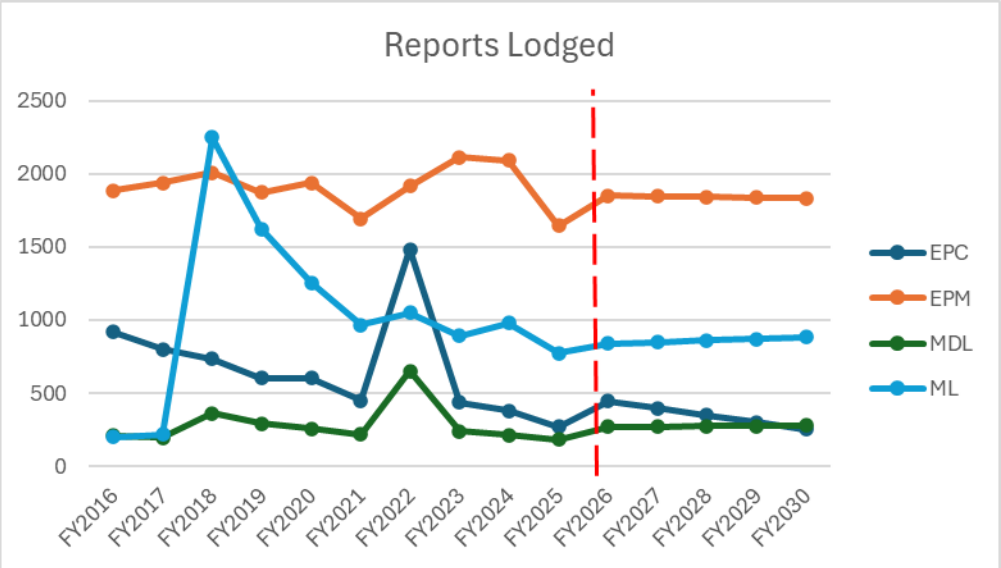
Reporting requirements and confidentiality periods

Context

Under the 2013 Regulation, resource authority holders are mandated to submit annual activity and other types of reports detailing their exploration and development activities, the volume of associated water taken from a licence area and activity reports for coal and oil shale mining leases. These reports serve a technical purpose, providing important information about the types of activities undertaken and the results of exploration, expenditure of activities and demonstrate compliance with the approved work program requirements under the 2013 Regulation. Reports are lodged via the Geological Survey of Queensland (GSQ) Lodgement Portal on NRMMRRD's website with 38,802 reports lodged since the 2015/16 financial year.

Note: As indicated in the graph in Figure 11 showing the number of reports lodged each year for different resource authority types, the mineral resources industry operates in peaks and troughs. Forecast on this data over the past 10 years suggests that Queensland may be due for a slight increase within the next 5 years. Note that the above data does not account for the reports received in the remainder of the 2024-25 financial year. A forecast including that data might indicate a higher peak.

Figure 11 – Number of reports lodged over time



The value of the data provided in these reports to the resources industry, Queensland's broader sectors and the Queensland community is significant making it difficult to value in dollar terms. The reason for this is that it supports major decisions across other sectors such as construction, environment, and urban development sectors. The decisions based on this data have played a key role in driving infrastructure and regional development, along with other flow-on effects. One measure, which illustrates the value of this data is to look at the annual exploration expenditure in Queensland as an indicator of the cost to obtain with information. Exploration expenditure in 2024 was $566 million.

The reports required under the 2013 Regulation play a role in preserving and conserving the geological data obtained and preserve such data for the future of the resources industry and other purposes. By the nature of the industry, it is not uncommon to revisit already explored areas. This is the benefit of having data available on previous exploration to support new exploration or progression to production of resources. The exploration industry widely recognises the invaluable nature of the data and physical specimens (e.g. drill core) kept by NRMMRRD when revisiting areas for further exploration. In short, the collection of this data prevents the re-expenditure of significant resources in the future and allows the geological knowledge to be preserved for the common good.

The reports further provide a critical framework that enables NRMMRRD to effectively administer and monitor compliance with resource authority conditions including work programs. During the life of the 2013 Regulation, more than 98% of cases successfully resolved through corrective action, bringing resource authorities back into compliance. Only a small percentage of cases have required the issuing of show cause notices to resource authority holders to explain why their tenure should not be cancelled.

The value of the burden of preparing and submitting these reports is in the range of $100 or $10,000+ per report, with the cost varying significantly depending on the type of report due to differing technical requirements and project size with more complex and large projects bearing a proportionately larger cost due to the complexity. With over 4000 reports lodged each year, the total cost to industry is estimated at

around $5 million each year, or $50 million over the life of the current regulation. This equates to around $800 dollars per tenure per year on average.

The problem being addressed through the collection of reports primarily relates to market failure, regulatory failure, and unacceptable risks to community safety and the environment. Without mandatory reporting and the public release of data under the 2013 Regulation, critical geological information would likely remain undisclosed. Commercial disincentives discourage companies from sharing valuable data, as doing so could undermine their competitive edge. In such a scenario, information becomes unevenly distributed and larger, or more established, market participants retain exclusive access while others operate in the dark. This information asymmetry leads to market inefficiencies, as companies are forced to invest heavily in exploration just to determine if an area is mineralised and to understand its potential. The result is a costly duplication of effort across the sector, with resources lost on recreating work that has already been done only hidden behind commercial walls.

Historically, regulatory shortcomings further compounded this issue. Prior to recent changes in the 2013 Regulation 's confidentiality provisions, exploration data only became public when a resource authority, or any subsequent authority derived from it, had expired, often decades after the data was first collected. This long-term withholding of information created significant transparency gaps, limiting the industry's ability to make informed decisions and stifling both innovation and economic growth. The regulatory framework at the time failed to serve the public interest or enable the sector to operate efficiently and responsibly.

The absence of systematic reporting also poses unacceptable risks to safety. Without proper data sharing, geological hazards—such as the presence of hazardous minerals, may go undetected, placing construction projects and nearby communities at risk. Uninformed decisions could lead to developments on unstable or contaminated land, exposing people and infrastructure to potential harm.

Finally, the lack of accessible geological information disproportionately affects smaller players. Junior explorers and smaller construction firms, often without the resources to conduct their own comprehensive studies, are left at a significant disadvantage. This unequal access to vital data reinforces structural inequities, limiting economic participation and hindering a more inclusive, competitive industry.

How the problem is regulated

The 2013 Regulation requires resource authority holders to submit annual exploration reports via the GSQ Lodgement Portal. It standardises confidentiality periods (five years) and mandates public release after quality assurance. Previously, data was only released when resource authorities lapsed, resulting in low data availability. The regulatory gap prevented the systematic sharing of information critical for broader economic and environmental decision-making.

The regulation will continue to address this regulatory gap by mandating reporting and public release. In addition it will support enforcement through clear legislative requirements for lodgement and penalties for non-compliance. The consequences of not acting include the following:

- Lack of transparency: Without regulation, exploration data would largely remain private, undermining public trust and industry collaboration.
- Resource mismanagement: The state would lose oversight over mineral resources, leading to underutilisation or environmental degradation.
- Increased safety risks: Construction and planning could proceed on sites with unknown subsurface hazards, endangering public safety.
- Missed economic opportunities: Industries would face challenges in making informed investment decisions, which could hinder economic growth. The availability of data may often serve as the crucial missing piece, confirming mineralization and enabling financial decisions related to mining operations.

It is considered that market forces alone are insufficient. Companies have no incentive to voluntarily share costly exploration data without regulatory compulsion and placing their interests at risk of competition. Self-regulation would not guarantee public access to data critical for cross-industry use and public safety again creating a monopoly of the mining industry, nor would it provide data to the state to allow for effective monitoring of tenure compliance.

Future outlook for reporting and confidentiality periods (next 10 years)

Over the next decade, the exploration reporting framework under the 2025 Regulation will be critical in responding to major trends reshaping the mining industry. These trends include the increasing demand for critical minerals to support the global energy transition, the growth of sustainable mining practices, technological advances and heightened expectations for transparency and social licence to operate.

To remain fit-for-purpose, the regulation will continue to mandate structured reporting and public release of geological data, ensuring Queensland remains internationally competitive as a mining jurisdiction. The framework will support critical minerals exploration by ensuring timely access to geological data, reducing investment risk, and accelerating project development. It will modernise digital systems to enhance data quality, discoverability, and real-time use across sectors, while maintaining high compliance standards to ensure data reliability for decision-making in mining, construction, environmental, and infrastructure industries. The framework will also align with evolving expectations, promoting transparency and responsible resource development, and prepare for emerging technologies like automatic intelligence, geospatial analytics, and automated reporting to enable smarter, data-driven exploration.

Importantly, the critical minerals identified through this system, such as lithium, cobalt, copper, and rare earth elements, are essential inputs for renewable energy infrastructure, including wind and solar farms and grid scale battery operations.

The regulatory framework for data, information and management of its confidentiality will be important to access detailed geological data to help avoid land use conflicts by protecting prospective mineral lands, ensuring renewable energy projects like wind, solar, and battery storage are strategically planned to prevent sterilising future mineral resources. This preserves Queensland's mineral value while supporting the clean energy transition.

During consultation a suggestion was made to introduce flexibility to annual exploration reporting and annual expenditure reporting by allowing all reporting obligations held by a holder to be harmonised into a single annual date rather than individual anniversary dates. This will be adopted by NRMMRRD as a sensible way to reduce regulatory burden by allowing companies to focus on all their reporting obligations under the 2025 Regulation on a portfolio-based approach.

Financial Regulations

Context

The 2013 Regulation provides a range of financial provisions which regulate how the State collects funds relating to resource authorities including annual rent, security (refundable at end of tenure) application fees and other administrative fees. These mechanisms support administration of the resource sector and ensures the State receives a fair return for administering the regulatory system.

The State incurs significant costs to implement and maintain the systems which support the resource sector in Queensland, for example the costs of processing applications and amendments, maintaining the MyMinesOnline application system, and managing and processing data provided by miners. The cost of administering the framework (operations and policy and GSQ) is approximately $11.1 million each year.

In terms of practical implications for miners, prescribing the rent and fee amounts help industry to know the expected costs in advance. By providing a list of fee amounts in regulation for each resource authority type and rent rates based on land size, the 2013 Regulation allows applicants to factor these into project

feasibility and financial planning. Prescribing fees for administrative actions such as amending a resource authority helps with cost recovery for NRMMRRD and encourages well-prepared applications. Additionally, prescribing rent costs for land use serves as an incentive to either progress development or relinquish unused land, promoting land covered by authorities to turn over and new proponents to enter the industry.

As noted in the overview above, the minerals and coal sectors make a significant economic contribution to the State's finances. Over the past 10 years, the State has collected hundreds of millions of dollars in rent and fees. The State received over $80 million revenue under the 2013 Regulation in the past financial year as detailed in the table below, with the vast majority being collected for rent.

Figure 12 – Rent and fees revenue 2024-25

Item	Amount Received (2024-2025)
Rent	$79,114,367.47
Fees	$1,253,016.15
Total	$80,367,383.62

Rent

Resource authority holders have the right to undertake certain actions on a granted resource authority. The rent provisions seek to provide the state with a fair economic return for the use of this land and is calculated based on the size of the resource authority. This encourages holders to actively progress projects and discourages land banking.

The 2013 Regulation establishes the rental regime for resource authorities, providing a clear, enforceable framework for calculating and collecting rent. Without this regulation, there would be no statutory mechanism to require payment, leading to uncertainty, inconsistent treatment, and difficulty recovering revenue owed to the state. Industry can rely on the prescribed rates for rent in the 2013 Regulation when assessing their costs for a project.

All Australian jurisdictions charge rent for mining tenures, which has been summarised in attachment one, however the amounts and structure of payments vary. Queensland charges a fixed-rental rate for all resource authority types except mineral development licences and exploration permits for minerals which uses an upwards sliding scale to promote movement to a production tenure (and noting that Exploration Permit for Minerals rent is currently set to zero to encourage the exploration sector till 2028).

In analysing regulated rents, an interjurisdictional comparison was selected over a market-based analysis to provide a more robust policy-relevant evaluation. This approach was deemed more appropriate for several reasons. First, mineral and coal rents are not directly comparable to standard land rents, as they do not always confer exclusive access to the land. These resource authorities (tenures) often overlap with other uses and rights (e.g. grazing, cultural heritage or environmental protection) complicating any attempt to assessing as a singular market value to access.

Second, Queensland's vast and diverse geography, ranging from remote inland regional to coastal and peri-urban zones leads to significant variation in land use, resource endowment, infrastructure access and land valuation. This diversity undermines the validity of broad market-based generalisations and make it challenging to derive consistent benchmarks or meaningful conclusions for commercial lease comparisons. Diverse types and rental values over land in Queensland's geographies makes any generalised conclusions and comparisons of questionable value. Comparing Queensland's position with other jurisdictions provides a better touch point in assessing the impact of rent on the various stages of the resource development cycle.

Moreover, unlike property rents, resource rents are largely shaped by regulatory intent, including incentives for exploration, promoting sustainable resource development, and managing land-use conflicts. As such, comparing rent structures across jurisdictions where regulatory objectives, resource types, and development contexts are broadly similar provides more relevant insights into how rent levels impact industry behaviour and project viability.

An interjurisdictional analysis allows Queensland's rent framework to be assessed against the policy settings of comparable resource-rich states and territories. This offers a more strategic lens through which to evaluate whether Queensland's rent regime supports competitiveness, attracts investment, and appropriately reflects the different phases of the resource development cycle, from greenfield exploration through to commercial extraction. It also enables a clearer understanding of whether Queensland is aligned with national standards or stands as an outlier in ways that may hinder or support its policy objectives.

A summary of the inter-jurisdictional analysis is presented in **Attachment 1** and several key observations can be drawn with reference to this data.

For exploration tenure, Queensland's rental charges currently offer the most competitive for mineral exploration, with rent fees set to zero until September 2028. This zero-rent policy is designed to stimulate early-stage investment to foster development of the minerals sector. While coal exploration rent is in general higher than other jurisdictions, it reflects current policy settings. From 2028 rent for minerals reverts to Queensland's sliding scale of rental, which will continue to encourage exploration and progression to higher tenure types and production.

In the development phase, Queensland's rent charges are moderate compared to other jurisdictions. Notably, significant area-based discounts are applied to support the development of larger projects which tend to generate a stronger economic return for the Queensland.

Likewise with production tenures, Queensland's rent is mid-range when compared to other jurisdictions. However, the rent system is a less complex system than those in Western Australia or the Northern Territory, offering greater clarity and ease of compliance for proponents.

When considered overall, NRMMRRD believes that the Queensland's current rental framework provides a balanced and appropriate financial return to the Queensland. It recognises that the presence of resource authorities in production ultimately generate royalties to Queensland that significantly outweigh discounted rental income (noting that royalties are outside of the scope of this analysis). The current rental frameworks is deliberately structured to encouraging early stage mineral exploration (especially in emerging critical minerals) with the objective of building a pipeline of future projects into production.

While the zero rent policy for mineral exploration represents a temporary reduction in rent revenue, this is viewed as an investment in Queensland's long term development strategy. As projects progress from exploration to production, they will contribute substantial royalty streams to support Queensland's economy.

Queensland's approach to rent has remained adaptive, with past measures such as rent deferral for the COVID pandemic to support industry in 2021 and the more recent waiver for mineral exploration permits demonstrating a proactive stance in supporting industry to ultimately reap the economic rewards for all Queenslander's. Looking ahead, Queensland will continue to adapt a responsive approach to rental settings, adjusting them in line with industry or market conditions and the various other factors affecting the development of mineral and coal resources. It is important to acknowledge however that rent is only one of many policy levers available to influence industry behaviour and support sector growth.

<u>Fees</u>

The 2013 Regulation sets out prescribed fees for applications, renewals, and services under the MR Act. These fees are essential for partial cost recovery of the associated with administering the regulatory framework, including processing applications, managing resource authorities, and ensuring compliance.

If the 2025 Regulation is not made, the legal authority to levy these fees would lapse. This would hinder NRMMRRD's ability to recover operational costs, leading to increased financial pressure on the state budget and potentially shifting the burden to taxpayers. Additionally, the absence of a regulated fee structure would create uncertainty for industry stakeholders and could undermine the consistency and transparency of the regulatory process.

Queensland Treasury's *Principles for Fees and Charges* policy emphasizes that fees should reflect the cost-of-service delivery and be set within a clear legislative framework to ensure transparency and accountability. Without the Regulation, NRMMRRD would lack a statutory basis to implement these principles effectively, compromising both fiscal responsibility and stakeholder confidence.

The reflection of fees in subordinate legislation is standard practice for matters which may change regularly. While the fees contained in the 2013 Regulation have not been subject to change since 2010 (with the exception of approved government indexation), the fees as they relate to applications and dealings remain relevant and it is appropriate these fees continue to be reflected in the 2025 Regulation.

A review of the current fees contained in the 2013 Regulation was undertaken in 2022. The review found that the current fees rates do not reflect full cost recovery, but that NRMMRRD-maintained fees at current levels in recognition of the significant contribution the industry already makes through royalties and rent.

Figure 13 – Average cost recovery percentage by application type

Application Type	Coal	Mineral
Mining claim	N/A	13%
Prospecting permit	N/A	4%
Exploration permit	3%	13%
Mineral development licence	6%	16%
Mining lease	13%	3%
Total cost recovery	7%	17%

NRMMRRD has traditionally not run at a full cost recovery basis in order to support and encourage investment and exploration in the Queensland Resources Industry, noting the substantial revenue gained from a thriving resources industry through sources apart from fees such as rents and royalties far outweighs the administrative cost. Around one fifth of Queensland's Gross State Product is attributed to the resources sector. In line with standard government policy the fees increase each year accounting for the Government endorsed indexation factor. The last substantive approved index factor increase occurred in 2010. Maintaining fees at this level has contributed to a predictable financial environment for industry looking to invest in Queensland and remains justified in consideration of the substantial economic contribution of the sector.

Under a 100% cost recovery model, the fees would be significantly higher and could disincentivise investment in Queensland's resources sector, leading to worse outcomes for both industry and the State. A 100% cost recovery model will also disproportionately impact certain application types for minerals and coal. For example, to achieve 100% cost recovery, the tender application fee for coal would have to be around 33 times higher than it currently is (current is 1,360 fee units, full cost recovery is around 44,880 fee units). This could disincentivise tender applicants, leading to the tender process being less competitive, potentially leading to poorer quality applicants being awarded the successful tender.

A 100% cost recovery system would also have a substantially disproportionate impact on small scale miners who are less able to absorb a substantial increase in fees. The current fees for mining claims and prescribed mining leases, which support the small-scale mining industry, are significantly lower than those application types required by the larger end of industry. For example, a mining claim application is only 408.4 fee units, whereas a mining lease for coal is 4,767 fee units reflecting the differing scale and complexity of both the extremes of the industry and the complexity of the relevant applications.

Another option used for the purposes of comparison would be to double all current fees. This would affect each applicant type and resource equally, as well as double the cost recovery percentage. However, while fee increases can improve cost recovery, fees contribute a proportionally minimal amount of revenue to NRMMRRD when compared to rent and the royalties obtained from the mining industry. Doubling fees would only increase overall revenue by around $1 million, while potentially reducing the accessibility of the sector to small scale miners and disincentivising investment in Queensland.

In consideration of the options of maintaining the current cost recovery model, operating at 100% cost recovery, or doubling all current fees to increase cost recovery, the preferred option is to maintain the current model. The potential benefit to NRMMRRD in the form of increased revenue from fees ($1 million) is minor compared to the benefit currently drawn from rent ($80 million) and royalties as well as the broader contribution of the sector to Queensland as a whole ($100 billion). An increase in the fees risks negatively impacting these much more substantial revenue streams as it may reduce the accessibility of the sector, particularly for small scale miners, and disincentivise investment.

It is worth noting that NRMMRRD is building a new regulatory tenure management system called the Resource Authority Register to replace the existing system MyMinesOnline. Due to the new technologies and updates that will be delivered as part of this process it is expected, but not yet able to be quantified, to deliver savings in compliance costs through increased user functionality and other departmental streamlining initiatives that are currently under way.

Required knowledge

The sunset review has identified that the 2013 Regulation that prescribes the “required level of knowledge” to support the MR Act is essential to ensuring consistency, integrity, and clarity in the Minister’s decision-making regarding petroleum / coal seam gas development preference. Below is an assessment of why this regulation is necessary, using the provided criteria:

The regulation addresses information asymmetry — a situation where the resource applicant may have superior technical knowledge about the resource that is not readily available or verifiable by the Minister. Without a regulated benchmark for what constitutes “sufficient knowledge” of a petroleum deposit, decisions about granting a preference decision (for a resource) would be inconsistent, vulnerable to manipulation, and potentially not in the public interest.

The problem is also related to market failure, as economic development decisions regarding finite natural resources like petroleum are too complex to be left solely to market conditions. NRMMRRD also notes that there is an unacceptable risk to economic and environmental outcomes, as uninformed or premature preference decisions may lead to inefficient development, stranded assets, or underutilised resources.

If preference decisions made on a flawed concept of required knowledge and are therefore incorrect or inconsistent, the consequences could be substantial, including significant revenue losses for the state, inefficient utilisation of petroleum resources, and the emergence of legal disputes. Such outcomes could also undermine investor confidence and jeopardise the viability of downstream projects that rely on accurate and reliable upstream resource estimates.

The scope of the impact extends beyond government decision-makers such as the Minister, encompassing resource proponents, investors, landowners, and the broader public interest, particularly from an economic standpoint.

The probability of adverse outcomes is assessed as medium to high. In the absence of clear, prescribed standards, the risk of decisions being inconsistent or poorly justified increases, especially in areas with high resource potential.

The MR Act currently provides a framework for preference decisions, but the regulation defines how much knowledge is "enough" to make such a decision credible and defensible. The regulation then sets quantitative thresholds (e.g., 20% proved or probable reserve), it outlines data quality and geological requirement and references internationally recognised classification systems, adding legitimacy.

Without this regulation, the concept of “sufficient knowledge” would remain open to inconsistent interpretation, allowing applicants to submit overly optimistic or uncertain resource estimates without clear scrutiny. As a result, the Minister would be left without a defensible and objective basis for making preference decisions.

The Minister has had to rely on the provisions set out in the 2013 Regulation with regard to resource knowledge to consider 292 mineral development licence applications which derived from an exploration permit and 156 mining leases that derived from mineral development licences. These figures only represent those mineral development licence or mining lease which have a current term. The numbers are higher; however, the other resource authorities have lapsed, and a figure was unable to be obtained.

Without the regulation, decisions could become arbitrary or biased, increasing the risk of legal challenges from competing interests and leading to misallocation of state resources and missed opportunities for efficient development.

Miscellaneous provisions

A number of minor miscellaneous and minor provisions have been grouped together in the analysis for the sake of efficiency.

The 2013 Regulation also sets out a range of miscellaneous and administrative provisions that are essential to the day-to-day operation of the MR Act. These provisions deal with practical matters such as how compensation trust funds are to be managed in accordance with the *Court Funds Act 1973*, and how certain information related to mining tenements must be kept. They also authorise the chief executive to publish information, prescribe requirements for the format and timing of document lodgement (including survey plans), and confirm the adoption of the *Small-Scale Mining Code*. In addition, the provisions define application validity, eligibility criteria, mineral thresholds, and deferred payment options for certain mining leases.

These regulatory details are not merely administrative in nature but are necessary to ensure that the MR Act is implemented in a consistent, transparent, and enforceable manner. Without them, the MR Act would lack the clarity and procedural guidance needed to function effectively in practice.

The problem is of moderate magnitude. While not affecting every stakeholder equally and the provisions used infrequently, the absence or inadequacy of these provisions would result in widespread uncertainty, delays in processing, and increased compliance risk where they do become relevant. These provisions ensure that certain processes are carried out consistently across NRMMRRD and industry, with clarity on timing, format, and required actions. Removing them would risk fragmentation in regulatory application and increased administrative burden for both regulators and industry operators.

The prescriptive nature of the regulation provides the necessary detail for lodgement requirements, ensuring that resource authority holders can comply with obligations, have their applications assessed efficiently, and maintain the validity of those applications.

If these provisions were removed, the regulatory framework would lack the practical detail necessary to support effective implementation of the provisions set out in the MR Act. The absence of clear requirements for document lodgement, compensation trust fund management, and other matters would create uncertainty

for both regulators and industry, increasing the risk of inconsistent application and non-compliance. Key operational processes such as eligibility checks, and adoption of technical codes, would no longer be clearly articulated, reducing transparency and making administrative decisions more difficult to enforce. Additionally, any future policy or procedural adjustments would require amendment to the primary legislation, reducing the system's responsiveness and placing unnecessary burden on both government and stakeholders.

What options were considered?

An analysis of other jurisdictions across Australia found that the 2013 Regulation is consistent, apart from as discussed above, with other similar regulations. Each regulation contained provisions relating to reporting, rent, royalties and fees. Victoria and New South Wales had additional conditions relating to rehabilitation, whereas Queensland has a separate regulatory framework for environmental matters that includes rehabilitation.

The reporting provisions include a reference to practice directions which provide for the consistent content and format of reports. Practice directions are made as part of the practice manual outlined under section 202 of the MERCP Act. Practice directions can be amended quickly in response to technological advances.

No other policy tools or regulatory options were identified by stakeholders as part of the consultation. One stakeholder asked if it would be possible to set common reporting dates for projects and NRMMRRD will introduce this in the new regulation.

Option 1 – Allowing the Regulation to expire (base case)

The State (Queensland) could allow the 2013 Regulation to expire and place the onus on industry to self-regulate. This is not supported as the main elements of the 2013 Regulation are considered fundamental elements of the regulatory framework which support the objectives of the MR Act. As discussed above, the state and the industry would over time loose significant access to exploration data which can be re-used by industry under the current regulatory environment. Likewise, the rent framework and fee appendix ensure that the resources industry make an appropriate economic return to the State for the use of the land and in applying for a resource authority. to effectively

Option 2 – Remaking the Regulation with same policy intent

The sunset review, supported by stakeholder feedback, has demonstrated that the regulation remains effective and has served its intended purpose well over its life. Issues that arose were addressed through amendments to ensure its ongoing effectiveness. On this basis, the regulation would be remade without changes to its policy intent, but with the above discussed changes which will ensure unnecessary requirements have been removed and appropriate small updates and changes have been made.

Option 3 – Remaking the Regulation with amendments.

Remake the regulation with targeted amendments to improve clarity address minor operational issues identified through the sunset review, remove redundant provisions, re-align reporting requirements into one section, and include a reference to the practice manual under the MERCP Act for detailed reporting requirements. The intended amendments will not materially impact stakeholders but will enhance clarity and ensure accurate requirements for industry in specific circumstances. group related sections together for better coherence and ensure consistency with current drafting standards. Amendments would maintain the original CPI policy intent while modernising language and aligning with the Office of the Queensland Parliamentary Counsel requirements.

What are the impacts?

Impact analysis of options

A comparison of the three regulatory options highlights that allowing the 2013 Regulation to expire (**Option 1**) would create significant regulatory and operational risks for the State. It would result in the loss of critical exploration data, diminish regulatory oversight, and reduce State revenue from fees, rent, and securities.

The absence of clearly prescribed reporting and administrative requirements would also create ambiguity for industry and impair effective compliance management.

Option 2, which involves remaking the regulation without any changes, would preserve the existing framework and ensure continuity. However, it would miss an opportunity to address outdated drafting, minor inconsistencies, and redundant provisions identified through the sunset review. While the regulation has functioned well to date, minor revisions would improve clarity, modernise language, and align it with current drafting standards and operational needs.

Option 3 strikes the most effective balance. It maintains the current policy intent and structure of the regulation while introducing targeted amendments to enhance clarity, correct technical issues, and improve overall usability. The changes are not material in nature and will not impose additional burdens on stakeholders. Instead, they will support more efficient administration, reduce confusion, and ensure the regulation remains contemporary and fit for purpose.

Cost of the Regulation over the next ten years

The cost to industry as a result of continuing the regulation for another 10 years is estimated to be $88,678,200 per annum for a total cost of $666,437,268.00, including a discount rate of 7% to account for the change in the value of money over time. The same assumptions were used as those outlined in Figure 1, with amendments for the proposed new regulation and using the Queensland Productivity Commission Cost Calculator.

Although appearing a high regulatory burden cost on industry, when seen on a per authority basis the figures become less than $14,000 for industry per authority per year, which is considered proportionate to the need to regulate for the reasons outlined in the document above. Although any individual or company may own multiple individual resource authorities and thus have a higher regulatory burden, this reflects the increased ownership of rights to explore and/or extract minerals in Queensland.

It is important to note that the vast majority of the burden is rent ($79 million) and security ($1 million and which is refundable). If only the administrative and other line items are considered, the total burden is only approximately $9 million dollars or approximately $1,400 per resource authority, which is considered proportional to what is being achieved through the regulation.

Further the cost to industry is proportional to the significant contribution of the minerals and coal sectors which is estimated to provide over $100 billion each year to Queensland's economy. Most of the approximately $89 million cost per year imposed on industry is returned to the State as revenue in the form of fees and rent. The costs resulting from rent and fees helps to cover the costs involved with administering the regulation and ensures the state receives a fair return for its regulation of the sector. The administrative burden is around $9 million, more than half of which is the cost of compliance with reporting requirements ($5 million) which provides a return to the State and industry in the form of exploration data valued at over $500 million per year.

Importantly, the revenue generated because of the regulation framework is substantial – approximately $80 million annually. After accounting for the estimated $1.1 million cost to government of administration for the regulation (not including administering the broader MR Act and other Acts), this results in a net return of $78.9 million. This equates to an administrative cost of just 1.37% in the first year.

It is therefore expected that the impact over the next ten years will be similar to those imposed by the current regulation, with the caveat that all estimates used in this analysis are influenced by industry activity which is in turn influenced by commodity price movements and economic trends in the resources sub-sectors which cannot be readily predicted.

For these reasons, **Option 3 is the preferred approach**, as it imposes a regulatory burden proportional to the significant contribution of the minerals and coal sectors and preserves the integrity of the regulatory framework while delivering practical improvements that benefit both industry and government.

Who was consulted?

The sunset review was initiated by conducting an internal consultation process within NRMMRRD and inter-agency partners, and once the Minister approved the remake, external stakeholders were provided an opportunity to make submissions about the Regulation.

Each stakeholder was individually contacted via email regarding the expiring legislation. They were asked to provide their views on whether the regulations continued to serve their intended purpose and remained fit for purpose. Stakeholders were also invited to indicate their support or concerns regarding their remake.

Feedback received from external stakeholders varied, with some expressing support for the continuation of the regulations, while others identified certain provisions that had become outdated. Where possible, stakeholder comments were incorporated into the review process to ensure the regulations remain relevant and practical. For example, flexibility was introduced to allow for a later reporting date to be considered for certain exploration reports.

Figure 14 – Consultation

Internal NRMMRRD Consultation	Other Qld Government Agencies	External Consultation
• Spatial services • Mineral and Coal Assessment Hubs • Business Systems • Native Title Services • Geological Survey of Queensland	• Office of Groundwater Impact Assessment • Department of Local Government, Water and Volunteers • Department of the Environment, Tourism, Science and Innovation • Resources Safety and Health Queensland	<u>Peak bodies</u> • Queensland Resources Council • Association of Mining and Exploration Companies • Small Scale Mining organisations <u>Other</u> • Environmental Defenders Office • Agforce • Queensland Farmer's Federation

What is the recommended option and why?

Option 3 is the preferred option:

Option 3 is to remake the 2013 Regulation with minor technical changes to modernise language, remove redundant provisions and move royalty provisions into a separate regulation. This will have the greatest benefit to stakeholders as there is no need to overhaul the regulation in its entirety. This ensures continuity and stability, avoiding any unnecessary concern for the resources industry, as the existing framework remains effective.

The amendments will have little impact on the resources industry as the amendments are only minor technical changes. At the same time the proposed changes will ensure the regulation is maintained in a contemporary manner and make the regulation clearer to the resources industry about what is required in

certain circumstances. NRMMRRD also supports the separation of the royalty provisions by QT into a standalone regulation.

Impact assessment

All proposals – complete:

	First full year	First 10 years**
Direct costs – *Compliance costs**	$88,678,200.00	$666,437,268.00
Direct costs – *Government costs*	$1,100,000.00	$8,266,755.00

* The *direct costs calculator tool* (available at www.treasury.qld.gov.au/betterregulation) should be used to calculate direct costs of regulatory burden. If the proposal has no costs, report as zero. **Agency to note where a longer or different timeframe may be more appropriate.

The above table reflects the total estimated compliance costs for all resource authorities in Queensland using best estimated cost data available if the regulation is remade.

Signed

Graham Fraine
Director-General
Date 06/08/2025

Dale Last MP
Minister for Natural Resources and Mines
Minister for Manufacturing
Minister for Regional and Rural Development
Date 06/08/2025

Attachment 1

Tenure category	Queensland Excluding GST*	New South Wales	Victoria *fee unit value $16.33	Northern Territory	Western Australia	South Australia	Tasmania
Exploration	• Mineral exploration permit - zero • Coal exploration permit - $177.76 per sub-block	• $0.20 per ha or • $20 per sq km or • $0.00002 per sq m or • $60 per unit	• 6.9 fee units per 10 graticules or part thereof of the land covered by the licence as at 30 June of that year	• Year 1 and 2 $43 per block $44 per block • Year 3 and 4 $87 per block $89 per block • Year 5 and 6 $176 per block $181 per block • Subsequent years $246 per block $253 per block • Extractive mineral general $44 per hectare • Extractive mineral permit $78 per hectare • Extractive mineral permit with rehab requirements $14 per hectare	• $75.50 per km2 or part thereof for years 1–7 • $252.00 for subsequent years. • Exploration license graticular 1 block licence applied for after 1/7/1999 $469.00 • All Other licences per block • Years 1–3 $169.00 • Years 4 and 5 $303.00 • Years 6 and 7 $414.00 • Years 8 on $784.00	• Nil	• Exploration licence for Category 4 minerals: - for each square kilometre per year (a) for each of first 2 years $5.32 (b) for each subsequent year $8.02 • Exploration licence for all other minerals: - for each square kilometre per year (a) for each of first 2 years $33.94 (b) for each subsequent year$67.88 • Special exploration licence: - for each square kilometre per year (a) for each of first 2 years $5.32 (b) for each subsequent year $8.02
Development/ retention/ Assessment	• Year 1 $4.93 per hectare • Year 2 $10. per hectare • Year 3 $15. per hectare • Year 4 $26.77 per hectare • After 4 years $32.22 per hectare • Area discounts apply to each year as follows: • First 1,000ha 0% • Next 1,000ha 60% • Next 3,000ha 75% • Next 10,000ha 95% • Each addition 1ha 99%	• $24 per ha or $2,400 per sq km or • $7,200 per unit	• 2.4 fee units per 10 hectares or part thereof of the land covered by the licence as at 30 June of that year	• $26 per hectare	• $13.20 per ha or part thereof	• Retention (exploration operations only) • Granted < 5 years per • km^2: $25.25 min: • $1,090.00 • per ha: $39.50 min: $293.00 • Granted ≥ 5 years per ha: • $39.50 min: $1,090.00 • Granted ≥ 10 years per ha: • $114.00 min: $1,090.00 • Retention (any other case) $39.50 min $293.00	• Retention licence: - for each square kilometre per year (a) Coal, petroleum, coal seam gas or geothermal substances $1,608.20 (b) Minerals other than coal, petroleum, coal seam gas, or geothermal substances $3,207.05
Mining lease	• $68.69 per hectare	• $6.50 per ha or • $650 per sq km or • $0.00065 per sq m	• 14.3 fee units per 10 hectares or part thereof of the land covered by the licence as at 30 June of that year	• $26 per hectare • Extractive mineral lease $326 per hectare	• $28.60 per ha or part thereof • Mining lease minerals dissolved in brine • Years 1–5$3.30 per ha or part thereof • Years 6 on $7.70 per ha or part thereof • If lease is renewed • $7.70 per ha or part thereof • General purpose lease $26.40 per ha or part thereof • Miscellaneous lease $26.40 per ha or part thereof	• Mining lease or miscellaneous purpose $78 per hectare • mining $293.10 per hectare • Mining lease extractive minerals $64.50 per hectare min $248.00 per hectare	• per hectare for each financial year $28.29 (minimum - $565.86)
Mining Claim	• Nil	• N/A	• N/A	• N/A	• N/A	• N/A	• N/A
Prospecting Licence	• N/A		• 7.1 fee units		• $4.20 per ha or part thereof minimum $38.80 • Gold $38.00	• N/A	• N/A