

# **MCMPR 12 COMMUNIQUÉ**

## **SUMMARY OF MINISTERIAL COUNCIL MEETING, 28 MAY 2010, MELBOURNE**

Australian, State and Territory Ministers responsible for minerals and petroleum resources met in Melbourne on Friday 28 May 2010 for the [12<sup>th</sup> Meeting of the Ministerial Council on Mineral and Petroleum Resources \(MCMPR\)](#). This meeting was chaired by the Hon Martin Ferguson AM MP, the Australian Government Minister for Resources and Energy.

The main outcomes from today's meeting are detailed below.

### **COAG Review of Ministerial Councils and the Response to the MCMPR Review**

The Council noted progress on the response to the recommendations of the independent review of MCMPR conducted by ACIL Tasman in late 2009, and noted that the Council of Australian Governments (COAG) has been provided with a report by Dr Allan Hawke that recommends that current Ministerial Councils are rationalised to 11 or fewer Councils. The focus of Ministerial Councils will be on national strategic priorities such as health, education and training, community services, infrastructure, police and emergency services, and financial relations.

Ministers endorsed the outcomes of a review of the MCMPR work program. Ministers agreed that a significant amount of the work currently being undertaken by MCMPR remains critical and ongoing. Council agreed that the Senior Committee of Officials would meet again out-of-session to discuss future collaboration arrangements once the details of the Hawke Review are available.

### **Henry Taxation Review – Resource Taxation**

The Council noted proposed changes to the taxing of Australia's non-renewable resources, as an outcome of the Henry Tax Review; namely, the introduction of a 40 per cent Resource Super Profits Tax (RSPT) and a new Resource Exploration Rebate.

Minister Ferguson noted that a Resource Tax Consultation Panel (the Panel) has been established to consult with industry on the detail, transitional arrangements and implementation of the RSPT and encouraged continued discussion with him, his Department and the Panel.

### **National Partnership Agreement**

The Council received a presentation from Ms Susan Page, Deputy Secretary of Deregulation Group from the Commonwealth Department of Finance and Deregulation on COAG's *National Partnership Agreement to Deliver a Seamless National Economy*.

There are 27 priority deregulation reforms under the National Partnership Agreement, of which the MCMPR is responsible for overseeing the implementation of two: delivering a National Mine Safety Framework (NMSF) and Petroleum Regulatory Reform.

## **National Mine Safety Framework**

Council acknowledged the important work of the NMSF Steering Group, chaired by the Hon Clive Brown, a former Chair of MCMPR and Minister for Trade and State Development, Western Australia, in finalising Drafting Instructions based on the Legislative Framework principles endorsed by the Council in October 2008.

Council agreed that Drafting Instructions for mining occupational health and safety (OHS) matters to be addressed in regulations under Model Work Health and Safety legislation (the WHS Act) would be transmitted to the Workplace Relations Ministers' Council. This will enable Safework Australia (with the assistance of the Parliamentary Counsel's Committee) to incorporate the provisions into the Model WHS Regulations scheduled to be released for public comment in November 2010. The content of these provisions will be adopted by all jurisdictions.

Ministers endorsed a process for developing further provisions by New South Wales, Queensland and Western Australia for mining specific OHS issues not addressed under the WHS Act to provide a nationally consistent approach to mine safety.

## **Petroleum Regulatory Reform**

Council has deferred consideration of the Productivity Commission's recommendation to establish a National Offshore Petroleum Regulator pending the outcomes of the Commission of Inquiry into the uncontrolled release of oil and gas from the Montara Wellhead Platform in the Timor Sea, due to be delivered to Minister Ferguson by 18 June 2010.

The Council noted that the report will be publicly released soon after, and agreed that the outcome of the Inquiry will better inform its response to the Productivity Commission's recommendations and will meet again to discuss the recommendations of the report when it becomes available.

## **National Offshore Petroleum Safety Authority**

Council noted that the Commonwealth has released its draft formal response to the two reports of the 2009 Offshore Petroleum Safety Regulatory Inquiry and the 2008 NOPSA Operational Activities Review and that the Commonwealth will consult with stakeholders on its response.

Ministers also noted the appointment of Mr Keith Spence as Chair, and Dr Jan Hayes as member, of the NOPSA Board and its endorsement for Mr Michael Large to be appointed as a member of the Board, filling the remaining vacancy.

A presentation from the NOPSA Chief Executive Officer, Ms Jane Cutler, and Chair of the NOPSA Board, Mr Keith Spence on strategic and operational issues facing the oil and gas industry was received, including the safety implications from significant growth in the sector. NOPSA noted it is closely monitoring the oil spill in the Gulf of Mexico and has been in touch with the US administration with respect to the incident and lessons that can be learned.

The Council agreed the following initiatives:

1. Regular report on NOPSA and industry performance to MCMPR
2. Formal Ministerial liaison meetings and reporting on state matters
3. Forum proposed to share of best practice and experience between onshore and offshore petroleum regulators

## **Land Access**

Council was advised that a successful Land Access Industry Forum was held in Adelaide on 28 April 2010, and that many recommendations by the Minerals Exploration Advisory Group, established by the Council in 2007, will now be addressed as part of the land access agenda. Council noted that the forum lays the platform to build stronger partnerships between industry and governments to address land access issues. Ministers noted that this is a very important issue and that essential on-going improvements in land access regimes nationally include: community engagement, wealth creation, competing land uses, Native Title and Aboriginal heritage, and streamlining the processing of approvals.

## **Carbon Capture and Storage**

Council noted progress in a number of Carbon Capture and Storage (CCS) related areas: the CCS Working Group's assessment of national consistency of CCS legislation; progress on recommendations of the Carbon Storage Taskforce about pre-competitive data acquisition, development of pipeline infrastructure and CO<sub>2</sub> storage exploration incentives; commitment by the Commonwealth and states to provide funding for pre-competitive data acquisition in Victoria, New South Wales, Queensland and Western Australia; and the announcement of the Global CCS Institute's Project Funding which intends to make A\$50 million per annum available to support CCS projects world wide.

Council also noted the CCS Flagships project proposals from shortlisted proponents are to be submitted by 30 June 2010. Proposals from Wandoan and ZeroGen in Queensland; the Collie South West Hub in Western Australia; and CarbonNet in Victoria will be assessed by the Program's Independent Assessment Panel and a recommendation for final funding will be made to Government.

## **Uranium**

Council noted that the Commonwealth has released the *In Situ Recovery (ISR) Uranium Mining Best Practice Guide*. The Guide has been developed by GA and a steering group made up of representatives of Commonwealth, state and Northern Territory agencies. Council agreed that jurisdictions will adopt the Guide as appropriate in their own jurisdictions.

Council noted the Government's response to the *Review of Regulatory Efficiency in Uranium Mining* which was formulated by Deloitte in consultation with the South Australia, Western Australia and Northern Territory governments. Council noted that the response forms the basis for the of the Uranium Council's work plan, that aims to provide clarity, simplify the regulatory regime, meet the highest standards, and establish a firm footing for the uranium industry to meet its full potential.

## **National Radioactive Waste Management Bill**

Council noted the progress of the *National Radioactive Waste Management Bill 2010* in the Federal Parliament and agreed on the importance of the Commonwealth engaging state and territory agencies on a national approach to managing radioactive waste, including consideration of options for storing waste held by the state and territories.

## **Australian Energy Resource Assessment**

Ministers noted the release of the *Australian Energy Resource Assessment (AERA)*, prepared by GA and the Australian Bureau of Agriculture and Resource Economics

(ABARE). GA gave a presentation on the AERA, highlighting that it is a comprehensive and integrated assessment, and includes the outlook for Australia's energy resources, energy resource options and associated technologies.

Ministers noted that AERA is also a valuable investment tool for industry and a useful resource for students, and making it accessible to a broad audience was a priority.

### **Natural Gas Supply**

Council noted the work done by the Joint Working Group (JWG) on Natural Gas Supply on Australia's twin goals of becoming a major world LNG exporter and ensuring the long-term supply for domestic use which will contribute to domestic gas security, energy security for our trading partners and lowering global greenhouse gas emissions.

The Commonwealth and jurisdictions are reviewing Australia's regulatory approach to the offshore petroleum industry. Council noted the significant contribution that the regulatory system makes to the upstream oil and gas industry, and recognised that the retention lease system plays an important part in the development of Australia's offshore gas reserves.

### **National Approach to Resource Reporting**

Ministers noted plans for a trial to develop a coordinated approach to resource reporting for mining companies that do not currently report their resources publicly. A National Approach to Resource Reporting will provide member jurisdictions with a greater understanding of Australia's total resource base. The trial will be a useful first step to developing a mechanism for nationally consistent data collection.

### **Strategic Framework for Managing Abandoned Mines**

Council acknowledged the work by the Abandoned Mines Working Group in developing a draft *Strategic Framework for Managing Abandoned Mines* to promote a standardised approach to managing abandoned mines. The Council noted that the Working Group will consider comments received from the public and industry before publishing the Strategic Framework later in 2010.

### **National Resources Sector Employment Taskforce**

Council noted the establishment of the National Resources Sector Employment Taskforce and the release of its discussion paper. Ministers noted that the Taskforce has consulted with stakeholders nationally and it will report to the Australian Government in mid 2010 with a comprehensive plan to address skilled labour needs in the resources sector.

[MINERAL AND PETROLEUM RESOURCES MINISTERS' COUNCIL: FURTHER PROGRESS ON SAFETY AND REGULATORY REFORM](#)