

The National Resources Statement

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This article seeks to provide an insight into the Federal Government's vision for the future of the Australian resources sector.

Introduction: Policy and Key Goals

Australia's National Resources Statement ("**Statement**") sets out the Government's policy and long-term reform agenda for the Australian resources sector. The Statement was released on 14 February 2019 by the Hon Matthew Canavan (Minister for Resources and Northern Australia). In the Statement, the Government recognises that Australia's resources sector has never been more important to our economic wealth and prosperity than it is today. With the Government recognising that the opportunity to grow the sector by attracting investment and supporting employment can only be facilitated with progressive policy development in partnership with industry, researchers and across Australian Federal, State and local governments. This background underpins the basis of the Government publishing the first National Resources Statement in two decades.

In 2018, the Government commissioned the 'Resources 2030 Taskforce' which produced a report showcasing Australia's recognised strengths, the opportunities on offer as well as the challenges Australia must meet to stay number one across the global resources market. The Resources 2030 Taskforce was chaired by Mr Andrew Cripps, former Queensland Minister for Natural Resources and Mines, who was supported by experts from business, academia and local government. The Statement builds upon the Resources 2030 Taskforce report's recommendations in addition to widespread consultations conducted by the Government.

The Statement expressed a vision for Australia to have the world's most advanced, innovative and successful resources sector, that delivers sustained prosperity and social development for all Australians. To achieve this, the Government has stated that it will prioritise five key goals that will form the future of all Government action:

1. deliver the most globally attractive and competitive destination for resources projects;
2. develop new resources, industries and markets;
3. invest in new technologies and approaches, especially to deliver better environmental outcomes;
4. create well paid, secure jobs; and
5. support communities to ensure they receive benefits from the development of Australian resources.

These goals are said to be deliberately ambitious and are of equal importance. To implement these actions, the Statement emphasises the importance of collaboration with governments, business and scientists. The Australian Federal Government will work closely with State and

Territory governments, industry and our scientific and educational institutions to lead, at the national level, to drive these key reforms.

Action 1: Deliver the most globally attractive and competitive destination for resources projects

The Government sets out in the Statement that it needs to ensure Australia has, and is seen to have, competitive business settings and regulatory frameworks to maintain Australia's position as a leading investment destination.

To better compete in global markets, the Government has said that it will collaborate with industry by promoting Australia's world-class strengths in resources through a single national resources brand. The brand would highlight Australia's strengths, including our abundance of natural resources, world-class industries, environmental standards, skilled workforce and our strong mining services sector. Further, the Government will promote Australia's capability in offshore resources development through a Global Offshore Resources Strategy. This will involve promotion of Australia's offshore resources and seeking to unlock new export markets through key partnerships with international destinations.

Working through the Council of Australian Governments ("**COAG**") Energy Council, the Government seeks to establish a framework for the regular benchmarking of policies and resource regulation which will seek to assess current settings and highlight best practice across Australia and internationally. Government hopes that jurisdictions will work together to decide the best way to approach its development, including co-ordination of State, Territory and Federal regulation for the development of resources. This will support improvement in Australia's national competitiveness and moves toward more uniform policies applied to the resources sector across Australia.

With the upcoming review of the *Environment Protection and Biodiversity Conservation Act 1999* (Cth), the Government has stated that it will ensure it considers opportunities for how Federal environmental assessments can influence resources development and properly reflect the positive environmental actions of the resources sector.

Action 2: Open up new industries and resources regions

The Government is investigating the expansion of the scope of Geoscience Australia's Exploring for the Future Program and extending it for four years. This would expand its benefits into the southern half of the Australian continent and include exploring targeted offshore areas to access new, deeper resources. Thus far, the Government has invested \$100 million in the Exploring for the Future program which uses the latest exploration techniques to discover new mineral deposits in Australia's unexplored areas.

Through the Australian Bureau of Statistics ("**ABS**"), the Government will work with industry to examine the feasibility of expanding the Survey of Mineral Exploration. The expansion will aim to improve the information collected about greenfield exploration to greater reflect current industry exploration activities. In addition, the Government will aim to work with industry, governments and local communities to promote new greenfield basins and provinces.

The Government has said that it will work with the Northern Territory Government to bring forward the development of the Beetaloo Sub-basin as a potentially world-class new gas province

in maximising the downstream value of the petroleum industry for the Territory and the broader Australian economy.

In terms of regulation and policy setting, the Government will assess long term options to enhance the offshore petroleum titles management framework in consultation with industry aim to provide greater transparency on offshore gas reserves, accelerate offshore development and streamline administrative processes. The Government will also examine the policy settings in circumstances where a company fails to meet its offshore work program commitments to ensure a transparent, impartial and consistent approach.

The Government aims to harness demand for new resources by developing a national strategy through the COAG Energy Council to harness the emerging opportunities the critical minerals sector offers, including the development and growth of downstream industries. As part of this, the Government intends to finalise a memorandum of understanding between Geoscience Australia and the US Geological Survey on the development of critical minerals.

Action 3: Invest in new technologies and approaches, especially to deliver better environmental outcomes

The Government will seek to leverage research and development by working through the COAG Energy Council to engage with industry and the research community to focus on better leveraging long-term cross-sectoral research and development in an effort to drive whole-sector benefits and meet the future economic challenges faced by the sector.

The COAG Energy Council will engage with States, Territories and academia to develop a Resources Data Strategy. It is hoped that the strategy will provide a new approach to how data can be collected, integrated and used, particularly for environmental, heritage and geoscience datasets; this will assist Governments, industry, research organisations and communities to make better informed decisions on resource development.

Action 4: Create well paid, secure jobs

The Government will seek to work with industry to determine the sector's future workforce needs with a view to driving strategies so that education providers can adapt to meet the longer-term needs of the sector. The Government will convene a roundtable with industry and academia to identify opportunities to boost tertiary and VET outcomes for the sector. The COAG Energy Council will work closely with COAG Skills Ministers to bring about actions identified through this process. The Government will work with industry and states to create a more inclusive workforce by promoting opportunities to attract and retain women in the resources sector, particularly in the STEM fields.

Action 5: Support communities to ensure they receive benefits from the development of Australian resources

To improve community trust in the sector, the Government will start with a comprehensive evaluation of current community engagement and benefit-sharing practices by industry, Governments and other bodies to identify best-practice and information gaps.

The Government will trial regional deals for Australia, initially focussing on the Barkly region in the Northern Territory. The Barkly Regional Deal is the first regional deal in Australia- a 10 year \$78.4 million commitment between the Government, Northern Territory Government and Barkly

Regional Council- for the economic growth and social improvement of the region. The Government will also work with the Minister for Regional Services to oversee the investment, and assess whether similar schemes, currently planned for Hinkler in Queensland and Albury-Wodonga on the New South Wales/Victoria border, would be feasible.

Collaboration

The Government will seek to work through the COAG Energy Council to establish a Strategic Resources Advisory Group ("**Group**") with the expertise and authority across mining, oil and gas and mining services to provide strategic advice on opportunities and challenges to drive reform and promote the long-term national interests of the resources sector. It is anticipated that the group will consist of leaders from the resources sector and will work collaboratively across the sector and Government. The Group will focus on meeting the Statement's vision, driving deeper collaboration between mining, oil and gas and mining services, helping to prioritise long-term R&D efforts and considering the future workforce needs of the sector.

The Future

The National Resources Statement will guide all of the Government's future actions relating to the resources sector. The Government's primary priority is to promote the country's vast resources sector as globally attractive to encourage investment from foreign investors. Local industries should be prepared to welcome international involvement which is viewed as key to the sector. As the Statement aims to consolidate Australian negotiation power through a single, national resources brand, coordinating the promotion of Australian projects from a central authority could help streamline the promotion process. This is especially so for larger companies which are moving in similar directions with regards to technology and automation.

The execution of the Statement means that industry can anticipate a number of changes to environmental and resource policy and regulation in line with the Government's five-point plan. Government action and collaboration will involve looking into retaining workers ahead of innovation and the rise of robotics balanced with longer-term needs of the workforce. Industry should also anticipate Government action to increase gender diversity and indigenous participation in the workforce. In addition, the expansion of regional programmes, funding of long-term R&D, emphasis on critical minerals and creation of the Resources Data Strategy; all have significance for the future direction of the resources sector in Australia. With regional developments, greater funding in greenfields exploration and offshore resources, the resources sector is rich in potential, but industry must strategise in accordance with this Statement to capitalise on the opportunities.

Since the release of the report in February, the Federal Government has ordered a Productivity Commission to review regulations affecting the Australian resources sector. It has been tasked with identifying best practice project approvals processes domestically and internationally as well as considering options for expediting these processes without compromising community or environmental standards. The work from the Productivity Commission will complement the statutory review of the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) due to commence in October 2019. In respect of regional deals, the Hon Bridget McKenzie, Minister for Regional Services, Sport, Local Government and Decentralisation, announced a pilot deal for Albury Wodonga on 20 March 2019. The Australian Government will provide an initial investment of \$3.2 million to support further strategic planning work with the local community. The Hon Bridget McKenzie and Mayor of the Fraser Coast Regional Council has also signed a statement outlining the aspirations for the Hinkler Regional Deal, including its three priorities of

economic development, resilience and liveability. All levels of Government will continue to engage with local representatives throughout the deal's development and implementation.

If you would like to find out more information, please get in contact with us.

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