

# Operational policy

## Technical assessment of an application for a Mineral Development Licence for coal

MIN/2017/4001

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Version 4.04

### 1. Purpose

This policy sets out the type of information that is required to support an application for a mineral development licence for coal (MDL coal) made under Chapter 5 of the *Mineral Resources Act 1989* (MRA). It also provides advice regarding what the department considers when assessing an MDL coal application.

The principles in this policy may also be applied to other assessments the department undertakes in relation to coal resources, for example assessing what conditions to apply to a coal resource authority, deciding an MDL coal renewal or an application for the renewal of a coal mining lease.

The information contained in this policy reflects current departmental practices and does not limit the exercise of discretion nor override legislative requirements. These practices may change from time to time; changes will be published through a revised version of this policy.

The department is committed to respecting, protecting, and promoting human rights. Under the *Human Rights Act 2019* (HR Act), the department has an obligation to act and make decisions in a way that is compatible with human rights, and when making a decision, to give proper consideration to human rights. To the extent an act or decision under this document may engage human rights under the HR Act, regard will be had to that Act in undertaking the act or making the decision.

### 2. Policy determination

#### 2.1 High degree of definition

In deciding an MDL coal application, the delegate must consider whether a significant mineral occurrence of possible economic potential<sup>1</sup> exists on or in the land applied for to a high degree of definition.

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<sup>1</sup> See section 186(6) of the *Mineral Resources Act 1989*.

The required evidence to meet the threshold of “high degree of definition” and “significant occurrence” of the coal resource is generally an indicated resource status or better under the current JORC Code.<sup>2</sup> The coal resource should be a quantity, grade (or quality) with densities, shape and physical characteristics that are estimated with sufficient confidence to allow the application of modifying factors<sup>3</sup> in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.

The coal occurrence does not have to meet 100% indicated resource status or better, however the MRA requires a high degree of definition of the resource. The onus is on the applicant to meet this requirement and provide sufficient justification for the area and shape of the applied area.

Any coal occurrence described in the application must be in or on the land applied for, pursuant to section 179 of the MRA. A coal occurrence on another area of land being applied for separately or on a granted MDL will not meet the requirements of the MRA.

However, the department may consider an application for the grant of an MDL for the purpose of building infrastructure required to support an existing related coal project. In such circumstances, the applicant must be able to show that drilling has evidenced that there is some resource available and that the proposed activities will not sterilise the coal.

The MRA does not provide for an MDL to be granted over an area that adjoins an ML where a resource has been defined. This may be achieved by applying for the grant of an exploration permit for coal (EPC) under Chapter 4, Part 3, Division 5 of the MRA (Obtaining exploration permit for coal other than by competitive tender). The grant of the EPC would provide the prerequisite for an application for an MDL for coal, subject to meeting the threshold for the MDL.

## **2.2 Land applied for in the application**

An MDL application for coal must include:

- the reasons why the MDL should be granted in respect of the area and shape of the land described;
- whether the application area is appropriate to further investigate the currently defined resource;
- a detailed description and technical particulars of the coal occurrence together, with any necessary supporting documents, including a full current JORC report; and
- maps/spatial data that identifies the location of the coal occurrence according to JORC status (Measured, Indicated & Inferred individually delineated) and the locations of proposed infrastructure and activities in relation to the boundary application area.

To ensure that the area and use applied for aligns with the purpose of an MDL the delegate may further investigate and determine the economic viability of the coal occurrence. To do this, the delegate may consider:

- whether the application area contains a high definition of coal resource and does not include areas where further exploration work is required to prove coal resources to a high degree; and

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<sup>2</sup> [Australasian Code for Reporting of Exploration Results published by the Joint Ore Reserves Committee.](#)

<sup>3</sup> Modifying factors are considerations used to convert mineral resources to ore reserves. These include, but are not restricted to: mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

- the size of the identified coal resource; and
- the placement of potential infrastructure so as not to sterilise resources (including inferred).

The application area does not need to be commensurate with the coal resource area, as long as the applicant can satisfy the delegate that the additional area is needed to carry out activities for future mine planning and development (e.g. reasonable infrastructure).

The delegate may refuse to grant an MDL over any part of the land applied for, where the applicant has not provided the required information and evidence justifying the extent of area of land being applied for. For example, identifying all remaining land in the application area as 'exploration target' is not an acceptable justification.

If an MDL coal is only granted for part of the land, the application is taken to be refused for the rest of the land, and the delegate must give the applicant written notice of the reasons for the refusal.<sup>4</sup>

It is common practice for the department to notify applicants if part of the application will be refused beforehand, giving applicants the opportunity to withdraw the application.

### **2.3 Description of the proposed activities**

An applicant is required to include a description of the activities to be carried out, including the proposed work program, amounts to be spent and studies to be performed. The department may require evidence of these works at any time to demonstrate compliance.

However, if it is proven that it is not currently economically viable to develop the mineral resource, under section 181 of the MRA, the delegate may specify that no activity need be carried out either for the term of the licence or for a specified period of time. For example, the applicant may demonstrate that the proposed MDL is a part of larger exploration and mining project, and that work will commence in line with the overall project/development and mine plan schedules.

The appropriateness of any proposed activities will be considered based on the current level of geological and technical knowledge of the area covered by the application.

### **2.4 Term**

Under section 183 of the MRA the applicant must nominate the proposed term of the MDL and give reasons justifying the length of the term being sought. In most situations, the maximum justifiable term will be 5 years, at which time a renewal may be applied for.

### **2.5 Financial and technical resources**

An applicant must ensure they demonstrate sufficient financial capability to meet expenditure commitments, and that they have sufficient technical resources available to undertake the proposed work program (refer to the Financial and Technical Capability Guideline).

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<sup>4</sup> See section 186(1) and (7) of the *Mineral Resources Act 1989*

## 2.6 Compliance with prerequisite resource authorities

An applicant must ensure that pre-requisite exploration permit/s, and all other resource authorities held by the applicant, comply with resource authority conditions and the MRA before applying for an MDL for coal.

The department's consideration includes, but is not limited to, compliance with:<sup>5</sup>

- annual reporting requirements
- approved work program and expenditure conditions (where applicable)
- Native Title Protection Conditions; and
- annual rent payments.

Noncompliance with conditions or the MRA may result in the MDL application being refused.

## 2.7 Additional Information

Section 386J of the MRA allows the delegate to request additional information during the assessment process. The delegate may also direct an applicant to complete or correct their application or do anything required under the Act or another Act to allow the application to be decided.

Failure to respond within the period stated in the notice (generally 28 business days) may delay the application assessment or result in the application being rejected.

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<sup>5</sup> See section 386M of the *Mineral Resources Act 1989* - the Minister may, in making the decision, consider any other criteria the Minister considers relevant.

## Document information

**Availability and location:** External - Business Industry Portal

**Owner and approver:** Deputy Director-General, Georesources Division

**Future Review date:** March 2023

**Related documents:** [Mineral Development Licence Application Guideline](#), [Financial and Technical Capability Guideline](#), [Australasian Code for Reporting of Exploration Results published by the Joint Ore Reserves Committee](#).

**Contacts:** For help and information about this policy, please contact the Coal Assessment Hub on (07) 4936 0169 or email [coalhub@resources.qld.gov.au](mailto:coalhub@resources.qld.gov.au).

## Disclaimer

The purpose of this policy is to provide a framework for consistent application and interpretation of the legislation administered by the department. Policies may be applied flexibly where individual circumstances require an alternative application of policy. Where this policy, or part of this policy, is inconsistent with relevant legislation, the legislation will prevail to the extent of the inconsistency.

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## Keywords

MIN/2017/4001; Department of Resources; Operational policy; 01/2017; Technical assessment; application; MDL; Mineral Development Licence; MIN/2017/4001; Coal