

Energy & Resources Alert

Queensland strategic cropping land framework to impact on projects

September 2011

Background

In early 2010, the Queensland Government released an initial discussion paper detailing plans to implement a framework to protect strategic cropping land (**SCL**) and on 23 August 2010, the Queensland Government released the SCL framework. However, the Queensland Government delayed its announcement on how the SCL framework would be implemented until 31 May 2011.

Since initially announcing the plan to implement an SCL framework some 18 months ago, there has been much tension and debate between farmers, environmentalists, agricultural and mining companies as to whether the SCL framework will be effective in minimising the affects of mining and related infrastructure or whether the SCL framework will merely add to project costs and lengthen timetables.

Criteria for identifying Strategic Cropping Land

The SCL framework will likely have an immediate impact on both current and future agricultural, resource and development projects in Queensland.

SCL is defined as "a scarce natural resource identified by soil, climatic and landscape features that make it highly suitable for crop production". The Queensland Government's SCL framework is intended to conserve and manage SCL.

Eight criteria are expected to be consulted when determining whether land is SCL. These are:

- Slope;
- Rockiness;
- Gilgai micro relief;
- Soil depth;
- Soil wetness;
- Soil pH;
- Salinity; and
- Soil water storage.

The Department of Environment and Resource Management (**DERM**), has issued draft SCL trigger maps. These draft trigger maps are to be used as a guide only in determining whether land is SCL. Classification of SCL is subject to an objective on-ground assessment of the land against the abovementioned criteria. Tenement holders and land owners are not able to subjectively conclude that land is not SCL.

A copy of a map highlighting areas where SCL may exist is attached. Additional draft SCL trigger maps are available at the DERM website (www.derm.qld.gov.au).

Strategic Cropping Protection Areas

Land which is classified as Strategic Cropping Protection Areas (**Protections Areas**) under the SCL framework will be afforded the highest protection and requirements for preservation. Under the proposed SCL framework, Protection Areas must not be permanently alienated by development, except in limited exceptional circumstances.

Two Protection Areas are presently proposed and can be viewed on the attached map. One Protection Area is in central Queensland (the Central Protection Area) which stretches from Emerald to Rolleston and the other is in southern Queensland (the Southern Protection Area) which stretches from as far north as Chinchilla and Kingaroy to Toowoomba and down to Boonah and Stanthorpe. Cumulatively, these two proposed Protection Areas total 4.78 million hectares.

Strategic Cropping Management Areas

Land which has a history of cropping and meets the SCL criteria, will be classified Strategic Cropping Management Areas (**Management Areas**). Before land that is classified a Management Area can be developed, proponents must:

- conduct an assessment which confirms that the proposed development avoids SCL to the maximum extent possible;
- identify SCL that is impacted upon and ensure that any impact to SCL is minimised; and
- if required, mitigate any permanent impacts.

It is likely that this process will add to project costs and lengthen timetables.

Proposed Management Areas are significant in size and can be viewed on the attached map.

Impact of Strategic Cropping Land

Existing mineral, coal, gas and petroleum tenure applications which met certain milestones by 31 May 2011, will be subject to transitional arrangements.

Projects that were not eligible for the transitional arrangements and future projects will be subject to conditions implemented under the SCL framework. The SCL framework is expected to be implemented later this year and be retrospective.

The Regulatory Assessment Statement issued in relation to the SCL framework, recommends that the cost implications in relation to the management and assessment process incurred by the Queensland Government be recovered from applicants. This is currently subject to consultation; however it is likely that applicants will ultimately be required to meet the Queensland Government's costs in accordance with a fee schedule.

Moving forward, when planning future projects, SCL framework costs and potential assessment delays should be built into project budgets and timetables.

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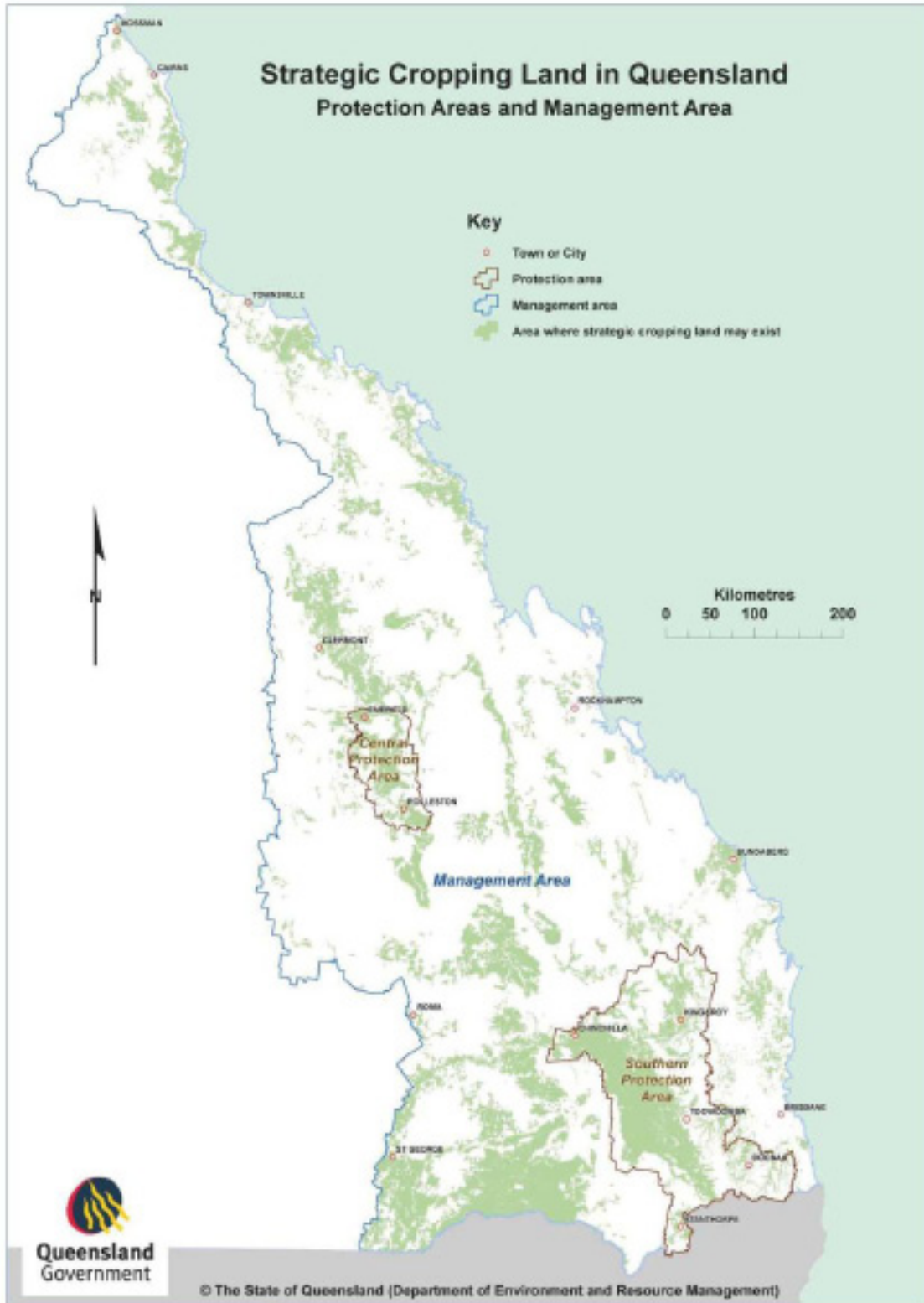
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