

# ADVISORY BODY FOR STRATEGIC RELEASE – TERMS OF REFERENCE

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## Scope and Objectives.

1. The Advisory Body for Strategic Release (Advisory Body) is an interagency group responsible for overseeing and advising on the implementation of a single strategic release framework for coal and petroleum resources.
2. The strategic release framework is part of the Government's response to: the Independent Commission Against Corruption's recommendations on the management of coal resources; recommendations of the Coal Exploration Group (CESG); the NSW Gas Plan; and recommendations of the NSW Chief Scientist and Engineer in relation to Petroleum. This strategic release framework aims to deliver greater transparency and control over the release of exploration areas and the granting of prospecting titles for coal and petroleum resources.
3. The key role of the Advisory Body is to conduct whole of Government assessments and make recommendations to the Minister for Resources regarding where, when and how coal and petroleum resources are to be released for exploration to suitably qualified companies. The Advisory Body will provide recommendations on:
  - a) Areas to be released for exploration. This will be based on a preliminary assessment of potential areas including community engagement
  - b) Auction price. The Advisory Body will recommend the most appropriate competitive auction price for each release area, based on defined cost recovery criteria of:
    - contractors – specialists services required for the development of the Resource Assessment and PRIA
    - community engagement costs
    - auction /tender process costs (eg advertising)
    - Agency staffing and on-costs
    - Advisory Body costs
    - other demonstrated costsConsideration may also be based on knowledge of the resources and likely competition levels.
  - c) Frequency of operation of the framework, based on a range of matters including, market forecasts, progression of current leases, timeframes to reach production, and other government considerations. Factors will differ between coal and petroleum.
  - d) Community engagement process for each PRIA
  - e) Potential land use conflicts and how these may be managed

4. The Advisory Body will consider areas based on advice from member agencies or at the Minister's request.
5. Third party interest, unsolicited proposals or Operational Allocation applications that do not meet the Operational Allocation selection criteria may be used to inform the assessment of which areas should be considered for release but will not necessarily lead to the release of new areas.
6. The Advisory Body will not deal with applications for licences for Operational Allocations. These will be addressed through the Interim Resources Allocation Committee or any successor of this body.
7. In this separate Operational Allocations application process, the Interim Resources Allocation Committee or its successor will assess Operational Allocation applications against predetermined criteria.
8. Recommendations for Operational Allocations by the Interim Resources Allocation Committee or its successor will be brought to the Cabinet Standing Committee on Resources and Land Use by the Minister for, Resources. Final determination will be made by the Minister.
9. There is also a role for the Advisory Body to oversee the working of the Strategic Release Framework to ensure it functions efficiently and effectively..
10. In making recommendations, the Advisory Body will consider advice from the Division of Resources and Geoscience through the Resource Assessment, and from the Department of Planning and Environment, through the Preliminary Regional Issues Assessment. This will ensure that social, environmental and economic issues are considered.
11. The Advisory Body's recommendations will be guided by the Government's published objectives, priorities and desired outcomes in relation to the allocation and development of New South Wales' coal and petroleum resources.
12. The Advisory Body will operate in a transparent manner and recommendations that it provides to the Minister for Resources will also be made publicly available after consideration by Cabinet.
13. Cabinet may decide to add additional matters to the Advisory Body's scope.

## **Governance**

14. The Advisory Body will be chaired by an independent person with relevant technical and research expertise, to be appointed by the Minister.
15. The Advisory Body may establish working groups as required to assist it in making recommendations. In doing so the Advisory Body will have regard to the skills required of working group members, the principles of risk management through diversity and transparency, and the avoidance of conflicts of interest.
16. The Department of Planning and Environment (through the Division of Resources and Geoscience) will act as secretariat to the Advisory Body and any working groups it may establish.

17. Agencies will meet their own costs for participation in the Advisory Body.

18. The Advisory Body will submit its recommendations to the Minister for Resources. The Minister will then seek Cabinet endorsement to release an area for exploration based on the recommendations of the Advisory Body.

19. Cabinet will review the Advisory Body, including its Terms of Reference, after 24 months to ensure that its structure, membership and processes are appropriately meeting the State's objectives.

## **Membership**

20. In addition to the Independent Chair, the members will include Executive Director or higher representatives from:

- a. Department of Industry;
- b. Department of Planning and Environment;
- c. Division of Resources and Geoscience within the Department of Planning and Environment
- d. NSW Treasury;
- e. Department of Premier and Cabinet.

21. The Advisory Body will draw on advice from other agencies as needed.

22. Members of the Advisory Body must at all times:

- a. Act with the utmost honesty and integrity, promote principles of good governance;
- b. Declare any actual or perceived conflicts of interest
- c. Carry out their duties with due care, skills and diligence; and
- d. Devote sufficient time and attention to the work of the Advisory Board to enable it to complete the activities set out in this document.