

Energy & Resources Alert

Competitive bidding tender process for Queensland coal tenures

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On 13 January 2012, the Queensland Government announced significant reform to the way in which land will be made available for coal tenure. This significant reform includes a transitional restriction on new applications for coal tenure over any land in Queensland until a new competitive bidding tender process for coal tenure is introduced.

Restriction on new applications for coal tenure

The transitional Restricted Area 394 (**RA394**) has been declared over the entire State of Queensland to prohibit new applications for coal tenure being submitted while the new competitive bidding tender process is implemented.

Existing holders of exploration permits for coal (**EPC**) and applications for coal tenure submitted prior to 13 January 2012 will not be affected by RA394. This means that existing EPC holders will not be restricted from applying for more advanced tenure including a mineral development licence or mining licence while RA394 is in effect. However, land that is relinquished while RA394 is in effect will be subject to the restrictions under RA394.

RA394 does not affect petroleum and gas tenements and will be in force until a controlled release regime is introduced into legislation.

Introduction of competitive bidding tender process

Queensland land suitable for coal tenure will be subject to a new competitive bidding tender process to be implemented shortly.

Similar to the process currently in place for authorities to prospect under the *Petroleum and Gas (Production and Safety) Act 2004* (Qld), land will be periodically released through a competitive tender process, subject to a cash-bidding condition. Applications will be assessed against a criteria yet to be published. Applicants best able to demonstrate the ability to optimise the value of the State's resource will be selected and granted coal tenure.

Controlled release of land

According to the Department of Employment, Economic Development and Innovation (**DEEDI**), it is the Queensland Government's intention to release areas for coal tenure several times per year. The details of the controlled release dates have not been made available at this time.

DEEDI expects that industry will benefit from the controlled release through improved geological data and survey information in relation to land release areas and potential land use conflicts being considered prior to land being released for tender.

It is expected that the introduction of the competitive bidding tender process and controlled release of land system will be implemented through amendments to the *Mineral Resources Act 1989* (Qld). A draft Bill is not available at this time.

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