

APPENDIX 6a

Government controls over land available for coal exploration—Bowen and Galilee Basins post-1970

Departmental Area 55D (the Central Queensland Coal Area)

Departmental Area 55D (the Central Queensland Coal Area) was proclaimed in 1971 following Cabinet Decision No 15574 of 1st March 1971. The area originally covered all of the land in the State lying between latitudes 20 degrees 30 minutes south and 23 degrees 30 minutes south. It enabled government control to be exercised over the release of areas of land for coal exploration under Authorities to Prospect from within the area proclaimed, which (initially) effectively covered all of the 'exposed part' of the Bowen Basin and northern Galilee Basin, in central and western Queensland.

The original proclamation of Departmental Area 55D stemmed from an earlier government policy decision that had been ratified by State Cabinet (Cabinet Decision No 10745 dated 25th September 1967). This was aimed at providing for an orderly exploration and development of the coal resources in Central Queensland that would enable the delineation of 'adequate coal reserves' for use by Queensland industries and the generation of electricity in the State.

The coal exploration regime formalised by the 1971 Cabinet Decision implemented a system that involved the regional assessment, through drilling by the Department of Mines, of the coal potential of areas within Departmental Area 55D. Periodically, and subject to approval by Cabinet, areas were offered for competitive application under a work program bidding system by calling, through public advertisement, for expressions of interest. In many cases, this followed earlier geological appraisal and drilling by the Department of Mines.

Subsequent reconnaissance coal exploration undertaken within Departmental Area 55D by the Department of Mines (Coal Section of the Geological Survey of Queensland) under the protection of this proclamation, proved the existence of large tonnages of coking and thermal coals in the Bowen Basin and enabled large tonnages of thermal coal to be inferred in the northeastern part of the Galilee Basin.

By Cabinet Decision (No 23368 of 27th October 1975), the size of Departmental Area 55D was subsequently reduced in area to include only that part of Queensland lying east of 145 degrees 00 minutes east, between the originally proclaimed latitudes. At this time, despite being reduced in size, Departmental Area 55D still covered all of the potentially prospective coal-bearing part of the northeastern Galilee Basin being drilled by the Department, and also effectively covered all of the potentially economic coal-bearing lands in the Bowen Basin.

In August 1973, the Queensland Government released land from within Departmental Area 55D in the northern Galilee Basin, seeking applications for coal Authorities to Prospect. The release comprised two Reserved Areas, each 240 sub-blocks in size, as Group 12 and Group 13. These areas were situated about 48 km (30 miles) and 96 km (60 miles) respectively, north of Alpha, in central-western Queensland (Department of Mines, 1973).

In August 1978, the government advertised a second release of land for coal exploration in the Galilee Basin, comprising three areas (Department of Mines, 1978). Over the following decade, subsequent exploration undertaken within these three areas resulted in the delineation of the Ellimeek and Lauderdale (jointly comprising the Pentland Group) deposits in the north around Pentland and the Kevins Corner, and Alpha coal deposits further to the south.

In the Bowen Basin, during the period in which Departmental Area 55D (subsequently, RA 55) remained in force, there were numerous periodic releases of land for coal exploration using the competitive application 'expression of interest' process. Many of the areas that were made available under this scheme now support active coal mining operations. They include the operations at Kestrel (formerly Gordonstone) underground, Gregory/Crinum, Oaky Creek, German Creek (Capcoal operations), North Goonyella/Eaglefield, Moranbah North and Ensham.

With the introduction of the *Mineral Resources Act 1989* (MRA), which came into effect on 1st September 1990, Departmental Area (55 D) the Central Queensland Coal Area was proclaimed (and renamed) as Restricted Area (RA) 55, covering the same area.

A shift in government policy in the early 1990s (Department of Mineral and Energy, 1992; see Appendix 6b) resulted in a decision to introduce a new system of land allocation for coal exploration in central Queensland that involved the progressive removal of the restrictions imposed on coal exploration by RA55. This was achieved using a three staged release and revocation process undertaken between March 1993 and August 1994. Stage 1 of this process began on 1st March 1993, when RA 55 was revoked making all vacant land within the former restricted area available for coal exploration with the exception of 13 smaller newly gazetted Restricted Areas (Department of Natural Resources, Mines and Energy, 2004).

For a considerable time after completion of the process in August 1994, ‘over the counter’ applications for coal exploration permits in Queensland were able to be made by ‘eligible persons’ (as defined in the *Mineral Resources Act 1989*) over available land, anywhere in the State.

Coal exploration through competitive tender—the current regime

On 13th January 2012, the Queensland government reintroduced restrictions on land available for coal exploration in Queensland, with the proclamation of Restricted Area (RA) 394, which prevented any applications for coal exploration being made over any available land in Queensland. The intention of declaring RA 394 was as an interim measure prior to making amendments to the *Mineral Resources Act 1989* that would introduce a revised system for managing the release of land in the State for the purposes of undertaking coal exploration.

In November 2012, the Mining and Other Legislation Amendment Bill (the Bill) was introduced into State Parliament, incorporating the proposed amendments to the MRA that would establish the new regime for coal exploration in Queensland. This new system consisted of an advertised land release and competitive tendering process that also provided for a cash bidding component for areas considered to be ‘highly prospective’ (Office of the Queensland Parliamentary Council, 2012).

The Bill was subsequently passed and the Amendment Act of the same name assented to on the 22nd March 2013, effectively establishing the new regime for coal exploration in Queensland.

Unlike the system that had been introduced with the proclamation of the Central Queensland Coal Area, Departmental Area 55D, in March 1971, the current regime now covers the whole of Queensland and mirrors the land release regime that has always existed for petroleum and gas exploration in Queensland.

The first release of land under the newly established regime calling for tenders for applications for exploration permits for coal, was gazetted by extraordinary issue of the Queensland Government Gazette on 23 October 2013 (Queensland Government, 2013).

This initial ‘Call for Tenders’ for coal comprised two groups involving a total of 7 areas, located throughout the northern Bowen Basin—one group of three separate areas where native title did not apply to any subsequent EPC grant, and the other of four separate areas where a native title process would be involved with any subsequent EPC grant.