

Oil shale

Queensland's Oil Shale Policy

The Minister for Natural Resources and Mines has issued a media statement on the new shale oil policy which you can find on the media statements website (<http://statements.qld.gov.au/Statement/2013/2/13/newman-government-approves-oil-shale-industry>).

Background - reasons for change

Queensland currently has around 90 per cent of Australia's known oil shale resources which is equivalent to approximately 22 billion barrels of oil. The Queensland Government recognises the strategic importance of oil shale in contributing to energy security. As such, the new oil shale policy encourages private sector research and investment in high quality oil shale extraction technologies.

Following a decision in 2008 to suspend the development of the oil shale industry in Queensland, the State Government has undertaken a review of the Queensland oil shale policy.

Previous policy

The previous policy included:

- a twenty year moratorium (to 17 August 2028) on developing the McFarlane oil shale deposit (near Proserpine);
- the development of a demonstration plant by Queensland Energy Resources (QER) at the Stuart deposit near Gladstone; and
- that no other oil shale development would be progressed in Queensland until QER reported to government on the technical, environmental and local community impacts of the new plant in Stuart and demonstrated the technology for extracting oil from shale.

A final performance report was submitted to Government by QER on 24 September 2012 which indicates that there have been no reportable environmental incidents at the plant during the construction, commissioning or operations of the plant, and no community complaints about noise or odour from the plant.

After verification of the environmental performance of the plant by the Department of Environment and Heritage Protection, a report was prepared which concluded that the environmental performance of the trial plant is generally sound and it is recommended that a staged approach should be adopted to scaling up this technology. It also stated that the environmental performance of oil shale extraction technologies generally requires high levels of environmental oversight. A copy of this report is available on the Department of Environment and Heritage Protection website (<http://www.ehp.qld.gov.au/land/mining>).

Current policy

Development of a well managed oil shale industry will help Queensland position itself as a technology leader in the sustainable development of a nationally and globally important new industry.

The Queensland Government considers that the moratorium on the McFarlane oil shale deposit should remain, given the potential impact on the Whitsunday region, key infrastructure, and proximity to the Great Barrier Reef World Heritage Area and the Goorgana Wetlands. The provisions in the *Mineral Resources Act 1989* on the moratorium will therefore stay in force and a review of this moratorium will be undertaken prior to its current expiration in 2028.

In all other cases, the Queensland government will consider the development of oil shale deposits subject to the merits of the proposal - including the results of thorough environmental assessments - on a project by project basis.

Project proponents who wish to proceed past the exploration phase, will be required to develop proposals that are well conceived, adequately financed, able to meet strict environmental standards and committed to addressing community expectations.

New oil shale proposals are likely to involve trials of unproven or potentially experimental retorting or extraction technologies. The pathway for considering these proposals will be via a trial and then a staged approach towards full commercialisation. At each stage of proposed development the risks and proposed management approaches will be identified, considered and assessed via an Environmental Impact Statement (EIS) - under either the *Environmental Protection Act 1994* or the *State Development and Public Works Organisation Act 1971*.

The EIS will ensure that the potential environmental, social and economic impacts of oil shale projects are identified and assessed; and that adverse impacts are avoided, minimised or sufficiently mitigated.

In cases where an oil shale technology has been proven in Queensland, the requirement to proceed through trials prior to commercialisation will be removed. However, an EIS will still be required for all oil shale developments.

In all cases, the Minister for Natural Resources and Mines retains the power to refuse the grant of tenure if it is in the public interest to do so.

The Queensland Government will expect and require all oil shale proponents to: identify and minimise technical and environmental risks, and community concerns, associated with a proposal; develop and implement effective mitigation measures - including, for example, the use of pollution abatement technologies; undertake comprehensive monitoring of the process, its emissions, wastes and impact on the community in the environmental setting; and provide a suitable financial assurance to deal with potential remediation.

This will ensure that project proponents demonstrate both the efficacy of the oil shale technology, as well as their capacity to meet high environmental standards and community expectations.

To increase transparency for communities, granted mineral development licences and mining leases for oil shale will be published on the Department of Natural Resources and Mines website (<http://www.dnrm.qld.gov.au/>) and any associated environmental authorities will be published on the Department of Environment and Heritage Protection's website (<http://www.ehp.qld.gov.au/>).