1. There are a number of companies in Queensland investing in alternative fuels projects that could lead to Queensland becoming a major producer of non-conventional oil to meet national demand and for export. Queensland contains 94 per cent of Australia’s known oil shale resources.
2. There are potential environmental concerns related to development of shale oil, including: very large-scale mining in sensitive coastal environments; substantial water and energy requirements; air and waste emissions from the plant; impacts to and from climate change; and socio-economic impacts from very large-scale industrial developments in regional communities and near tourist destinations. There are also significant potential conflicts between current or potential high value land uses that are incompatible with development of the underlying oil shale resources.
3. Cabinet approved that, in relation to the McFarlane (Proserpine) shale oil deposit:

* The exploration for and mining of oil shale, the processing of oil shale or preparatory activities for mining of oil shale from the McFarlane (Proserpine) deposit should not be permitted for at least twenty years, due to the need to protect the Whitsunday region’s high environmental values and existing land use activities.

1. Cabinet approved that, in relation to the Stuart (Gladstone) shale oil deposit:

* Existing entitlements under a granted Mining Lease and granted Mineral Development Licences should be allowed to remain, subject to appropriate assessment and the issue of environmental authorities, under the *Environmental Protection Act 1994*.
* New tenures under the *Mineral Resources Act 1989* and variation of existing entitlements would only be granted within the Stuart area if necessary to allow a proponent to demonstrate the technical and commercial viability of processing and extraction technologies.
* In the event that facilities be developed for the sampling and processing of oil shale at Stuart (Gladstone) under ML80003, the impact of those facilities will be assessed by the proponent with independent verification by Government within two years of commencing operation, taking into account:
  + the effectiveness of the technology;
  + the impact of the processing facility on the environment and the local community;
  + the appropriateness of shale oil as part of the fuel and energy cycle.

1. Cabinet approved that, in relation to remaining shale oil resources in Queensland, a report is to be prepared no earlier than two years (in order to allow research in relation to viability of technology to come to fruition), identifying existing known resources and making recommendations to the government about the desirability of exploitation of those resources. Except for exploration tenures, the grant of new tenures and the variation of existing entitlements relating to oil shale will be suspended until the report above has been considered by Government.
2. Cabinet noted that “variations” with respect to current entitlements does not include assignment of entitlements.
3. *Attachments*

* Nil