Financial and technical capability guide

The Department of Natural Resources, Mines and Energy manages Queensland’s mineral, coal, petroleum and gas resources, and administers the regulatory and legislative framework used to assess, develop and use our natural resources for the benefit of all Queenslanders.

Whether you’re applying for mining, petroleum, natural gas or geothermal permits, or you’re an existing permit holder looking to extend your exploration or extraction activities, this guide will help you understand the legislative obligations required to meet permit conditions and help ensure your activities are adequately funded and resourced.

The evidence you’ll need to address these requirements and ensure your activities remain compliant with the relative legislation are outlined in this guide.

Key information

- The Financial and technical capability guide helps support and regulate responsible exploration and extraction activities to ensure a safe and viable Queensland resources industry
- Permits are administered and assessed under different legislation, so requirements also vary between resources and permit types. Following the guide will help you understand the types of documents you may need to provide at each stage to demonstrate your financial and technical ability to undertake mining and extraction activities over the term of your permit
- Please note, your financial and technical capability documents can be provided either online via MyMinesOnline or via paper as part of your application form if you elect to download and submit a paper application form.

Demonstrating your capabilities

Your financial and technical capabilities need to be understood to ensure any planned activities are sufficiently funded and adequately resourced. The responsibility is on you to demonstrate how the financial and technical capability and commitments for the permit will be met. Provision of funding and technical resources may be shared across multiple holders, or one holder may assume the majority of responsibility for one or the other. To address these requirements, applicants need to supply a financial and technical capability and commitment documentation, as well as the appropriate evidence details below.

Applicants with more than five years’ history as resource permit holders in Queensland can use their technical and financial capability history towards their application. Those with less than five years’ history (or if you prefer not to rely on past performance) must be able to prove their ability to uphold their responsibilities as a resource permit holder.

Your financial capability statement

The statement should include:

- information detailing your capability to fund the development plan or work program proposed
- a statement detailing the percentage of in-place or confirmed funding
- if applicable, a statement detailing the percentage that relies on future or prospective funding.

The statement should be from an appropriately authorised officer such as a CEO or CFO. It should not be generic. See the sample template below for more information.
Your financial commitments document

You may have multiple commitments that appear to be underpinned by the same funding. When assessed as a whole, the financial capability statement may be insufficient to support the overall proposed commitment, assuming all applications are progressed.

Applicants are required to demonstrate the financial capacity to meet all current and proposed commitments. To meet this requirement, a financial commitments document must also be provided in addition to the financial capability statement. This document must outline details of all other commitments in the Queensland resource sector.

The financial commitments document needs to contain:

- a list of all permits held by the applicant/s (as relied on in the financial capability statement), where the applicant is a registered holder
- the annual budget for all proposed activities on permit applications currently under assessment by the department
- the annual budget for all activities already committed to by the transferee on granted permits in Queensland.

If a third party (for example a parent company) is providing the finances on behalf of the applicant/s evidence of the agreement or arrangement must be provided (for example a joint venture arrangement or agreement) and evidence of the third party financial capability must be provided.

The department requires at least one of the following (or equivalent) be submitted in support of your supporting evidence for financial capability:

- a letter from a bank or accountant warranting that sufficient funds are available to the applicant to undertake the proposed work program and associated costs for this application and any other mining interests held by the applicant/s in Queensland. The letter must not be older than 60 business days prior to lodgement of the application. An accountant means a qualified accountant under section 88B of the Corporations Act 2001 (Cwlth)
- a statement detailing the applicant(s) current assets and liabilities
- the most recent quarterly report to the Australian Stock Exchange
- the most recent half yearly financial statements
- a photocopy of the balance sheet of most recent quarterly / annual report
- a copy of a current bank statement – no older than 20 business days prior to the lodgement of the application.

Your technical capability statement

A technical capability statement is required to demonstrate the permit holder/s have access to the technical capabilities to meet any planned work on the permit. The statement should provide a summary of the applicants' experience and details of any existing programs evidencing their technical capability to meet the proposed work program. See the sample at the end of this document for more information.
Your technical commitments document

Applicants occasionally make multiple applications that appear to be underpinned by the same technical resources. When assessed as a whole, the technical capability statement needs to be sufficient to support the overall proposed commitment, assuming all applications are progressed.

The technical commitments document should include:

- a list of all permits held by the applicant/s (as relied on in the technical capability statement), where the applicant is a registered holder
- an outline of how the resources are going to be coordinated over all activities proposed by the applicant on permit applications currently under assessment by the department
- the annual budget for all activities already committed to by the applicant on granted exploration permits in Queensland.

If a third party (for example a parent company) is providing resources on behalf of the applicant/s, a signed statement from the third party providing the resources needs to be attached. See the sample at the end of this document for more information.

Supporting evidence for technical capability

At least one of the following must be supplied to evidence the technical capability statement:

- a summary detailing the applicant/s employees with technical capabilities and/or the name and details of any specialist/consultant services to be retained by the project and details of the technical services to be provided
- an annual report not less than six months old month old that contains information in relation to the technical capabilities of the applicant/s.

Statement from third party providing resources

If you are engaging a third party for the provision of technical services (such as sub-contractors), a statement from the third party that outlines what services are being provided, will need to be attached to the application.

Use our templates

The department has prepared templates to help you draft the necessary documents, which should be addressed by authorised company officers such as the CEO or CFO. Additionally, a statement outlining the technical services provided to you by third-party contractors must also be submitted. While unlikely, it is important to acknowledge that any or all of the requirements you must fulfil may be subject to Ministerial advice and direction.

Please see sample templates on the following pages.
Sample 1: Financial capability statement

Please use these templates to help guide you through the required information. These examples are for standard proposals. Correspondingly, larger ones will require greater detail. Please ensure you provide sufficient information to explain and justify your proposal.

[company name]
[address]
Brisbane Q 4000

Department of Natural Resources, Mines and Energy
(Address to relevant assessment hub)
PO Box 15216
City East QLD 4002

RE: [company name] ACN 999 999 999 – Statement of financial resources

I, Mr John Smith, as the Chief Financial Officer of [company name], have a full and comprehensive understanding of the company’s current financial obligations and liabilities.

I understand [company name] is submitting a work program for consideration by the Queensland Government requiring [funding amount], available over the next 5 years.

Should this application be approved, this funding will support the proposed program of work and meet [company name] obligations to the State of Queensland.

In my capacity as [company name]’s Chief Financial Officer, I confirm holdings of approximately 60% of the funding required to deliver the proposed work program.

Should this application be successful, [company name] will be able to raise the additional funding required to meet the work program through [detail funding mechanism here].

The State will note [company name]’s prior ability to successfully meet and fund its work program obligations, which I attach in support of this application.

Regards,

[name]
[position]
[company name]
Sample 2: Technical capability statement

[company name]
[address]
Brisbane Q 4000

Department of Natural Resources, Mines and Energy
(Address to relevant assessment hub)
PO Box 15216
City East QLD 4002

RE: [company name] ACN 999 999 999 – Statement of technical capability

[company name] was formed in [date] to acquire all the securities on a private Queensland mineral exploration company called [company name] in preparation for an Initial Public Offer (IPO) in [date].

[company name] is a mineral exploration and development company established in [date], which has since acquired [number of exploration permits] for [resource] in [location in Queensland]. [X] permits have been granted, while [X] are still under assessment.

[company name]’s permits are geologically well placed over many square kilometres of exploration ground across [location in Queensland].

Since the grant of the initial exploration permit in [date], [company name] has drilled over 1 000m and is now focusing on three key exploration areas with a combined Inferred JORC resource of 0.5 Mt (megatonnes).

Over the next [timeframe], [company name] intends to progress applications for mining leases over one of the major exploration areas.

[company name]’s management team has over 20 years’ experience in the Australian mineral exploration industry. Evidence demonstrating this team’s capacity to successfully deliver prior work programs with [company name], is attached in support of this application.

Regards,

[name]
[position]
[company name]
Sample 3: Technical capability statement (HR)

Numbers and qualifications of staff:

Joe Public (Senior Geologist)
Joe has broad geological experience with major mining projects in both Queensland and the Northern Territory, having published research papers on geology in the northern part of Queensland and the Northern Territory [references to peer reviewed research papers].
He has also undertaken compliant activities in mining projects to ensure that guidelines and policies are followed [references to compliant activities/courses/qualifications]

Charelne White (GIS Consultant)
With an extensive mapping career beginning in [date], Charlene has managed important roles in a number of Queensland government mapping units. Her biggest achievement is having overseen a number of projects transitioning paper-based maps to online solutions [project references].
Charlene brings extensive mapping industry experience to [company name] [project] with extensive skills in aerial photography, satellite imagery and GIS databases.

Abe Froman (Business Development Manager)
Abe has developed an extensive network of contacts during a business development career across [industries]. Most recently, Abe was the BDM for [company name], one of Australia’s largest mining companies.
Abe is also experienced liaising directly with key stakeholders, property and business owners, having developed strong networks with [company name]’s customer base.

Chuck Roundhouse Jnr (Technical Manager)
After earning a degree in Engineering and Applied Sciences (Hon.) from Princeton University, Chuck worked in the Texan oil and gas exploration industry for many years before deciding to move to Queensland 5 years ago, where he began leading the technical development of the state’s western gas fields.
He has continued his professional development on applied geology and mining engineering, with a particular interest in open pit coal mining equipment and methodologies. Chuck has also developed a broad practical knowledge of long-term planning and resource estimation, with a strong commitment to safe work practices.
He is currently leading [company name]’s technical team through its exploration, resource allocation, pre-mining feasibility and development activities.
More information

Coal Hub Phone: (07) 4936 0169
Email: CoalHub@dnrme.qld.gov.au

Mineral Hub Phone: (07) 4447 9230
Email: MineralHub@dnrme.qld.gov.au

Petroleum Hub Phone: (07) 3199 8118
Email: PetroleumHub@dnrme.qld.gov.au

Small Scale Mining Hub Phone: (07) 4987 9350
Email: SSMHub@dnrme.qld.gov.au

For technical support contact the MyMinesOnline Helpdesk
Telephone: +61 7 3199 8133
Email: mines_online@dnrme.qld.gov.au
8.30am – 4.30pm (AEST) Monday to Friday on Queensland business days.

This publication has been compiled by Compliance and Regulatory Policy of Statewide Operations, Department of Natural Resources, Mines and Energy.

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