

Mackay Conservation Group

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31 March 2016

Research Director
Agriculture and Environment Committee
Parliament House
BRISBANE QLD 4000

Sent via email to: aec@parliament.qld.gov.au

Dear Mr Chair and Committee Members

Submission on Environmental Protection (Chain of Responsibility) Bill 2016

Mackay Conservation Group (MCG) welcomes the opportunity to make this submission on the Environmental Protection (Chain of Responsibility) Bill 2016 (**Chain of Responsibility Bill**). As coordinator of Mackay Conservation Group, I am authorised to make submissions on behalf of the group.

MCG supports the enactment of the this legislation. As an environmental organisation that stands for environmental protection in Central Queensland we believe that this bill will enhance the ability of the Department of Environment and Heritage Protection (DEHP) to take action against individuals and companies that choose to avoid their responsibility to avoid environmental harm.

MCG has been actively involved in on-ground environmental work and advocacy for environmental protection since 1984. We are the lead environmental advocacy organisation in our region. We are funded in part by the DEHP to provide support to community members who are affected by actions that cause environmental harm. We also conduct environmental education activities and support a number of other groups working in the field of environmental protection and monitoring in the region.

MCG is very concerned about the ability of the Queensland Government to fund the rehabilitation of mine sites when companies go into liquidation. For example, with such a large international mining company as Peabody being touted as a possible candidate for bankruptcy, it is essential that the legislative tools exist to ensure that parent companies and directors are able to be held responsible for the rehabilitation work required of their environmental authorities. The current system of discounts on environmental authorities means that the Queensland Government will be responsible for up to 30 per cent or more of the rehabilitation cost without chain or responsibility legislation.

We would like the opportunity to appear before the Committee in their hearing into this inquiry.

This Bill is essential to help ensure that those who profit from, or are responsible for, the operation of activities which pose a risk of environmental harm are able to be held responsible for the financial implications of remediating or avoiding that environmental harm. We recommend that the Committee supports the passing of the Chain of Responsibility Bill.

Mackay Conservation Group was dismayed to learn last year about the situation in Texas in southern Queensland where a mining company opted to go into voluntary liquidation rather than lodge a significantly increased financial assurance with DEHP. This has left the Queensland Government with the responsibility to find a third party with the financial resources to fund the clean up or do the work itself using taxpayers money. The current financial assurance for that mine is far too low to cover the cost of the clean up and it is likely the site will join the list of 15,000 other abandoned mines in Queensland. We believe that the bill before the parliament will discourage such behaviour by mining companies and others.

The need for this Bill has increased in recent years through the downturn of the mining sector and the consequent number of operators which have gone into administration and abandoned their sites, leaving high risks of environmental harm. We learned only last week that of the six calls on financial assurances that the DEHP has made, five were inadequate to cover the rehabilitation cost.

Another significant concern for MCG is the situation with the QNI refinery in Townsville which has recently gone into liquidation. We have been told that the company has a complex ownership structure and that no financial assurance is held over the operation. MCG understands that the cost of rehabilitating the site is in the order of \$1.4 billion. This is a huge sum of money that the Queensland Government is unlikely to ever be able to raise, so the plant poses an unacceptable risk to the Great Barrier Reef World Heritage Area.

We agree with the Environmental Defenders Office of Queensland on the following points in regard to the bill. It introduces essential powers including:

- providing DEHP with the power to issue environmental protection orders (**EPO**) to a party that has some relevant relationship to the company that is in financial difficulty (for example a parent company or executive officer). For example, the Bill will ensure that persons 'related' to a company, for example, a person who has received financial benefit from the company's operations or been in a position to influence the company's environmental conduct, can be issued with an environmental protection order to require that person to undertake or fund the necessary activities to avoid or remediate environmental damage from the activities.
- enabling the amendment of an environmental authority (**EA**); for example where an EA is transferred to a new entity, to require the provision of financial assurance where none was previously required under the EA, or where an environmental protection order has been amended or withdrawn;
- ensuring that DEHP officers have power to access sites no longer subject to an EA or where an EA is no longer being utilised;
- providing the power to compel persons associated with companies in financial difficulty, including employees, to answer questions in relation to alleged offences committed and providing more powers to DEHP to access information for evidentiary purposes; and

The Bill helps to ensure that companies and directors take their environmental obligations seriously and cannot bypass these obligations through selling or trading out of their activities prior to fulfilling their responsibilities.

Queenslanders and our environment deserve legislation which empowers DEHP to ensure that those who profit from and are responsible for exploiting our environment are the ones who remain responsible for avoiding or remediating environmental harm caused by these operations.

We recommend the Committee supports all of the amendments provided for in the Bill.

Yours sincerely



Peter McCallum

Coordinator

Mackay Conservation Group