



Wide Bay Burnett Environment Council Inc
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Committee Secretary
Economics and Governance Committee
Parliament House
George Street
Brisbane Qld 4000

8 March 2018

Dear Sir/Madam

The Wide Bay Burnett Environment Council Inc (WBBEC) would like to make the following comments on the Mineral and Energy Resources (Financial Provisioning) Bill 2018 (MERFP Bill).

Queensland is currently billions of dollars in debt thanks to resource operators walking away from their mine sites and leaving the clean up to the State Government. Every year the government is having to pay \$3 million to ensure the Mount Morgan Mine outside Rockhampton is prevented from poisoning local rivers. This is an issue across Queensland, where there are 15,000 abandoned mine features, with 20 of these posing serious risks. As a result of poor operators and poor regulation the Government does not currently have enough resources to clean up these sites. With the Adani Carmichael Mine threatening to disturb 28,000 ha of land and potentially able to leave huge holes after they finish mining, something has to be done to better protect Queensland.

The MERFP Bill is part of the Queensland Government's response to a review into the management of risks associated with the financial assurance framework for resource activities in Queensland.

This review was undertaken by the Queensland Treasury Corporation (QTC), which provided its Final Report in April 2017. The review by QTC, along with a previous report in 2014 by the Queensland Audit Office, found that Queenslanders have been lumped with a significant debt in the billions of dollars, from poor management by the State Government of Financial Assurance (FA) to date. This debt has been caused mainly by consistent discounts of up to 30% being given to miners on FA amounts, and the poor calculation of rehabilitation costs, often allowed to be undertaken by the proponents themselves without sufficient scrutiny by the State Government. The liability has also been caused by poor management of FA between State Government departments, and a failure to ensure progressive rehabilitation is undertaken to reduce the risks left at the end of a mine's life.

The new Bill is a welcome start in reforming the FA framework to ensure it is effective, however some improvements are necessary to ensure it is sufficiently strong.

The Bill, as drafted, will still allow for holes ('voids') from mining a site to be left unfilled, rather than placing an obligation on miners to fill these voids and rehabilitate all land as exists in other countries, such as the USA. Why should Queensland be left with holes throughout the State, when the filling of these voids could be factored into the

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costs of the mine from the start if a State Government was strong enough to require this? The companies that have profited from digging the holes and mining the community's resources must bear the cost of filling those holes and rehabilitating the land.

WBBEC recommends that the Bill is amended to:

- **prohibit final voids being left by miners.**
(remove provisions allowing 'non-use management areas' as provided for in cl 104, new ss 126D(2) and 126C, and cl 99, amended s112, all amending the Environmental Protection Act 1994 (Qld));
- **remove the ability to plan for areas to not be rehabilitated and returned to a post-mining land use simply due to the cost of the rehabilitation and limit of impacts to the tenure site** *(as above);*
- **ensure that the risk assessment undertaken for companies, and the FA contribution and form required, are available for public scrutiny** - to ensure the process is transparent and accountable to the public, which will in turn increase the quality and community trust in the process *(clause 201, amend s540);* and
- **provide for extended standing for the public to seek reasons or judicial review of any decision around financial assurance or review of the transfer of an authority to a new entity** – given that the potential risk faced by the State from poor management of FA and transfer of authorities is a public interest matter *(new section required).*

WBBEC supports that the Bill:

- **requires resource proponents to explicitly plan up front how they intend to leave a site once they have finished mining it through a Progressive Rehabilitation and Closure Plan (PRC Plan)** (cl115, amend s160). This plan must be opened for public consultation prior to the mine being granted an environmental authority which is a big step forward for mining assessment in Queensland;
- **requires proponents to set rehabilitation milestones which may be more enforceable than current progressive rehabilitation conditions** *(cl 104, new s126D(1)(b)).* However, WBBEC notes that there should be limits on how flexible these milestones are allowed to be, to ensure that they are truly enforceable. Current conditions around progressive rehabilitation have been very difficult to enforce to ensure they are met. For this reason, providing a financial incentive through an adequate FA in form and amount, to encourage progressive rehabilitation, is highly beneficial in addition to these milestones; and
- **requires all proponents to provide some form of FA** *(cl 173, new s297).*

Residual risk payment is a further essential element of FA and rehabilitation reforms:

Further, the QTC Report recommends that a payment and process be implemented to account for residual risks left from a closed resource site, to protect the state against the damage of mine sites that continue long after the mine has been closed. It is essential that the Queensland Government introduces this payment as an upfront payment from the commencement of the mine. This will help to ensure that all impacts of a project are considered, valued and accounted for when the proponent is applying for and the Government is assessing a project. Unfortunately this was not included in the Bill as it is still being considered by the State Government. WBBEC is advocating that this initiative is introduced as part of this reform package.

These matters are particularly important for the Great Sandy Strait and the Wide Bay Burnett Region given that New Hope plans to leave the Colton coal mine near Maryborough as a final void, with no plans for its rehabilitation in their Environmental Authority.

Thank you for the opportunity to comment on this important issue.

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Yours sincerely

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