

9 March 2018

Committee Secretary
Economics and Governance Committee
Parliament House

Sent via email only: egc@parliament.qld.gov.au

Dear Committee,

Submission: Mineral and Energy Resources (Financial Provisioning) Bill 2018 (Bill)

Thank you for the opportunity to provide comment on the Bill.

I am making this submission on behalf of myself and my brother, Verdun Spreadborough, as landholders affected by the State's failure to adequately regulate operating mines in regard to progressive rehabilitation; and also, its failure to adequately manage the State's abandoned mine legacy.

My brother Verdun owns and manages Chidna Station some 150 kilometres north-west of Mt Isa. The abandoned Mt Oxide copper mine falls within the lease boundaries. Chidna's pastoral operations have been directly, negatively impacted by the abandoned Mt Oxide site primarily due to toxic, acid mine drainage pollution that has impacted a significant water courses on Chidna.

Since its abandonment in 1990, various attempts have been made to manage the impacts of acid mine drainage from over burden and ore stock piles by covering them with plastic, constructing holding dams and using electric fences to prevent stock from accessing polluted creeks. All these band-aid solutions have failed.



The pit remains open and after significant rain fall events, acidic water escapes into surrounding creeks. With a pH of 2 the water quality in the pit is similar to battery acid. The site has been leaking acidic water laced with heavy metals into the environment since the 1960s and the situation continues with no genuine attempt to rehabilitate the site.



The solution is likely to be relatively simple – backfill the pit with the acid forming waste material and cap the site with a fit for purpose cover. However, a combination of lack of funds and the desire to keep the site open in case a future buyer is found, means the site continues to contaminate the environment.

Overall, we strongly support the efforts being taken by the Queensland Government to make much needed improvements to the management of the risks posed by financial failure in the mining sector. For too long Queenslanders have either been forced to pay to clean up after mines have been abandoned or have had to tolerate the approval of final landforms that have resulted in serious on-going environmental risks particularly impacts on surface and groundwater resources. Chidna Station is a case in point.

We understand that the Queensland Government has made a commitment to ensure;

“that all land disturbed by mining activities is rehabilitated to a safe and stable landform that does not cause environmental harm and is able to sustain an approved post-mining land use”

We strongly endorse this statement. Had this been the approach taken by Government when Mt Oxide was given its approval, it is likely that the site would now be safe and stable and not leaching acid mine drainage into surrounding creeks and affecting our business and livelihood.

It is essential that this reform package forces the mining industry to deliver on their side of the bargain. We are definitely not anti-mining, however we believe that in return for accessing the State’s mineral wealth (owned by the tax payers of Queensland), the industry must be required to ensure mine sites are left in a state whereby the land can be used for some subsequent economic, conservation or recreational activity. In our case, the site should be returned to a condition that stops any drainage of acid and heavy metals, is stable in that it does not erode, and is safe so that people, cattle and wildlife can traverse the site. As we said earlier, the pit should be back filled with acid generating waste and appropriately capped with non-porous material.

We are aware that the north-west of the state is littered with other abandoned sites as well as a significant number of operating mines including the Capricorn Copper Mine which is just south of Chidna. For the sake of our region, it is vital that all operating mines are required to fully rehabilitate their sites including back filling their mine pits with any acid generating waste and tailings to ensure the site is left in a usable state. The practice of allowing open voids as part of the rehabilitation plan is simply unacceptable. Continuing to allow this practice will result on more Mt Oxides.

Further, we believe the State must totally rethink its approach to abandoned mines. The experience at Mt Oxide illustrates that the programme lacks the vision, the capacity and financial resources to achieve sustainable outcomes. We understand that the State is reviewing its abandoned mines programme as part of the reform package and that in the draft legislation funding will be increased due to the creation of a financial assurance pool that will generate a modest “dividend” some of which will be invested in abandoned mine remediation. From what we understand, this will result in a modest increase in the funds available for abandoned mines.

The Government should not settle for a modest increase given the abandoned mines legacy is a multi-billion dollar problem. Unless the Government comes up with a funding model commensurate to the problem, the problems illustrated by Mt Oxide will never be adequately remedied. The Government should consider a modest per tonne levy on the industry to fund a realistic and effective abandoned mines programme which will require a sustained investment in the hundreds of millions of dollars a year order of magnitude to get an outcome. It should be added that this will create significant employment and business development opportunities in rural and remote Queensland where the bulk of these sites occur.

Once again, we support a reform package that ensures, without exception, at all mines land is returned to a usable state post mining. This means all pit voids should be backfilled with mine waste and companies should be required to plan for this outcome at the point of approval. It would appear that the Government is far too lenient on the industry and as a result the industry has gone for the cheapest option which has effectively transferred all the cost and risk to affected landholders, communities and the Queensland tax payer. This is completely unacceptable.

Finally, in addition to issues raised above, we strongly support measures that increase financial assurance to levels that truly reflect the cost of rehabilitation. Further, all mines should be required to develop and submit a closure plan, including easily digestible images and material that clearly articulate what the final land form is likely to be. This process must involve the engagement of affected landholders, communities and other stakeholders. Unless this closure plan is aligned with the goal of ensuring all mined land, including pits, dumps and tailings dams are returned to a usable state, then the mine should not be approved. This should also be applied to all operating mines such as Capricorn Copper.

If there was the opportunity I would welcome appearing before the committee to explain the situation at Mt Oxide as an example of the need to reform the current regulatory system.

Yours sincerely



Ms Georgie Spreadborough

