




Speech By  
**Glenn Butcher**

**MEMBER FOR GLADSTONE**

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### **MINERAL AND ENERGY RESOURCES (FINANCIAL PROVISIONING) BILL**

 **Mr BUTCHER** (Gladstone—ALP) (12.40 pm): I rise to speak in support of the Mineral and Energy Resources (Financial Provisioning) Bill 2018. The reforms contained in the bill present a significant upgrade to Queensland's financial assurance and rehabilitation framework. The new reform package will include a new financial provisioning scheme which includes a risk based pooled fund model and expanded surety options such as insurance bonds.

The bill will manage risk to the state and provide the Queensland government with the necessary funds to rehabilitate mine sites when environmental authority holders do not comply with their environmental management and rehabilitation obligations. The state's finances will be protected by the establishment of a pooled financial provisioning fund to operate alongside those surety options. A scheme manager will be established as a statutory officer to manage the fund and the other elements of this scheme.

This bill is unique in that it carries out a risk assessment which has not been done in other jurisdictions. Lower risk projects will provide an annual contribution and higher risk projects will continue to provide surety. Surety providers will still benefit from this reform as they will be given greater flexibility in their surety options through the introduction of insurance bonds as well as the adoption of a modular approach which will allow a combination of different surety types to be provided.

These important reforms arise out of the government's 2016 review of financial assurance. Substantial consultation has been undertaken since this time with all interested stakeholders. I am advised that the government departments will work closely with operators to ensure a smooth transition over the three-year transition period.

Queensland Treasury has worked closely with the Department of Environment and Science and the Department of Natural Resources, Mines and Energy to finetune transitional activities required to implement this scheme. This is critical to ensure that the people involved know what is happening and have time to do it.

Another important aspect of the reforms is the improvements to what were previously called financial assurance calculators and which have now been renamed the estimated rehabilitation cost calculator. The estimated rehabilitation cost is the cost to rehabilitate the land on which the activity is being carried out and is based on the current disturbance at that site. I have visited several mines around the state lately and have seen some of the great rehabilitation being done as the mine carries on and the benefits that can have. I am sure that this bill will ensure companies do that in the future to make sure they are continuously rehabilitating their mines as they go along. The reforms have delivered a contemporary calculator which is more effective in estimating the current rehabilitation cost for a project. The calculated ERC is important as it determines the amount of surety required or contribution to the fund required from the environmental authority holder.

The bill also amends the EP Act to deliver on the government's Mined Land Rehabilitation Policy that we released last year. This policy is not retrospective but it requires all site-specific mines to prepare progressive rehabilitation and closure plans, or PRC plans. These plans and the associated schedules

will provide greater certainty to industry, landholders and the community about what a mine will rehabilitate, to what standard and when. For existing mines the approvals contained in current environmental authorities and associated documents will be translated into the PRC plans. New mines will need to comply with the new policy, and this includes a prohibition on final voids in flood plains.

Our government committed to progressing these reforms during the last election campaign. Following extensive consultation with industry and the community, this bill achieves the objectives of improving the financial assurance regime and requiring mines to undertake progressive rehabilitation at their sites. I commend the bill to the House.