




Speech By  
**Kim Richards**

**MEMBER FOR REDLANDS**

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

 **Ms RICHARDS** (Redlands—ALP) (2.04 pm): I rise in this House today to speak in support of the Mineral and Energy Resources (Financial Provisioning) Bill 2018, a bill that will address the environmental impacts of resource activities and remedy a system that has not been optimal in its function. We know that we have significant problems with abandoned mines scattered across Queensland such that it has been said that their area is equivalent to over 10,000 Suncorp Stadiums. The existing financial assurance scheme has not been adequate. It has not covered the government's costs in managing environmental harm or undertaking rehabilitation when resource companies have gone into liquidation and defaulted on their obligations.

The parliamentary committee received 51 submissions and conducted a public hearing in March with key stakeholders including the Queensland Resources Council, Queensland Law Society, WWF Australia, Lock the Gate, the Environmental Defenders Office, BHP and the Office of the Information Commissioner. I thank our committee, the chair and the secretariat staff for their work in this process.

Mining and resource industries have been an integral part of Queensland's economic success. These industries contribute significantly to the economy, create jobs and provide support for our local communities. Developing a wide variety of resources naturally found in Queensland such as coal, minerals and gas for decades has allowed our great state to prosper. We know that mining activity should minimise impact on the environment. We should expect those companies that profit from the land to meet their obligations to manage their operations to minimise impacts on the community and ensure they clean up as they go.

There has been extensive consultation on this bill and it has landed in a place that manages the fine balance of the environment and the economics of the mining and resource sector. It delivers major reform that will ensure a continued prosperous mining industry and an industry that delivers world's best practice in environmental rehabilitation. For the most part, the majority of the mining companies have met their financial and environmental obligations. This legislation will ensure that those few that do not will not slip through the cracks but will be held to account. We will ensure that we embed into our legislation transparency and accountability.

Industry and community expressed their concerns about the effectiveness of the financial assurance framework. The cases of resource companies that are unable to complete their rehabilitation activities have further highlighted the issues with the framework as it exists. These issues are significant for the Queensland government, and they are significant for the Queensland community and have resulted in a large financial burden for the state and the taxpayers of Queensland. These issues must be addressed to ensure the long-term sustainability of this important industry, and this legislation does just that.

The bill introduces two significant reforms: firstly, it establishes an improved financial assurance scheme to better manage the state's financial risks. Taxpayers should not be paying for mine rehabilitation. This innovative new scheme proposed combines the best of worldwide financial

assurance schemes to enable the state to manage risk. The redesigned financial assurance framework allows for a tailored and contextualised assessment. It looks at each project and evaluates based on their size and level of risk. It delivers innovation and provides options for assessment to consider pooled fund and surety options, again tailored to consider each unique set of project circumstances. It will free up cash flow for companies that can be used for investment instead of being locked up in surety.

There will be thresholds applied to the pooled funds to ensure its financial integrity. The pooled fund was recommended by the review and provides benefits to both resource companies and the government. Companies that contribute to the fund will have small annual payments rather than the need to provide very large bank guarantees. The government will have a pool of funds to draw on to rehabilitate a site when a company has not fulfilled its obligations. Other operators which the scheme manager assesses as a higher risk will be required to provide surety for the full amount of rehabilitation liability. For the companies required to provide surety, the bill provides more options than are currently available such as insurance bonds.

The bill also amends the Environmental Protection Act 1994 to implement the rehabilitation reforms. These reforms will ensure land disturbed by mining activities is rehabilitated to a safe and stable landform that does not cause environmental harm, unless in the public interest, and can sustain an approved postmining land use. Mining companies with site-specific environmental authority approvals to develop a progressive rehabilitation and closure plan for its current operations will be assessed and approved by the environmental regulator. Progressive rehabilitation and closure plans will be required when a company applies for a site-specific environmental authority for a mining lease by requiring companies to consider the site's full lifecycle and planned foreclosure from the beginning. I think it is really important to note that we are thinking about things up-front rather than waiting until the end of a project when the bank is a little bit lighter and funds are not flowing as freely.

Progressive rehabilitation can be factored into day-to-day mine operations, making the completion of rehabilitation more likely. This makes sense not only from an environmental perspective but, in relation to companies, economically as well. By requiring ongoing progressive rehabilitation, these reforms will encourage improved mine design and encourage job opportunities in the developing mine rehabilitation industry.

Communities will appreciate having publicly available progressive rehabilitation and closure plans that demonstrate how mined land will be rehabilitated over a mine's life and a clear picture of what the final land use will be. Companies with existing approvals will be assured that transitional arrangements for the development of progressive rehabilitation and closure plans are effective and that the bill is not retrospective, as we heard in the media last week. In addition to ensuring that best practice rehabilitation standards are met and progressive rehabilitation is planned for, the system delivers on transparent community engagement processes and a robust audit and reporting mechanism to track rehabilitation performance. The two parts of the bill are closely interconnected and encourage better rehabilitation practices over the life of the project while covering the risks to the Queensland taxpayer if rehabilitation does not occur and the company walks away.

A constituent in my electorate contacted me and raised concerns about the bill. Sue stated that she was concerned about the right to information provisions, especially as taxpayers have been repeatedly left to clean up mining messes when rehabilitation plans and financing have been inadequate. I am really pleased to advise my resident that the amendments embed further transparency and accountability within the bill. The bill also applies a rigorous public interest test and evaluation process that will ensure an objective and independent assessment of where a new unapproved non-use management area is in the public interest and should be allowed to proceed. In addition, it ensures that information provided which is not commercially sensitive is subject to RTI. This is the preferred approach of the Queensland Information Commissioner.

These reforms in themselves are a huge step forward and will ensure that Queensland taxpayers are not footing the costly expense of a mining clean-up. These reforms strike a fine balance for the industry and ensure that the new scheme is fair, efficient and integrated for the mining industry and Queenslanders. The Palaszczuk government will always work to ensure that the legacy we leave behind for future generations is one we can all be proud of. I commend the bill to the House.