




Speech By  
**Patrick Weir**

**MEMBER FOR CONDAMINE**

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

 **Mr WEIR** (Condamine—LNP) (2.26 pm): I rise to make a contribution to the Mineral and Energy Resources (Financial Provisioning) Bill 2018. The objectives of the bill are to manage the financial risk to the state if mineral and energy resource tenure holders do not comply with their environmental management and rehabilitation obligations and to ensure land disturbed by mining activities is rehabilitated to a safe and stable landform that does not cause environmental harm and can sustain an approved postmining land use.

Mining activities in Queensland are regulated through a mining authority such as a mining lease and an environmental authority. A mining authority provides an operator with a right to enter land and undertake mining activities, while an environmental authority requires the operator to manage the environmental impact of mining activities to minimise the environmental harm and to return the disturbed land to a useful purpose.

Following a number of cases where operators were unable to meet their rehabilitation obligations and growing concerns about the quantity and quality of rehabilitation being undertaken, the Queensland Treasury Corporation was commissioned to review financial assurance arrangements and identify possible improvements to rehabilitation performance. Its report identified a number of areas of concern with the current legislation, including that if the financial assurance held is less than the rehabilitation cost the state has no source of funding for the shortfall.

The bill proposes to replace the current financial assurance framework for resource activities under the Environmental Protection Act with a new financial provisioning scheme. The new scheme will provide government with access to funds for environmental management and rehabilitation activities where an operator does not comply with its obligations and for funding other resource related activities such as rehabilitating abandoned mines and operating sites, and research into rehabilitation techniques.

Under the proposed new scheme, an environmental authority holder is required to either make a contribution to the scheme fund or pay a surety in the form of a bank guarantee or insurance bond issued by a prescribed insurer or cash, depending on the estimated rehabilitation cost. A number of submitters and witnesses raised concerns regarding the lack of available detail of how the new financial provisioning scheme will operate. For example, BHP submitted—

We also wish to reiterate our concerns regarding the lack of detail released by the Queensland Government at this point in time, as the Bill does not provide mine operators with enough information to properly understand the potential cost implications of this framework.

Similarly, the Queensland Resources Council stated—

While of itself, the financial provisioning components of the Bill make sense and are not of any surprise, it is the numbers that will ultimately make the difference between the sector's support or not. Unfortunately, Government only appears willing to communicate these post the Bill's Committee process.

These concerns held by the resource industry have been borne out for all to see with the last-minute negotiations between the Deputy Premier, QRC and the CFMEU being held as late as yesterday. The bill provides for the establishment of the scheme fund with a threshold of \$450 million

unless an alternate amount is prescribed by regulation, and we are hearing that that could be much higher than \$450 million. In relation to the use of the fund, Queensland Treasury advised at the public briefing—

The bill is very clear and specific in terms of the purposes for which money from that fund can be used. It is solely for a cost associated with the scheme, for rehabilitation works that have to be made by the particular chief executives ... there is no allowance within the bill for broad expenditure examples that you could spend it on in terms of other functions of government.

To manage the new financial provisioning scheme, the bill provides for the appointment of a scheme manager. The manager is appointed by the Governor in Council for a term of up to five years. The bill provides that the scheme manager must allocate an environmental authority a risk category—very low, low, moderate or high—if the ERC for the environmental authority is \$100,000 or more. Prior to making a final decision about the risk category, the scheme manager must give the environmental authority holder notice of the proposed risk category, the reason for the proposed allocation and whether a contribution to the scheme fund or a surety would be required. The environmental authority holder may make submissions to the scheme manager within 20 business days of being given notice of the proposed risk category if they disagree with the risk category proposed. The risk category must be reviewed annually and the scheme manager may confirm or change the category. The review must be within 30 business days of the expiry date of the environmental authority.

In the electorate of Condamine there is currently only one mine. This is the New Hope Acland mine located near Oakey which I am sure all members in this room have heard about. It is a significant employer and a great contributor to the local community. The New Hope Group has an excellent track record for the rehabilitation of mined land. To date it has rehabilitated 45 per cent of all mined land across its Queensland operations, including New Acland, leading the way for best practice in the open-cut mines industry. The New Acland mine commenced operation in 2002 and soon after the rehabilitation program was implemented. As of December 2017, 490 hectares of mined land at New Acland were rehabilitated to a standard of grazing land, with 240 hectares of this area having the capacity to raise between 75 and 100 head of cattle. The New Hope Group commissioned research conducted over a five-year period by independent livestock consultants. This research determined that the cattle performed equally or better on rehabilitated land than the cattle grazing on undisturbed land.

Earlier this month the New Hope Group's leading environmental credentials have been formally ratified through the Queensland government's certification of 349 hectares of progressively rehabilitated mined land at New Acland. New Hope's Managing Director, Shane Stephan, said that this is in recognition of its ongoing commitment to the environment and he is proud to say that this area of land is the largest single area of certified rehabilitation for an open-cut mine in Queensland. In 2016 New Hope Group was the recipient of the Australian Business Awards for Sustainability for its rehabilitation practices. Following this, in 2018 New Hope Group won three ABAs including the business innovations award which recognised New Acland for its innovative work to improve the quality of coal before it is processed through the mine's wash plant. As well as the rehabilitation of land at Acland for grazing and livestock, New Hope Group has also participated in the native tree and seedling program with Greening Australia using recycled water from the mine.

Although not in the Condamine electorate, the Peabody Wilkie Creek mine prior to the redistribution was located on the boundary of the Condamine electorate. This is another story of successful rehabilitation of mined land, with pastures introduced to enable the grazing of cattle. Peabody has over time progressively rehabilitated the land, starting well before the closure of the mine in 2013. It is expected that the completion of the rehabilitation works will occur by 2023 to 2025. Wilkie Creek has now over 60 per cent of the rehabilitation completed, including the backfilling of open-cut voids, reshaping of dumps and undergoing demolition and associated works. Grazing trials are continuing, with 50 cattle currently on a rehabilitated backfill pit performing just as well as the cattle on neighbouring native pastures. Peabody has embraced local knowledge and worked closely with the adjoining landowners to monitor and manage groundwater flows to prepare the rehabilitated land for cattle grazing. These are two examples of rehabilitation that I had the opportunity to view personally and the continuation of this work will allow for disused land after mining activities to once more be productive for the environment and the economy.

I do have some concerns about this legislation, those being that the bill does not provide a right for a merits review of decisions made by the scheme manager. Decisions of the scheme manager are final and conclusive unless affected by jurisdictional error under the JR Act. These concerns were shared by the Queensland Law Society, which stated—

QLS submits that the grounds of review for scheme manager's decisions should not be limited in this way, and that there should be a process for appeal or internal review of these decisions.

I also have concerns around the right to information to the financial provisioning scheme, but it is my understanding that this has been addressed by the amendments. We will not be opposing the bill.