




Speech By
Ray Stevens

MEMBER FOR MERMAID BEACH

Record of Proceedings, 14 November 2018

MINERAL AND ENERGY RESOURCES (FINANCIAL PROVISIONING) BILL

 **Mr STEVENS** (Mermaid Beach—LNP) (12.05 pm): I rise to speak on the Mineral and Energy Resources (Financial Provisioning) Bill 2018 which seeks to address important issues where mining resources companies do not adequately meet rehabilitation obligations in Queensland. I advise the House that this was treated as a very urgent bill by this government. In fact, there were only four weeks of committee consideration in April. It is normally six weeks, as members would be aware under the rules for consideration by committees, except for matters that are very urgent and pressing. We are here in the last sitting of parliament in November dealing with this very important and pressing matter.

I go forth in my contribution on this very important bill—six months after it was really urgent—to bring to the attention of the House how important this bill is. From a budget standpoint, mining and resources are hugely important to our state. However, the industry poses significant challenges in the way it affects the land. It is a resource company's responsibility to take part in environmental management by rehabilitating disturbed and changed land. This is agreed to by the LNP, this is agreed to by the mining resources industry and is why this bill is here today and has my support. As can be seen from the committee consideration in April, this bill was agreed to.

When rehabilitation does not occur, aside from the environmental damage, there are various effects on the state, the industry and the community. At the moment the system operates on individual responsibility. In the private sector world that is a very difficult matter to contain. That is why we have this provisioning for financial rehabilitation to occur. Unfortunately, we have seen too many cases of environmental authority holders failing to meet their obligations with the result being inadequate rehabilitation. From memory, there are some 15,000 mines across Queensland. Obviously a lot of those are old gold mines around Charters Towers—holes in the ground that cannot be filled—but the bottom line is there are lots of areas right across Queensland that do need rehabilitation. It is evident that the framework needs to be changed to ensure our resources sector is successful and also to protect Queensland's natural environment.

This bill aims to address shortcomings in the system as it currently stands to improve outcomes in relation to the financial interests of the state and the mining and resources industry as well as the environment itself. In relation to the concerns we had when looking at the financial interests of the state, I said to a knowledgeable mining industry person that this will probably generate about half a billion dollars. He said, 'More likely about a billion dollars'. We are talking about serious money that the state will then be involved in doling out. I hark back to the electricity boards that had saved and put pennies aside for the expansion of the network throughout the state. The then treasurer, Mr Terry Mackenroth, decided it did not need that money for poles and wires for the future and that it was a great little squirrel hole to raid. He took that money, and money from another squirrel hole the Labor government found in those years, and put it into consolidated revenue so it could be spent in other areas. I hope that that does not happen to this very large amount of money, which may be close to \$1 billion, for the rehabilitation of mines throughout the state. I hope the government stays committed to the object of the bill, which is to rehabilitate the environment.

The proposed legislation has two components. The first is the management of the financial risk to the state should mining and resource companies fail to fulfil their environmental and rehabilitation responsibilities. In the event that an authority holder does not meet those responsibilities, the community must be protected. That occurs through the provision of financial assurance for the cost of a third party to manage the rehabilitation of the disturbed area of land. That raises another concern for me, which I have seen occur in other areas and the Gold Coast City Council springs to mind. A council will give green groups rehabilitation and greening work, but with no oversight or auditing of whether the money is spent on the actual greening works that they are supposed to be doing or whether some of it goes towards political activity.

That brings me to another issue that the committee and the Integrity Commissioner raised, which relates to the RTI. The minister said earlier that the amendments introduced 40 minutes ago will address this matter. The exemption from RTI really created great concerns about where the money would be spent and who it would be given to. I am very pleased that the Treasurer has put back in place proper RTI arrangements, so that we can keep track of where this money is spent, who it is spent by and who benefits from it, so that we can see environmental rehabilitation take place. That is a very important part of the bill.

Concerns were raised with the legislation when it was originally introduced. I note that this speech was written six months ago and I have not had time to read the amendments that came through only 40 minutes ago. A review by the Queensland Treasury Corporation found that the current system had various disadvantages. Significantly, there is the danger of financial shortfall if the assurance held for a site is less than the actual cost of rehabilitation. This impacts the state, of course, which currently does not have a source to fund such shortfalls. The QTC found that financial assurance usually takes the form of a bank guarantee, which can be expensive for small and mid-sized operators. It is okay for the international companies, but a lot of the exploration work is done by smaller companies. While the amount of surety required can be minimised by operators through progressive rehabilitation, there is little indication that this has been helpful in increasing rehabilitation activity rates.

The proposed legislation is a response from the Queensland Treasury to the findings of the QTC report, which was introduced to parliament on 15 February 2018. It aims to replace the financial assurance framework as it currently stands with a new scheme that will enable the state to have access to funding in the event that an operator does not meet its rehabilitation responsibilities. The bill stipulates that an environmental authority holder must make a contribution to the fund or pay a surety.

I understand from industry sources that the bill that we dealt with as a committee was entirely different to what is proposed, through amendment, to be considered in this House. Again I note that I have not read the amendments that we received only 40 minutes ago. The retrospectivity part of the bill was going to impact heavily on operators. Industry sources were complaining loudly that retrospectively would have a cost that could send companies to the wall. I understand that these amendments have taken away that retrospectivity. From my brief reading, the greens tell me that retrospectivity is taken out of the equation. I am pleased that the mining sector has flexed its muscles.

That might have something to do with their great pals at the CFMEU who run a few of the lefties over there. The puppet strings are pulled and they say, 'Now it's time to help my CFMEU industry'. I can see one of them over there now, dancing on his puppet strings. Well done to the CFMEU for getting their little puppets to dance to the right tune and in concert with the players in the mining resources industry, so that we get a good outcome that does not look back in history and send those people who would be caught up in retrospectivity to the wall.

We have heard the figures that show the importance of the mining industry to the Queensland taxpayers. They do not like to say the word 'coal'—I will say it very quietly. Funnily enough, they cannot say the word 'Shorten'. We hear a lot about Turnbull and ScoMo, but we do not hear the word 'Shorten'. I look forward to many more speeches in this House in relation to the bill that will tell me what that wonderful person Bill Shorten is going to do for the mining industry.