



The Hon. Cameron Dick MP
Treasurer
Minister for Investment

Our Ref: 05819-2020
Your Ref: A628229

E-MAILED
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Mr Neil Laurie
The Clerk of Parliament
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Alice and George Street
BRISBANE QLD 4000

Email: TableOffice@parliament.qld.gov.au

Dear Mr Laurie

Neil,

Thank you for your letter of 27 November 2020 about Petition Number 3333-20 Mine Rehabilitation Bond to be held in Trust jointly by Local Government and State.

The Government has undertaken wide ranging and extensive reforms to minimise the risk to the State from the failure of holders of a resource environmental authority (authority) to meet their rehabilitation and environmental obligations under the authority. During the reform process, significant consultation was undertaken across the State with industry and the community.

The first key milestone was the assent of the *Mineral and Energy Resources (Financial Provisioning) Act 2018* (the Act). The Act amended the *Environmental Protection Act 1994* to require holders of an environmental authority to prepare progressive rehabilitation plans and established the independent Scheme Manager, appointed by Governor in Council, to administer the Financial Provisioning Scheme.

The Financial Provisioning Scheme replaces the previous financial assurance requirements with a risk assessment approach. The Scheme Manager determines whether the holder of the authority should continue to provide surety to the full value of the authority's estimated rehabilitation cost (no discounts apply) or if a contribution to the pooled Financial Provisioning Fund should be made.

The Act enables the Scheme Manager to allocate some of the Financial Provisioning Fund monies to be used for existing abandoned mine projects and mine rehabilitation research, once the Scheme Manager is satisfied that the Fund can sustain the expenditure and meet the potential resource holder failure risk. The Financial Provisioning Scheme Advisory Committee will provide advice to the relevant departments on the proposed projects.

Surety (bank guarantees, cash or insurance bonds) must be managed in accordance with the Act and can only be released in prescribed circumstance. A claim on surety can only be made when a holder fails to meet their obligations under the authority and can only be used for meeting costs associated with that specific environmental authority. The surety cannot be used for expenditure outside of its legal purpose.

I am satisfied that the Act provides the appropriate protection for the State's interests and that of all stakeholders. Consequently, I do not intend to repeal the current legislation to make changes to the process for release of financial provisioning surety instruments.

If you require any further information, please contact Mr Murray Smith, Scheme Manager, Financial Provisioning Scheme on 0436 857 115 or murray.smith@treasury.qld.gov.au, who will be pleased to assist.

Yours sincerely



CAMERON DICK MP
Treasurer
Minister for Investment

16 / 12 / 2020