

## 1 About VIRENTIA

VIRENTIA has been established to acquire end-of-life mine sites for environmental rehabilitation. It specialises in stakeholder engagement, consortium building, and project management to deliver rehabilitated sites back to public or private use. VIRENTIA uses a range of partners including civil contractors, engineering and environmental consultants, insurers and financiers on a 'best-for-project' basis to deliver rehabilitation works. VIRENTIA also engages with a broad range of stakeholders in project delivery including traditional owners, government, environmental groups, NGOs, the local community and the general public.

## 2 The gap in the reform proposal

VIRENTIA strongly supports the Queensland Government's intent to improve the mine rehabilitation framework in Queensland, in particular mechanisms to encourage rehabilitation to be carried out and provide greater certainty of expected rehabilitation outcomes. As recognised in the discussion paper, the current legislative and policy framework does not provide adequate incentives or requirements for miners to carry out rehabilitation, progressively or at end-of-life. It is often more economical to defer rehabilitation (eg. by placing a site in care and maintenance) rather than completing the rehabilitation works required to discharge financial assurance. VIRENTIA considers that the "tailored solution" for financial assurance, and other elements of the proposed reforms, will go some way to addressing this problem.

Nonetheless, the effective delivery and assessment of rehabilitation works is a specialised field that is not generally resource proponents' core business. In order to accelerate investment in rehabilitation, VIRENTIA considers that it will be essential for Queensland's new framework to facilitate and encourage the transfer or contractual allocation of rehabilitation obligations to other entities with the requisite skill set and interest in performing the rehabilitation works. This will help to create the expanded rehabilitation service industry envisaged in the discussion paper, thereby creating jobs and stimulating economic growth in post-mining regional communities.

The current regime does not favour entities wishing to acquire rehabilitation liabilities, in large part because the risk is too uncertain:

- rehabilitation obligations are documented in environmental authority conditions and plans of operations, but generally not with a sufficient level of detail to allow them to be accurately planned and costed;
- rehabilitation obligations lack finality and certainty—the administering authority can amend the financial assurance requirements based on a plan of operations, allowing them to be adjusted and extended up until the time that that a tenement is finally surrendered; and
- the final rehabilitation report, mining lease and environmental authority surrender, and residual risk payment processes are inherently uncertain due to lack of precedence and procedure.

The current regime does not promote confidence that work carried out, and money invested, in order to fulfil rehabilitation obligations will actually be sufficient to discharge financial assurance.

### 3 Locking in rehabilitation requirements for sites/stages in “rehabilitation mode”

In order to support an expanded rehabilitation industry, it will be essential to provide real certainty of expected rehabilitation outcomes, essentially by fixing the scope of the rehabilitation works required to discharge financial assurance. VIRENTIA proposes an additional mechanism to do this which hinges on legislative recognition of a new concept—a mine or project in “rehabilitation mode”.

This concept is similar to the proposed formal recognition of care and maintenance. It could be supported by a formal definition, as well as duties to notify and report etc. (similar to proposed new requirements for care and maintenance).

Once a mining project (or project stage) is entered into rehabilitation mode, it is proposed that:

- The proponent would be required to finally update the project’s life-of-mine plan to reflect the outcomes and work required to ensure the land is safe, stable, will not cause environmental harm and is able to sustain the post-mining land use. This would be known as a “final life-of-mine plan”;
- The final life-of-mine-plan would outline rehabilitation and monitoring work, based on clear completion criteria and evidence requirements (as proposed in the discussion paper). It would look the same as a life-of-mine plan but with an additional level of specificity (eg. density and type and level of maturity of vegetative cover). The final life-of-mine-plan would also outline the residual risk payment;
- The final life-of-mine-plan must be approved by the administering authority. Financial assurance would be finally adjusted at that time, according to the environmental and financial risk of the proponent;
- The final life-of-mine plan will be enforceable. Once approved however, the final life-of-mine plan cannot be further amended (other than by agreement with the proponent). Likewise, financial assurance cannot be further adjusted, unless as reduced by the proponent to reflect the rehabilitation works completed. This will effectively “lock in” the rehabilitation requirements specified in that plan, giving certainty about when and how the liability is to be discharged. It will also provide the State and community confidence about what and when rehabilitation will occur;
- The proponent would be required to prepare or commission a final rehabilitation report to demonstrate compliance with the measurable outcomes specified in the final life-of-mine plan. Compliance would be assessed by an independent, approved auditor (in a similar way to a validation report prepared by a contamination land auditor). Once the final rehabilitation report has been validated by the auditor, the mining lease and environmental authority will be surrendered and balance financial assurance will be discharged. This element will increase State and community confidence that rehabilitation activities have been properly completed.

Fixing the scope of the rehabilitation works in a final life-of-mine plan at an appropriate degree of specificity will allow the rehabilitation works for a mine in rehabilitation mode to be comprehensively and accurately costed. This will allow proponents to more readily package up and transfer the asset and/or rehabilitation liability to a third party with the requisite skill set and interest, if they choose to do so (and subject to approval by the administering authority, in accordance with the usual process). It will encourage investment in rehabilitation by eliminating the boundless nature of the current processes for final rehabilitation reports, mining lease and environmental authority surrenders and residual risk payments.

#### **4 Consistency with the broader reform proposal**

VIRENTIA considers that the above proposal is consistent with the following elements of the proposed reforms to the rehabilitation framework, which VIRENTIA also supports in principle:

- an expanded range of surety options, including insurance;
- improved management of sites in care and maintenance, including obligations to carry out rehabilitation whilst in care and maintenance;
- consistency of rehabilitation liability estimates and alignment with financial assurance;
- greater certainty of the Government's expectations for rehabilitation, through clear completion and sign-off requirements for rehabilitation works and setting and enforcing rehabilitation milestones;
- standardised reporting requirements on disturbed areas and rehabilitation and making data publicly available;
- greater certainty of outcomes around the rehabilitation requirements for all stakeholders;
- greater certainty around the process for requiring and making residual risk payments and the methodology used to calculate the amount of the payment.

#### **5 Avoiding unintended consequences of the “chain of responsibility” powers**

In order to properly support an expanded rehabilitation industry, careful consideration should be given to how the new mine rehabilitation framework will interact with the “chain of responsibility” provisions in the Act. It will be necessary to ensure that the risks associated with those powers for related persons do not unintentionally discourage investment in rehabilitation by specialised rehabilitation entities and surety providers.