EnvA - CQ
Environmental advocacy in Central Queensland

The Chief Executive
Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development

Sent by email to FPSReview@nrmmrrd.qld.gov.au

26 September 2026

RE: Submission to the Review of Queensland's Financial Provisioning Scheme

Thank you for the opportunity to make this submission in response to the invitation to provide feedback on the review of Queensland's Financial Provisioning Scheme (**Scheme**).

Environmental Advocacy in Central Queensland is a community organisation committed to ensuring that all land use is sustainable and does not significantly impact on the environment or local communities.

Our primary concern with the Scheme is that the costs and risks associated with resource-sector rehabilitation should remain the responsibility of the companies that create those liabilities, rather than being transferred to the Queensland Government, taxpayers and affected communities.

The Scheme is an important component of Queensland's environmental regulatory framework. However, the scale, longevity and changing risk profile of Queensland's resource industry require the Scheme to provide a high level of protection against the possibility of companies becoming insolvent, abandoning operations, relinquishing tenures or otherwise being unable to meet their rehabilitation obligations.

EnvA considers that the review should place greater emphasis on the principle that resource operators should bear the full financial risk associated with the rehabilitation liabilities they create.

We are particularly concerned about:

1. whether the Scheme provides sufficient protection to the State if one or more operators fail,
2. whether the level and form of financial provisioning are appropriate given the increasing scale of Queensland's rehabilitation liabilities,
3. whether changes in ownership and corporate structures can result in rehabilitation liabilities being transferred to entities with insufficient financial capacity,
4. whether abandoned or prematurely closed mines can create substantial costs for government, communities and landholders,
5. whether fossil-fuel projects should continue to be treated in the same manner as critical and strategic minerals projects, and
6. whether the Scheme provides sufficient transparency for the community to understand the State's exposure to rehabilitation liabilities.

Our more detailed comments in line with the review are provided below.

Environmental Advocacy in Central Queensland
Email: enva.cq@outlook.com
Phone: 0448 378 908
Web: EnvaCQ.org
Facebook: https://www.facebook.com/EnvACQ

1. The Scheme should prioritise protection of the public from rehabilitation liabilities

The fundamental purpose of financial provisioning should be to ensure that the State is not left carrying the financial consequences when a resource operator fails to meet its rehabilitation obligations.

The *Mineral and Energy Resources (Financial Provisioning) Act 2018* expressly provides for a scheme fund and sureties to manage the risk to the State where a holder fails to comply with its obligations.

The Queensland Government has stated that the Scheme is intended to manage the State's financial risk and, over time, provide funding for rehabilitation of abandoned mines.

EnvA supports these objectives. However, the review should test whether the Scheme is sufficiently conservative to protect the community under adverse circumstances rather than merely functioning adequately under normal operating conditions.

The relevant question should therefore not simply be whether operators are currently meeting their provisioning requirements. It should also be “What would happen to Queensland's finances and affected communities if several resource operators failed to meet their rehabilitation obligations at the same time?”

This is particularly important because resource-sector financial distress can be correlated. Commodity-price downturns, changing international demand, financing difficulties, corporate failures or rapid changes in investment conditions could affect multiple operators or projects within the same period.

A Scheme that is adequate for an individual operator failure may not necessarily provide adequate protection against multiple failures.

Recommendation 1

The review should undertake and publish stress-testing of the Scheme against a range of plausible scenarios, including:

- failure of a major resource company;
- failure of a small or mid-tier operator;
- abandonment of a large operating mine;
- multiple operator failures occurring during a commodity-price downturn;
- failure following a change in ownership or control;
- failure of an operator following substantial expenditure on mine development but before rehabilitation has occurred; and
- premature closure of fossil-fuel projects as market conditions change.

The results should identify the proportion of estimated rehabilitation liabilities that would be covered by the Fund, sureties and other available financial resources under each scenario.

---

2. The scale of rehabilitation liabilities requires a precautionary approach

The scale of Queensland's resource-sector rehabilitation liabilities has increased substantially since the Scheme commenced.

The 2025–26 Financial Provisioning Scheme Annual Report[1] reported that aggregate estimated rehabilitation cost risk had increased to more than $14.5 billion, compared with approximately $8 billion at 30 June 2019.

This is a very substantial contingent financial exposure for Queensland.

EnvA recognises that the Scheme does not seek to hold the entire aggregate rehabilitation cost in the Financial Provisioning Fund. The Scheme instead uses a combination of fund contributions and sureties depending on risk classification and other factors.

Nevertheless, the review should examine whether the combined protection provided through the Scheme Fund, cash sureties and other sureties is sufficient in practice to protect the State if operators fail to meet their rehabilitation obligations.

The distinction between a company's estimated liability and the amount immediately recoverable by government is important. The review should also consider whether the nominal value of a surety accurately reflects the protection available to the State in practice, including the enforceability, realisability and continuing validity of the surety in circumstances such as corporate failure or restructuring.

Recommendation 2

The Scheme should adopt a clear coverage and adequacy framework that reports, at an aggregate level:

- the proportion of total risk covered by immediately realisable financial resources;
- exposure associated with high-risk operators,
- exposure associated with operators approaching closure,
- exposure associated with financially stressed operators, and
- potential gaps between rehabilitation liabilities and financial resources that are readily available and legally enforceable in the event of operator failure.

This information should be published in the Scheme’s Annual Report in a form that allows the Queensland community and Parliament to understand the State's residual financial exposure.

---

3. The community should not subsidise resource-sector rehabilitation

EnvA's principal concern is that insufficient financial provisioning can effectively transfer private liabilities to the public.

Where a company fails, the environmental consequences of an abandoned mine do not disappear. Water management, erosion control, infrastructure safety, contaminated land, rehabilitation, monitoring and long-term site management may continue to require expenditure.

The State may consequently face costs that would otherwise have been the responsibility of the resource operator. This creates an important equity issue.

The companies that receive the economic benefits from extracting Queensland's resources should be responsible for the financial consequences of their activities. Those costs should not be transferred to Queensland taxpayers simply because the company responsible is no longer financially capable of meeting them.

[1] Queensland Treasury (2026) Scheme Manager Financial Provisioning Scheme 2025–26 Annual Report

The Scheme should therefore be designed around the principle that the financial risk of resource-sector rehabilitation should remain with the resource sector, not with the Queensland community.

This principle is particularly important for projects with long operating lives and potentially substantial closure liabilities.

Recommendation 3

The Government should adopt an explicit polluter-pays principle within the objectives and administration of the Financial Provisioning Scheme.

Where there is a choice between an arrangement that transfers risk to the State and one that retains that risk with the operator, the Scheme should favour the arrangement that provides greater protection to the public, provided it remains legally and practically enforceable.

---

4. Multiple forms of financial assurance should not weaken protection

EnvA recognises that different forms of financial assurance may be appropriate for different operators and circumstances. However, flexibility should not result in lower-quality protection.

The Scheme currently uses contributions to the Financial Provisioning Fund and/or sureties, with requirements varying according to risk category and other circumstances.

The review should therefore examine not only the nominal value of financial assurance but also its quality, reliability and accessibility when required.

For example, the Government should consider:

- whether a surety is genuinely available when needed,
- the creditworthiness of the institution providing the surety,
- whether the surety can be called promptly,
- whether there are circumstances in which a surety could become unavailable or impaired,
- whether financial assurance remains adequate following a material deterioration in the operator's financial position,
- whether financial assurance keeps pace with changing operational circumstances, and
- whether changes in corporate control can weaken the effective financial capacity supporting a project.

Recommendation 4

The Scheme should adopt a conservative approach to acceptable forms of financial assurance, with particular emphasis on liquidity, enforceability, independence from the operator and certainty of recovery.

The Government should also have clear powers to require additional or replacement assurance when an operator's financial circumstances deteriorate.

---

5. Asset transfers and changes in ownership require stronger safeguards

Queensland's resource industry contains numerous complex ownership structures, joint ventures, subsidiaries and corporate transactions.

The Scheme already contains processes dealing with transfers of environmental authorities and changes in ownership or control.

EnvA considers that the review should examine whether these arrangements provide sufficient protection against the transfer of a rehabilitation liability from a financially strong company to a weaker entity.

A transfer should not be treated merely as a commercial transaction between private parties. It can also transfer a substantial contingent liability to the State if the incoming owner subsequently fails.

The relevant question should therefore be whether the incoming entity has sufficient financial capacity to meet the full rehabilitation obligations associated with the asset.

Recommendation 5

Before an environmental authority or resource asset is transferred, the Scheme should require a robust assessment of:

- the incoming operator's financial capacity,
- its ownership and corporate structure,
- its access to capital,
- the financial capacity of its ultimate owners where relevant,
- the adequacy and quality of existing financial assurance,
- the remaining rehabilitation liability, and
- the likelihood that the operator will be able to meet its obligations through to closure.

Where necessary, the transfer should trigger additional financial provisioning rather than allowing an existing level of assurance to continue automatically.

---

6. The Scheme should recognise the particular risks associated with fossil-fuel projects

EnvA considers that coal and gas projects should not necessarily be treated in the same way as critical and strategic minerals projects for the purposes of financial provisioning.

The global energy system is undergoing a significant transition away from fossil fuels. [2] This creates different long-term commercial risks for coal and gas projects compared with minerals that may be required for energy technologies and electrification.

This does not mean that coal and gas operators should receive less environmental scrutiny or weaker rehabilitation requirements. Rather, the opposite principle should apply - where a project's long-term commercial viability is more uncertain, the financial provisioning arrangements should ensure that the State is not exposed to increased abandonment risk.

A project that becomes uneconomic before the end of its approved operating life may leave the State with substantial rehabilitation exposure. This is particularly relevant to long-lived coal mines and gas developments because their rehabilitation liabilities can continue to grow over many years while market conditions can change substantially.

EnvA notes that there have been numerous setbacks across the Central Queensland coal sector. Vitrinite entered administration earlier this year and Bowen Coking Coal entered administration last year with its Bluff Coal Mine being abandoned. BHP Mitsubishi Alliance has mothballed Saraji South, and job cuts have also been reported at Whitehaven, Coronado, QCoal and Anglo American.[3]

[2] COP30 (2025) Belém Declaration on the Transition Away from Fossil Fuels

[3] EnvA (2026) Central Queensland coal company Vitrinite enters administration as sector instability deepens

This underscores the necessity of classifying fossil fuel assets as high-risk, volatile liabilities within the Scheme's risk framework which should be treated differently to the critical mineral and strategic resources which are driving our future energy system.

Recommendation 6

The review should consider whether fossil-fuel projects should have specific financial provisioning requirements reflecting their transition and market risks, including:

- higher provisioning requirements for projects with significant closure or abandonment risk,
- more frequent financial viability assessments where market conditions deteriorate,
- additional assurance for projects approaching closure,
- stronger requirements following a significant reduction in production,
- additional safeguards for projects dependent on long-term commodity-price assumptions, and
- restrictions on reducing or releasing financial assurance where substantial rehabilitation liabilities remain.

Critical and strategic minerals projects should not automatically be used as the benchmark for the financial provisioning treatment of coal and gas projects.

---

7. Bluff Coal Mine illustrates the risks of mine failure, ownership changes and relinquishment

The history of the Bluff Coal Mine near Blackwater provides a particularly relevant case study for the Financial Provisioning Scheme review. Bluff Coal Mine demonstrates how quickly the financial and operational circumstances of a resource project can change, and how a relatively young mine can ultimately become an abandoned mine requiring government intervention.

The sequence of events is relevant to this submission:

- 2016: Carabella Resources received a 15-year mining lease from the Queensland Government for the Bluff coal mine near Blackwater.
- 2019: Open-cut mining operations commenced.
- November 2020: Falling coal prices contributed to Carabella Resources entering voluntary administration. The mine subsequently entered care and maintenance in December 2020.
- 2021: Bowen Coking Coal acquired the Bluff mine from Carabella Resources.
- First quarter 2022: Mining operations recommenced and the mine produced coal again.
- September–November 2023: Bowen Coking Coal announced a further suspension of mining, citing rising operating costs, high royalties and falling PCI coal prices. Final mining was completed in November 2023.
- July 2025: Bowen Coking Coal entered voluntary administration and receivership.
- September 2026: After a buyer could not be secured, the liquidators disclaimed the mining lease. The site subsequently became an abandoned mine for which the Queensland Government is responsible for rehabilitation.[4]

The Bluff experience is important because the mine was not an old or exhausted operation approaching the natural end of its life. It commenced production in 2019 and, within approximately seven years, had progressed through operation, financial distress, care and maintenance, a change of ownership, recommencement, a second suspension, corporate insolvency and ultimately abandonment.

[4] ABC (Sept 2026) Bowen Coking Coal walks away from Bluff coal mine and leaves rehabilitation to state government

The case demonstrates that financial and rehabilitation risks can materialise much earlier in the life of a resource project than might be assumed when the project is approved.

It also demonstrates the limitations of relying on the continued financial strength or willingness of a particular operator to meet rehabilitation obligations over the life of a mine.

The Bluff mine changed ownership after the original operator entered financial difficulty. A subsequent operator recommenced mining but later experienced financial difficulties of its own. Ultimately, the mine could not be sold, and the mining lease was relinquished.[5]

This raises important questions for the Financial Provisioning Scheme about whether financial assurance remains sufficient when:

- an operator enters voluntary administration,
- a mine moves into care and maintenance,
- ownership changes,
- production recommences following a period of suspension,
- operating costs increase substantially,
- commodity prices fall,
- a mine becomes uneconomic,
- the operator enters receivership or liquidation, and
- a mining lease is ultimately disclaimed or relinquished.

The Bluff case also illustrates why ownership transfer should not be treated as a simple commercial transaction.

When Bowen Coking Coal acquired the mine in 2021, the transaction provided an opportunity for the mine to recommence operations. However, the subsequent failure of the new operator demonstrates that transferring a resource asset to another company does not necessarily eliminate the underlying financial risk to the State.

A financially viable operator at the time of acquisition may subsequently experience severe financial deterioration as market conditions, operating costs and commodity prices change.

Implications for the Financial Provisioning Scheme

EnvA considers that the Bluff experience should inform the review's consideration of asset transfers, risk classification, care and maintenance, insolvency and abandoned mines.

The Scheme should be designed on the assumption that resource projects can fail even when they are relatively young and have previously attracted new investment.

In particular, the Government should examine whether the Scheme's settings provide adequate protection during the period between:

1. deterioration in an operator's financial position,
2. suspension or cessation of mining,
3. administration or receivership,
4. attempts to sell or transfer the asset, and
5. ultimate abandonment or relinquishment.

These transition periods may be particularly important because a company's financial capacity can deteriorate rapidly while its rehabilitation liabilities remain.

[5] Queensland Government (2026) ML 80194 Resource authority public report

Recommendation 7

The Government should undertake a detailed review of the Bluff Coal Mine as a case study of financial and rehabilitation risk.

The review should assess, to the extent information can be made public:

- the rehabilitation liability associated with the mine at each major stage of its history,
- the financial provisioning and/or surety arrangements applying at those stages,
- changes to those arrangements following the 2021 ownership transfer,
- the treatment of the mine when it entered care and maintenance,
- the treatment of the mine following Bowen Coking Coal's financial collapse,
- the financial resources ultimately available to the State following disclaimer of the mining lease, and
- the actual and projected cost to government of rehabilitating the abandoned mine.

The findings should be used to determine whether the Financial Provisioning Scheme adequately protects the State when resource projects experience repeated changes in ownership, prolonged suspension, financial distress and eventual abandonment.

More broadly, the Bluff example reinforces EnvA's view that financial provisioning should be strongest when the financial capacity of the operator is most uncertain.

A mine should not be able to move from private operation to public rehabilitation without ensuring that sufficient financial resources are available to meet the rehabilitation liability.

The community should not be left to absorb the costs simply because the commercial owner of a resource project has failed.

---

8. Abandoned mines and re-commercialisation

EnvA recognises that there may be environmental and economic benefits in remediating and, where appropriate, re-commercialising abandoned mine sites.

The Scheme already provides for funding of remediation and rehabilitation activities at abandoned mines and for rehabilitation research.

However, re-commercialisation should not become a mechanism through which the State assumes historical rehabilitation liabilities and then transfers an asset to a new operator without adequate financial protection. Nor should the possibility of re-commercialisation of an abandoned mine delay the remediation and rehabilitation of the facility.

Any re-commercialisation arrangement should establish clearly:

- the historical rehabilitation liability,
- the party responsible for that liability,
- the new operator's obligations,
- the level of financial assurance required,
- responsibility for ongoing monitoring and management,
- responsibility for residual risks, and
- what happens if the new operation subsequently fails.

Recommendation 8

The Government should develop clear principles for re-commercialisation of abandoned mines that ensure:

1. historical liabilities are identified and transparently quantified,
2. public funding is not used to subsidise private commercial activity without a clear public benefit,
3. the new operator assumes appropriate future rehabilitation liabilities,
4. adequate financial assurance is provided before recommencement, and
5. the State is protected against a second abandonment event.

---

9. Risk classification should be conservative and dynamic

EnvA supports the use of risk-based financial provisioning. However, risk classifications should reflect the actual likelihood and consequences of financial failure, rather than relying excessively on historic performance or current financial strength. Risk can change rapidly.

Factors that should be considered include:

- dependence on particular markets,
- commodity prices,
- production levels,
- the proponent's access to capital, credit ratings, refinancing requirements and debt level,
- remaining mine life,
- accumulated rehabilitation liabilities,
- environmental incidents,
- prolonged care and maintenance,
- changes in corporate strategy, and
- changes in the market outlook for the commodity.

The risk assessment process should also recognise that a financially strong parent company does not necessarily eliminate the risk associated with a subsidiary holding the environmental authority.

Recommendation 9

Risk classifications should be reviewed promptly when material changes occur, rather than relying solely on annual reassessment.

The Scheme should have clear triggers for reassessment following significant changes in financial, operational or ownership circumstances.

---

10. Transparency should be substantially improved

EnvA considers transparency to be particularly important because the Scheme ultimately exists to protect the public from financial risk.

The community should be able to understand the scale of the financial liabilities associated with Queensland's resource industry and the extent to which those liabilities are financially secured.

The annual reporting framework provides important information, but greater transparency would improve public confidence and allow Parliament and the community to assess whether the Scheme is achieving its central purpose.

The Government should publish sufficiently detailed aggregate information about:

- total rehabilitation cost risk,
- total contributions,
- total sureties,
- types of surety,
- aggregate exposure by risk category,
- exposure by commodity,
- exposure associated with operators approaching closure,
- claims made against the Scheme,
- payments made from the Scheme,
- abandoned mine expenditure,
- changes in aggregate risk over time, and
- the extent to which the Scheme's financial resources would be sufficient under specified stress scenarios.

Recommendation 10

The annual report should include a State financial exposure statement showing the relationship between aggregate rehabilitation liabilities and the financial resources available to protect the State.

This should include separate reporting for:

- coal,
- gas,
- minerals,
- small-scale mining, and
- other resource activities where relevant.

This would also enable the community to understand whether risk is increasing or decreasing in different sectors.

---

11. Financial provisioning should increase as projects approach closure

One of the most important principles that EnvA considers should underpin the Scheme is that financial provisioning should become stronger, not weaker, as a resource project approaches closure.

The State's financial exposure is potentially greatest when:

- production is declining,
- revenue is falling,
- the operator has limited remaining productive assets,
- major rehabilitation expenditure is approaching, and
- the operator has less incentive or financial capacity to continue operating.

Progressive rehabilitation can reduce the outstanding liability and is therefore important. Queensland already provides for progressive certification and surrender of rehabilitated areas, which can reduce the amount of scheme assurance required.

However, reductions in financial assurance should only occur where rehabilitation has genuinely reduced the State's residual financial exposure.

Recommendation 11

The Scheme should establish a strong closure-risk framework, ensuring that:

- financial assurance is not reduced simply because production has ceased,
- substantial assurance remains in place until rehabilitation outcomes have been demonstrated,
- prolonged care and maintenance triggers additional review,
- operators approaching closure are subject to enhanced financial monitoring, and
- assurance is released progressively only when the associated liability has genuinely been removed.

---

12. Delayed rehabilitation can impose ongoing costs on landholders

The financial consequences of inadequate or delayed rehabilitation are not limited to the Queensland Government and taxpayers. They can also have significant and prolonged impacts on landholders whose properties are affected by resource activities.

Where rehabilitation is delayed following mine closure, care and maintenance or abandonment, landholders may continue to experience the consequences of disturbed land and infrastructure that would otherwise have been rehabilitated and returned to productive use.[6]

Depending on the circumstances, delayed rehabilitation may result in:

- land remaining unavailable or unsuitable for its intended agricultural or other productive use,
- ongoing restrictions on access, land management or property use,
- continued erosion, altered drainage or other land-management problems,
- ongoing weed or pest-management requirements,
- deterioration of mine-related infrastructure and associated safety concerns,
- uncertainty about when affected land will be rehabilitated and returned to the landholder, and
- additional costs, disruption and loss of productive opportunities over an extended period.

These impacts can be particularly significant for rural landholders, for whom the productive use of land is fundamental to their livelihood and the value of their property.

The longer rehabilitation is delayed, the greater the potential for the costs and consequences of mine closure to be effectively transferred from the resource operator to the landholder.

EnvA considers that the Scheme should recognise this broader community dimension of rehabilitation risk. Financial provisioning should not simply be sufficient to enable the State to undertake rehabilitation at some future point. It should provide sufficient incentive and financial capacity for rehabilitation to occur promptly and progressively, so that affected landholders are not left carrying the consequences of an operator's financial failure.

This is another reason why financial assurance should remain adequate throughout the life of a project and particularly during periods of care and maintenance, financial distress and closure.

Where rehabilitation is delayed because an operator lacks the financial capacity or incentive to undertake it, the Scheme should ensure that sufficient financial resources are available for government to intervene promptly where necessary.

[6] The Guardian (Sept 2026) A coalmine on Trish's Queensland farm has been abandoned. Will anyone clean it up?

Recommendation 12

The Government should consider the impacts of delayed rehabilitation on affected landholders when assessing the adequacy of financial provisioning.

The Scheme should ensure that:

- rehabilitation is undertaken progressively wherever practicable,
- prolonged care and maintenance does not result in rehabilitation being indefinitely deferred,
- sufficient financial assurance is available to undertake rehabilitation where an operator fails,
- the interests of affected landholders are considered when determining rehabilitation priorities for abandoned mines, and
- rehabilitation funding and priorities are transparent where government assumes responsibility for an abandoned mine.

The objective should be to minimise the period during which landholders bear the practical and financial consequences of a resource operator's failure to rehabilitate disturbed land.

13. The Scheme should consider cumulative financial risk

EnvA encourages the Government to consider not only the risk posed by individual environmental authorities but also the cumulative risk posed by the resource sector as a whole.

Queensland's resource industry is large and geographically concentrated in regions such as Central Queensland. A downturn affecting a particular commodity or region could therefore affect several operators simultaneously.

The Scheme should assess whether its current structure adequately accounts for correlated risks.

Recommendation 13

The Scheme should undertake periodic portfolio-level risk assessments considering scenarios in which multiple operators fail or become financially distressed simultaneously.

The results should inform the required level of Fund reserves, surety arrangements and risk classifications.

---

14. Critical minerals should not be used to justify weakening the Scheme generally

EnvA recognises the Queensland Government's interest in supporting investment in critical and strategic minerals.

However, policies designed to support emerging critical-minerals projects should not result in a general weakening of financial provisioning requirements across the resource sector.

The financial risks associated with different commodities and projects can be substantially different.

A critical-minerals project with strong long-term demand prospects should not automatically be treated in the same way as a mature or declining fossil-fuel project whose long-term commercial outlook may be more uncertain.

Recommendation 14

The Scheme should retain the ability to differentiate between resource sectors and project types according to their actual financial and closure risks.

Any concessions or flexibility introduced for emerging critical-minerals projects should be subject to appropriate safeguards and should not reduce protection for the State in relation to coal and gas projects.

Overall recommendations

EnvA recommends that the review adopt the following principles:

1. **The polluter pays:** companies responsible for resource-sector disturbance should remain financially responsible for rehabilitation.
2. **The State should not be the insurer of last resort:** public funds should not become the default source of rehabilitation funding when private operators fail.
3. **Financial assurance should be realisable:** the value of a financial assurance arrangement should be assessed according to its reliability, enforceability and accessibility, not merely its nominal value.
4. **Risk should be dynamic:** provisioning requirements should respond promptly to deterioration in an operator's financial, operational or ownership circumstances.
5. **Closure risk should be explicitly recognised:** financial assurance should remain strong until rehabilitation liabilities have genuinely been discharged, and sufficient resources should be available to prevent prolonged delays in rehabilitation that impose ongoing costs on affected landholders and communities.
6. **Asset transfers should not transfer risk to the community:** ownership changes should trigger appropriate assessment of the incoming operator's financial capacity.
7. **Fossil fuels should be treated differently where their transition risks warrant it:** coal and gas projects should not automatically receive the same financial provisioning treatment as critical and strategic minerals projects.
8. **Abandoned mines require long-term protection:** re-commercialisation should not result in historical liabilities being transferred to taxpayers.
9. **Cumulative risk matters:** the Scheme should stress-test the possibility of multiple simultaneous operator failures.
10. **Landholders should not bear the consequences of delayed rehabilitation:** the Scheme should ensure that financial resources are available to enable timely rehabilitation where an operator is unable or unwilling to meet its obligations.
11. **Transparency should improve:** the Government should report publicly on the relationship between aggregate rehabilitation liabilities and the financial resources available to protect the State.

Conclusion

The Financial Provisioning Scheme is an important mechanism for protecting Queensland from the financial consequences of resource-sector rehabilitation liabilities.

However, the scale of Queensland’s resource industry and the more than $14 billion in estimated rehabilitation cost risk demonstrate the importance of ensuring that the Scheme remains sufficiently robust to protect the community under adverse circumstances.

The purpose of the Scheme should not be interpreted primarily as facilitating investment by reducing the financial obligations of resource operators. Its fundamental role is to ensure that the State is protected from the financial consequences of resource activities.

Queensland's experience with mines entering care and maintenance, changing ownership and potentially being relinquished demonstrates that financial risk can change rapidly over the life of a resource project.

The review therefore provides an opportunity to strengthen the Scheme by ensuring that financial responsibility remains with the operators that create rehabilitation liabilities.

In EnvA's view, Queensland should not allow the commercial benefits of resource extraction to be privatised while the financial costs of rehabilitation are ultimately borne by the public.

The Scheme should ensure that, when a resource project fails, the first line of financial protection is the company responsible for the disturbance—not Queensland taxpayers and communities.

Thank you again for the opportunity to make comments on the review of the Financial Provisioning Scheme.

Yours sincerely,

Dr Coral Rowston
Director
Environmental Advocacy in Central Queensland Inc.