

Our Ref CTS 23416/17



• 7 SEP 2017



Queensland  
Government

Department of  
Natural Resources and Mines

Dr Sean Turner  
Acting Committee Secretary (additional Committee Support Unit)  
Senate Environment and Communications References Committee  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

Dear Dr Turner

Thank you for your letter of 24 August 2017 concerning the Inquiry into the rehabilitation of mining and resources projects as it relates to Commonwealth responsibilities and evidence given by witnesses relevant to the Department of Natural Resources and Mines (the department).

I note the matters raised in evidence to the Committee by Mr Kane Booth, Mr Trond Smith and Ms Georgie Spreadborough and appreciate the opportunity to respond on behalf of the department to the comments made. I will address each of the matters raised separately below.

Please note that the department does not have any concerns regarding the public release of the information contained in this response.

### **Evidence of Mr Kane Booth and Mr Trond Smith**

In relation to evidence given by Mr Smith and Mr Booth, I note that the witnesses raise a range of issues regarding their interaction with the department and Department of Environment and Heritage Protection (EHP) around a dispute they have with the Queensland Gas Company.

It is important to note that the department plays a key role in ensuring an appropriate balance between the rights of landholders and resource companies in relation to private land access for resource related activities.

Under the *Petroleum and Gas (Production and Safety) Act 2004* (P&G Act) the department is responsible for administering the Land Access Code (the Code) which applies to all resource activities undertaken on private land. The Code seeks to ensure appropriate company behaviour on private land and contains best practice guidance for fostering good relations and mandatory conditions which must be complied with by a resource company.

The department is routinely involved in dispute resolution processes between resource companies and landholders as part of its responsibilities under chapter 10 part 1AA of the P&G Act. This includes a requirement to endeavour to assist the parties to reach an early and inexpensive settlement of their dispute. The department also assists landholders and companies in informal negotiations when requested. The latter is applicable in the case in question.

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The department takes its compliance and dispute resolution obligations under the P&G Act very seriously and has implemented a strong proactive compliance program that ensures strict adherence to land access and other regulatory requirements by resource companies. In addition, the department routinely investigates complaints about alleged breaches.

In the case in question, the department investigated a number of alleged breaches of the Code and found no evidence of breach. In these instances, the landholder was formally notified in writing of the outcomes of the investigations.

Matters of this nature are often complex and relationships between the negotiating parties can become strained. In the case in question, officers from the department and EHP have been unsuccessfully working with both parties to seek to resolve the ongoing dispute. Both the department and EHP have communicated regularly with witnesses and have kept them informed as to how matters raised were being dealt with.

The actions taken by all departmental staff have been exercised in a respectful and professional manner and are consistent with engaging with both parties in good faith. It would be inappropriate for the department to comment further regarding details of these negotiations.

The department also seeks to correct a factual inaccuracy associated with Mr Smith's evidence. On page 52 of the Hansard transcript, Mr Smith asserts that Mr Heiner is no longer employed by the department and has taken up a role with Origin Energy. This statement is incorrect. Mr Heiner remains in the employ of the department, however is no longer relieving in the position of Acting Executive Director, Coal Seam Gas Compliance Unit.

### **Evidence of Ms Georgie Spreadborough**

In relation to the evidence given by Ms Spreadborough, I note that the witness has raised a number of concerns about how the department has dealt with rehabilitation at the historic Mount Oxide abandoned mine site and also the performance of the holder of the Exploration Permit for Minerals (EPM).

The department, through the Abandoned Mines Unit (AMU) has taken significant action since 2009 to manage the site and mitigate the concerns raised by the witness. In 2009, \$1.2 Million of the Abandoned Mine Lands Program's budget was reprioritised to Mount Oxide to address site contamination concerns and conduct in-stream contamination clean up works before the 2010/11 Wet Season.

Activities undertaken by the department at Mount Oxide since 2009 include:

- Convening an expert panel to review the site and provide options for site management.
- A range of remediation works including covering the most contaminating stockpiles and moving portions of them out of the river, installing diversion drains to reduce runoff and installing seepage return pumps to minimise contaminant entering streams after runoff.
- Surface and groundwater monitoring regimes were put in place to monitor site performance and confirm contamination pathways.
- Cattle from Chidna Station were tested for heavy metal contamination in 2009 and further tests are planned for 2017.
- Conducted stakeholder meetings to provide updates on site status and progress against the Expert Panel's recommendations.
- Negotiations for fencing to separate cattle from potentially contaminated areas and enhancement of cattle watering facilities.
- Provided cattle lick supplements to help mitigate potential contamination impacts.

The department has delayed long term large scale remediation of the site until the potential resource value in the remnant waste rock stockpiles and heap leach materials on site, as well as yet unmined resources is determined.

Perilya Limited was granted an exploration permit over the site in October 1994 in order to reassess the site's mineral resources. Although Ms Spreadborough expressed frustration about lack of transition to mining over the Mount Oxide site, Perilya has satisfied the conditions of their exploration permit, which was renewed in October 2016 until 2020.

Should you have any further enquiries regarding the department's response to Mr Booth and Mr Smith's evidence please contact Mr Warwick Squire, Acting Executive Director, Department of Natural Resources and Mines on telephone (07) 3181 5145.

If you have any inquiries relating to the evidence of Ms Georgie Spreadborough, please contact Mr Andrew Grabski, Director, Abandoned Mine Lands Program on telephone (07) 3086 6338.

Yours faithfully,

**James Purtill**  
**Director-General**