

LEGISLATIVE COUNCIL
Question On Notice

Tuesday, 27 June 2017

85. Hon Robin Chapple to the Minister for Regional Development representing the Minister for Mines and Petroleum

I refer to the submission signed by Bill Johnston MLA, Minister for Mines, dated 13 April 2017, to the Senate Environment and Communications Reference Committee, and I ask:

- (a) can the Minister explain why it is so important for mining companies to disclose their environmental liabilities far more transparently for the whole mining sector and community than is currently required;
- (b) if no to (a), why not;
- (c) can the Minister explain the current deficiencies that the Minister has identified as to why mining company environmental liabilities are not disclosed in a highly transparent manner;
- (d) if no to (c), why not;
- (e) can the Minister explain why loopholes for rogue miners to escape clean up costs must close;
- (f) if no to (e), why not;
- (g) given the Department of Minerals and Petroleum (DMP) may strongly argue that the full disclosure of environmental liabilities in a highly transparent manner is commercially confidential, can the Minister explain how he will overcome this opposition from the DMP favouring the full and frank disclosure of environmental liabilities in the public interest;
- (h) if no to (g), why not;
- (i) regardless of federal matters, can the Minister state and identify what the DMP is going to do specifically to make mining companies far more transparent in disclosing environmental liabilities and responsibly addressing those environmental responsibilities thereby not exposing the State to unnecessary liabilities; and
- (j) if no to (i), why not?

Answer

- (a) This further transparency provides enhanced community support and confidence in the Western Australian Government's ability to regulate and manage the mining industry to ensure environmental liabilities do not revert to the public, and provides a further check on a company's ability to fulfil its environmental obligations.
- (b) Not applicable.
- (c) Under the Australian Accounting Standards Board's accounting standards, all obligations can be consolidated into a single category of current or non-current liabilities. This consolidation diminishes clarity when analysing a mining company's current and future liabilities.
- (d) Not applicable.
- (e) Currently if a person, or company, becomes insolvent and is either wound up or bankrupted; the obligations of rehabilitation fall away. To avoid these rehabilitation

costs falling to the State the Commonwealth *Corporations Act 2001* needs to be changed to make the environment a creditor in the circumstance of insolvency or bankruptcy. These changes would compliment the West Australian Government's comprehensive legislation, standards and obligations for the planning and implementation of mine closure and rehabilitation.

- (f) Not applicable.
- (g) The Department of Mines, Industry Regulation and Safety will continue to advise me on the benefits and risks that will arise from improving transparency relating to mine site financial provisioning for closure. Matters relating to protecting commercially sensitive information will need to be one of the considerations. Any decision to change policy or legislation in Western Australia regarding transparency will be made by the Government following consideration of all of the relevant matters.
- (h) Not applicable.
- (i) As set out in the Western Australia Government's submission to the Senate Environment and Communications Reference Committee inquiry, the principal laws that regulate the public reporting of rehabilitation liabilities are administered by the Commonwealth. The matters of transparency of financial provisioning for closure are applicable across Australia, and therefore it is appropriate that a national approach is considered.
- (j) Not applicable.



MINISTER FOR MINES AND PETROLEUM