

Question on Notice
No. 537
Taken on notice on 21 May 2020

Mr D Last asked Premier and Minister for Trade (Hon. A Palaszczuk)—

QUESTION:

I refer the Premier to the Craig Ransley, Craig Wallace and Jim Soorley linked TerraCom Resources, owners of the Blair Athol Mine. QTC's original assessment of TerraCom was negative, but the government instead gave approval for TerraCom to operate the mine and, against advice, the government has previously paid back millions of dollars held as a bond—

Will the Premier order an investigation into why TerraCom is now being considered to receive \$30 million of the cash held by the government as financial assurance, against previous QTC and departmental advice?

ANSWER:

I am advised in May 2017, Orion Mining Pty Ltd (Orion), a subsidiary of TerraCom Limited, became the environmental authority and mining lease holder for the Blair Athol Coal Mine in central Queensland. Since then, the Queensland Government has been working with Orion to bring the site out of 'care and maintenance' and back into production, while also ensuring rehabilitation works are completed.

Under section 56 of the *Mineral and Energy Resources (Financial Provisioning) Act 2018*, the Scheme Manager may approve a surety in one or more of the following forms:

- bank guarantee
- insurance bond
- cash.

An environmental authority holder has the discretion to change the form of surety at any time.

The total value of the surety held by the Scheme Manager for an environmental authority is required to be equal to its estimated rehabilitation cost.

In September 2019, the estimated rehabilitation cost of this site was \$71.79 million as determined by the Department of Environment and Science. In May 2020, following an application submitted by Orion in October 2019, the Department of Environment and Science increased the estimated rehabilitation cost of this site to \$72.09 million.

I am advised that no cash or surety has been refunded by Treasury except where there has been a Department of Environment and Science determination in respect to the estimated rehabilitation cost.

The Queensland Government is not a party to any commercial agreements between Orion and its surety provider. Questions pertaining to the ASX announcement should be directed to TerraCom Limited as it relates to private transactions between it and its financiers.