

FACT SHEET

Mt Lyell Acid Drainage Reduction Repeal Bill 2025

This Bill is made to repeal the *Mt Lyell Acid Drainage Reduction Act 2003* (the Acid Drainage Reduction Act).

The purpose of the Acid Drainage Reduction Act was to provide for a private company to operate a plant to extract copper and other metals from the acid drainage emanating from the Mt Lyell site. The Act is no longer required.

The Acid Drainage Reduction Act has never been used and there is no foreseeable use for this legislation, making it appropriate to repeal the Acid Drainage Reduction Act.

The legal uncertainties created through the existence of this legislation, include conflicts and inconsistencies with the Agreement in Schedule 1 of the *Copper Mines of Tasmania Pty Ltd (Agreement) Act 1999*. These uncertainties are considered an impediment to any future investment in the operations of the Mt Lyell Mine.

Repealing the Acid Drainage Reduction Act will remove these legal uncertainties and the redundancy of the Act.

The main provisions of the Act

There are six sections in the Acid Drainage Reduction Act that are particularly important in understanding its intent and complex application:

Section 5 of the Act defines pollution-reducing activities as the extraction of copper, iron or aluminium from acid drainage, the reduction of drainage acidity, or another acid drainage related activity declared by the Minister on the advice of the Director, Environment Protection Authority.

Section 6 allows the Minister to approve a person to undertake a pollution-reducing activity on, or close to, Mt Lyell and prevents a person that is not an approved person from undertaking such activities.

Section 7 allows the Minister to enter into a formal agreement with an approved person.

Section 12 gives the Crown the rights to any substance obtained from acid drainage, for example copper, iron, or aluminium. The Crown may then assign those rights to an approved person (as a financial incentive to undertake pollution-reducing activities).

Section 14(1) creates an obligation on a lease holder to minimise the concentration of metals and minerals when undertaking mining activities.

Subsection 14(2) obliges the lease holder to consult with the 'approved person', prior to reducing the flow of acid drainage or concentration of metals and minerals.

Subsection 14(3) allows for the 'approved person' to seek the Minister's intervention when the reduction of flow or concentration of metals and minerals in the acid drainage will affect the viability of 'approved persons' operations.

Section 15 specifies that nothing in the Act changes the responsibility for treatment of acid drainage by any company under *the Copper Mines of Tasmania (Agreement) Act*, unless authorised by the Minister.

Section 19 provides for the provision of the Acid Drainage Reduction Act to prevail in circumstances where there is an inconsistency with the Copper Mines of Tasmania Pty Ltd (Agreement) Act.

Responsibility for environmental damage from past operations at Mt Lyell

Copper Mines of Tasmania (CMT) is not responsible for environmental damage caused by, or resulting from, operations that were undertaken prior to ownership by CMT in 1994. This indemnity is provided for in the Copper Mines of Tasmania Pty Ltd (Agreement) Act.

The Agreement provides for the treatment of legacy acid drainage by CMT during operation of the mine, and for alternative arrangements for the removal of metals from that acid drainage by or on behalf of the Crown should a viable option be available.

Provisions of the Act conflict with other in force legislation

The Act authorises the Minister to appoint an approved person to undertake pollution reducing activities, it also prevents anyone that is not an approved person from undertaking these same activities. This seemingly creates a conflict with the lessee's obligations under the Agreement (Schedule 1 of Copper Mines of Tasmania Pty Ltd (Agreement) Act) given:

- CMT is not considered an approved person under the Acid Drainage Reduction Act.
- The obligations imposed on the lessee (CMT) in the Acid Drainage Reduction Act inhibits the implementation of methods that minimise the flow of, or concentration of, metals and minerals in the acid drainage. This is seemingly in direct conflict with the obligations imposed on CMT in the Agreement resulting in investment uncertainty for the new owners of CMT.
- Section 19 of the Acid Drainage Reduction Act states the provisions within this Act prevail over the Copper Mines of Tasmania Pty Ltd (Agreement) Act.