

DRAFT SECOND READING SPEECH

HON MADELEINE OGILVIE MP

Mt Lyell Acid Drainage Reduction (Repeal) Bill 2025

Madam Speaker, I move that the Bill now be read a second time.

The purpose of the Bill is to repeal the *Mt Lyell Acid Drainage Reduction Act 2003*.

There are two key reasons for the Act to be repealed.

The first and most significant reason is that its provisions conflict with provisions under the Copper Mines of Tasmania Agreement, acting as a disincentive for a new mine operator to invest in restarting production. Importantly, restarting production at Mt Lyell is the only effective way of providing long term treatment and management of acid drainage from the mine workings.

The second reason is that the Act has never been used and there is no foreseeable use for it. The Tasmanian Government is committed to removing unnecessary and burdensome legislation and making Tasmania one of the best places in Australia in which to do business.

I will shortly give a full explanation of these reasons but will first provide the House with an overview of the Mt Lyell mining operation and its importance to the State.

The Mt Lyell copper mine is one of the most significant copper mines in Australian history and has been in care and maintenance since 2014 after the tragic deaths of three miners.

For over one hundred years, the Mt Lyell operation has provided jobs for generations of Tasmanians and was considered an economic mainstay of Tasmania's West Coast.

Mt Lyell has, over its life, produced more than 1.4 million tonnes of copper, 50 tonnes of gold and 1,500 tonnes of silver, with a value at current prices of approximately \$15 billion.

Madam Speaker, it is undeniable that in producing this wealth for Tasmania, the mine contributed to a significant and detrimental environmental legacy that has affected the Queen and King Rivers extending into Macquarie Harbour. In the 1990s Copper Mines Tasmania, as the then operator of the Mt Lyell Mine, ceased sending untreated tailings downstream and constructed a tailings dam to contain the

metalliferous (*metal – iferous*) and acidic mine wastes and, Madam Speaker, significantly reduced the impact on the environment.

Despite this, there remains some acidic waters entering the aquatic system sourced from the mine area via the percolation of rain waters through the waste rock dumps and old underground workings, draining to the Queen River.

The Mt Lyell leases are 100 per cent held by Copper Mines of Tasmania which is a wholly owned subsidiary of Sibanye-Stillwater, a multinational mining and metals processing group that has identified a strong commercial potential for restarting mining at Mt Lyell.

Madam Speaker, there are two pieces of legislation that are specific to regulating the operations at and around the Mt Lyell Mine.

The first is the *Mt Lyell Acid Drainage Reduction Act 2003* (the Act we are seeking to repeal today) and the second is the forementioned *Copper Mines of Tasmania (Agreement) Act 1999*, with the latter Act containing the ratified Agreement in Schedule 1 of the Act.

The Mt Lyell Acid Drainage Reduction Act was made to provide a framework for a private company to treat acid mine drainage on behalf of the State, and to incentivise them by giving them the rights to any metals or minerals recovered through that treatment process.

The passage of the Acid Drainage Reduction Act was driven by a specific proposal from Australian Mineral Investments Pty Ltd to treat acid drainage at the site by installing a copper extraction plant. Unfortunately, this proposal proved to be economically unviable and did not come to fruition. Further to these efforts, the Tasmanian Government signed a Memorandum of Understanding for the implementation of a copper extraction plant in December 2004 with the Australian Government. Due to the technical complexities of developing the treatment system, the Memorandum of Understanding expired prior to the construction of the project.

In 2013, the Tasmanian Government advertised a request for proposals to develop pollution reduction operations at the site on a commercial basis, with the sale of extracted metals to form a viable, self-funding enterprise using the provisions of the Act. While several proposals were received, ultimately none of them met the key criteria which was to operate without significant subsidisation within the constraints of the Acid Drainage Reduction Act.

In summary, to date, there have been no viable commercial proposals forthcoming to treat acid drainage under the provisions of the Act.

The Act has never been used, and it is not foreseeable that it will ever be used. The lack of viable technology and the decreasing quality of metals in the acid drainage that has occurred over time, reduces the potential for any future commercially viable operation.

From a practical standpoint, the Act is therefore redundant and it is therefore appropriate that it is repealed.

Madam Speaker, the second key piece of legislation is the Copper Mines of Tasmania Pty. Ltd. (Agreement) Act. While this Act is the responsibility of the Minister for Business, Industry and Resources, I will provide some high level comments for context.

The Copper Mines of Tasmania Agreement Act ratifies the March 1999 agreement between Copper Mines of Tasmania and the State of Tasmania (the Agreement).

The Agreement provides indemnity to the operator of the mine for the legacy environmental issues associated with the acid drainage that emanates from activities undertaken prior to 1999. The State is deemed responsible for the acid drainage that has been determined to be as a result of these historical operations.

In addition, the operator of the mine has obligations under the Act to undertake cotreatment of the legacy acid drainage within the scope of business operations. This means that Copper Mines of Tasmania continues to be involved in the active management of acid drainage from the site, including operating under the conditions of their Environment Protection Notice (EPN). Indeed, the best outcome for the West Coast environment is for the mine to be in operation.

Madam Speaker, as I mentioned earlier, the second reason to repeal the Acid Drainage Reduction Act relates to legal uncertainties that have been identified since the Act took effect in 2003, including conflicts with the Agreement.

To explain this, I will provide the Members of this House with an overview of the relevant provisions in the Acid Drainage Reduction Act, as they relate to the concept of an 'approved person', the rights to minerals obtained during remediation, and potential conflicts with the operator's EPN conditions, should an approved person be appointed.

The Acid Drainage Reduction Act enables the Minister to appoint an 'approved person' to undertake pollution reducing activities.

In undertaking these activities, an approved person may seek authorisation for the use of both private and leased land, and the rights to any substance (including minerals) obtained through the treatment of acid drainage.

Section 6(3) of the Act creates an offence for any person undertaking a pollution-reducing activity in respect of acid drainage unless they are an approved person.

The generality of section 6(3) seemingly conflicts with Copper Mines of Tasmania's operational obligations including the Agreement Act and EPN. It poses uncertainty for the company if an 'approved person' were to be appointed in the future under the Mt Lyell Acid Drainage Reduction Act.

Section 14 of the Acid Drainage Reduction Act enables an 'approved person' to seek the Minister's intervention to prevent any proposed change to the mining operations of the lease holder should there be potential to impact the effectiveness or viability of the 'approved person's' operations.

Section 14 of the Act requires that primary mining activities are to be carried out by Copper Mines Tasmania in a manner that minimises any disruption to the flow and load of metals and minerals in acid drainage.

Importantly Madam Speaker, should a third party ever be appointed as an approved person, section 14 seemingly restricts the mine operator from conducting pollution reduction activities or improving mining operations to reduce acidic outflows and or improve metal recoveries. This provision conflicts with the obligations of the operator under their EPN and also under the Agreement to operate in accordance with best practice Environmental Management.

Section 19 of the Acid Drainage Reduction Act prescribes that, in the event of inconsistency between this Act and the Copper Mines of Tasmania State Agreement, the provision of the Acid Drainage Act prevails. This makes it impossible for Copper Mines of Tasmania to comply with its environmental requirements should an approved person be declared under the existing provisions of the Acid Drainage Reduction Act.

As a result, Madam Speaker, Sibanye-Stillwater has raised concerns about the potential for the provisions of the Acid Drainage Reduction Act to prevent Copper Mines of Tasmania from complying with its obligations prescribed under the Copper Mines of Tasmania State Agreement and section 4 of the *Environmental Management and Pollution Control Act 1994*.

Madam Speaker, I also mentioned earlier that Sibanye-Stillwater, Copper Mines of Tasmania's parent company, is investigating the potential for recommencing mining operations at Mt Lyell. The concerns raised by Sibanye-Stillwater present a number of risks and therefore a disincentive to their pending investment in the Mt Lyell Mine.

It is appropriate that the redundant Mt Lyell Acid Drainage Reduction Act be repealed, reducing unnecessary legislation and removing the investment disincentive that currently exists.

A restart of the mine would create regional employment opportunities, enable the production of copper and other minerals necessary for the transition to renewable energy.

Importantly, it would also improve treatment of legacy acid mine drainage under active operation and regulatory control by the Environment Protection Authority. This will deliver a better environmental outcome for the affected river systems and broader West Coast region.

This Bill forms a vital part of this Government's commitment to support the restart of mining operations at Mt Lyell.

Madam Speaker, I commend the Bill to the House.