2023–24 Annual Report

Financial Provisioning Scheme

FINANCIAL PROVISIONING SCHEME

Queensland Government

Queensland Treasury

Purpose of this report

The report forms part of the Financial Provisioning Scheme's corporate governance framework and fulfils the Scheme Manager's obligation under section 83B of the *Mineral and Energy Resources (Financial Provisioning) Act 2018* to provide the Minister (Treasurer) with an annual report on the administration of the Act and the Financial Provisioning Scheme within 3 months of the end of financial year.

Translating and interpreting assistance

The Queensland Government is committed to providing accessible services to Queenslanders from all cultural and linguistic backgrounds. If you have difficulty in understanding this publication, you can contact us on 13 QGOV (13 7468) and we will arrange an interpreter to effectively communicate the report to you.

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1 Foreword

The Financial Provisioning Scheme (Scheme) plays an important role in protecting the state's financial risks associated with mining and resource sector rehabilitation. With $13.73 billion in aggregate estimated rehabilitation cost risk, the Scheme is regarded as a highly effective risk management instrument and mechanism to support good environmental outcomes in the resource sector.

The government and the public service recognise the ever-increasing expectations for sound environmental stewardship. Through programs such as the Scheme, Queensland is actively responding to these changes and is pleased to be working with stakeholders to ensure policy settings are optimal to deliver the highest standards of responsible development and operation.

The Scheme, after much consultation with industry stakeholders, achieved a significant milestone in June 2024 with ascent of the Post Transition Review amendments to the *Mineral and Energy Resources (Financial Provisioning) Act 2018*. The amendments will commence on a date proclaimed by the Governor-in-Council.

The first independent actuarial review of the Scheme as mandated under the Act will occur in the coming year and I look forward to seeing the Scheme Manager's recommendations included in the 2024-25 annual report.

It's expected the Scheme will continue to deliver its objectives and play an increasing role in enhanced, environmentally sound economic activity.

Michael Carey
Under Treasurer

2 Scheme Manager's overview

The Financial Provisioning Scheme (Scheme) manages the financial risk to the State of Queensland of resource sector holders of an environmental authority (EA) or small scale mining authority failing to meet their rehabilitation obligations. The Scheme commenced in April 2019 and is governed by the *Mineral and Energy Resources (Financial Provisioning) Act 2018* (the Act). The rehabilitation obligations of EA holders are subject to the relevant provisions of the *Environmental Protection Act 1994*.

A major milestone was met in June 2024 with ascent of the Post Transition Review amendments to the Act. I commend the Scheme for their efforts in driving this significant body of work across two years that was started by the first Scheme Manager. This project included a report by KPMG, an interim actuarial review by Ernst & Young, industry submissions and industry participation in testing. This has resulted in a new risk category assessment process being developed in consultation with the risk advisory consortium led by KPMG (including Australia Ratings and Worley Consulting (previously Advisian)) and further development of the Financial Assurance Information Register system by Procensol Australia Pty Ltd.

The 2023–24 Scheme annual report is based on the Act as in force as at 30 June 2024.

Another milestone was met in June 2024 with $220 million of the Financial Provisioning Fund (Fund) balance being placed in long-term investment with QIC. This investment is expected to grow over the coming years to provide a base of funding to meet state costs when the holder of an environmental or small scale mining authority fails to meet their obligations under the *Environmental Protection Act 1994*.

As at 30 June 2024, there were 4,991 EAs and small scale mining authorities, with 406 of the EAs being assessable under the Act as they had an estimated rehabilitation cost (ERC) of $100,000 or more. This represents a net increase of 314 EAs from the 4,677 EAs and small scale mine authorities transferred to the Scheme on its commencement.

The aggregate ERC has grown from approximately $8.308 billion on Scheme commencement to $13.73 billion as at 30 June 2024, a 65% increase ($5.422 billion). Multiple factors contributed to this increase including removal of the financial assurance discounts available prior to Scheme commencement, implementation of the estimated rehabilitation calculator, changes to resource site operation planned works and an increase in the number of EAs.

During 2023–24, the Fund balance increased by $93.1 million to $276.7 million, and surety held has increased by $493.4 million to $7.794 billion.

2.1 Financial Provisioning Fund claims

During 2023–24, two claims made by the Department of Resources for post Scheme commencement abandoned mine remediation work were approved for payment from the Financial Provisioning Fund.

The first claim of $500,000 was for emergent remediation work done in 2023–24 on the Thalanga mine site that was disclaimed in December 2022. The second claim of $500,000 is for remediation work in the 2024–25 financial year on the Mount Garnet mine site that was disclaimed in March 2024.

2.2 Financial Provisioning Fund grants

The 2023–24 financial year saw the successful completion of the first abandoned mines project provided with a grant from the Financial Provisioning Fund in 2022. This grant enabled the Department of Resources to:

- investigate and identify the appropriate remediation plans and develop engineering designs for tailings storage facilities at the abandoned Jumna and Golden Gate and Chariah mine sites
- develop remediation plans and designs for the decommissioning of the process water pond and remediation of remnant process waste at the Chariah mine site.

Following the investigations, a grant of $2.5 million was approved for the Department of Resources to decommission the process water dam, including encapsulating contaminants from remnant waste and improvement works on the tailings' storage facility at the Chariah mine site. This project is planned for the 2024-25 and 2025-26 financial years.

The first rehabilitation research grant was also approved this financial year. The grant of $200,000 over two years will assist the Office of the Queensland Mine Rehabilitation Commissioner to reduce risk through supporting robust research into mine waste cover structures in Queensland.

2.3 Transition to regulatory changes

During 2023–24 work on the Post Transition Review of the Scheme continued, culminating in amendments to the Act achieving assent in June 2024.

The amendments will commence on a date proclaimed by the Governor-in-Council. The amendments are summarised as follows:

- Prescribed ERC: Increase the prescribed ERC for risk assessments from the existing $100,000 to $10 million, reducing compliance and administrative burden.
- Risk Category Allocation (RCA): Introduce an additional risk category of Moderate-High to better allocate mines to risk categories.
- Prescribed percentages: Change the prescribed percentages of risk categories appropriately. 'Very Low' and 'Low' risk category rates remain the same, 'Moderate' reduces from 2.75% to 2.25%, and the new 'Moderate-High' is 6.5%.
- Fund threshold level: Increase the fund threshold for BBB+ or better credit-rated entities to $600 million, increasing availability of finance. However, retain a $450 million threshold for all other entities that are higher risk.
- Post-transition transitional arrangements: Provide more flexibility for EA holders that are transitioning to higher-risk categories.
- Annual review: Align EA assessments by grouping them by the assessed entity and realign annual review dates so grouped assessments can be reviewed at the same time.
- Fees: Introduce assessment pathways through the Scheme Manager Guidelines to reflect more nuanced assessments including a 'Streamlined' assessment for those EAs with a mine that is unchanged year-on-year and with an ERC of $50 million or more incurring a fee 50 percent less than what they currently pay.
- Administrative change to the Act: Internal-to-government change seeking to make abandoned petroleum and gas sites eligible for a remediation grant.

While not part of the legislative changes, the RCA assessment weighting of components for the Resource Project Characteristics Assessment will change. The assessment for saleability will reduce from 80%to 70%, and the rehabilitation component will double from 15% to 30%.

Saleability assessments will retain 'remaining economic life' as a factor but will also include other metrics to better reflect the strength of the asset.

Rehabilitation assessments will change significantly, becoming based on rehabilitation that has been performed as opposed to the current requirement for certification.

Comprehensive guidelines and information sheets will be available to holders of environmental authorities to help them understand how the changes will apply to their organisation.

2.4 2024 Actuarial Review

Work is progressing to retain an independent actuary to undertake the first five-year actuarial review mandated under the Act. The 2024–25 annual report will include the required actuarial review disclosures under the Act.

2.5 Overarching risks to the Scheme

Risks identified in the Post Transition Review and disclosed in the 2022–23 Annual Report continue to be monitored and addressed with relevant government agencies and industry to determine the risk to the Fund and an appropriate response from government. These risks include:

- sites in long-term care and maintenance, with only modest levels of rehabilitation, many of which have experienced favourable commodity price cycles without being returned to production
- decommissioning of wells with state risk arising from the gap between the Department of Resources plug and abandonment requirements and the Department of Environment, Science and Innovation ERC calculator which does not consider subsurface rehabilitation
- examining why state actual costs to rehabilitate a mine site may significantly exceed the cost derived from the ERC calculator
- surety accessibility, from both an availability and cost perspective.

In addition, the Scheme continues to monitor the risks below for their potential impact on the Fund:

- counterparty risk exposure from the trend for smaller and/or newer entities acquiring assets from stronger current EA holders extending beyond that considered on Scheme commencement. This trend may result in higher probabilities of default and/or claims on the Fund
- energy transformation (decarbonisation) risk of increased claims on the Fund.

3 2023–24 financial year

As at 30 June 2024 the Scheme was managing provisioning for:

- 406 assessable EAs with an ERC of at least $100,000
- 4,585 small scale mining authorities and EAs with an ERC below $100,000
- 20 EAs for resource authorities that have been cancelled, disclaimed, amalgamated or the holder is deregistered by ASIC, but a claim was yet to be made by the Department of Environment, Science and Innovation.

3.1 Assessment outcome summary

In total 392 RCA decisions were made during 2023–24, a decrease of 5 from the 397 decisions made in 2022–23. Of the RCA decisions, one environmental authority decision is reflected in both the Fund and surety allocations due to the $450 million fund threshold. Changed holder decisions that have not been applied to an EA by 30 June 2024 are not included in the assessment outcomes below.

Table 3.1 compares the RCA outcomes for the current and previous financial years. The contribution reflects the aggregate value of contributions invoiced in the period and the ERC reflects the aggregate value of ERC at the time the RCA decisions were made.

Table 3.1

	Fund allocations					
	2023–24			2022–23		
Risk category	**No.**	**Contribution $M**	**ERC $B**	**No.**	**Contribution $M**	**ERC $B**
Very Low	35	8.867	1.753	38	12.482	2.496
Low	136	23.414	2.362	127	18.624	1.862
Moderate	39	41.412	1.506	38	36.164	1.350
Total	**210**	**73.693**	**5.621**	**203**	**67.269**	**5.709**

	Surety allocations $B			
	2023–24		2022–23	
	No.	**ERC**	**No.**	**ERC**
High	158	1.645	170	1.642
>$450M Threshold	24	5.887	24	5.585
Total	**182**	**7.533**	**194**	**7.227**

The aggregate ERC of the EAs assessed in the period was $13.153 billion, of which $5.621 billion was allocated to the Fund and $7.533 billion was allocated to provide surety. This is different to the ERC risk position set out below due to:

- changes to EAs since the decision was made including new ERC decisions, de-amalgamations, amalgamations or surrendering of the EA
- changed holder assessments where some EAs had more than one assessment in the period
- EAs in external administration included in the risk analysis may not go through an RCA process as, by the nature of being in external administration, they are assumed to be in the High risk category. When an EA is transferred to a new holder or successfully exits external administration, it will undergo a risk category allocation assessment.

3.2 Risk position

The total ERC being managed by the Scheme as at 30 June 2024 was $13.73 billion. The ERC is made up of:

- $13.707 billion in ERC for assessable EAs with an ERC of $100,000 or more
- $23.389 million for small miners and those EAs with an ERC less than $100,000.

A further $3.035 million in ERC is for EAs where the associated resource authority had been disclaimed or cancelled, and a claim was yet to be made against the surety.

3.3 Risk composition

Assessable EAs are either assigned to provide surety equal to their ERC or, if the RCA is very low, low or moderate, a contribution is required to be paid to the Fund up to the fund threshold of $450 million in aggregate ERC. The contribution is calculated based on the RCA rate times the ERC. Where the aggregate ERC is over the $450 million fund threshold for EAs with an RCA of Very Low, Low or Moderate, a holder is required to provide surety for the ERC portion above $450 million. This threshold is applied to all EAs associated with the relevant holder's parent entity.

Chart 3.1

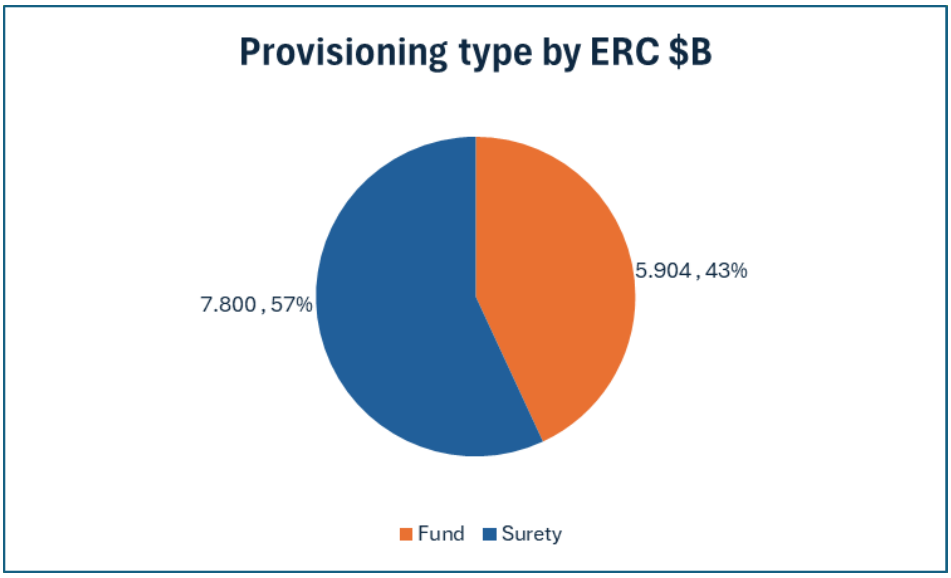
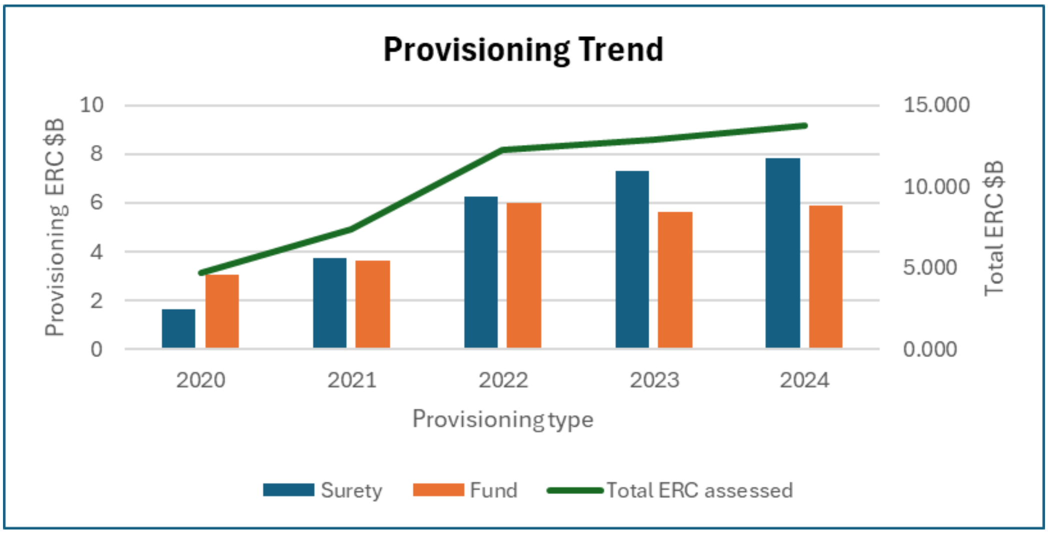


Chart 3.1 shows that as at 30 June 2024, 43% ($5.904 billion) of ERC was allocated to the Fund and 57% ($7.8 billion) was allocated to surety. A further $2.123 million of ERC relates to new EAs with their first RCA assessment in progress and provisioning type not yet allocated.

Chart 3.2 shows the change in provisioning type from RCA outcomes since Scheme commencement. The lower ERC values in 2020 and 2021 reflect the transition period with 2022 being the first year that all assessable EAs had RCA assessments. While the Scheme commenced in April 2019, all EAs were in surety in the 2018–19 financial year as no RCA decisions had been finalised.

Chart 3.2



The ERC risk managed by provision of surety or contribution to the Fund is proportionally consistent with 2023 at 43% in the Fund and 57% in surety, however the aggregate values have changed with surety increasing from $7.301 billion in 2023 to $7.8 billion in 2024. The Fund has increased from $5.615 billion in 2023 to $5.904 billion in 2024.

Chart 3.3 shows the ERC risk by commodity type and demonstrates the state's exposure to coal at 69% of assessable ERC, minerals at 20% and petroleum and gas at 11%.

Chart 3.3

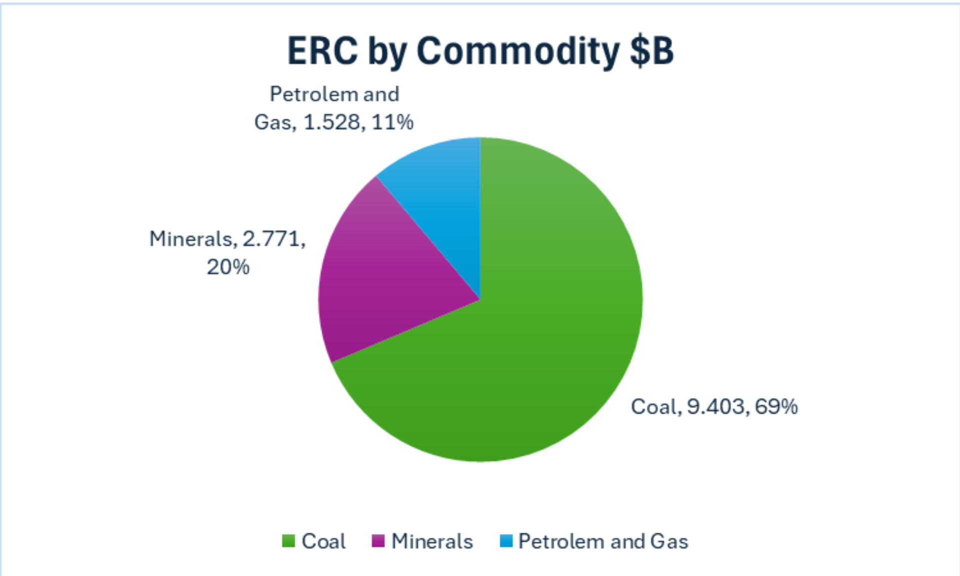
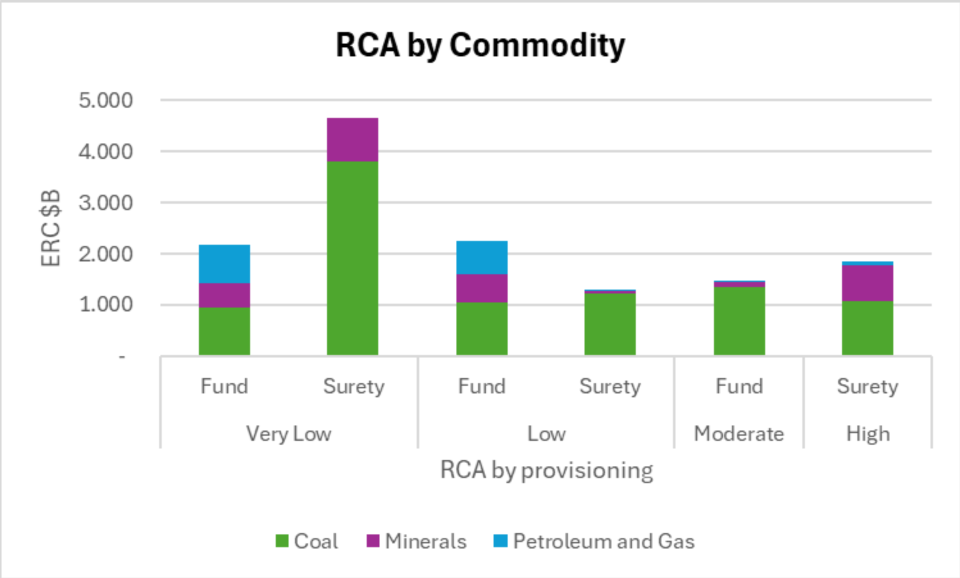


Chart 3.4 shows coal is dominant across all RCAs, representing 69% of Very Low, 64% of Low, 90% of Moderate and 57% of High categories.

Chart 3.4



The risk exposure to coal is mitigated through the $450 million fund threshold limiting coal to 56% of the ERC managed through the Fund and 78% of ERC managed by surety.

Petroleum and gas are concentrated in the Fund with 95% of its ERC allocated to the Fund, however it represents only 25% of the total ERC exposure in the Fund. At an RCA level, it represents 11% of Very Low, 19% of Low, 3% of Moderate and 4% of High categories.

Minerals represent 19% of the total ERC exposure in the Fund and 21% of surety ERC allocation. At an RCA level, it represents 20% of Very Low, 17% of Low, 25% of Moderate and 39% of High categories.

Chart 3.5 compares Fund composition by commodity for aggregate ERC and aggregate contributions. It shows that even with the $450 million fund threshold, coal at 56% of the aggregate ERC accounts for 73% of Fund contributions. Minerals at 19% of aggregate ERC accounts for 11% of contributions and petroleum and gas at 25% of the aggregate ERC accounts for 16% of contributions.

Chart 3.5

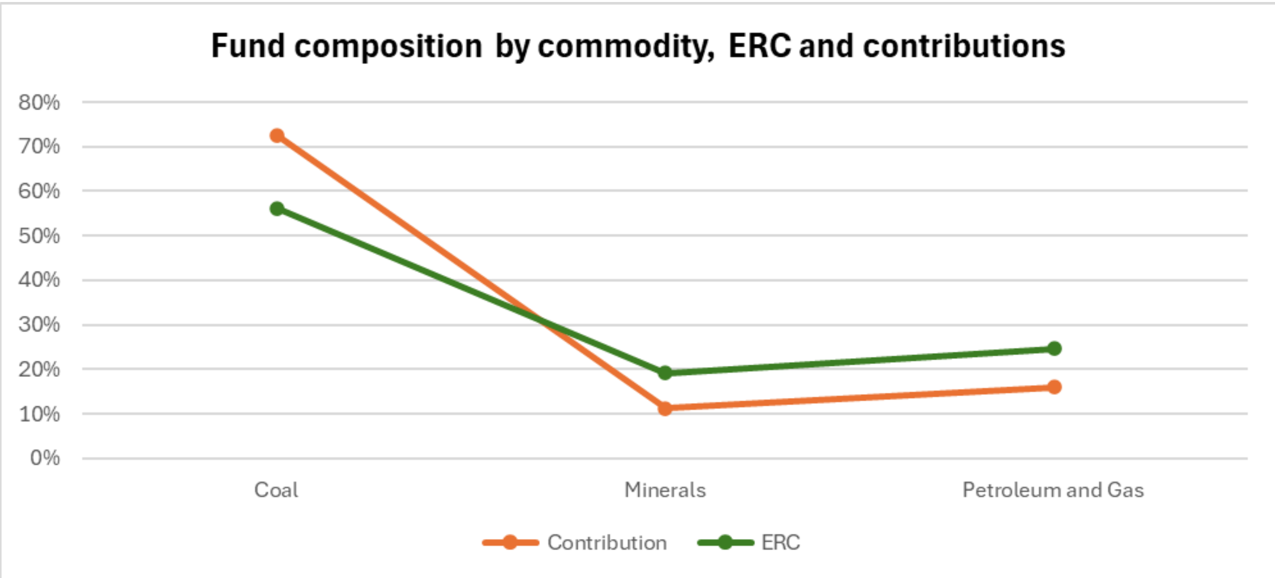
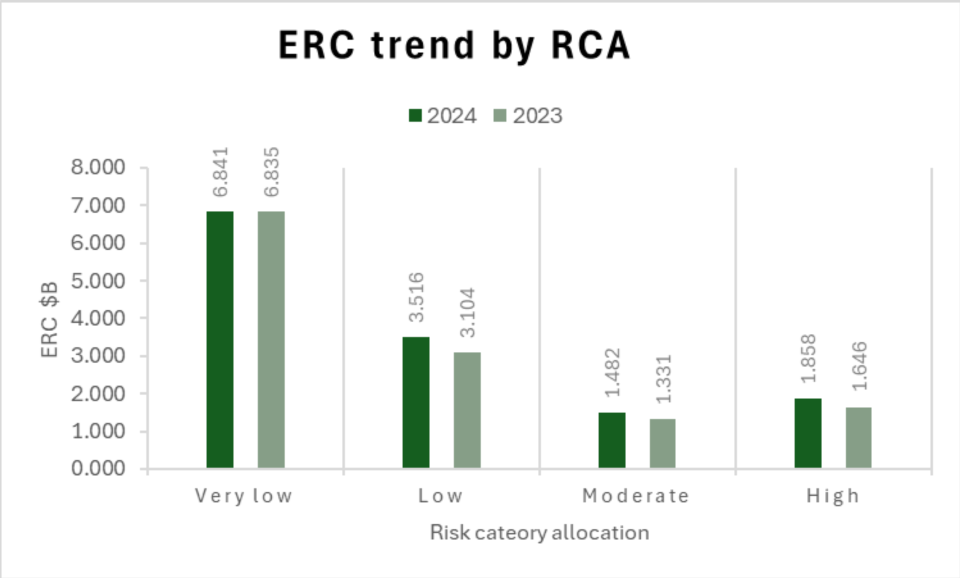


Chart 3.6 shows the trend in the state's rehabilitation risk exposure in terms of RCA outcomes as at 30 June 2023 ($12.916 billion) and 30 June 2024 ($13.698 billion).

Chart 3.6



While Very Low RCA outcomes continue to dominate at 50% ($6.841 billion) of the ERC assessed in 2023–24, this is 3% less than the 53% ($6.835 billion) proportion in 2022–23.

Low RCA outcomes increased by 2% to 26% ($3.516 billion) of ERC in 2023–24 from 24% ($3.104 billion) in 2022–23.

Moderate and High RCA outcomes increased by 1%. Moderate increased from 10% ($1.331billion) in 2022-23 to 11% ($1.482 billion) in 2023-24. High increased from 13% ($1.646 billion) in 2022–23 to 14% ($1.858 billion) in 2023–24.

An additional $9.163 million in ERC relates to EAs undergoing their first risk category assessment as at 30 June 2024 due to factors such as the ERC increasing to above $100,000, company no longer in external administration or new EAs. EAs in external administration or where the ERC had previously been below $100,000 are included in the provisioning analysis under surety.

3.4 Risk concentration

Risk concentration for three relevant holder parent entities as a portion of total ERC for assessable EAs has decreased from 54% ($6.985 billion) in 2022–23 to 51% ($7.056 billion) as at 30 June 2024. Even though the total ERC value has increased by $71 million, the proportional decrease is due to the dilution effect of the increase in overall ERC of $791 million for assessable EAs.

During 2023-24 the number of relevant holder parent entities with an aggregate ERC over $450 million across all their assessed EAs increased from three to four.

4 Financial Provisioning Fund financial report

4.1 Scheme Manager statement

The Financial Provisioning Fund financial report is prepared in accordance with the Financial Provisioning Scheme Annual Report Framework policy. The financial report reflects the financial position of the Financial Provisioning Fund based on regulatory receipts and payment categories.

In my opinion, the Financial Provisioning Fund financial report below presents fairly the transactions of the Fund for the period 1 July 2023 to 30 June 2024, and the balance of the Fund on 30 June 2024.

Timothy Michael
Scheme Manager
27 August 2024

4.2 Financial Provisioning Fund as at 30 June 2024

Accounting Policy: The Financial Provisioning Fund balance is prepared on a cash flow basis, except for movements in QIC investments, which are held at market value.

Table 4.1

	Note	2024 $,000	2023 $,000
Opening Fund balance		**183,554**	**128,270**
Fund inflows			
Investment earnings			
- Fund investment return	1	9,251	4,099
- cash surety interest	2	14,258	5,525
Contributions	3	82,811	57,656
Assessment fees	3	2,944	2,206
Total Fund inflows		**109,264**	**69,486**
Fund outflows			
Administration costs	4	-6,872	-6,128
Grant funding	5	-864	-182
Claims	6	-500	-
Return of Treasurer’s advance	7	-7,893	-7,893
Total Fund outflows		**-16,129**	**-14,202**
Net Fund position for the period		**93,135**	**55,284**
Fund balance at 30 June		**276,689**	**183,554**

Notes as at 30 June 2024:

1. Financial Provisioning Fund investments are $30.069 million in a QTC Cash Fund, $20.216 million in a QIC Cash Fund and $218.694 million in QIC long term investment (QT 2023–24 Financial Statements notes 5, 12, and 14).
2. Cash surety interest received increased due to higher interest rates (QT Financial Statement note 5).
3. Contribution receipts increase is due to fund ERC increase of $289 million, timing of RCA decisions and changes in RCA categories. The variance to FPS Fund revenues (contributions ($76.693 million) and assessment fees ($2.663 million)) disclosed in QT 2022–23 Financial Statements note 4 is due to the timing of invoices being paid.
4. Increased administration costs mainly relate to system development costs to implement legislative reforms.
5. Grant costs relate to cash payments in the period. Both grants and claims are recorded as grants in the financial statements note 9 as they are a nonreciprocal payment to another department.
6. $500,000 remediation claim by the Department of Resources was for a post Scheme commencement disclaimed mine.
7. The Treasurer’s advance return relates to the government’s 2017–18 Budget commitment for $39.4 million in financial assurance reforms costs to be returned to government. The $7.893 million payment is the second of five annual payments.

5 Audit report

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INDEPENDENT AUDITOR'S REPORT

To the Scheme Manager

Report on the Financial Provisioning Fund financial report

Opinion

I have audited the Financial Provisioning Fund financial report for the period 1 July 2023 to 30 June 2024, identified in section 4 of the Financial Provisioning Scheme's 2023–24 annual report.

In my opinion, in all material respects, the financial report presents fairly the balance of the Financial Provisioning Fund (the Fund) as at 30 June 2024 and the transactions of the Fund for the period 1 July 2023 to 30 June 2024.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the Fund in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – basis of accounting

I draw attention to the Scheme Manager's statement in section 4 of the Financial Provisioning Scheme's 2023–24 annual report which describes the basis of accounting. The Financial Provisioning Fund financial report has been prepared on a cash flow basis, except for movements in QIC investments that are held at market value. The Financial Provisioning Fund financial report is prepared for the purpose of fulfilling the Scheme Manager's reporting responsibilities under the *Mineral and Energy Resources (Financial Provisioning) Act 2018*. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

Other information comprises the information (other than the audited financial report) included in the Financial Provisioning Scheme's 2023–24 annual report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

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If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Scheme Manager for the Financial Provisioning Fund financial report

The Scheme Manager is responsible for the preparation and fair presentation of the Financial Provisioning Fund financial report. The Scheme Manager's responsibility also includes such internal control as the Scheme Manager determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the Financial Provisioning Fund financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of my auditor's report.

27 August 2024

Melissa Fletcher
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

6 Financial provisioning surety

6.1 Surety held on 30 June 2024

Under the Act, surety can be provided as bank guarantees, insurance bonds or cash.

Table 6.1 summarises the changes in surety composition between 30 June 2023 to 30 June 2024.

Table 6.1

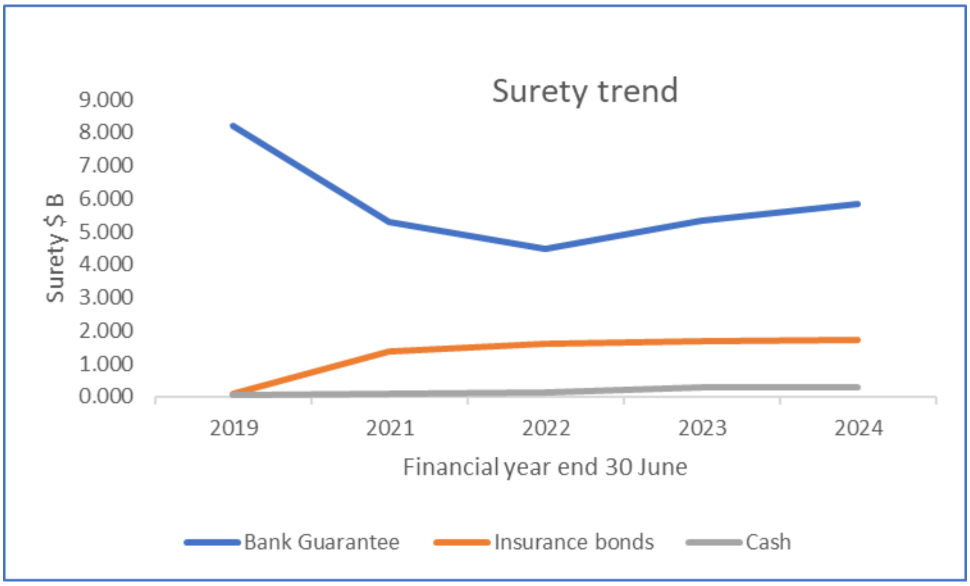
Surety	30/06/2024 $,000	30/06/2023 $,000	Annual Change $,000	Change %
Bank guarantee	5,817,706	5,333,724	483,982	9.1
Insurance bonds	1,699,635	1,676,118	23,517	1.4
Cash	276,590	290,738	-14,148	-4.9
Total surety	**7,793,931**	**7,300,580**	**493,350**	6.8

Note: For the related 30 June 2024 Queensland Treasury annual report financial statement disclosures please refer to:

- Note 2(b) for the Financial Provisioning Scheme.
- Note 12 for cash surety and note 17 for the equal Liability.
- Note 20 for bank guarantee and insurance bond surety disclosure and contingency reporting.

Chart 6.1 demonstrates the trend of surety by type since Scheme commencement.

Chart 6.1



The total surety held as at 30 June 2024 of $7.794 billion is 6.7% ($0.561 billion) less than the $8.355 billion held on 30 June 2019 however, it has increased by 6.8% ($0.493 billion) since 30 June 2023. This trend is consistent with the total ERC trend discussed in section 3.3.

6.2 Claims against surety

The Scheme Manager has approved three claims made by the Department of Environment, Science and Innovation ($13.664 million, $10.744 million and $0.067 million) against surety for disclaimed resource sites.

An additional $568,369.81 in likely claims against surety are known. The actual value and timing of future claims will depend on the Department of Resources prioritisation of projects, and the timing of the Department of Environment, Science and Innovation making a claim.

7 Financial Provisioning Fund planned expenditure

The Financial Provisioning Fund planned expenditure is based on estimates and may differ to actual expenditure for the period. Due to the uncertainty of timing and actual costs incurred in the period, the planned expenditure is not audited and is exclusive of GST.

To optimise the delivery of the financial assurance reforms across departments, the government provided funding of $39.462 million in its 2017–18 Queensland Budget. The Budget required the costs of the reforms to be returned to government. Return of the reforms cost will be made in five equal annual payments of $7.893 million with the first payment made in June 2023 and the second payment in June 2024.

All Scheme administration costs are met from the Financial Provisioning Fund. Ongoing costs include external risk advice consortium expenses, technology related costs, actuarial consultancy, staff expenses and general overheads.

The 2024–25 financial year includes costs associated with the actuarial review required five years after commencement of the Scheme and subsequently every three years.

Grants of $200,000 for rehabilitation research and $2.5 million for abandoned mines approved in 2023–24 will be paid to the Department of Environment, Science and Innovation and the Department of Resources once those departments incur the costs. See section 2.2 for more information on approved grants.

Costs set out below reflect known Financial Provisioning Fund estimated cash outflows for the periods and excludes allowances for unknown items such as potential claims and future grant approvals.

Description	**2024–25 $,000**	**2025–26 $,000**
Abandoned mines grants program	1,000	1,500
Rehabilitation research grant program	186	–
Return of Treasurer advances	7,893	7,893
Environmental claims	–	–
Remediation claims	500	–
Forecast administration costs	5,949	6,000
Total	**15,528**	**15,393**

8 Financial Provisioning Scheme Advisory Committee

The role of the Advisory Committee is to give advice:

- to the requesting agency (Department of Environment, Science and Innovation or Department of Resources) about requests from the Financial Provisioning Fund for:
    - remediation/rehabilitation activities at land on which an abandoned mine exists
    - research that may contribute to the rehabilitation of land on which resource activities have been carried out
- to the Scheme Manager about the operation of the Scheme.

Advisory Committee members appointed for a three-year term on 27 June 2023 are below. Ministerial approval is being sought for a Chair nominee (prior Chair's tenure expired) and member nominee.

- Dr Carl Grant
- Dr Julie Beeby
- Dr Emma Gagen
- Mr Stephen Smyth
- Mr Richie Ah Mat
- Mr Matthew Paull
- Mr Michael McCabe
- Ms Julia Taylor

The Advisory Committee met twice during the financial year and has considered three projects put forward for Scheme Manager grant consideration. Advice to the relevant departments endorsed two of the proposals:

- \$2.5 million for the Department of Resources to rehabilitate the Chariah mine site tailings storage dam
- \$200,000 for the Department of Environment, Science and Innovation for the Office of the Queensland Mines Rehabilitation Commissioner project, 'Reducing Risk through supporting robust research trials to rehabilitate mine waste structures.'

9 Legislative disclosures

9.1 Mineral and Energy Resources (Financial Provisioning) Act 2018

Section 73 of the Act requires the first actuarial review to occur five years from Scheme commencement and every three years thereafter. The extended first period allows for completion of transitioning holders into the RCA and time for revenue and expenditure to be more consistent. This will provide the actuary with more reliable information for the review. Once a review has occurred the Scheme Manager will report the actuary's opinions, Scheme Manager recommendations and actions taken in the following annual report (required under section 83B).

Section 83B of the Act also requires the Scheme Manager to provide, as part of the annual report, a summary of stakeholder submissions received during the financial year on the effectiveness of the Financial Provisioning Scheme or Residual Risk Fund. No submissions were received in 2023–24.

9.2 Application of other legislation

Financial Accountability Act 2009
The *Financial Accountability Act 2009* applies to the Scheme Manager. This requires the Scheme Manager to comply with departmental and Queensland public sector financial management and governance policies.

As the Financial Provisioning Fund and Cash Surety accounts are established as departmental accounts, they will be incorporated into Queensland Treasury's financial statements for the reporting period. The Queensland Treasury Annual Report is available from the Queensland Treasury website.

Auditor-General Act 2009
The Scheme is audited in accordance with the *Auditor–General Act 2009* through its inclusion in the department's financial statements and by agreement with the Scheme Manager for the purpose of reporting on the Financial Provisioning Fund's balance for the period.

Australian Accounting Standards
This report is specifically prepared to demonstrate accountability and transparency of the Scheme Manager's administration of the Act. Any financial information has been prepared to respond to the regulatory requirements under the Act and does not comply with Australian Accounting Standards. Where financial information is reported in the department's financial statements, it will be consistent with Australian Accounting Standards.

9.3 Governance

Under section 83B of the Act, the Scheme Manager must report to the Treasurer on the operations, financial performance and financial position of the Scheme. This occurs on a regular basis and as required for emergent matters, for example, if anything occurs that may significantly affect the Financial Provisioning Fund's viability.

A key component for effective delivery of the Scheme is the integration of processes between Department of Resources, Department of Environment, Science and Innovation, and Queensland Treasury. Effective delivery of the integration is managed and overseen through administrative arrangements, including memorandums of understanding between the departments and the Scheme Manager to clarify processes, information sharing and responsibilities.

Part 5 of the Act imposes strict confidentiality requirements on any person with access to information provided to the Scheme Manager. Processes have been put in place to limit the sharing of information across government to that which is required for government business. A training document is used to inform government employees, contractors and consultants, who may have access to confidential information, of their obligations to maintain confidentiality of information provided under the Act.