29 September 2026

To: The Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development

Re: Review of Queensland's Financial Provisioning Scheme

Introduction

AMEC appreciates the opportunity to consult on the Queensland Government's review of the Financial Provisioning Scheme (FPS). As the peak national industry body representing mineral explorers, emerging miners, producers and the broader mining services sector, AMEC supports a strong and credible financial assurance framework that protects the State and community while enabling responsible resource development.

About AMEC

The Association of Mining and Exploration Companies (AMEC) is a national industry association representing over 550 member companies across Australia. Our members are mineral explorers, emerging miners, producers, and a wide range of businesses working in and for the industry. Collectively, AMEC's member companies account for over $100 billion of the mineral exploration and mining sector's capital value.

Mineral exploration and mining make a critical contribution to Australia's economy, directly employing over 314,000 people. In 2025-26, the industry generated $383 billion in resource exports, invested $3.95 billion in exploration expenditure to discover future mines, and collectively paid over $59.4 billion in royalties and taxes.

AMEC represents more than 80 companies operating in Queensland, providing a united voice for junior and mid-tier explorers and miners, key participants in the Financial Provisioning Scheme.

General Remarks

The review should consider whether the Scheme's objectives and administration appropriately recognise Queensland's broader interests, including resource investment, regional employment, royalty generation, and critical minerals development, alongside effective management of rehabilitation risk.

The submission feedback has been requested to focus on 5 Themes. Each theme will be addressed with examples and case studies where possible and relevant.

Theme 1: Scheme performance and opportunities for expansion

AMEC recognises that the FPS has largely achieved its primary objective of managing the State's financial exposure to mine rehabilitation liabilities. Since commencement in 2019, the

Scheme has matured into an established risk management framework overseeing approximately $14.578 billion in estimated rehabilitation costs (ERC) and more than 5,168 Environmental Authorities. The Scheme Fund has grown to more than $516 million.[1]

However, AMEC considers that success should not be measured solely by risk containment. The review appropriately asks whether the Scheme supports resource sector investment and broader Government priorities. In its current form, the Scheme is heavily weighted towards risk avoidance and does not adequately account for investment outcomes, project development needs, regional economic growth or Queensland's critical minerals ambitions.

AMEC considers that resource sectors should be recognised for their differing rehabilitation characteristics. Public reporting[2] by the Queensland Mine Rehabilitation Commissioner shows that rehabilitation outcomes vary significantly across commodity groups and mining methods, suggesting that a more nuanced, sector-responsive approach to risk assessment may be appropriate.

AMEC believes opportunities for improvement include:

- Allowing more flexibility for project development and expansion phases through staged or accreting financial assurance arrangements.
- Better recognition of the unique rehabilitation challenges and opportunities of critical minerals, strategic minerals and emerging mining sectors.

Theme 2: Investment environment and operator participation

AMEC members consistently report that the current FPS settings can constrain investment, particularly for explorers, emerging producers and critical minerals developers. Significant amounts of capital are often tied up in cash-backed surety arrangements that cannot be deployed into exploration, mine development, employment, regional procurement or rehabilitation activities.

The Queensland resources sector is changing. Increasingly, smaller operators, specialist critical minerals companies, private investors, and growth-stage businesses are developing projects and hold quality assets but may not have the balance sheets to do so. The current framework often places disproportionate weight on corporate financial metrics and too little on project quality and saleability. Saleability assessments should consider actual asset transactions, market evidence, strategic value, infrastructure and commodity characteristics rather than relying heavily on remaining mine life.

To better support investment while maintaining protection of the State:

- Risk assessments should provide greater weight to asset quality, transferability and project economics.
- Project development and expansion phases should be supported through more flexible surety arrangements and consideration of the benefits of different mineral types.

[1] Scheme Manager Financial Provisioning Scheme 2025–26 Annual Report
[2] Queensland Mine Rehabilitation Commissioner 2024–25 Report

AMEC supports maintaining robust rehabilitation obligations but believes the framework should minimise unnecessary capital lock-up where risk-equivalent alternatives exist.

Theme 3: Small, mid-tier and non-traditional operators

The current Scheme settings have a disproportionately greater impact on smaller operators than on major resource companies. Following the 2025 reforms, many operators below the $10 million ERC threshold are effectively outside the risk assessment framework and are required to provide full surety with limited ability to have project-specific circumstances considered.

AMEC members have identified a number of practical concerns:

- Significant financial shocks when moving between risk categories.
- Situations where moving from High Risk to Moderate-High can actually increase financial burden because of the 6.5% annual contribution requirement.
- Limited consideration of reasonable mitigating information.
- Difficulty obtaining meaningful review of assessment outcomes.
- Saleability assessments that appear overly restrictive and do not adequately reflect market realities.

AMEC recommends:

- Broader access to risk-based assessment below the prescribed threshold.
- Acceptance of approved insurance bonds as a standard form of surety.
- Portfolio-based or group-based surety arrangements for multiple Environmental Authorities.
- More transparent assessment methodologies and explanations of decisions.

These changes would significantly improve capital efficiency while maintaining protection for the State.

Theme 4: Re-commercialisation of abandoned mines

AMEC believes the review should also consider the concept of "economic rehabilitation" and the role private investment can play in reducing environmental legacies. Under current settings, projects that seek to reprocess historic tailings, recover critical minerals from legacy waste streams, remediate contaminated sites, or recommission abandoned resources infrastructure can face substantial financial assurance requirements that are disproportionate to the incremental environmental risk they create. In many cases, these projects deliver a net environmental benefit by reducing existing liabilities, stabilising disturbed landforms, improving water quality, removing contaminants, or funding rehabilitation activities that may otherwise never occur. Yet the current framework largely treats these activities as new liabilities rather than recognising the value of reducing an existing environmental burden.

AMEC submits that the Scheme should better recognise circumstances where a project measurably reduces environmental harm compared with the status quo. Maintaining an abandoned mine, historic tailings facility or polluted legacy site in its current state may

represent a greater long-term environmental risk than allowing responsible private-sector investment to undertake rehabilitation and resource recovery activities. A framework that only assesses the additional disturbance created by a project, without recognising the environmental benefit of remediating legacy impacts, risks discouraging investment that could deliver both environmental and economic outcomes.

Queensland is increasingly focusing on innovative approaches to mine closure, post-mining land use and management of long-term liabilities. The Financial Provisioning Scheme should complement these objectives by encouraging private-sector investment in projects that reduce environmental liabilities and improve post-mining outcomes, rather than creating barriers to participation by transferring historical liabilities to new investors.

Queensland has significant opportunities to attract investment into the rehabilitation and productive reuse of abandoned and legacy mining sites, particularly where critical minerals, tailings reprocessing and resource recovery opportunities exist. The Scheme should encourage projects that reduce environmental liabilities over time and recognise that active remediation and productive rehabilitation may provide a better environmental outcome than allowing legacy pollution and degradation to persist indefinitely.

AMEC therefore supports adopting an incremental-liability principle for approved re-commercialisation projects, whereby proponents provide financial assurance for the incremental risk and disturbance created by their activities, while recognising and appropriately accounting for the environmental benefits delivered through remediation, rehabilitation, and legacy liability reduction. AMEC supports adoption of an incremental-liability model under which:

- New entrants bond only for the disturbance and rehabilitation liabilities created by their activities.
- Historical liabilities remain managed through existing abandoned mine frameworks.
- Remediation outcomes progressively reduce legacy liabilities.
- Private investment is encouraged to undertake rehabilitation activities.

Such reforms could help unlock critical minerals opportunities from legacy mine waste while reducing long-term liabilities carried by the State.

Theme 5: Policy and governance settings

AMEC supports independent decision-making and the broader objectives of the Scheme. However, governance arrangements should better reflect transparency, accountability and consistency.

AMEC also believes the Financial Provisioning Scheme Advisory Committee should be refreshed as a matter of priority. Members have raised concerns that the Advisory Committee no longer adequately reflects the current Queensland resources sector, with several appointments having expired and some members no longer actively involved in the industry. AMEC considers that a modernised Advisory Committee with representation from explorers, junior and mid-tier miners, critical minerals proponents, rehabilitation experts, financial assurance providers and regional stakeholders would improve the quality of advice provided to government and increase industry confidence in the Scheme. Members should

be appointed through a transparent process, with appropriate term limits and periodic renewal to ensure the Committee remains relevant to current industry conditions and emerging challenges.

The Scheme Manager's Annual Report[3] reinforces the need for renewal, noting that the Advisory Committee did not meet during 2025-26 after the chair position became vacant in August 2025 and eight member appointments expired. The review presents an opportunity to re-establish the Committee as a meaningful forum for independent advice and stakeholder engagement on the Scheme's operation.

AMEC members have also raised concerns about how alternative financing arrangements are treated in risk assessments. One example involved a streaming arrangement being treated as conventional debt. In AMEC's view, this may not accurately reflect the commercial nature of streaming arrangements, which are generally contingent on future production and sales rather than representing a fixed repayment obligation. The review should consider whether the assessment framework appropriately distinguishes between debt, royalty financing, streaming arrangements and other forms of project funding to ensure risk assessments reflect the true financial position of a project.

AMEC Members have expressed concerns regarding:

- Lack of transparency around risk assessments.
- Limited understanding of how factors are weighted.
- Apparent over-reliance on external advisers with highly conservative interpretations.
- Inconsistent treatment of saleability considerations.
- Failure to appropriately recognise broader project value and expansion opportunities.
- Treatment of royalty financing arrangements as debt in some assessments.

The review should consider:

- Publishing approval criteria and assessment timeframes.
- Introducing an appeal or independent review mechanism.
- Recognising project-level attributes alongside corporate financial strength.
- Greater consideration of critical minerals and strategic minerals.
- Clearer guidance for resource asset transfers and changes in ownership.
- Refresh and reappoint the Financial Provisioning Scheme Advisory Committee with contemporary industry, rehabilitation, financial assurance and regional expertise, supported by transparent appointment processes and regular membership renewal.

Concluding remarks

AMEC supports strong rehabilitation obligations and a financial assurance framework that protects Queensland taxpayers and communities. However, the Scheme must also support investment, regional employment, critical minerals development and responsible project growth.

[3] Scheme Manager Financial Provisioning Scheme 2025–26 Annual Report

Many of the issues identified by members do not require reducing the protection available to the State. Instead, they require better recognition of project quality, improved transparency, additional flexibility in financial assurance products, and a clearer pathway to investment-supportive outcomes where risk to the State remains unchanged.

The review is a significant opportunity to modernise the Scheme so that it remains financially robust while also supporting Queensland's ambition to be a globally competitive destination for exploration, critical minerals development and regional investment.

For further information contact:
Kate Dickson, Head of National Operations and Queensland Director – 0407 004 885 | kate.dickson@amec.org.au