

JIM LEGGATE - CONSULTANT
MINING & ENVIRONMENT

Fax to Ms Andrea Coulter

From - Jim LEGGATE : 13.11.97
RE. INQUIRY INTO BLACK COAL INDUSTRY

The cost of coal production will not have been totally met until rehabilitation and decommissioning has been attained to a point where no ongoing maintenance of production sites is required, or else such costs are otherwise provided for (eg via a trust fund). I wish to draw to your attention the following information applicable to Queensland.

1. The true extent of a huge liability for adequate rehabilitation is being debated. Is it 1.5 billion dollars or is it only 1.0 billion? Have provisions been made by the companies with legal obligations and what security does the government hold to protect the public from having to continue cleaning up old mine sites? The government appears to be holding a very small fraction as security and the companies are confusing in their public statements about their provisions. BHP says it will work off its 600 million liability over another 70 years mining, without conceding that that further mining increases the clean up liability.
2. There have been allegations of a loss of control by a captured authority and of bipartisan protection of the coal industry against having to build in these costs. The argument in favour of preserving jobs (eg at Collinsville) always seems to prevail. Government requirements are not always synonymous with legal obligations; in fact the Criminal Justice Commission asserts the existence of a non-enforcement policy.
3. The public cost of cleaning up defunct mines in Queensland is currently huge, and still increasing. No coal mine appears yet to have been rehabilitated in Queensland and the older defunct mines in the West Moreton fields are generally a disgraceful example of waste land. Even the coal Board has had concerns about the lack of rehabilitation.
4. Large amounts of money have been spent on research into rehabilitation but generally it has confirmed the existence of a problem rather than finding the solution to containing coal wastes and *preventing* off-site pollution.

In summary there are huge hidden costs still to be met by the industry, which is not as competitive as it would seem to those who have not taken these costs into consideration. If you agree these points and issues are relevant you should get answers to the questions posed before completing your report. I can help you but I have very limited resources to work without assistance. Please call me.

Yours sincerely

