

**LEGISLATIVE COUNCIL**  
**Question on notice**

14 AUG 2012

**Wednesday, 13 June 2012**

5709. Hon Robin Chapple to the Minister for Mines and Petroleum.

I refer to conversations and questions asked in Estimates on Wednesday, 6 June 2012 in relation to bonds and ask --

- (1) When does the Government intend to lift the bond rate to 40 per cent of the total environmental damage?
- (2) In relation to (1), how will this be implemented by mining companies?
- (3) In relation to the implementation of a fidelity account, what will happen to the current bond system when it is introduced?
- (4) In relation to the implementation of a fidelity account, what will happen to insurance or bond coverage in the period between the closure of the current bond system and the fidelity account generating enough funds to cover for rehabilitation of defaulting mining tenements?

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**Answer**

- (1) The next increase to 40 per cent of the estimated rehabilitation cost is from 1 January 2013;
- (2) The new bond rate will apply to mining proposals received after 1 January 2013. For existing projects, the new bond rate will be applied as part of Department of Mines and Petroleum's ongoing bond review process.
- (3) Should the fidelity account be introduced as proposed, then the facility to apply bonds will remain under the *Mining Act 1978*, and bonds will be retained on high risk sites.
- (4) The majority of bonds will be retired as mining companies pay into the fund. Even in the early years the Government will be in an improved position to meet any critical rehabilitation issues.



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**MINISTER FOR MINES AND PETROLEUM**