

LEGISLATIVE COUNCIL
Question on notice

Tuesday, 17 June 2014

1289. Hon Robin Chapple to the Minister for Agriculture and Food representing the Minister for Mines and Petroleum.

I refer to the Ministerial press release of Sunday, 8 June 2014 "Stricter rules for new mine rehabilitation fund", and I ask:

- (a) what are the criteria that determine mining tenement holders as deemed at high risk of failing their obligations, is this statutory or discretionary;
- (b) what are the obligations and how are they established;
- (c) are these original obligations different from the obligations under the State Government's new Mining Rehabilitation Fund (MRF);
- (d) how many abandoned mines, shafts and un-rehabilitated exploration tenements are there in Western Australia;
- (e) what will be the criteria of assessment of the sites identified in answer to (d) that will determine that they need priority rehabilitation;
- (f) what is the total amount of bonds that have already been returned to mining companies since the passage of the *Mining Rehabilitation Fund Bill 2012*;
- (g) which operating mining companies have had their bonds returned in relation to their operating mining tenements;
- (h) what is the total amount of bonds that have already been returned to each mining company identified in (g);
- (i) which operating mining companies have so far contributed to the MRF, and when did each start contributing;
- (j) what has been the amount levy contributed by each of those companies identified in (i);
- (k) what will happen to companies who do not join the join the new levy system which will be mandatory from 1 July 2014;
- (l) if the companies pay the \$4,000 fine and still do not contribute to the MRF, how long is it before they are fined again;
- (m) in what year will the MRF start on ground rehabilitation; and
- (n) what is the estimated cost of rehabilitating sites identified in (d)?

Answer

The Department of Mines and Petroleum advises:

- (a) The criteria are published in the document "*Administration of mining securities for mine sites regulated by the Department of Mines and Petroleum*" which is available on the DMP website. These are agreed policy criteria that will be considered to support the implementation of the *Mining Act 1978 and Mining Rehabilitation Fund Act 2012*. The assessment of 'high risk' is discretionary.
- (b) The *Mining Act 1978* establishes the obligations for payment of annual rent, reporting, royalty returns and environmental obligations. The *Mining Rehabilitation Fund Act 2012* establishes obligations for reporting and payments.
- (c) The Mining Rehabilitation Fund imposes additional obligations to obligations required by the *Mining Act 1978*.
- (d) There are 11,411 abandoned mine sites identified and 192,523 surveyed abandoned mine features of which 26,508 are identified as shafts. These sites and features are abandoned which means they are not linked to existing tenements.
- (e) A site or feature will be declared 'abandoned' under the *Mining Rehabilitation Fund Act 2012* prior to rehabilitation work commencing. Sites will be prioritised on the basis of environmental, health and/or safety risk. The Mining Rehabilitation Fund Advisory Panel, a panel of five experts established under the *Mining Rehabilitation Fund Act 2012*, will make recommendations on the priority sites to be rehabilitated.
- (f) By 1 July 2014, unconditional performance bonds to the value of \$291 million had been retired through the voluntary year of the MRF.
- (g) - (j)

The requested information may be considered commercial-in-confidence and to verify this DMP would need to contact each tenement holder. Significant resources would be required to do this and therefore DMP is not in a position to provide an answer to these questions.
- (k) If a holder failed to provide the required disturbance report by the prescribed day, they will be sent an infringement notice with a modified penalty under section 15(2) of the *Mining Rehabilitation Fund Act 2012*. The holder can elect to pay the penalty or have the matter heard by a court.
- (l) A further fine for failing to provide disturbance information would only occur if the company failed to submit the required information the following year. Any outstanding fines for failing to provide the disturbance information would be referred by DMP to the Fines Enforcement Registry to recover unpaid money. If the environmental disturbance information is not provided or is not satisfactory, DMP provides an

estimate that is used to calculate the Mining Rehabilitation Fund levy amount on the holder's behalf.

- (m) The Department of Mines and Petroleum will need to undertake consultation with affected parties and determine the nature of rehabilitation works prior to finalising detailed work programs. However, it is expected that some on ground works could commence in 2015.
- (n) No estimate has been made.

