

LEGISLATIVE COUNCIL
Question on notice

Tuesday, 18 November 2014

2180. Hon Robin Chapple to the Minister for Agriculture and Food representing the Minister for Mines and Petroleum.

I refer to the Poseidon Nickel Ltd mine at Lake Johnstone, 150km west of Norseman, and I ask:

- (a) what is the status of the mine:
- (i) if on care and maintenance, for what length of time and under what conditions will it be permitted to stay on care and maintenance;
 - (ii) if operating, when did it become operational and what activity is taking place at the site; and
 - (iii) if closed, when will rehabilitation begin, what stage of mine closure has been achieved and when will it be finalised;
- (b) is the Minister aware of the subsidence that has occurred in and around the mine to date;
- (c) is the Minister aware that the mine may pose health and safety concerns to humans and animals in its current state;
- (d) what are the impacts on the environment if the mine is left in its current state and allowed to fall further into disrepair;
- (e) what are the bond arrangements for this site:
- (i) what bonds have been paid in respect of this mine and what is the expected closure cost of this site; and
- (f) has the mine entered into the Mining Rehabilitation Fund:
- (i) if yes to (f), were bonds retired for this site?

Answer

The Department of Mines and Petroleum advises:

- (a) The mine is on care and maintenance.
- (i) This project has been on care and maintenance since 31 July 2013. The company is required to abide by all its existing legal obligations while under care and maintenance. A site can remain under care and maintenance for an extended period of time where the company can demonstrate they are meeting their obligations under the *Mining Act 1978*, and that there is a reasonable prospect of the site becoming operational in the future.
- (ii) – (iii) Not applicable

(b) Yes

(c) Yes. As with many operating mine sites, and other mine sites under care and maintenance, there are hazards that are present on this site. It is for this reason that companies are required to adequately maintain site security and continue to comply with obligations under the *Mining Act 1978* while under care and maintenance. The company maintains a small team of staff to oversee the project site to ensure that monitoring and remedial work is undertaken as required.

(d) The main hazard associated with the site in its current condition is safety due to subsidence. All environmental issues are addressed in the approved Mine Closure Plan.

(e) Unconditional performance bonds have been retired as the tenements associated with this site have entered into the Mining Rehabilitation Fund.

(i) There are no unconditional performance bonds held for this site, and the site is covered by the Mining Rehabilitation Fund. Closure cost provisioning is reviewed annually by the project operator, with provisions for closure maintained in corporate financial accounts, as required in Mine Closure Plan guidelines. An estimate of closure costs is also generated yearly through the Mining Rehabilitation Fund submissions made by the company.

(f) Yes

(i) Yes

