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# Draft Abandoned Mines Policy

Department of Mines and Petroleum

**Contact**  
Kirillie Caldwell  
[k.caldwell@cmewa.com](mailto:k.caldwell@cmewa.com)

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## About CME

The Chamber of Minerals and Energy of Western Australia (CME) is the peak resources sector representative body in Western Australia funded by its member companies, which generate 95 per cent of the value of all mineral and energy production and employ 80 per cent of the resources sector workforce in the state.

The Western Australian resources sector is diverse and complex, covering exploration, processing, downstream value adding and refining of over 50 different types of mineral and energy resources.

In 2014, the value of Western Australia's mineral and petroleum production was \$114.1 billion. Iron ore accounted for approximately \$65.1 billion of production value to be the state's most valuable commodity. Petroleum products (including LNG, crude oil and condensate) followed at \$25.1 billion, with gold third at \$8.7 billion.<sup>1</sup>

Notwithstanding the recent decline in the price of several export commodities, the estimated value of royalty receipts the state received from the resources sector still composed almost 20 per cent of estimated total state revenue in 2014-15, or around \$5.34 billion.<sup>2</sup>

As at March 2015, there was approximately \$179 billion in resources sector projects committed or under construction in Western Australia and a further \$118 billion in proposed or possible projects.<sup>3</sup>

## Recommendations

CME recommend:

- The Department of Mines and Petroleum (DMP) align the definition of “*abandoned mine sites*” with the *Mining Rehabilitation Fund Act 2012* and update the *Scope of the Policy* to state:

“*Abandoned mine sites, for the purpose of this policy, are areas declared to be an abandoned mine site by the Chief Executive Officer (CEO) of the DMP following advice by the Mine Rehabilitation Fund (MRF) Advisory Panel.*”

“*The policy will apply to all identified abandoned mine sites and affected land including:*

  - *Abandoned mine sites relating to those sites which are, or have been, the subject of mining authorisations in respect of which the levy is, or has been, payable; and*
  - *Abandoned mine sites relating to those sites which have not been subject of mining authorisations in respect of which the MRF levy is, or has been, payable.*”
- The policy is updated to include a principle for “*abandoned mines sites to be managed or rehabilitated to be (physically) safe to humans and animals, (geo-technically) stable, (geo-chemically) non-polluting/non-contaminating, and capable of sustaining an agreed post-mining land use.*”
- The principles for Information sharing and ‘leading best practice’ are expanded to state “*Information on the rehabilitation project methodology, including financial information, should be reported annually.*”

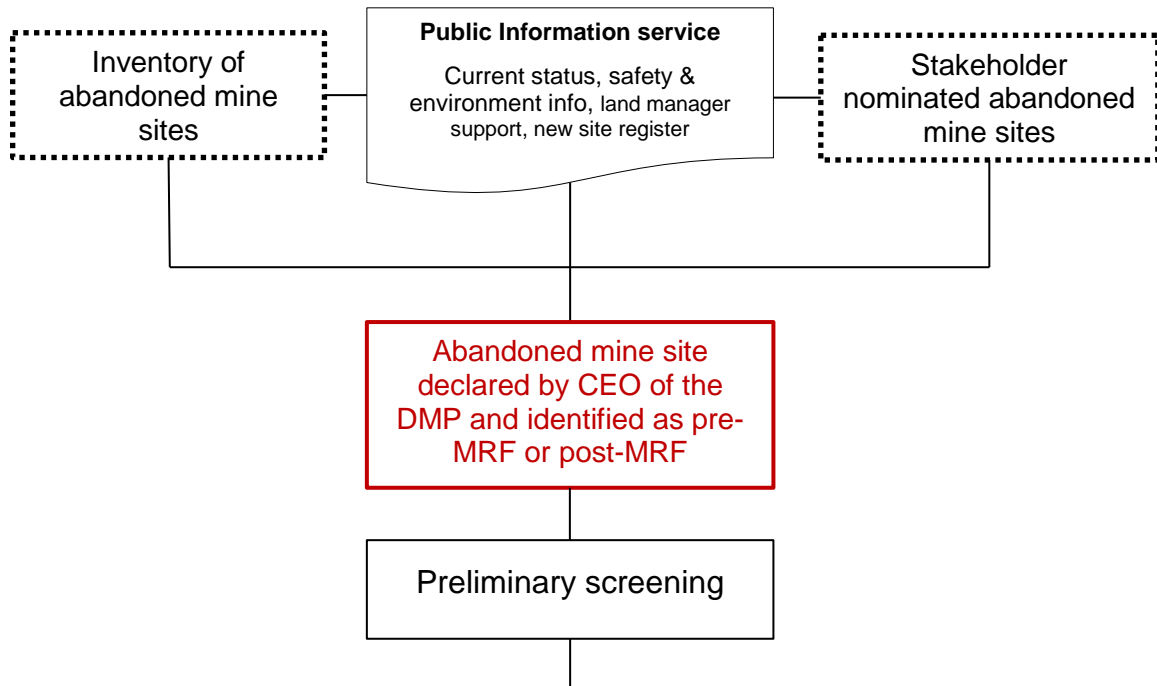
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<sup>1</sup> Department of Mines and Petroleum (DMP), *Mineral and Petroleum Industry 2014 Review*, 2015, [www.dmp.wa.gov.au/1525.aspx](http://www.dmp.wa.gov.au/1525.aspx), p. 1

<sup>2</sup> Government of Western Australia, *2015-16 Budget, Budget Paper No. 2 Volume 2*, [www.ourstatebudget.wa.gov.au/Budget-Papers](http://www.ourstatebudget.wa.gov.au/Budget-Papers), pp. 541 & 593

<sup>3</sup> DMP, 2015, *loc. cit.*

- The policy principles are updated to state: *“Management and/or rehabilitation of abandoned mine sites should be cost-effective. In doing so, a cost/benefit analysis will be completed and lowest-cost will be achieved where practicable”*.
- The policy principles are updated to state: *“A formal, transparent governance structure should exist to support the management and/or rehabilitation funding decisions. This will include an independent review by the MRF Advisory Panel for funding decisions above an agreed threshold”*.
- Diagram 1 is updated to determine whether the abandoned mine site is pre-MRF or post-MRF prior to the preliminary screening. Amendments are shown in red below:



- The policy measures are expanded to state: *“The ongoing site monitoring will include the requirement for a post-implementation review to assess achievement of objectives, outcomes and outputs, and the performance regarding time, budget and benefits.”*

## Context

CME welcome the opportunity to review and provide comment on the Department of Mines and Petroleum (DMP) draft Abandoned Mines Policy (the policy).

The policy has been developed to guide decision making by the Western Australian Government relating to the prioritisation, management and/or rehabilitation of abandoned mine sites. In doing so, the decision making is undertaken in a strategic manner which minimises environmental and community safety risks.

CME support the policy, however, recommends the consideration of several matters outlined below.

## Scope of policy

The policy defines “*abandoned mine sites*” as “*areas of land impacted by former mining activities for which no individual, company or organisation can be held responsible for rehabilitation.*” CME considers this definition lacks alignment with the *Mining Rehabilitation Fund Act 2012* for an “*abandoned mine site*” which means “*land declared to be an abandoned mine site under section 9(1)*” and requires the abandoned mine site has to be declared by the Chief Executive Officer (CEO) following advice from the Mine Rehabilitation Fund (MRF) Advisory Panel.

CME considers the policy is unclear as to whether it applies to abandoned mine sites which are, or have been, the subject of mining authorisations in respect of which the levy is, or has been, payable (and any affected land relating to those sites) for which money standing to the credit of the Fund may be used for rehabilitation.

Or, if this policy only applies to abandoned mine sites (and any affected land relating to those sites) which have not been subject of mining authorisations in respect of which the levy is, or has been, payable and the money standing to the credit of the Fund consisting of investment income only.

CME understands this policy is intended to apply to both and therefore, considers the *Scope of the Policy* should be updated to reflect this.

**CME recommend DMP align the definition of “*abandoned mine sites*” with the *Mining Rehabilitation Fund Act 2012* and update the *Scope of the Policy* to state:**

**“*Abandoned mine sites, for the purpose of this policy, are areas declared to be an abandoned mine site by the CEO of the DMP following advice by the MRF Advisory Panel.*”**

**“*The policy will apply to all identified abandoned mine sites and affected land including:***

- ***Abandoned mine sites relating to those sites which are, or have been, the subject of mining authorisations in respect of which the levy is, or has been, payable; and***
- ***Abandoned mine sites relating to those sites which have not been subject of mining authorisations in respect of which the MRF levy is, or has been, payable.*”**

## Policy principles

The linkage between the policy principles and DMP’s closure objectives outlined in the joint DMP/Environmental Protection Authority Guidelines for Preparing Mine Closure Plans lacks clarity. DMP’s principal closure objectives of the Mine Closure Plan guidelines is to ensure rehabilitated mines are (physically) safe to humans and animals, (geo-technically) stable, (geo-chemically) non-polluting/non-contaminating, and capable of sustaining an agreed post-mining land use.

The foundation for managing and/or rehabilitating abandoned mines sites should be aligned to ensure consistency with the Department's policies. This will also establish the acceptable level to which abandoned mines shall be rehabilitated. While this is included later in the policy under the "policy measure descriptions", CME considers this a key principle to managing and/or rehabilitating abandoned mines sites.

**CME recommend the policy is updated to include a principle for "*abandoned mines sites to be managed or rehabilitated to be (physically) safe to humans and animals, (geo-technically) stable, (geo-chemically) non-polluting/non-contaminating, and capable of sustaining an agreed post-mining land use.*"**

#### ***Information sharing and 'leading best practice'***

The DMP identified the need to improve performance reporting and public availability of information in October 2011 with the release of the *Strategy Paper: Transparency in Environmental Regulatory Decision Making*. CME support DMP's commitment to improving transparency with the inclusion of a principle in the policy for making information publicly accessible, including the identification, prioritisation management and/or rehabilitation.

CME considers the principles should be expanded to include a commitment for DMP to annually report on the rehabilitation methodology, including financial information. This will ensure DMP remain accountable for the amount drawn from either the credit of the Fund or the investment income. Further, reporting on the rehabilitation methodology will increase the knowledge and information available for proponents with rehabilitation and closure obligations.

**CME recommend the principles for Information sharing and 'leading best practice' are expanded to state "*Information on the rehabilitation project methodology, including financial information, should be reported annually.*"**

#### ***Governance***

The policy states "*management and/or rehabilitation of abandoned mine sites should be cost-effective*". CME supports a cost-effective approach, however, considers lowest-cost to be more appropriate for the rehabilitation of abandoned mine sites, where practicable.

In the interest of both the environment and the Western Australia community, DMP should ensure a cost/benefit analysis is completed for each abandoned mine site to be rehabilitated.

**CME recommend the policy principles are updated to state: "*Management and/or rehabilitation of abandoned mine sites should be cost-effective. In doing so, a cost/benefit analysis will be completed and lowest-cost will be achieved where practicable*".**

The governance requirements outlined in the policy will ensure a formal and transparency structure to support funding decisions. This is supported by industry, however, CME consider an independent review by the MRF Advisory Panel should be included in the governance arrangements for circumstances where substantial funding is required for the management and/or rehabilitation of a single abandoned mine site.

**CME recommend the policy principles are updated to state: "*A formal, transparent governance structure should exist to support the management and/or rehabilitation funding decisions. This will include an independent review by the MRF Advisory Panel for funding decisions above an agreed threshold*".**

## Policy measures

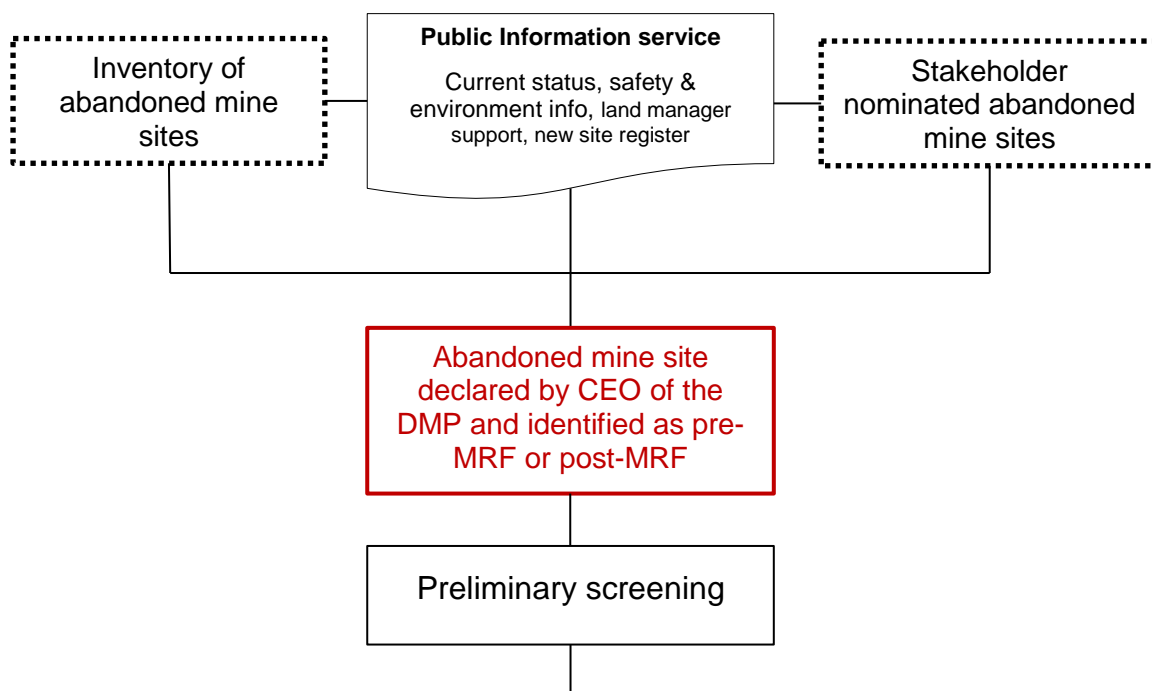
### Policy measure descriptions

Diagram 1 of the policy shows the inventory of abandoned mine sites, stakeholder nominated abandoned mine sites and public information service will inform the preliminary screening. In accordance with the *Mine Rehabilitation Fund Act 2012*, CME considers an abandoned mine site should be declared by the CEO of the DMP prior to the preliminary screening to determine if the site:

- Is, or has been, the subject of mining authorisations in respect of which the levy is, or has been, payable (i.e. post MRF); or
- Has not been subject of mining authorisations in respect of which the MRF levy is, or has been, payable (i.e. pre MRF).

CME considers this a critical step to ensuring the correct funds (i.e. money standing to the credit of the Fund or consisting of investment income only) are used for the management and/or rehabilitation of the site.

**CME recommend Diagram 1 is updated to determine whether the abandoned mine site is pre-MRF or post-MRF prior to the preliminary screening. Amendments are shown in red below:**




The policy measures state “*Sites will be monitored as required following management and/or rehabilitation efforts to ensure long term benefits continue to be realised*”. CME supports ongoing monitoring and considers a ‘post-implementation review’ should be required as part of the project handover to assess the achievement of objectives, outcomes and outputs, and the performance regarding time, budget and benefits.

**CME recommend the policy measures are expanded to state: “*The ongoing site monitoring will include the requirement for a post-implementation review to assess achievement of objectives, outcomes and outputs, and the performance regarding time, budget and benefits.*”**

## Conclusion

CME welcomes the opportunity to review and provide comment on the draft Abandoned Mines Policy and looks forward to ongoing engagement with the DMP.

If you have any further queries regarding the above matters, please contact Kirrillie Caldwell, Policy Adviser, on (08) 9220 8507 or [k.caldwell@cmewa.com](mailto:k.caldwell@cmewa.com).

Authorised by	Position	Date	Signed
Nicole Roocke	Deputy Chief Executive	11 September 2015	
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