

27 March 2008

Mr Doug Sceney
DPI - Minerals & Petroleum Regulation
via email

Dear Doug

RE: ESTABLISHMENT & MANAGEMENT OF REHABILITATION BONDS

Following the release of this draft guideline, the CMPA has several initial queries and comments:

- The CMPA questions the DPI holding such substantial bonds in the extractive industry (presently \$52 million for the extractive industry) when there is no guarantee the Minister will rehabilitate the land or the land owner will give the DPI access, especially with no evidence of risk (*as per section 36 of the EIDA*).
- Private land owners need to be consulted when setting or reviewing the rehabilitation bond as they may require certain items left. This is not presently within the guideline (*see page 6, table 1*) or is it that the Crown is treated differently?
- Will the extractive industry be drawn into annual reporting on rehabilitation as mining is, and will we be forced to appoint an auditor? (*see page 6, heading 6*)
- The guideline should more formally articulate that sites can progressively raise a rehabilitation bond as the liability changes, rather than being required to raise the total amount up-front. (*see page 7, heading 9*). Bond reviews nominating the future perceived liability disadvantage sites whose activity changes over a 10 year period.
- The requirement for rehabilitated sites to control pest animals and plants prior to the bond being released appears to an extension of the obligations of the *Catchment and Land Protection Act*, and the CMPA questions the right of the DPI to hold a financial security to ensure this obligation is met. (*see page 7, heading 10*). That is, the return of the bond must be contained to the obligations set under the EIDA.
- The CMPA questions the need for all sites to include an additional 25% of estimations for management, contingency and monitoring costs, which at the current bond levels may be as high as \$13 million. (*see page 12, heading 13.8*)
- Several grammatical and formatting errors and oversights, including:
 - More effort is required in terms of the presentation of the spreadsheets (in that most cells should be protected, cells have set formats appropriate to the data being included, and worksheets are setup to print in a readable manner)
 - On the registration page, 'length of face' does not have a set unit
 - Explanation is required on the larger site spreadsheet as to why there are three identical worksheets for each 'Tailings storage facility/slimes storage' and 'Pits'.

If there are no changes made to the guideline or specific points are deemed inappropriate, it would be appreciated if explanation could be given so that the CMPA can better understand the DPI's position.

Yours sincerely



Sarah Andrew
CMPA Project Manager