



Establishment and Management of Rehabilitation Bonds

for the Mining and Extractive Industries

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Introduction

1. Overview

This document presents the Department of Primary Industries' (the 'Department') policies for the establishment and management of rehabilitation bonds and outlines the methods to be used in assessing rehabilitation liability for mining and extractive operations.

In particular, the guidelines:

- explain the Department's directions in determining rehabilitation bonds which involve industry self-assessment of rehabilitation liability;
- outline the administrative and consultative process for the establishment, review and return of rehabilitation bonds (Part A); and
- describe rehabilitation liability estimation methods for use by both the Department and industry (Part B)- specifically the use of a Rehabilitation Bond Calculator and the use of standard rates for small operations and exploration sites.

The guidelines can be downloaded at www.dpi.vic.gov.au.

2. Background

2.1 Regulation

The Earth Resources Regulation Branch (ERR) of the Department is responsible for setting and reviewing rehabilitation bonds for mining and extractive industries in Victoria as required by the *Mineral Resources (Sustainable Development) Act 1990* (MRSD Act).

The MRSD Act requires the holder of an exploration / mining licence or extractive industry work authority to rehabilitate the land in accordance with the rehabilitation requirements of the approved work plan, licence conditions or specific code of practice¹.

From 1 January 2010, quarries that are less than five hectares in area and less than five metres in depth, provided that no blasting or native vegetation clearance occurs, are exempt from the requirement to work to an approved work plan. Such quarries are instead required to comply with the code of practice. The code does not apply to quarries that are less than one hectare in area and less than two metres in depth. These quarries are exempt from regulation under the MRSD Act.

Rehabilitation plans must take into account a number of factors listed in section 79 of the MRSD Act. The Act requires rehabilitation to be carried out progressively during the life of the operation. Mining and exploration licences and work authorities are also granted subject to a number of conditions which may contain further rehabilitation requirements.

2.2 Rehabilitation bonds

A rehabilitation bond is a financial security which must be provided by an operator prior to work commencing to ensure that rehabilitation can be undertaken by the Department should the operator be unable to meet their rehabilitation obligations. Section 80 of the MRSD Act requires a licensee or an applicant for an extractive industry work authority to enter into a rehabilitation bond for an amount determined by the Minister. The condition of a rehabilitation bond is that the authority holder rehabilitates the land as required by section 78 or 78A of the MRSD Act.

The Department is non-discriminatory with respect to land tenure and requires bonds to be lodged for operations on both private and Crown land. This position is in keeping with the objectives of the MRSD Act which requires land which has been mined or from which stone has been extracted to be rehabilitated. While standards of rehabilitation on private land are principally a matter for landowners, the Department has an interest in ensuring that all land is rehabilitated to an appropriate standard (i.e. in relation to public safety, amenity and potential impacts on the wider environment).

Rehabilitation bonds are periodically reviewed by the Department to ensure that they remain at appropriate levels during the life of the operation. The bond will also be reviewed when a work plan variation is submitted, a tenement is transferred or when requested by the tenement holder.

The amount of bond is calculated to address in full the rehabilitation liability based on the works specified in the approved work plan or for simple operations or operations working under a code of practice, on a per hectare basis. For an initial bond, this is based on the point of maximum disturbance for the first stage of the development as specified in the approved work plan. For periodic bond reviews, the bond is calculated on the existing rehabilitation liability at the time of the review. For both the initial bond and periodic bond reviews, the rehabilitation liability is calculated on achieving the final rehabilitated landform as specified in the rehabilitation plan.

Currently, the Department only accepts rehabilitation bonds in the form of an unconditional bank guarantee. Other forms of financial security such as insurance bonds and cash bonds are not accepted by the Department at this time². Refer to Appendix 1 for the Department's bond policy and requisite form of the bank guarantee.

¹DPI (2010) *Code of Practice for Small Quarries*.

DPI (2008) *Code of Practice for Mineral Exploration*

²DPI (2004) *Rehabilitation bonds for the Mining and Extractive Industries – Position Paper*

3. Self-assessment of Rehabilitation Liability

The approach described in these guidelines enables operators to assess the rehabilitation liability of their operation by the application of standard rehabilitation rates for simple operations (refer to section 12) and a rehabilitation bond calculator (refer to section 13) for all other operations.

The Department will continue to undertake the initial rehabilitation liability assessment for all operations and will use the revised methods (this document, Part B) in the process. The industry self-assessment approach will be applied as part of the Department's bond review program and in the work plan variation and transfer processes.

An estimate of the rehabilitation liability is also required in annual reports by mining licensees under the *Mineral Resources Development Regulations 2002*. Mining licensees may provide an estimation of their annual liability assessment using either the Department's bond calculator, the standard rates for small sites (described in section 12) or an alternative methodology. If the licensee chooses to use an alternative methodology they will need to provide sufficient documentation to substantiate how the liability estimate was derived. Such documentation needs to include quantities, unit rates, decommissioning and disposal rates. The self assessment will also need to include management costs, contingencies and monitoring costs where warranted.

To ensure accuracy in bond assessments, the Department will also undertake targeted audits of self-assessments for quality assurance.

Part A: Establishing and Managing Rehabilitation Bonds

4. Setting the Bond Amount

4.1 Initial bond

The initial rehabilitation bond assessment for an operation will be undertaken by the Department. The rehabilitation liability for a site will be calculated using either standard rates (for small mines, small quarries and exploration-see sections 11 to 13) or based on determining the point of maximum disturbance of the land for a defined time period or development stage as documented in the approved work plan. The likely cost of rehabilitation works, to achieve the final land form and end use as specified in the rehabilitation plan, is then calculated.

The final end use and required rehabilitation works should be clearly defined in the approved work plan and/or licence or work authority conditions.

4.2 Bond period

The initial step of a rehabilitation liability calculation is to define the period of the operation over which the bond will apply. This will generally correspond to the bond review period which is determined by the Department, established from a risk assessment of the particular operation, and guided by the matrix provided in Appendix 2 *Assessment Matrix for Bond Review Periods*.

In addition to the Department's scheduled bond review period, mining licensees will be required to provide an annual self-assessment of the rehabilitation liability of an operation as required under the *Mineral Resources Development Regulations 2002*.

4.3 Third party costing

In establishing the rehabilitation liability it must be assumed that the operator is unable to complete the reclamation works and therefore rehabilitation must be managed by the Department using a 'third party.' In the majority of cases, the level of the rehabilitation bond will be significantly higher than the cost for the operator to undertake the work.

Where an operator has defaulted, the Department would not have access to the operator's equipment or personnel on-site. The Department would not be in a position to complete the works at the operator's costs, and instead be subject to current local market costs. Additional costs would also be incurred by the

Department arising from the administration and legal process of calling in a bond, and the management and maintenance of the site prior to the awarding of rehabilitation contracts.

4.4 Pre-existing land disturbance

Generally, the calculation of rehabilitation liability would not include rehabilitation of land disturbance that predates the issue of the current licence or work authority (such as historic tailings or waste heaps), unless this has been specifically included in the work plan or licence conditions.

4.5 Approval of rehabilitation bond level and consultation

The amount of bond to be submitted is ultimately determined by the Minister and is based on the outcome of the rehabilitation liability assessment. In making that determination with respect to private land, the Minister must consult with the local municipal council regarding both mining and quarrying and, for a mining licence, with the land owner (see Table 1 *Bond Management Consultation Matrix*).

The consultation matrix indicates the groups that must be consulted in the setting, review and return of bonds. Also indicated are the instances where consultation with the relevant manager of Crown land (collectively described as LM in the following matrix) is sought in accordance with standing government administrative arrangements.

Table 1: Bond Management Consultation Matrix

Process	Exploration licence		Mining licence		Work Authority	
	Crown land	Private land	Crown land	Private land	Crown land	Private land
Bond setting	LM		LM	Owner Council	LM	Council
Bond review	LM Licensee		LM Licensee	Owner Council Licensee	LM Work Authority Holder	Work Authority Holder
Bond return	LM	Owner*	LM	Owner Council	LM	Owner Council

Notes:

LM refers to the Crown land manager responsible for managing the particular area of Crown land (usually Crown land Management or Forests and Biodiversity of the Department of Sustainability and Environment, or Parks Victoria for most areas of restricted Crown land).

* recommended for ground disturbing works only.

5. Bond Reviews

Rehabilitation bonds will be periodically reviewed during the life of an operation to ensure that the financial security remains at an appropriate level. Regular assessment of the rehabilitation bond against rehabilitation liability provides incentive for the operator to minimise environmental impacts and undertake progressive rehabilitation. A rehabilitation bond will be reviewed towards the end of the rehabilitation bond period as defined in section 4.2. A review of the rehabilitation bond may also be required in the case of a transfer or work plan variation.

The Minister may also require the bond to be reviewed at any time during the life of an operation if of the view that the amount is insufficient. For instance, where a site inspection indicates insufficient progressive rehabilitation has been undertaken or that the site has not been worked in accordance with the approved work plan a bond review will be undertaken.

5.1 Mining and self-assessment of rehabilitation liability

Under the provisions of the *Mineral Resources Development Regulations 2002*, mining licensees are required to submit an annual assessment of the current rehabilitation liability of an operation, at the end of each reporting period. The self-assessment must now be documented in accordance with the methods outlined in these guidelines.

The Department may utilise the annual self-assessments and supporting information, such as work plans, to determine whether a bond adjustment may be required when periodically reviewing a rehabilitation bond, or considering a work plan variation or transfer. For example, a bond increase could be required because the current bond is insufficient to cover the next development stage of an operation, or is insufficient to cover a change of mine plan proposed in a work plan variation.

The annual self-assessment will not be used by the Department as an automatic trigger for a bond adjustment. In cases where there is a significant discrepancy between the held bond amount and the self-assessment, the Department may consider rescheduling the next bond review.

Where the Department is of the view that a rehabilitation bond held is insufficient, the licensee may be required to submit an up to date assessment of rehabilitation liability for the determination of a revised rehabilitation bond level.

To support this approach the Department will systematically audit a proportion of the rehabilitation liability self-assessments for quality assurance.

In addition, the Department is authorised (under section 79A of the MRSD Act) and may require a licensee to engage an auditor to certify that a rehabilitation liability assessment is in accordance with rehabilitation requirements of the MRSD Act and is accurate.

5.2 Extractive industries

Extractive industry work authority holders will be encouraged to submit self-assessments for rehabilitation liability as part of the Department's bond review program. The Department may require a self-assessment of the rehabilitation liability where a bond review is required as a result of a proposed work plan variation or transfer. An assessment of the rehabilitation liability by the operator may assist in expediting these processes.

The Department will systematically audit a proportion of the rehabilitation liability self-assessments for quality assurance.

6. Submitting a Self-assessment of Rehabilitation Liability

Operators undertaking a self-assessment of rehabilitation for small mines using standard rates must submit the completed pro forma in Appendix 3. Operators undertaking a self-assessment of rehabilitation using the rehabilitation bond calculator tool should submit a signed hard copy of the completed self-assessment summary report and an electronic copy of the completed spreadsheet. All self-assessments should be accompanied by a current, accurate plan (or aerial photograph) of the site at a suitable scale.

7. Determination of a Rehabilitation Bond using a Self-assessment of Liability

The Department will review the submitted self-assessment on the next scheduled review of the rehabilitation liability. If the assessment is deemed acceptable, the Department will use the assessment in the final determination of the rehabilitation bond. The determination of the rehabilitation bond may also depend on the outcome of the consultation process outlined in section 4.5 and other internal Departmental processes. If the Department is of the view that the rehabilitation liability self-assessment is not satisfactory, the operator will be advised of the deficiencies and further information will be requested.

8. Financial Impacts

The Department is prepared, in legitimate exceptional circumstances, to consider the application of discretion toward operations that demonstrate a genuine inability to afford an initial or revised bond level. In such circumstances, the Department will work with operators on a case-by-case basis to determine an individual rehabilitation bond implementation plan to avoid jeopardising the viability of the operation. This may include an additional agreed program of progressive rehabilitation works to reduce the rehabilitation liability.

9. Bond Return

Bonds will be returned when the Department is satisfied the land has been rehabilitated in accordance with the rehabilitation plan or code of practice following completion of the consultation process (Table 1). The Department will undertake an assessment of the rehabilitation to verify the land is safe and stable, non polluting and the revegetation cover is likely to be self sustaining prior to releasing the bond. Sustainability may need to be demonstrated over several seasons under the normal range of conditions for the region. In some circumstances, the Department may require that a mining licensee engage an auditor to certify that the land has been rehabilitated in accordance with the MRSD Act.

Progressive rehabilitation is a requirement under section 81 of the MRSD Act and operators may request a reduction in the bond if the rehabilitation liability of the site has been significantly reduced. In such circumstances, the Department would accept a revised rehabilitation liability assessment submission for consideration. Where an operator defaults on their rehabilitation obligations, and the Department must undertake rehabilitation works on a licensed area, the amount of bond returned will be the remaining monies after all Department's costs for the work have been deducted.

Where the cost incurred by the Department for the rehabilitation works exceeds the amount held in bond, the Department is empowered under legislation (section 83 of the MRSD Act) to recover the debt due to the Crown in an appropriate court of law.

Part B: Estimation of Rehabilitation Liability

The following describes the Department's recommended methods for estimating rehabilitation liability and allows for either the use of DPI's Rehabilitation Bond Calculator or the application of standard rates for small, simple operations and exploration sites.

10. Standard Bonds for Sites Administered under the Code of Practice for Small Quarries

Proposed quarries that are less than five hectares in area and less than five metres in depth and do not require blasting or native vegetation clearance are now administered under the Code of Practice for Small Quarries. A standard rehabilitation bond rate of \$4000 per hectare of work authority area is required on application of the Work Authority and submitted prior to grant. Sites administered under the code of practice will not typically be subject to regular reviews of their rehabilitation liability unless requested by the operator.

11. Standard Bonds for Exploration sites

A standard bond is applied to the title at the time of the approval of the first work plan of an exploration licence. A standard bond amount of \$10 000 is applicable to all new exploration licences. Where large scale exploration works are proposed, such as extensive mechanical excavation, large diameter drilling or track construction, use of the rehabilitation bond calculator may be necessary.

12. Standard Bond Rates for Small Mines

The following standard rehabilitation bond rates may be applied to small open cut mining operations:

1. \$2000/ha for small farm gypsum pits ≤ 5 ha disturbed and ≤ 2 m in depth
2. \$3500/ha for small open cut mines ≤ 5 ha disturbed and ≤ 2 m in depth

3. \$5000/ha for small open cut mines ≤ 5 ha disturbed and ≤ 5 m in depth

The minimum bond that shall apply is the allowance for rehabilitation of one hectare of disturbance.

The following standard rehabilitation bond rates may be applied to small underground mines where surface disturbance consists only of small shafts or adits (≤ 4 m² cross-sectional area), immediately adjacent areas and access tracks:

1. \$5000 (one shaft or adit)
2. \$3000 (allowance for each additional shaft or adit)

The above rates may be applied to such operations provided they meet the following criteria:

- There is no fixed infrastructure on site (e.g. plant or workshops);
- No or minimal rubbish or derelict/redundant equipment removal;
- There are no tailings storage facilities or slimes dams;
- There are no contaminated soils on site³;
- There is no requirement for track construction or improvement;
- There are no requirements to achieve *Native Vegetation Management Framework 2002* offsets in the rehabilitation of the operation; and
- The Department determines that there are no other specific characteristics of the operation that require the completion of a more detailed bond assessment.

A pro forma for a rehabilitation liability assessment using the standard rates is provided in Appendix 3.

Standard rates may be varied periodically. Assessors should check the DPI website at www.dpi.vic.gov.au or contact an ERR Mining Inspector to ensure that the rates used in rehabilitation liability assessments are current.

13. Rehabilitation Bond Calculator

The rehabilitation bond calculator is the recommended method for assessing the rehabilitation liability for any site that does not meet the above criteria for small, simple operations or is not covered by the Code of Practice for Small Quarries.

The calculator is also useful in the initial planning of an operation for predicting mine closure costs well in advance and for designing the staging of an operation to minimise the area disturbed and to maximise progressive rehabilitation. Consideration of issues such as the location of overburden and topsoil stockpiles and minimising double handling can significantly reduce the rehabilitation liability.

13.1 Getting started

The rehabilitation bond calculator is an Excel workbook. The user should ensure that the latest version of the calculator is used by checking the downloadable version on the DPI website at www.dpi.vic.gov.au, or contacting an ERR Mining Inspector.

Upon opening the workbook an introduction page will appear. This lists seven typical types of mining or extractive operations, based on type and size, as follows:

- Exploration;
- Open Cut and Underground Mine;
- Open Cut Coal Mine;
- Quarries > 5 ha disturbed;
- Small Open Cut Mines and Quarries (≤ 5 ha disturbed and ≤ 5 m in depth);
- Small Underground Mine (≤ 5 ha disturbed); and
- Underground Mine.

The user selects the type of operation that most closely corresponds to their site and the appropriate workbook is automatically generated. Each workbook consists of several worksheets.

13.2 Site registration and assumptions pages

The first worksheet is a site registration page. The assessor is required to complete the requisite fields to provide background information about the site including production rates, the current extent of disturbance, the approved rehabilitation criteria and the post mining land use. This information is used by the Department in evaluating the adequacy of the liability assessment.

The second worksheet is an assumptions page. This page enables the assessor to detail any assumptions made or relevant information used in determining the rehabilitation liability such as calculations of rehabilitation volumes and cross sections of rehabilitation profiles. The page has been formatted to allow the input of free text.

13.3 Domain worksheets

The rest of the workbook is divided into a number of worksheets to provide a systematic framework for costing. Each worksheet represents a typical land use or 'domain' occurring across mining and quarrying sites.

Typical domains include:

- infrastructure—such as administration buildings, workshops, processing plants, transport related (e.g. rail loading and roadways) and product stockpile or hardstand areas;
- tailings storage facilities—such as tailing disposal and management areas;
- overburden and waste rock dumps;
- pits; and
- adits and shafts.

The domain worksheets list rehabilitation activities typical for that area and provide standard third party default rehabilitation costing rates for each task. Rehabilitation activities include tasks such as demolition of plant, earthworks including battering, blasting or backfilling of pit faces, sealing of adits and shafts and revegetation.

13.4 Entering information into the calculator

For each rehabilitation activity the user is required to identify whether or not it is applicable to their site. This is indicated by choosing the Y/N option in the 'Applicable' column. Only a subset of the activities will apply to any one site.

The user then calculates and enters the magnitude of the rehabilitation activity in the 'Quantity' column, in the units indicated. For example, the volume of earthworks or area of revegetation required, to achieve the final rehabilitated land use.

³ As defined in EPA (2007). *Classification of Wastes*. Publication 448.3, May 2007. Environment Protection Authority, Victoria.

This should be determined using appropriate site specific information as described in section 13.6. The cost of the rehabilitation task is automatically generated under the 'Total Cost' column.

At some sites, there may be specific issues that cannot be catered for in a generic sense, such as treatment of contaminated mine water. In such circumstances, users are required to add the associated rehabilitation activity and cost under 'Other' in rows at the base of the most relevant domain worksheet.

13.5 Rehabilitation rates

Default rehabilitation rates, in the calculator, have been determined using typical current market 'third party' contract rates as of July 2010 and will be periodically reviewed to take into account aspects such as inflation.

In estimating rehabilitation liability, a mining inspector appointed under the MRSD Act or an environmental auditor appointed under the *Environment Protection Act 1970*, may choose to apply a different rate to a rehabilitation activity to the default rate, in consideration of site specific characteristics.

Where an operator is of the view that the default rate is not applicable to their site, an alternative rate can be nominated. In such circumstances, a variation of the rates must be substantiated in a form acceptable to the Department. Alternative rates must be determined using current market 'third party' contract rates and assume that all personnel and equipment must be brought on site. Justification for the alternative rate and details of its calculation should be provided in the 'Additional Info' column of the relevant domain worksheet or on the 'Assumptions' page.

Establishment of appropriate site specific rates for earthworks may be based on guidance material such as the *Caterpillar Performance Handbook* and Australia wide standard industry rates for equipment and plant, such as those published by the Civil Contractors Federation⁴. Where an operator proposes rates that are significantly lower than default rates, or make a significant difference to the overall site rehabilitation liability assessment, the Department will require the submission of written costings from independent contractors in support of the assessment.

13.6 Information requirements

The primary sources of information for determining the required rehabilitation activities and their magnitude should be the approved work plan, relevant work plan variations, licence or work authority conditions, and a site plan showing current site disturbance. A site inspection would also generally be required to verify and supplement this information with field observations on aspects such as pit face dimensions. If a work plan does not adequately represent the operation of a site, and is inadequate for estimating the rehabilitation liability, a work plan variation may be required.

Basic work plan requirements are set out in departmental guidelines listed in the References section. The work plan should include appropriately scaled site plans and a rehabilitation plan specifying all aspects of the operation requiring rehabilitation.

The rehabilitation plan should outline the objectives and completion criteria to be met in reclamation of the site. Typically, the rehabilitation plan should outline a final end use such that the site or structure will present no hazard to public health and safety and the environment in the long term. The specific rehabilitation objectives will vary depending on the site and may include proposals such as returning the site to agricultural land, the restoration of native vegetation, the restoration of natural waterways and the establishment of wetlands.

The final rehabilitation should be illustrated in the work plan by a final end use concept plan showing the expected end use of the land (in map and cross-section) and including features such as revegetated areas, final topographic contours and batter slopes, roads, drainage lines and water bodies.

Generally, work plans for long-term operations should include a staged development plan with sufficient detail to determine the required rehabilitation works at any stage during the life of the operation.

13.7 Infrastructure removal

The rehabilitation of areas disturbed by infrastructure could include demolition and/or removal of buildings and machinery, removal or treatment of contaminated soil from workshop areas and refuelling sites, and appropriate treatment of human refuse.

The user should identify all aspects of plant and infrastructure requiring demolition or removal (including filling in the 'Applicable' and 'Quantity' columns of the calculator). In certain circumstances, some items of plant and infrastructure will have a resale value which can offset the cost of its demolition or removal. In such instances, the total cost need not be entered against the item, however, the justification should be provided in the 'Additional Info' column of the calculator and / or the 'Assumptions' page.

In reviewing operator assessed infrastructure demolition costs, the Department or environmental auditor will consider the potential of the plant to retain its value throughout the bond review period, and reserves the right to require full costing for infrastructure demolition where appropriate.

In all cases, the full costing of rubbish removal, disconnection and termination of services, concrete and bitumen removal, removal of underground fuel tanks and treatment or removal of contaminated soil and other material must be provided.

13.8 Management, contingency and rehabilitation monitoring costs

Project management costs are set at 10 % of the total rehabilitation liability. It is applicable for all sites regardless of size.

Aspects covered by this cost include:

- administration and legal process of calling in a bond;
- project management, such as the specification of rehabilitation tasks (e.g. preparation of detailed maps to show the extent of rehabilitation tasks, surveys to determine extent, characteristics and location of reclamation materials such as overburden and topsoil, sampling and analysis of soils and water and evaluation of structures to determine requirements for demolition and removal) and the administration of contracts; and
- management and maintenance of the site by the Department prior to the awarding of rehabilitation contracts (e.g. fencing, signage, access, utilities and on site water management).

Contingency costs are set at a minimum of 10 % of the total rehabilitation liability. Aspects covered under contingencies include rehabilitation tasks not envisaged or appropriately costed in initial estimates, or failures in rehabilitation works, such as revegetation establishment or earthworks. In some circumstances the Department may apply a higher contingency rate depending on the complexity of environmental management of the operation.

A monitoring cost is included for larger sites, to cover any environmental monitoring required during rehabilitation such as dust levels, noise levels, water quality and ongoing inspections of rehabilitation works. This is set at 5 % of the total rehabilitation liability.

⁴ Relevant rates are published in a year book/plant equipment hire manual by the:

Civil Contractors Federation
192B Burwood Road,
Hawthorn Vic 3122

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Appendix 1: Departmental Policy for Rehabilitation Bonds

The *Mineral Resources (Sustainable Development) Act 1990* requires an applicant for a licence or work authority (or a proposed transferee) to lodge a bond with the Department as a surety for compliance with the conditions of the tenement relating to rehabilitation.

The ONLY form of rehabilitation bond acceptable to DPI is a Bank Guarantee. This Bank Guarantee must:

1. be from a recognised bank (according to the current list of Individual Authorised Banks in Australia - Australian Prudential Regulation Authority, Reserve Bank of Australia), Building Society or Credit Union;
2. be in favour of the Minister for Energy and Resources (DPI ABN 42 579 412 233);
3. state the name of the tenement holder;
4. state the tenement type and number;
5. relate to a single tenement only (i.e. each tenement must have a separate bond);
6. be on Bank, Building Society or Credit Union letterhead or have a recognised stamp to indicate authenticity;
7. not have an expiry date and that cannot be terminated by the bank without the prior approval of DPI;
8. be an original document;
9. be signed and dated by an authorised officer of the financial institution.

NOTE:

- Please send the original Bank Guarantee to the Department of Primary Industries,
- Please contact your Tenements Officer for any further assistance with this matter.

Appendix 2: Assessment Matrix for Bond Review Periods

RECOMMENDED BOND REVIEW PERIOD: BASED ON RISK OF REHABILITATION LIABILITY FALLING TO THE CROWN				
CONSEQUENCES	LIKELIHOOD			
	HIGH	MEDIUM	LOW	NEGLIGIBLE
High	2 YEARS e.g. Large MIN – Gold	3 YEARS e.g. Large MIN – Other metals, HM sand	6 YEARS e.g. Large MIN – non metallic (other than coal for major power generation)	10 YEARS e.g. Coal (major power generation)
Medium	3 YEARS e.g. Small MIN – Gold Small MIN – Other metals	6 YEARS e.g. WA – Regional significance	10 YEARS e.g. WA – State significance	10 YEARS
Low	6 YEARS e.g. Small MIN – non metallic	10 YEARS e.g. WA – Local significance	10 YEARS	10 YEARS

Appendix 3: Proforma for Rehabilitation Liability Assessment for Small Mines

MINERAL RESOURCES (SUSTAINABLE DEVELOPMENT) ACT 1990
(DEPARTMENT OF PRIMARY INDUSTRIES)

PROFORMA: SELF-ASSESSMENT REHABILITATION LIABILITY-
SMALL MINES

This form is for use by operators for small mines meeting the following criteria:

- there is no fixed infrastructure on site (e.g. plant or workshops);
- no or minimal rubbish or derelict/redundant equipment removal;
- there are no tailings storage facilities or slimes dams;
- there are no contaminated soils on site;
- there is no requirement for track construction or improvement;
- there are no requirements to achieve *Native Vegetation Management Framework 2002* offsets in the rehabilitation of the operation; and
- the Department has determined that there are no other specific characteristics of the operation that requires the undertaking of a more detailed bond liability assessment.

STANDARD REHABILITATION RATES SMALL MINES

1. Small open cut mines		
The minimum bond that shall apply is the allowance for rehabilitation of one hectare of disturbance.		
(a) Farm gypsum pits ≤ 5 ha disturbed and maximum depth of extraction ≤ 2 m	Unit rate/ha	\$2000
(b) Area ≤ 5 ha disturbed and maximum depth of extraction ≤ 2 m	Unit rate/ha	\$3500
(c) Area ≤ 5 ha disturbed and maximum depth of extraction > 2-5 m	Unit rate/ha	\$5000
2. Small underground mines: disturbance consists only of small shafts or adits (≤ 4 m² in cross-sectional area) and access tracks:		
(a) One shaft or adit	Unit rate	\$5000
(b) Each additional shaft or adit	Unit rate	\$3000

SUPPORTING INFORMATION TO BE ATTACHED TO THIS ASSESSMENT

1. A plan showing the current area disturbed and cross-section details of each shaft or adit collar
2. For bond reviews or work plan variations, a plan showing the proposed maximum extent of disturbance during the next bond review period

LODGEMENT

Tenement Officer
Earth Resources Regulation Branch
Department of Primary Industries

DISTRICT OFFICE	ADDRESS	PO BOX	PHONE/FAX
Melbourne	Level 16, 1 Spring St Melbourne, Victoria	GPO Box 4440 Melbourne, Victoria, 3001	Ph: (03) 9658 4424 Fx: (03) 9658 4499
Ballarat	State Government Offices 402-406 Mair Street Ballarat, Victoria, 3350		Ph: (03) 5336 6802 Fx: (03) 5336 6800
Bendigo	Cnr Midland Hwy & Taylor St Epsom, Victoria, 3554	PO Box 3100 Bendigo Delivery Centre, Victoria, 3554	Ph: (03) 5430 4692 Fx: (03) 5448 4304
Benalla	89 Sydney Road Benalla, Victoria, 3672	PO Box 124 Benalla, Victoria, 3672	Ph: (03) 5761 1501 Fx: (03) 5761 1628
Traralgon	55 Grey Street Traralgon, Victoria, 3844		Ph: (03) 5160 9011 Fx: (03) 5160 9055

Site Name:

Licence:

LICENSEE DETAILS:		
Surname or Company name		
Given Name(s)	Position/Title	
Street name and number:		
City	State	Postcode:

REASON FOR BOND REVIEW		
<input type="checkbox"/> Standard Bond Review	<input type="checkbox"/> Work Plan Variation	<input type="checkbox"/> Title Transfer
<input type="checkbox"/> Annual Report (MRD Regulations 2002)	<input type="checkbox"/> DPI Request	<input type="checkbox"/> Licensee Request

SITE DESCRIPTION	
Mineral	Tenement No.
Treatment	Total annual production

REHABILITATION	
Approved end use and rehabilitation plan summary:	
Rehabilitation Completed (ha)	

REHABILITATION LIABILITY ASSESSMENT TABLE				
Title Area (ha):	Current Bond: (if applicable):	Assessment Date:	Bond Review Period (yrs):	Bond Review Date:
.....

CURRENT LIABILITY				
Operation type	Item	Amount	Rate	SUB-TOTAL
Open Cut Mine	Area disturbedha @	\$ /ha depth ≤ 2 m	
			\$ /ha depth > 2-5 m	
Underground Mine	First Shaft or Adit	1 @	\$	
	Other Shafts or Adits	Each @	\$	
TOTAL CURRENT LIABILITY				

LICENSEE DECLARATION:	
I certify that this rehabilitation liability assessment has been undertaken in accordance with DPI guidelines and is an accurate reflection of the total rehabilitation bond required to be lodged by this operation	
Name of certifying person	Signature
Position/title of certifying person	Date

Office use only	
Date Received:	File Number:
Receiving Officer:	Referred to: