

## Estimates Committee 2004 Questions Taken On Notice

( 22/06/2004 to 01/10/2004 )

Date: 25/06/2004

Output: 2 Minerals and  
Petroleum Industry  
Services

Sub Output: 2.1 Minerals and  
Petroleum Resource  
Development  
Services

Subject: Rehabilitation Bonds for Mines

**From:** Mr Gerry Wood to Honourable Kon VATSKALIS  
Minister for Mines and Energy

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**8-1**

**Question:**

Minister, I have here a list of 10 operational mines in the Territory from the DBIRD web site. Can you tell me what amount of money the government holds as a rehabilitation bond for each mine or, if not a bond, any other money held for rehabilitation?

If a mine incurred no bond, why not?

In the case of the second list, I also have a list of 15 mines listed as closed mines on the DBIRD web site. Can you tell me whether there was a rehabilitation bond for each of them?

Has each mine site been rehabilitated and, in the case of a bond not being available, who paid for the rehabilitation?

**Answer:**

Answered On: 07/07/2004

**TITLE:** Estimates Committee – Question on notice from Mr Wood

**ISSUE:** Minister, I have here a list of 10 operational mines in the Territory from DBIRD web site.

- Can you tell me what amount of money the government holds as a rehabilitation bond for each mine or, if not a bond, any other money held for rehabilitation?
- If a mine incurred no bond, why not?

In the case of the second list, I also have a list of 15 mines listed as closed mines on the DBIRD web site.

- Can you tell me whether there was a rehabilitation bond for each of them?
- Has each mine site been rehabilitated and,
- in the case of a bond not being available, who paid for the rehabilitation?

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**ANSWER:**

- The attached table shows the amount of money the government holds for each of the 10 operational mines. The table includes the type of security (ie cash or bank guarantee).

With respect to the operating mines, each mine is required to submit an updated Mining Management Plan each year. The Mining Management Plan must include a plan and costing of closure activities. Based on these estimated closure costs, DBIRD reassesses the amount of security to be held against the mining operation. If the environmental liability increases the amount of security required is increased. If the environmental liability decreases, the amount of security required is decreased. This annual review encourages companies to undertake progressive rehabilitation and hence reduce the amount of security (bond) required by government.

- All of the listed mines have a security (bond) held against them.
- The attached table shows the amount of money the government holds for each of the 15 closed mines. The table includes the type of security (ie cash or bank guarantee).

Each of these mine sites is still subject to rehabilitation requirements and each site is in the process of being rehabilitated. To date, none of the sites listed have been fully rehabilitated.

Of the sites listed as closed, Warrego mine has recently reopened to process ore from the new Chariot mine in Tennant Creek. The Tanami mine is also being used to treat ore from the nearby Groundrush mine. The Brocks Creek mine has had a substantial amount of rehabilitation completed and is likely to be reopened in the near future.

- In each case, the rehabilitation has been paid for by the company concerned. The government has not provided any additional funding for rehabilitation.
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<b>CLOSED MINES</b>	<b>SECURITY</b>	<b>COMMENTS</b>
Annie Mine	\$5,000.00	
Brocks Creek	\$500,000.00	Bank Guarantee
Cosmo Howley / Burnside	\$50,000.00	Bank Guarantee
Gecko (see Warrego)		See Warrego
Merlin	\$175,000.00	Bank Guarantee
Orlando	\$20,000.00	Bank Guarantee
Rustler's Roost	\$1,500.00	Cash
Sandy Flat (see Redbank)		See Redbank
Tanami JV (see Granites)		Included in Granites security
TC8	\$6,000.00	Cash
Warrego	Rehab Deed Trust Fund	Value \$4,500,000.00
White Devil (see Warrego)		See Warrego
White Range	\$10,000.00	Cash
Woodcutters	\$2,200,000.00	Bank Guarantee
Yimuyn Manjerr (Mt Todd)	Trust Fund	approx \$200,000 remaining from \$900,000
<b>OPERATING MINES</b>		
Alcan Gove	\$2,000,000.00 NT Bond under negotiation	Held by Commonwealth NT bond under negotiation
Chariot	\$75,000.00	Cash
Gemco	\$12,000,000.00	Bank Guarantee
Groundrush (see Granites)		Included in Granites security
McArthur River	\$3,872,025.00	Bank Guarantee
Mudtank	\$15,000.00	Cash
Ranger	\$38,847,481.11	Rehabilitation Trust Account
Granites	\$11,828,649.00	Bank Guarantee
Tom's Gully	\$20,000.00	Cash
Union Reefs	\$500,000.00	Bank Guarantee