

# Mine Closure

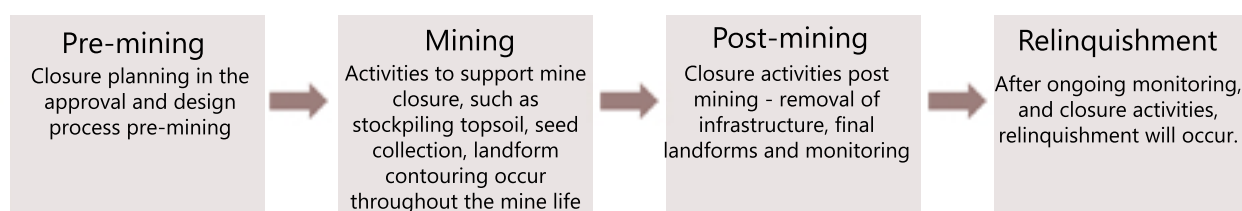
## BACKGROUND

Globally, there have been poor examples of mine closure. In South Australia, the Brukunga site was mined by the State until 1972. Closure planning was not undertaken during the mine life, as was common at the time, and the site now constitutes an ongoing financial and environmental liability to South Australia. To mitigate generational risk, resources companies are now required to plan for closure. Mining companies understand mine closure is fundamental to responsible mining. It is a critical factor for ongoing community acceptance and future land access.

### What is mine closure?

After a mineral resource has been economically exhausted, the mine moves into the final phase in its development cycle. This phase is referred to as mine closure. However, planning for closure begins at the concept planning stage even before a mine is developed and is reevaluated at each stage.

## STAGES OF CLOSURE



## CURRENT REGULATORY FRAMEWORK

Mine closure and rehabilitation in South Australia are currently regulated by the Department for Energy & Mining (DEM) through the mining approvals process and subsequently through annual Mining and Rehabilitation Compliance Reports (MARCR).

**“Industry have proactively engaged with government to improve the current mine closure regulations to improve outcomes for the South Australian community”**

## FINANCIAL ASSURANCE

All companies are required to make financial provision for closure. Additionally, the South Australian mining approval process requires payment of a security bond that reflects the estimated rehabilitation costs. This bond is held by the government until mining and rehabilitation is completed.

### *SACOME Policy Position*

SACOME has recommended that the Department for Energy & Mining (DEM) consider adopting a system where a full bond is not required from responsible operators but is retained for higher-risk operators and projects. Where the full bond is required, SACOME recommends a mechanism to refund the bond in stages as the mining operator carries out progressive rehabilitation.

# STATUTES AMMENDMENT (MINERAL RESOURCES) BILL

The Bill was passed in the lower house on 5 July 2019 and provides a framework for a mining rehabilitation fund to support rehabilitation, monitoring and maintenance programs. It also provides for penalties and expiation fees to be paid into the Mining Rehabilitation Fund. Additionally, the Bill provides ministerial discretion to the application of bonds.

**“SACOME and its members support a regulatory framework to oversee mine closure and rehabilitation, safeguard the environment, meet community expectations and protect government from having to cover future rehabilitation liabilities.”**

## *SACOME Policy Position*

In 2018, SACOME convened an industry working group to identify key issues and provide guidance to Government on further developing a best-practice mine closure framework for South Australia.

SACOME has proposed the establishment of a joint industry-government working group to provide a collaborative platform to modernise the State’s mine closure framework

SACOME favours outcome-based regulation, where outcomes are clearly defined and measurable to avoid ambiguity and expectation gaps. Modernising the mine closure framework would;

- Encourage innovation and best practice in mine closure and rehabilitation
- Streamline the planning, regulation and management of mine closure and rehabilitation
- Reduce administrative burden on Government and industry
- Free up capital for economic development while balancing the need to protect the state against future rehabilitation liabilities

**“SACOME favours a collaborative approach to modernise the South Australian mine closure framework.”**

**“SACOME considers reform is needed in a number of areas to encourage innovation in mine closure practices and to reflect technological improvements.”**

**“SACOME member companies seek a clear, documented pathway to relinquishment.”**

## RESOURCES

<https://minerals.org.au/environmental-managment>

<https://www.icmm.com/en-gb/society-and-the-economy/mine-closure>

<https://www.icmm.com/en-gb/society-and-the-economy/mine-closure/planning-for-integrated-mining-closure>

<https://www.icmm.com/en-gb/environment/mine-closure/financial-concepts-for-mine-closure>

*Hillgrove Resources in the progressive rehabilitation stage.*

