

## Rehabilitation bonds

### Introduction

#### 1. Overview

The Department of Jobs, Precincts and Regions - Earth Resources (the 'Department') is committed to protecting people, land, infrastructure and the environment across the whole resource life cycle – from the earliest exploration activity through to extraction and final site closure. Effective site rehabilitation ensures that resource extraction sites are returned to a safe, stable and sustainable landform at each stage of the resource life cycle rather than once extraction is completed.

The guidelines below present the Department's 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 Department is currently reviewing the bond policy to align it with our [Regulatory Practice Strategy for the Rehabilitation of Earth Resources Sites \(PDF - 2.1 MB\)](#) released in February 2020. The Strategy aims to help operators plan and rehabilitation sites over the full life cycle of an earth resources project.

#### 2. Background

##### 2.1 Regulation

The Earth Resources Regulation unit 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, prospecting, retention, 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 Practice<sup>1</sup>.

From 1 January 2010, quarries that are less than five hectares in area and less than five metres in depth, are exempt from the requirement to work to an approved work plan provided that no blasting or native vegetation clearance occurs. 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 consider 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 conditions which may contain further rehabilitation requirements. Rehabilitation plans for mines are to set out milestones to achieve a landform that is safe, stable and sustainable, including measures to control identified risks.

##### 2.2 Rehabilitation bonds

A rehabilitation bond is a financial security which must be provided by an operator prior to work commencing. The rehabilitation bond reflects 100% of the estimated rehabilitation cost and is in place 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. A bond is required to cover the full cost for the State to rehabilitate a site, if an Authority Holder was to default on their rehabilitation obligations.

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. The Department ensures that all land is rehabilitated to an appropriate safe, stable and sustainable standard (i.e. in relation to public safety, amenity, potential impacts on the environment and having due regard to the principles of sustainable development as set out in section 2A of the MRSD Act).

Rehabilitation bonds will be reviewed when a work plan variation is approved, prior to a tenement being transferred or when requested by the tenement holder.

The bond amount is calculated to address in full, the rehabilitation liability based on the works specified in the approved work plan. Bonds are based on the rehabilitation liability represented within the approved work plan at any given stage of the operation. This can take into consideration that works may be limited to a particular stage of the operation, provided that clear definition as to the extent of approved works exists. The Authority Holder must also commit to informing the Department when entering a new stage of the operation and enter into a further bond if required, to maintain 100% security for the rehabilitation liability.

Bond reviews are calculated on the existing rehabilitation liability at the time of the review plus any proposed further works that are approved within the work plan and/or stage within the workplan. For both the initial bond and bond reviews, the rehabilitation liability is calculated on achieving the final safe, stable and sustainable rehabilitated landform as specified in the rehabilitation plan.

Currently, the Department accepts rehabilitation bonds in the form of an unconditional bank guarantee and cash bonds up to the value of \$50,000. Refer to Appendix 1 for the Department's bond policy and requisite form of the bank guarantee.

### **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 sections 9 to 11) and utilising a rehabilitation bond calculator (refer to section 12) for all other operations.

The Department may request an Authority Holder to undertake a self-assessment of their rehabilitation obligations as an initial step in determining the amount of bond required for a new site. The industry self-assessment approach will also be applied as part of the Department's bond review program and in the work plan variation and transfer processes. The Department will use the self-assessments to inform a determination of the rehabilitation liability. Where significant variance occurs the Authority Holder may be given opportunity to correct any errors of fact in the rehabilitation liability assessment before a determination of the rehabilitation bond is made.

Under the *Mineral Resources (Sustainable Development) (Mineral Industries) Regulations 2019* [↗](#), mining licensees are to include an estimate of their rehabilitation liability in annual reports. 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 11) or an alternative methodology. If the licensee chooses to use an alternative methodology, sufficient documentation is to be provided to substantiate how the liability estimate was determined. Such documentation needs to include quantities, unit rates, decommissioning and disposal rates. The self-assessment will also need to include management costs, allow for contingencies and on-going monitoring costs where warranted.

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

## **Part A: Establishing and Managing Rehabilitation Bonds**

### **4. Setting the Bond Amount**

#### 4.1 Initial bond

The Department may request an Authority Holder to undertake a self-assessment of their rehabilitation obligations as an initial step in determining the amount of bond required for a new site. The rehabilitation liability for a site will be calculated using either standard rates (for small mines, small quarries and exploration—see sections 9 to 11) or based on the point of maximum disturbance of the land for a defined development stage as documented in the approved work plan. The likely cost to achieve the final safe, stable and sustainable landform specified in the rehabilitation plan is then calculated.

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

#### 4.2 Bond period

Bond review periods are established based upon a risk assessment of the operation.

Mining licensees will be required to provide an annual self-assessment of the rehabilitation liability of an operation as required under the *Mineral Resources (Sustainable Development) (Mineral Industries) Regulations 2019* [↗](#).

#### 4.3 Third party costing

Rehabilitation liability is determined on the assumption that the Authority Holder is unable to complete their rehabilitation obligations and therefore rehabilitation works must be completed by the Department using a 'third party.' The rehabilitation bond will be based on the cost to commission a third party contractor to complete the work. Any real or perceived ability by the Authority Holder to complete the works at a reduced rate are not able to be adopted when determining the bond amount.

The Department would not have access to the Authority Holder's equipment and personnel in the event of default. In that instance, the Department would need to outsource the rehabilitation works and will therefore be subject to market costs. Additional costs incurred by the Department would include administrative tasks, and the management and maintenance of the site prior to rehabilitation contracts taking effect.

#### 4.4 Approval of rehabilitation bond level and consultation

Rehabilitation bonds must cover the full cost of an operation's rehabilitation liability. For this reason, the amount of bond to be submitted is based on the outcome of the rehabilitation liability assessment. When making that determination, section 80 of the MRSD Act requires consultation with other stakeholders as shown in Table 1: Bond Management Consultation Matrix below.

The consultation matrix indicates who must be consulted in the process of setting, reviewing and returning 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	Owner Council
Bond review	LM Licensee		LM Licensee	Owner Council Licensee	LM Work Authority Holder	Owner Council Licensee
Bond return	LM	Owner*	LM	Owner Council	LM	Owner Council

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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 Environment, Land, Water & Planning, or Parks Victoria for most areas of restricted Crown land). \* recommended for ground disturbing works only.

## 5. Bond Reviews

Sites will be prioritised for rehabilitation bond reviews using a risk-based approach that considers both the likelihood of an operator defaulting on their rehabilitation obligations and the consequence of their default on people, land, environment and infrastructure.

The purpose of a rehabilitation bond review is 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 review of the rehabilitation bond may also be required in the case of a transfer or work plan variation.

The Minister (or delegate) 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, a bond review may be undertaken where a site inspection indicates insufficient progressive rehabilitation has been undertaken or where the site has not been worked in accordance with the approved work plan.

### 5.1 Mining and self-assessment of rehabilitation liability

Under the provisions of the *Mineral Resources (Sustainable Development) (Mineral Industries) Regulations 2019* [↗](#), 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 be documented in accordance with the methods outlined in these guidelines.

When setting an initial or reviewing an existing rehabilitation bond, the Department may request a self-assessment and supporting information. 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.

Where the Department considers that a rehabilitation bond held is insufficient, the licensee may be required to submit an up to date self-assessment of rehabilitation liability as an input into the revised rehabilitation bond amount.

In addition, the Department may (under section 79A of the MRSD Act) require a licensee to conduct a rehabilitation liability assessment in a specified manner and form.

### 5.2 Extractive industries

Extractive industry work Authority Holders will be encouraged to submit self-assessments for rehabilitation liability when setting initial and/or reviewing rehabilitation bonds. A self-assessment of the rehabilitation liability by the operator may assist in expediting these processes.

## 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 2. Operators undertaking a self-assessment of rehabilitation using the rehabilitation bond calculator tool should submit a signed 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 depicting the rehabilitation tasks, location and volume of materials required to complete rehabilitation works.

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

The Department will review the submitted self-assessment and if the assessment is deemed acceptable, the Department will use the assessment to inform the determination of the rehabilitation bond. The determination of the rehabilitation bond may also depend on the outcome of the consultation process outlined in section 4.4 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. 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, the rehabilitation is likely to be successful and 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 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 Earth Resources Regulation's Rehabilitation Bond Calculator or the application of standard rates for Code of Practice operations and exploration sites.

### 9. 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.

### 10. 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.

### 11. 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  $\leq$  5 ha disturbed and  $\leq$  2 m in depth
2. \$3500/ha for small open cut mines  $\leq$  5 ha disturbed and  $\leq$  2 m in depth
3. \$5000/ha for small open cut mines  $\leq$  5 ha disturbed and  $\leq$  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 ( $\leq$  4 m<sup>2</sup> cross-sectional area), immediately adjacent areas and access tracks:

- \$5000 (one shaft or adit)<sup>1</sup>
- \$3000 (allowance for each additional shaft or adit)<sup>2</sup>

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 site<sup>3</sup>;
- 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 2.

Standard rates may be varied periodically. Assessors should check this website or the [Rehabilitation Liability Assessment & Bonds Officer](#) to ensure that the rates used in rehabilitation liability assessments are current.

## 12. 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, 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.

### 12.1 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 or contacting the Earth Resources Regulation Rehabilitation Liability Assessments and Bonds Officer via [RLAB@ecodev.vic.gov.au](mailto:RLAB@ecodev.vic.gov.au).

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 ( $\leq 5$  ha disturbed and  $\leq 5$  m in depth);
- Small Underground Mine ( $\leq 5$ 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.

### 12.2 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.

### 12.3 Domain worksheets

The rest of the workbook is divided into several 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.

#### **12.4 Entering information into the calculator**

The bond calculator has been developed so that the user only needs to enter information into:

- Column E – whether each rehabilitation activity listed is applicable to the site by selecting a Y/N option
- Column F – quantity. For example, the volume of earthworks or area of revegetation required, to achieve the final safe, stable and sustainable rehabilitated land use.
- Column I – where the rate differs from the default rate provided
- Column K – any additional information that will provide the basis for the calculation entered.

No other changes are required to the calculator. Note that only a subset of activities will apply to any one site.

The calculator should be populated using appropriate site-specific information as described in section 12.6. 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. Information that is relevant to this calculation is to be added as 'Additional information' (i.e. Column K).

#### **12.5 Rehabilitation rates**

The calculator's default rehabilitation rates have been determined using typical current market 'third party' contract rates as of January 2021 and will be periodically reviewed to consider aspects such as market variability and inflation.

In estimating rehabilitation liability, the Department 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 contracted and 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 Federation<sup>4</sup>. 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.

#### **12.6 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. Where possible, a site inspection may also 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 below. 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 rehabilitation of the site. Typically, the rehabilitation plan should outline an 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.

## **12.7 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 infrastructure demolition costs determined by the operator, the Department or environmental auditor will consider the potential of the plant to retain its value throughout the bond review period and may 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.

## **12.8 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:

- the administration 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 rehabilitation contracts taking effect (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.



## References

DJPR (2020). [Preparation of Work Plans and Work Plan Variations – Guideline for Extractive Industry Projects](#).

DSDBI (2010). [Code of Practice for Small Quarries](#). Department of State Development, Business and Innovation (DSDBI) - Earth Resources

DEDJTR (2014). [Code of Practice for mineral exploration](#). Standards, procedures and practical guidance under the Mineral Resources (Sustainable Development) Act 1990.

Department of State Development, Business and Innovation (DSDBI) - Earth Resources  
DSDBI (2004). [Rehabilitation Plans and other Environmental Aspects of Work Plans](#).

DJPR (2020) [Preparation of Rehabilitation Plans, Guideline for Mining and Prospecting Projects \(PDF - 6.1 MB\)](#)

DJPR (2021). [Retention Licence Guidelines](#)

DJPR (2021). [Prospecting Licence Guidelines](#)

DSDBI (2004). Rehabilitation bonds for the Mining and Extractive Industries – Position Paper. Department of State Development, Business and Innovation (DSDBI) - Earth Resources, Victoria.

EPA (2021). Waste classification assessment protocol Publication 1827.1. Environment Protection Authority, Victoria. Web site [www.epa.vic.gov.au](http://www.epa.vic.gov.au) (note intended to apply after 1 July 2021)

## 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.

A rehabilitation bond must be in the form of a Bank Guarantee or if the rehabilitation bond is up to the value of \$50,000, the Department will also accept a cash bond.

### A 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 Resources (DJPR ABN 83 295 188 244);
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 rehabilitation 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 the department;
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 Jobs, Precincts and Regions - Earth Resources,

Please contact your [Licensing Officer](#) for any further assistance with this matter via email at [licensing.err@ecodev.vic.gov.au](mailto:licensing.err@ecodev.vic.gov.au)

## Appendix 2: Proforma for Rehabilitation Liability Assessment for Small Mines

*Mineral Resources (Sustainable Development) Act 1990*

Proforma: Self-Assessment Rehabilitation Liability – Small Mines

[Appendix 2: Proforma for Rehabilitation Liability Assessment \(WORD, 36.8 KB\)](#)

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 – A Framework for Action 2011* 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.

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[1] Earth Resources (DSDBI) (2010) Code of Practice for Small Quarries.

[2] DEDJTR (2014). [Code of Practice for mineral exploration](#). Standards, procedures and practical guidance under the Mineral Resources (Sustainable Development) Act 1990.

[3] As defined in EPA. EPA (2021). Waste classification assessment protocol Publication 18271. Environment Protection Authority, Victoria. Web site [www.epa.vic.gov.au](http://www.epa.vic.gov.au) [↗](#) (note intended to apply after 1 July 2021)

[4] Relevant rates are published in a year book/plant equipment hire manual by the: Civil Contractors Federation 192B Burwood Road, Hawthorn Vic 3122