



# Mining Rehabilitation Fund Yearly report 2022–23



# Welcome to the 2022-23 yearly report for the Mining Rehabilitation Fund

This report outlines the activities and achievements of the Mining Rehabilitation Fund and Abandoned Mines Program from 1 July 2022 to 30 June 2023. The Department of Mines, Industry Regulation and Safety (DMIRS) is committed to good governance and this report seeks to provide a summary of the administration of the *Mining Rehabilitation Fund Act 2012* (WA).



The Department of Mines, Industry Regulation and Safety's (DMIRS) Mining Rehabilitation Fund (MRF) was introduced in 2013. It was the State's first dedicated and perpetual fund for the rehabilitation and management of historical abandoned mines. The MRF was created as a pooled fund to which Western Australian mining operators contribute yearly, meaning the WA community is no longer paying for the rehabilitation of abandoned mining operations.

The MRF is administered as a Special Purpose Account under the *Financial Management Act 2006* (WA) and funds must be spent in accordance with the purposes set out in the *Mining Rehabilitation Fund Act 2012* (WA) (MRF Act) for which the Director General of DMIRS is accountable.

All tenement holders operating on *Mining Act 1978* (WA) (Mining Act) tenure are required to report disturbance data and contribute annually to the fund depending on their level of environmental disturbance on tenements.

Contributions to the MRF are used in circumstances where there are unsuccessful efforts to enforce the obligations of tenement holders/operators to rehabilitate mines. The recovery of costs may still be sought from any former holder/operator that fails to meet their obligations to rehabilitate.

In addition, interest earned on the fund can be used to rehabilitate, to fund the administration of the MRF and to undertake rehabilitation work on legacy abandoned mines throughout the State.

DMIRS' annual report provides valuable information on the management of the fund and enables the Government of Western Australia to consider and approve the projected revenue and expenditure for the MRF through the State Budget each year.

This report is supplementary to the annual report and presents detailed information of the activities and achievements of the MRF and Abandoned Mines Program (AMP) for 2022–23, as well as indicating future plans for both initiatives.



The Mining Rehabilitation Advisory Panel (MRAP), as prescribed in the Mining Rehabilitation Fund Regulations 2013, provides advice to the Director General of DMIRS on matters relating to the fund and the associated AMP.

The current members of MRAP (pictured below), appointed for a three-year term from August 2022, are Renee Young (Chairperson), Angela Bishop (Deputy Chairperson), Vern Newton, Naomi Hutchings and Helen Chernoff.



**RENEE YOUNG** 

has specialised knowledge in mine site ecological restoration with over 15 years' experience across academia and industry.



**ANGELA BISHOP** 

has over 20 years' experience working for government and industry in an operational and corporate capacity in the environmental sector.



**VERN NEWTON** 

has worked for construction material and mining companies in senior roles and has also been involved in driving sustainable policies.



**NAOMI HUTCHINGS** 

is a senior private practice lawyer with over 20 years' experience in environment planning, land access, native title and heritage law.



**HELEN CHERNOFF** 

is an environmental scientist with a geology qualification and 20 years' experience in the resources sector.

MRAP meets bi-annually to discuss and provide independent advice on a range of matters relating to managing the MRF and work activities associated with the AMP.

## **Activities of the Mining Rehabilitation Advisory Panel**

DMIRS would like to acknowledge the considerable contributions of the MRAP members. During the year the panel attended workshops in addition to formal MRAP meetings. The support and expertise provided was invaluable when progressing planning and implementation of AMP projects.

During the 2022–23 year, the MRAP undertook a range of activities including:

- Discussed the prolonged low interest rates over recent years and the corresponding reduced interest revenue into the MRF. The panel agreed the AMP should continue to re-evaluate the schedule of projects funded by MRF interest while interest funds are limited.
- Review of the AMP five-year plan and budget as part of the revision of the AMP strategy.
- Participated in a progress update and forward planning workshop of the Ellendale project works program.
- Discussed the ground subsidence issues in the Collie Basin and acknowledged the new Collieries project development. These issues are known to occur due to significant underground workings associated with the collieries which operated from the early 1900s to the 1960s.
- Endorsed the declaration of Reid's Ridge as an abandoned mine to enable significant risks associated with underground workings and previous mining activities to be addressed.
- Endorsed the declaration of the Commonage and Wanerenooka areas as part of the Northampton Shafts project
  as abandoned mines. Declaration of these additional areas enable the AMP to quantify risks and subsequently
  rehabilitate areas associated with historic underground workings, which will also enable the Department of
  Planning, Lands and Heritage (DPLH) Northampton Lead Tailings Project to undertake its remediation work safely.
- Endorsed the declaration of Stewart Shaft in the Cue town site as an abandoned mine to enable risks associated with the re-opened shaft to be addressed.



# Abandoned Mines Program – Project status

Funds contributed to the MRF can be used to rehabilitate mine sites that have become abandoned by companies that have either previously paid into the MRF or were eligible to pay into the fund, after all other avenues to ensure rehabilitation have been exhausted. Interest generated on the funds contributed to the MRF can be used to rehabilitate legacy abandoned mine features for which contributions to the MRF were not made.

The AMP achieved significant milestones during the 2022-23 financial year with the successful completion of the Ellendale Deconstruction project and completion of the rehabilitation works on the Donnybrook Shafts project.

AMP projects funded from MRF interest earnings continued to be closely managed due to the impact of historic low interest rates, with a significant focus on project spend. While a number of projects remained on hold during this reporting period, recent interest rate rises have enabled this area of the program to be re-evaluated and planned progression on prioritised MRF interest-funded projects is underway as indicated below (Table 1 and Figure 1).

New projects initiated and in planning are identified in Table 1, while projects which progressed significantly over the past year also have a detailed overview provided in this yearly report.

Table 1. AMP project status

| AMP project  | MRF funding        | Status:   | In planning Active No activity Monitoring   |  |  |  |  |  |
|--|--------------------|---|---|--|--|--|--|--|
| Ashmore Seppelt Balanggarra  | Principal          | 0   | In planning pending engagement with Traditional Custodians.   |  |  |  |  |  |
| Ellendale<br>Bunuba  | Principal          |   | Deconstruction and clean up works program completed. Stage 1 earthworks contract underway.  |  |  |  |  |  |
| Safer Shafts for Towns<br>Nyamal, Wajarri Yamatji,<br>Yungunga-Nya, Yamatji Nation | Interest           | Initiated in 2022 with the ultimate goal of reducing the risk any single child that may be exposed to old mine shafts. S progression to be expanded to other regional areas as fun becomes available. |   |  |  |  |  |  |
| Northampton Shafts<br>Yamatji Nation   | Interest           |   | Staged progression supporting the DPLH Northampton<br>Lead Program. Heritage surveys underway and geotechnical<br>investigations in planning.   |  |  |  |  |  |
| <b>Reid's Ridge</b><br>Badimia   | Principal          |   | Joint Department of Biodiversity, Conservation and Attractions (DBCA) project located in Karara Rangeland Park. Stakeholder engagement initiated and geotechnical investigations pending. |  |  |  |  |  |
| Bulong TSF<br>Kakarra  | Interest +<br>Bond |   | On hold pending improved interest funds and engagement with Traditional Custodians.   |  |  |  |  |  |
| <b>Donnybrook Shafts</b><br>Gnaala Karla Boodja                                    | Interest           |   | Eleven shafts in state forest. A DBCA joint project.<br>Rehabilitation completed and monitoring in progress.  |  |  |  |  |  |
| <b>Elverdton</b><br>Wagyl Kaip Southern Noongar                                    | Interest           |   | Staged progression dependent on interest funds with detailed site investigation pending.  |  |  |  |  |  |
| Collieries<br>Gnaala Karla Boodja  | Interest           | 0   | Collating data and developing process of mapping and prioritisation for ground subsidence and carbonaceous shale associated with legacy underground coal mining.                          |  |  |  |  |  |
| Legacy Tailings  | Interest           |   | In development. Detecting and monitoring change of constructed landforms using new generation satellite synthetic aperture radar (InSAR) data.  |  |  |  |  |  |
| Silicate Minerals  | Interest           |   | In development, collaboration with Landgate to use hyperspectral data to enable assessment of the presence, extent and density of Crocidolite associated with legacy mining.              |  |  |  |  |  |

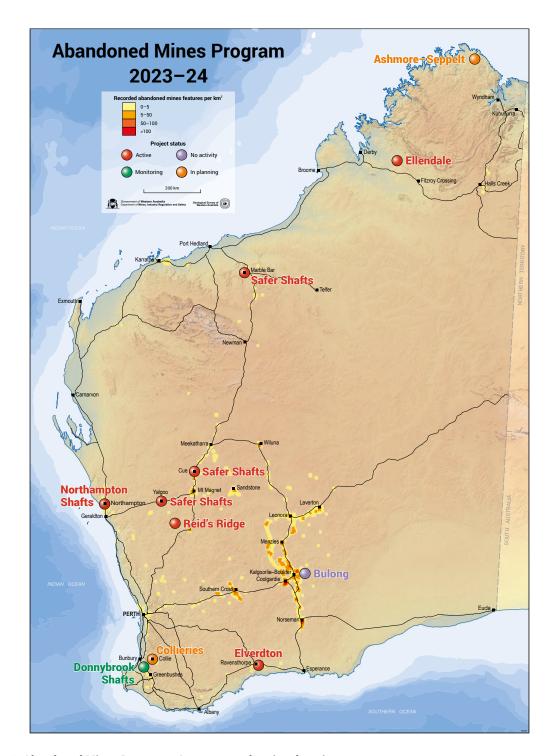


Figure 1. Abandoned Mines Program – Inventory and project locations

### **Engagement**

The AMP presented the *Abandoned Mines Program – Challenging legacies* to the **Environment Institute of Australia and New Zealand** at the WA Environmental Practitioners' Forum in September 2022, where they discussed the challenges and opportunities present for the program.

The AMP presented to the **Goldfields Environmental Management Group** Conference in June 2023 on *Abandonment issues* – *addressing risk in the Kimberley*, focusing on the progress of the Ellendale project and key learnings around planning for mine closure.

The program also provided an update to the **Aboriginal Advisory Council of Western Australia** in February 2023 on the use of the MRF for abandoned mine rehabilitation on Country, and the engagement with Traditional Custodians through the various projects to date.

#### **Ellendale**

Located in the West Kimberley region of Western Australia, Ellendale Diamond Mine consists of the E4 and E9 pit voids, various stockpiles, waste rock landforms, tailings storage facilities (TSF) and other associated infrastructure. Mining at the Ellendale site commenced in 2002 and continued to 2015, when Kimberley Diamond Company NL (KDC) entered into administration in October 2015. Ellendale was declared an abandoned mine site in December 2015.

This reporting period saw the successful conclusion of the largest contract undertaken to date under the MRF with the close out of the Liberty Industrial Deconstruction Contract in December 2022. It also saw the conclusion of the *Disposal of Unclaimed Goods Act 1970* process relating to the items remaining on the site following the 2015 liquidator auctions with the reporting requirements filed with the Derby Court in December 2022 on completion of the Deconstruction project.

The deconstruction contract covered the removal of all redundant plant and infrastructure across both mine sites and production areas. The contract included:

- the camp area;
- three processing plant areas;
- two bore fields;
- removal of identified hydrocarbon contaminated material;
- repair and construction of the E9 TSF1D perimeter bund;
- removal of all waste (rubbish) and recyclable materials from the site.

#### TSF1D containment bund

Ongoing monitoring assessment of the external walls of the largest E9 TSF (tailings storage facility) identified significant deterioration over the 2021–22 wet season. An independent tailings engineer identified an existing material stockpile around the external perimeter of the facility could be utilised as a potential containment bund. The bund dimensions were designed to prevent tailings material from entering the undisturbed environment and works were sub-contracted to a local earthworks business and managed under the Liberty Industrial contract. If the TSF wall does breach, the structural integrity of the tailings material is such that the tailings will beach and be contained within the perimeter bund.



E9 TSF1D containment bund



Sampling the soil profile underneath what was the E9 fuel farm to determine the presence of hydrocarbons.

#### Hydrocarbon contamination

All locations where hydrocarbons might have been stored or used frequently were identified and soils sampled to identify any potential contamination.

- 204 locations across the mine sites, processing areas and bore fields were sampled.
- · 458 soil samples were analysed.
- Fourteen samples were above acceptable concentration limits.
- · Six locations where contaminated soils were removed.
- · Four locations where contaminated concrete was removed.



E9 Hand picking the last of the scrap waste prior to demobilisation (December 2022).

# Ellendale Phase 1: Clean-up works program concluded

All materials were removed off-site to licensed disposal facilities for either disposal or recycling, with the conveyor belt re-purposed by a local pastoralist for use in cattle yards.

|  | Waste                 | Recycled |  |  |  |  |  |
|--|-----------------------|----------|--|--|--|--|--|
| Material removed from site (2022)      | Approx. T of material |          |  |  |  |  |  |
| Hydrocarbon contaminated soil/concrete | 960                   |          |  |  |  |  |  |
| General waste                          | 2280                  |          |  |  |  |  |  |
| Conveyor belt                          |                       | 88       |  |  |  |  |  |
| HDPE (poly pipe)                       |                       | 387      |  |  |  |  |  |
| Scrap steel                            |                       | 3456     |  |  |  |  |  |
| Septic waste                           | 1                     |          |  |  |  |  |  |
| Waste oil/hydrocarbons (residual)      | 13                    |          |  |  |  |  |  |
| Total volume (T)                       | 3253                  | 3931     |  |  |  |  |  |
|  | 45%                   | 55%      |  |  |  |  |  |



E9 Processing Area before (October 2020) and after (December 2022).

The Ellendale Phase 1: Clean-up works program was successfully concluded with the contractor demobilised ahead of the onset of the wet season in early December 2022. All works were undertaken safely throughout the Liberty Industrial contract with zero reportable incidents.

| Ellendale Phase 1: Clean-up key value driver   | Outcome  |  |  |  |
|--|--|--|--|--|
| Safety – Mitigate the risk of serious incident and/or harm to DMIRS employees, the general public, incoming new tenement holders by removing obsolete redundant infrastructure.                        | All redundant plant and infrastructure safely removed from site.  Risk of tailings material movement into environment mitigated.   |  |  |  |
| Compliance – Meet AMP obligations through good stewardship of the Ellendale abandoned mine site and to minimise environmental risks ensuring alignment with the Abandoned Mines Policy and obligations | Contaminated hydrocarbon materials identified and removed from site reducing potential for environmental contamination.  Safety risks associated with redundant equipment mitigated. |  |  |  |
| <b>Deliver benchmark project</b> – Explore cost reduction opportunities by evaluating alternatives for demolition methodologies, disposal methods and re-use/re-sale/recycle opportunities.            | Of the 7,184 tons of materials removed from site to licensed disposal facilities, 55 per cent were recycled.   |  |  |  |



Ellendale camp before (May 2020) and after (December 2022).



Bunuba man and Buru Rehab Supervisor Les Jones inspecting one of the planned work areas (photo curtesy of Buru Rehab).

#### Ellendale Phase 2: Earthworks Stage 1 initiated

During 2022–23, developmental scoping and initial design for the next program of works was initiated, continuing the focus on addressing site safety. An open tender for the Phase 2 (Stage 1) earthworks program was released to market through TendersWA and received a high level of interest.

Keys areas to be addressed under the Stage 1 Earthworks program include establishing bunds around the pit voids to prevent inadvertent access and stabilisation of constructed landforms experiencing significant erosion and movement of sediment on Country. The successful tender was also required to demonstrate engagement with the local community and the establishment of an indigenous trainee program.

The extensive flooding throughout the Fitzroy catchment over the 2022–23 wet season resulted in a reassessment of the works program, extending the work awarded under the contract to be executed over three dry seasons, and also delaying access to the Ellendale area until conditions were sufficiently dry to enable safe ingress.

Following a detailed evaluation of the final tenders, the contract was awarded to Indigenous business Buru Rehab in May 2023. The initial familiarisation site visit (also corresponding with the first site visit of the dry season) was undertaken the last week of May with site possession granted to Buru Rehab on 26 June 2023 under Section 10(2) of the *Mining Rehabilitation Fund Act 2012*. This authorised entry to the Ellendale abandoned mine site to Buru Rehab and its sub-contractors for the duration of the contract.

The AMP continues to work with the Bunuba community and other key stakeholders, including tenure interests across the Ellendale area, to minimise the safety, health and environmental risks at the site while ensuring the resource value of the tenements are not diminished.



Gee Gie in the Marble Bar area recording shaft feature data.

#### **Safer Shafts for Towns**

The Safer Shafts for Towns project focuses on the identification and subsequent remediation of historic abandoned shaft features located in close proximity to regional communities. The communities of Yalgoo, Cue and Marble Bar were initially prioritised as pilot locations for this project, based on the inherent risk to a single child by the number of shafts that may be located near a school.

Following on from the work initiated during 2021–22 at Yalgoo and Cue, the field based recording of abandoned shaft feature data for Marble Bar was completed in August 2022. Indigenous business Gee Gie engaged local employees from the Aboriginal communities in each location, providing training in the use of a specifically designed app to record feature data in the field. The finalised feature data set from all pilot locations is being reviewed for completion by Gee Gie and anticipated to be provided in early 2023–24.

In June 2022, the AMP responded to an urgent request regarding a formerly backfilled shaft that had opened up following heavy rainfall within the town of Cue. The shaft was declared an abandoned mine under the MRF Act on 12 April 2023. Geotechnical engineers engaged by the AMP assessed the shaft and developed specifications to remediate the shaft. An earthworks contractor has been engaged to complete the works in 2023.

The experiences gained through the implementation of the project at these initial pilot locations will guide a detailed assessment and evaluation of project outcomes to inform further development before it is rolled out to other regional centres. This will include a review of the risk and prioritisation methodology to ensure significant risks are identified and prioritised for remediation appropriately.



Main shaft of the Nooka Mine in the Commonage area.

# **Northampton Shafts**

A collaborative project with the DPLH Northampton Lead Tailings Project (NLTP) across three historic mining areas: Wheal Ellen, Commonage and Wanerenooka near the Northampton town site in the Mid West.

AMP work on the project was placed on hold in late 2020 due to limitations on available MRF interest funds. Forward projections of increased interest earnings on the MRF enabled planning for works be reinitiated for commencement in the 2023–24 financial year.

April 2023 saw the Commonage and Wanerenooka sites declared abandoned mine sites under the MRF Act (the Wheal Ellen site was declared in 2020). Activity notices under the Yamatji Nation Government Standard Heritage Agreement have been submitted and Aboriginal cultural heritage surveys are now planned across the sites.

A geotechnical engineering services contract for the assessments of the Commonage and Wanerenooka areas was awarded, and work will start following the outcomes of the heritage surveys.

The findings of these geotechnical studies will be considered along with consultation with key stakeholders in relation to Aboriginal and State heritage, and potential contaminated site impacts to develop suitable remediation and rehabilitation options.



The Reid's Ridge project in the Karara Rangeland Park.

# **Reid's Ridge**

Reid's Ridge, a former gold mining operation forfeited in 2015, is located within the Department of Biodiversity, Conservation and Attractions (DBCA) managed Karara Rangeland Park in the Mid West region of Western Australia. Mining disturbances are considered small and confined to discrete areas. The site came to the attention of the AMP following a tenement holder report to the DMIRS Resource and Environmental Compliance Division of the presence of uncontained tailings in July 2021.

The AMP undertook an initial site inspection of the area in November 2022. The inspection confirmed significant risks associated with legacy shafts, ground subsidence risk zones, uncontained tailings, overburden stockpiles as well as various redundant infrastructure and general debris.

Initial consultation with stakeholders commenced in 2022 with DBCA and the Badimia Traditional Custodians expressing their support to see the area rehabilitated. The site was declared abandoned under the MRF Act in April 2023, and planning is underway for geotechnical studies to be initiated in 2023–24.



Feature 8: Before the rehabilitation works begun, including a 3D image of the extent of the underground workings.

#### **Donnybrook Shafts**

In May 2018, DBCA reported old mine workings within a section of Argyle Forest Block to the AMP. The area is located approximately two kilometres south of Donnybrook within Boyanup State Forest. Between 1897 and 1903 it was prospected and mined for gold, leaving a significant number of mine workings that presented an ongoing safety risk to forestry workers and the community.

A joint DBCA and AMP site visit was undertaken in April 2019 to review the area and inform a detailed risk assessment of the site. Local stakeholder engagement commenced in the same month. The risk assessment process concluded the features identified within 10 metres of the main access track which was also utilised for bush walking would be prioritised for remediation.

Over the duration of the project, the AMP, in collaboration with DBCA, has initiated and managed several key actions to reduce public and environmental risks associated with the Donnybrook Shafts project area including:

- Signage pedestrian access along the walking track unrestricted. In March 2020, DBCA and AMP placed
  warning signs at access points to the walking track to inform pedestrians of dangerous abandoned mine
  features in the vicinity.
- Phytophthora dieback survey the Donnybrook site is located within the high-risk zone for the spread of Phytophthora dieback, a water mould which is well known for its adverse effects on Jarrah forest species. A Phytophthora dieback survey of the site was undertaken in September and November 2020 to minimise environmental risk associated with the implementation stages of the project.



Feature 8: Following completion of the rehabilitation earthworks by Indigenous business UMCC.

- A Detailed Flora and Vegetation Survey was undertaken in September 2020 to determine the conservation significance of flora and vegetation in the project area to minimise risk to flora and vegetation.
- Geotechnical investigations of the prioritised 10 shafts were undertaken in June 2021 to determine risks associated with each feature and to determine rehabilitation options.
- A number of additional shafts were assessed by geotechnical experts in February 2022 that were adjacent the
  project area, in addition to a previously unknown shaft reported to the AMP and DBCA by members of the public.
- The Donnybrook site was declared an abandoned mine site under the MRF Act in February 2022.
- Earthworks to rehabilitate shaft features were undertaken in November 2022. Eleven shaft features were
  backfilled with granular material meeting the minimum Australian Standard for Engineering purposes specified by
  geotechnical rehabilitation options report.
- Following the rehabilitation works, geotechnical monitoring commenced with two rounds of post earthworks monitoring conducted reporting 'no unexpected behaviour' to date.

The rehabilitation works were completed by local Indigenous business UMCC in November 2022. This work included the supply and haulage of material which met the specified geotechnical requirement, backfill within the shafts and mounding of the backfill material. All DBCA site entry requirements were met, including Phytophthora dieback hygiene requirements. Douglas Partners, the geotechnical engineers supporting the project, were also onsite throughout the earthworks program overseeing the works to ensure design requirements were achieved.



Elverdton tailings stockpile overlooking the downstream plume.

#### **Elverdton**

The historic Elverdton site is located approximately 10 kilometres south-east of Ravensthorpe. Gold and copper mining began in the area during 1899 with major periods of copper ore production between 1901–18 and 1957–71. The project is focused on mitigating the impact of tailings material which has migrated downstream from the stockpiles. A preliminary site investigation was completed in 2020 followed by the development of a sampling and analysis quality plan that was endorsed by the Accredited Contaminated Sites Auditor (CSA) in 2021.

While the planned detailed site investigation (DSI) remains on hold due to the limitations on available MRF interest funds, a local environmental consultancy was engaged to undertake a Phytophthora dieback assessment of the area covered by the DSI. A hygiene management plan will be finalised in 2023 to inform the safe implementation of the DSI. LiDAR and aerial photography of the DSI and surrounding areas were captured in October 2022, forming the baseline of an ongoing monitoring program for the project site.

Forward projections of increased interest earnings on the MRF has enabled planning for the DSI to be reinitiated for commencement in 2023–24.

# Mining Rehabilitation Fund

# **MRF** lodgement

In Western Australia, all tenement holders that conduct mining or exploration operations under the Mining Act are required to provide disturbance and rehabilitation information ('assessment information') annually for the purposes of calculating a mining rehabilitation levy. Tenement holders are not required to pay a levy if they have a 'rehabilitation liability estimate' of \$50,000 or less, however they are still required to lodge an MRF report.

The MRF reporting period is aligned with the financial year 1 July to 30 June but tenement holders are able to submit data at any time during this period, with assessment information reckoned at a date of their own choosing. These reports may then be selected for compliance review to identify any discrepancies in reporting.

In the 2022–23 financial year, 99.5 per cent of reports had been submitted by the due date, in compliance with reporting obligations under the MRF Act (Figure 1). By 31 August 2023, 99.9 per cent had been submitted. For the remainder, levy liability was determined by DMIRS itself, under the terms of section 16(2) of the MRF Act.

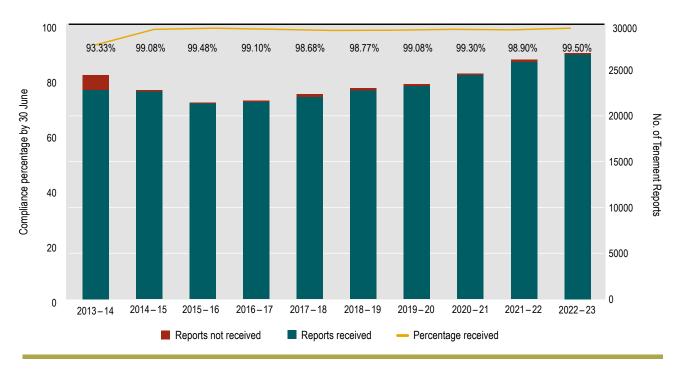


Figure 1 – Percentage of tenement reporting obligations met by 30 June for each levy period

# Mining rehabilitation levy for the 2022-23 period

Mining rehabilitation levies totalling \$42.8 million have been assessed for the 2022–23 financial year period (Figure 2) based on assessment information provided up to 15 September 2023, in comparison to the \$40.1 million reported for last year. This represents a 9.2 per cent increase from the 2021-22 period. As at 15 September, 97.5 per cent of these levies had been collected.

Assessment information can be formally reassessed under the MRF Act for up to two years after the date of the original assessment. This means that the final total levy calculated for a levy period may vary from the amount initially reported.

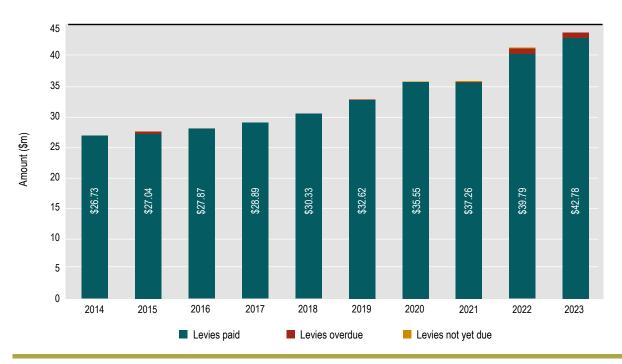


Figure 2 - Levies assessed and paid 2014-2023

#### **Enforcement**

The MRF was first introduced for the period ending 30 June 2013, at which time tenement holders that held Unconditional Performance Bonds (UPB) under the State's former mining securities system were able to apply to participate in the fund voluntarily and to have their UPBs returned. The MRF became mandatory for the period ending 30 June 2014 when DMIRS began issuing infringement notices to tenement holders who failed to comply with their reporting obligations by 30 June. Under the *Criminal Procedure Act 2004* (WA), a modified penalty of \$4,000 (20 per cent of the statutory amount) applies for each tenement.

In the 2022–23 financial year, DMIRS served 137 infringement notices to tenement holders that failed to submit assessment information by the 30 June 2023 deadline. Most tenement holders that received an infringement notice provided the information before the Final Demand was served – that is, within 28 days of issue – and, in total, 129 notices were subsequently withdrawn. Eight of the 137 infringements were referred to the Fines Enforcement Registry.

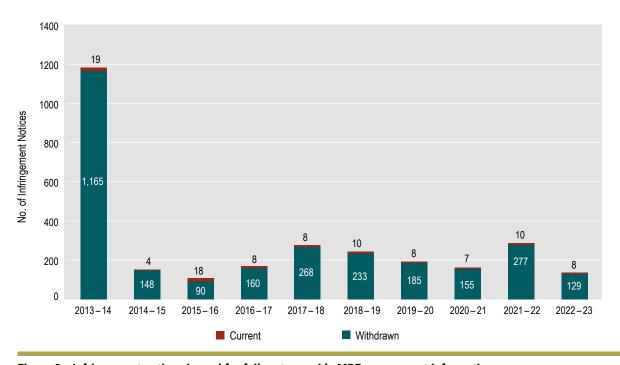


Figure 3 - Infringement notices issued for failure to provide MRF assessment information

#### MRF compliance assessment

DMIRS undertakes compliance assessments of MRF reports to verify that the self-assessed data submitted by tenement holders is accurate and to ensure MRF levy contributions are correct.

In the 2022–23 financial year, 1,665 tenements across 30 MRF reports for the 2021–22 levy period were reviewed and 257 were found to have potential discrepancies; of these, 203 tenements were confirmed to have incorrect assessment that required amendment.

Across the 257 tenements, potential discrepancies were associated with 906 individual features or activities. 792 individual activities were confirmed to have incorrect assessment information which required amendment.

The outcomes of the compliance plan resulted in additional levy payments as of 1 July 2023 of \$376,508.77 and refunds of \$13,071.40, with six additional reports yet to be finalised financially and statistically.

#### **MRF Compliance Outcomes**

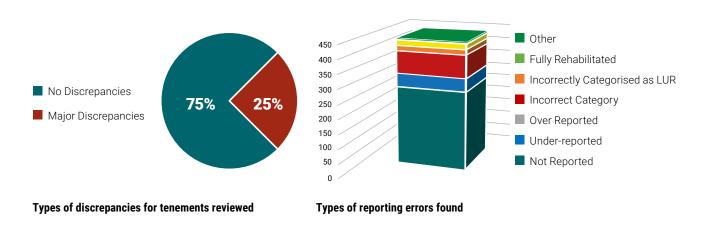


Figure 4 – Discrepancies found for tenements reviewed

There are three main types of discrepancy errors identified in reporting: Not reported, Under reported and Incorrect Category. The most common types of errors identified in reporting are summarised below.

- Not Reported Exploration/Prospecting Operations that did not achieve appropriate rehabilitation standards,
  was the most common non-reported disturbance. As defined in the MRF regulations, an activity can only be
  considered as Exploration Operation if it directly relates to exploration or prospecting for minerals and is the
  subject of a Programme of Work (PoW). Therefore, if you do not have a current approved PoW you cannot report
  an activity as Category D Exploration/ Prospecting Operations in your MRF report.
- Under Reported Roads/Tracks continue to be the most commonly under-reported disturbance.
- Incorrect Category Mining Voids continued to be the most common, incorrectly reported disturbance, followed
  closely by Bunds and Waste Rock Dumps. Each of these discrepancies is a combination of having been
  misreported and of land being incorrectly categorised as 'under rehabilitation'.

## MRF data for 2022-23 financial year

Each year DMIRS publishes the MRF Data Release which includes disturbance and rehabilitation data on tenure held under the Mining Act that is subject to the requirements of the MRF Act. It does not include tenure held under State Agreements.

The assessment information submitted under the MRF Act is considered the most comprehensive publicly available dataset of mine-site activities in Australia and is available for <u>download through the DMIRS website</u>. A summary of this dataset is also provided at the end of this report.

For the 2022–23 financial year, the area of land reported as 'under rehabilitation' (that is, where rehabilitation was in progress) increased by approximately 1,835ha to 43,876ha, up 4.4 per cent from the previous year. For the same period, the area of 'active' disturbance increased by approximately 10,681ha (6.2 per cent) to 182,059ha. Land under rehabilitation therefore represented 19.6 per cent of all disturbed land (that is, including land in the process of being rehabilitated) and 24.1 per cent of the area of active disturbance.

These results (together with Figure 5) show that, despite the area of land under rehabilitation increasing by the largest amount since 2019–20, the rate of rehabilitation continues to fall behind the rate of new disturbance: the reported footprint of 'active' disturbances in 2022–23 was more than four times the area reported as under rehabilitation, having steadily increased from a multiple of 3.1 in 2014–15. This strongly suggests that rehabilitation is not keeping pace with the level of activity.

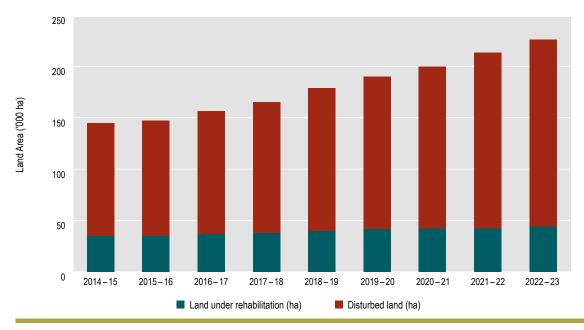


Figure 5 - MRF data reported for land under rehabilitation

|                          | Disturbed Land (ha) |         |         |                       | Land Under Rehabilitation (ha) |                       |         |         |         |                       |                       |                       |
|--------------------------|---------------------|---------|---------|-----------------------|--------------------------------|-----------------------|---------|---------|---------|-----------------------|-----------------------|-----------------------|
|                          | 2020-21             | 2021-22 | 2022-23 | Change<br>2020-21 (%) | Change<br>2021-22 (%)          | Change<br>2021-22 (%) | 2020-21 | 2021-22 | 2022-23 | Change<br>2020-21 (%) | Change<br>2021-22 (%) | Change<br>2022-23 (%) |
| Exploration Licences     | 12,515              | 14,743  | 15,337  | 3.2%                  | 17.8%                          | 4.0%                  | 22      | 26      | 29      | -14.3%                | 16.7%                 | 11.1%                 |
| General Purpose Leases   | 3,619               | 4,123   | 4,411   | 8.7%                  | 13.9%                          | 7.0%                  | 906     | 915     | 926     | -7.9%                 | 1.0%                  | 1.3%                  |
| Miscellaneous Licences   | 16,853              | 18,420  | 19,195  | 7.2%                  | 9.3%                           | 4.2%                  | 2,215   | 2,360   | 2,657   | 5.1%                  | 6.6%                  | 12.6%                 |
| Mining Leases            | 123,853             | 132,745 | 141,690 | 6.9%                  | 7.2%                           | 6.7%                  | 38,899  | 38,725  | 40,247  | 0.5%                  | -0.4%                 | 3.9%                  |
| Prospecting Licences     | 616                 | 732     | 714     | -17.8%                | 18.8%                          | -2.4%                 | 14      | 14      | 17      | -74.6%                | 3.9%                  | 21.1%                 |
| Retention Leases         | 228                 | 605     | 712     | -15.4%                | 166.0%                         | 17.7%                 | 0       | 0       | 0       |                       |                       |                       |
| Total                    | 157,683             | 171,368 | 182,059 | 6.5%                  | 8.7%                           | 6.2%                  | 42,055  | 42,041  | 43,876  | 0.5%                  | 0.0%                  | 4.4%                  |
| Percentage of Total Area | 78.9%               | 80.3%   | 80.6%   |                       |                                |                       | 21.2%   | 19.8%   | 19.6%   |                       |                       |                       |

 ${\it Note: Areas \ reported \ for \ previous \ periods \ may \ reflect \ modified \ data \ amended \ post \ the \ initial \ period.}}$ 

Table 1: MRF summary data reported for the period through to 2022–23

# **Financial summary**

The MRF is a Special Purpose Account under Section 18 of the *Financial Management Act 2006* (WA) and, in accordance with Section 10 of the MRF Act, principal funds are used to rehabilitate abandoned mine sites after exhausting all other avenues to recover expenses from the tenement holder. Interest generated from the MRF is used to rehabilitate legacy abandoned mine sites (sites that have not had a MRF reporting obligation).

DMIRS reports on the performance of the MRF in its annual report, which is available on its website. A summary of this information is provided in Table 2. This yearly report is an expanded summary to showcase the activities within the MRF and the AMP.

|                                  |                            | 2017-18<br>Actual | 2018-19<br>Actual | 2019-20<br>Actual | 2020-21<br>Actual | 2021-22<br>Actual | 2022–23<br>Actual |
|----------------------------------|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                  |                            | \$'000            | \$'000            | \$'000            | \$'000            | \$'000            | \$'000            |
| Opening Balance                  |                            | 92,400            | 122,616           | 150,473           | 185,237           | 219,493           | 253,820           |
| Add receipts                     |                            |                   |                   |                   |                   |                   |                   |
|                                  | Contribution from Industry | 28,653            | 30,723            | 33,902            | 34,677            | 37,717            | 41,513            |
|                                  | Interest Received          | 2,223             | 3,094             | 1,644             | 694               | 859               | 5,733             |
|                                  | Other                      |                   |                   |                   | 941               |                   |                   |
|                                  | RECEIPTS SUBTOTAL          | 30,876            | 33,817            | 35,546            | 36,312            | 38,576            | 47,245            |
| Less payments                    |                            |                   |                   |                   |                   |                   |                   |
|                                  | Salaries                   | 144               | 163               | 388               | 620               | 449               | 956               |
|                                  | Operational Expenditure    |                   | 479               | 94                | 692               | 3034              | 7,694             |
|                                  | Other                      | 516               | 5,318*            | 300               | 744               | 766               | 1,226             |
|                                  | PAYMENTS SUBTOTAL          | 660               | 5,960             | 782               | 2,056             | 4,249             | 9,876             |
| Balance at the end of the period |                            | 122,616           | 150,473           | 185,237           | 219,493           | 253,820           | 291,189           |

**Table 2: MRF financial summary** 

<sup>\*</sup> MRF Treasury Advance Repayment

By 30 June 2023, the net balance of the fund reached nearly \$291.2 million, after accounting for interest revenue and disbursements. At that date, approximately \$18.1 million in interest had been earned on the fund since 1 July 2014. After administration expenses and the costs of rehabilitating 'legacy' sites, a net amount of \$3.1 million remained available.

Table 3 provides a breakdown of the expenditure by the AMP in the 2022–23 financial year.

| Project            | Expenditure from MRF Principal<br>\$'000 | Expenditure from MRF Interest<br>\$'000 | Total Expenditure to<br>30 June 2023<br>\$'000 |  |  |
|--------------------|--|---|--|--|--|
|                    | Project Costs                            | Project Costs                           |  |  |  |
| Donnybrook Shafts  | -  | 134                                     | 134  |  |  |
| Elverdton          | -  | 44                                      | 44   |  |  |
| Safer Shafts       | -  | 266                                     | 266  |  |  |
| Silicate Minerals  | -  | 1                                       | 1  |  |  |
| Northampton Shafts | -  | 1                                       | 1  |  |  |
| Ellendale          | 7,243                                    | 0                                       | 7,243  |  |  |
| Reid's Ridge       | 5  | -                                       | 5  |  |  |
| Collieries         | -  | 0                                       | 0  |  |  |
| Total              | 7,247                                    | 448                                     | 7,695  |  |  |

Note: Figures may not be total due to rounding.

Table 3: Breakdown of sources and applications of funds for Abandoned Mine projects 2022-23



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