

ILUKA RESOURCES, MT GIBSON IRON ORE MINE, KCGM — REHABILITATION PERFORMANCE  
BOND

6228. Hon Paul Llewellyn to the Parliamentary Secretary representing the Minister for the Environment

I refer to the Ministerial Statement No. 666 published on 3 November 2004, for the Illuka Resources Limited Mineral Sands Mine located approximately 2.5 kilometres north west of Gingin, Ministerial Statement No. 750 published on 24 September 2007 for the Mt Gibson Iron Ore Mine and infrastructure Project and the proposal by KCGM (operator for Newmont Mining and Barrick Gold) Golden Pike expansion, widening and deepening of the open pit closer to residential and business properties in Kalgoorlie- Boulder, and I ask —

- (1) Is it correct that Ministerial Condition 7-1, for the above referred to Illuka Resources Mineral Sands Mine, required a rehabilitation performance bond of \$2.4 million?
- (2) If no to (1), what is the amount of money that was required for the rehabilitation performance bond as per Condition 7-1?
- (3) Can the Minister indicate the rationale and justification as to how an amount of \$2.4 million was determined for the rehabilitation performance bond at the Illuka Resources Mineral Sands Mine when the project was first given approval?
- (4) If no to (3), why not?
- (5) Will the Minister quote the full text of Ministerial Conditions 7-1 for the above referred to Illuka Resources Mineral Sands Mine?
- (6) If no to (5), why not?
- (7) Is it correct that Ministerial Condition 15-1, for the above referred to Mt Gibson Iron Ore Mine, required a Performance Bond of \$576 000 and other amounts for rehabilitation required for Conditions 14-1(5) and 14-3(5)?
- (8) If no to (7), what is the specific amounts of money that were required under Ministerial Condition 15-1?
- (9) Given that the closure cost of the KCGM superpit operations in 2001 was estimated to be between \$93 million and up to \$115 million, will the Minister impose a Ministerial Condition on the above referred to KCGM proposed expansion which requires a substantial rehabilitation and performance bond to be placed on these operations to protect the community during the life of the mine for the closure cost and thereafter for pit wall failure given that it is so close to a major population?
- (10) If no to (9), why not?
- (11) Is the Minister aware that the closure cost of the KCGM superpit mining operations was estimated to be between \$93 and \$115 million in the year 2001?
- (12) If no to (11), why not?
- (13) Can the Minister state what is the specific estimated closure cost of the KCGM superpit operations in 2008?
- (14) If no to (13), why not?

Hon SALLY TALBOT replied:

- (1) Yes.
- (2) Not applicable.
- (3) The performance bond amount is consistent with the bond calculations used by the Department of Industry and Resources on operations within Mining Act tenure.
- (4) Not applicable.
- (5) Ministerial Condition 7-1 of Ministerial Statement No. 666 states:

"As security for the due and punctual observance and performance by the proponent of the requirements of condition 6-2 to be observed, conformed and complied with, the proponent shall lodge with the Chief Executive Officer of the Department of Environment on demand prior to ground-disturbing activity, an irrevocable Performance Bond as nominated and approved by the Chief Executive Officer in his sole unfettered discretion to a cash value and in a form acceptable to the Chief Executive Officer ("the Security") which Security at the date hereof being \$2,400,000."

- (6) Not applicable.
- (7) No.
- (8) The performance bond amount identified in Ministerial Condition 15-1 of Ministerial Statement No. 750 for the rehabilitation of the services corridor that lies outside mining tenure, as required under Ministerial Conditions 14-1(5) and 14-3(5), is \$576 000.
- (9) The recommendations of Environmental Protection Authority Bulletin 1273 concerning this proposal were appealed. The Minister is considering the Appeals Convenor's advice before making a decision.
- (10) Not applicable.
- (11) No.
- (12) The Department of Industry and Resources calculates and imposes bonds on mining operations to ensure that the State is not exposed to unacceptable cost should mine operators fail to meet the rehabilitation requirements on their tenements.
- (13) No.
- (14) See the answer to (12).