

# **Standing Committee on Legislation - inquiry into the Mining Legislation Amendment Bill 2015**

## **SUBMISSION TITLE**

### **POLICY, DUPLICATION and REGULATORY BURDEN**

#### **Submission by**

#### **Phil Nolan**

Phil Nolan is a semi-retired mining engineer. He is currently engaged as manager of a 50% owned gold mining operation 'Dulcie Heap Leach Project', (Dulcie Project). Mr Nolan has worked for most of his career as a mining engineer, in WA, in senior management roles in operations and permitting. He has also worked overseas in Africa, New Zealand, China and Japan in operational, and business development positions.

The Dulcie Project is a gold heap leach operation located in the Yilgarn Shire. It is operated by an unincorporated joint venture 'Dulcie Operations', ABN 95 601 530 384. It has two full-time employees, Mr Nolan, and one other. Dulcie Project has invested in excess of A\$2M in the project to date, has sold gold worth in excess of A\$1M since operations commenced in July 2015 (as at 29 March 2016). Mine life is expected to be in excess of 4 years.

Dulcie operates under a mining approval Reg ID 36934, and a DER licence, being a prescribed premise under the Environmental Protection Act, and numerous other instruments, including clearing approvals, Dangerous Goods approvals, water extraction approvals, Poisons Licence (Dept of Health WA), mine operational approvals. It is also regulated by Federal corporate law and tax law.

The Dulcie Project has suffered significant operational delays at the hands of DMP and DER, including matters related to the DER licencing process which have not been explained despite promises by DER to do so.

#### **Purpose of this submission**

The purpose of this submission is to highlight to the review panel some of the difficulties mining operators (of all shapes and sizes) experience, including unexplained changes to regulation, duplication of regulation, and regulatory burden.

#### **The case supporting this submission**

1. DMP has not explained the purpose of the proposed regulatory changes in terms that can be categorised and assessed. We (owners and operators) cannot understand the purpose of the proposed changes other than in some vague sense that they will 'make our industry better'.
2. There has been no business case tabled to support the changes. The cost benefit of the proposed changes has not been assessed. They have not even been identified.
3. DMP has not proposed KPI's which would be required to assess the effectiveness of the changes. So they cannot be held accountable for the impact of these changes.
4. The consultation with stake-holders has been hasty and ingenuous. As a stakeholder (tenement owner and operator) I have never been invited to provide comment until this late stage.
5. In relation 4 above, DMP has never listed its objectives in terms that can be commented on dispassionately and assessed/addressed item by item.

6. It is unreasonable of DMP to require owners/operators to read all of the proposed changes, compare them with existing regulations, and assess the cost benefit of the changes. DMP should be doing this and presenting their assessment to stake-holders.
7. DMP appears not to have consulted with other State and Federal government agencies regarding reduction of duplication, and regarding a reduction of regulatory burden. It is the policy of both the current State and Federal governments to reduce regulatory duplication and burden on enterprise.

I would like to make my explanations in person to the review panel when it sits in Kalgoorlie. I will talk about our experience, and the regulatory burden that we already endure.

On the latter point, I would like to talk about the following matters.....

1. Dulcie Project is required to make the following reports to DMP
  - A form 5 annually for each of its 12 tenements (expenditure)
  - A combined annual report in respect of its combined reporting tenements (operations and exploration).
  - An annual report in relation to each of its two tenements which are not subject of combined reporting (prospecting/exploration).
  - An annual environmental report (AER) relating to environmental conditions.
  - An annual MRF report.
  - An annual report in relation to its two clearing permits.
  - A monthly report in relation to hours worked (SRS).
2. We are required to make the following reports to other government agencies\
  - A financial report to the ATO quarterly (BAS).
  - An annual report to ASIC
  - An annual report in relation to water abstraction to DoW.

This is too much work for a one-person management complement to undertake, and it results in frustration, anger, poor quality reporting and huge disincentive to undertake exploration and mining activity.

And the information reported is not used to maximum effect by DMP. Indeed much of it is archived without being read or followed up.

DMP's environment group does not always respond to correspondence, including correspondence in relation to compliance issues.

Signed Phil Nolan Date 29/3/2016