

POLICY

ESP1: Rehabilitation security deposits

August 2020

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The department of Regional NSW is responsible for ensuring that the people of NSW do not incur a financial liability as a result of coal and mineral exploration and mining operations, or petroleum exploration and production activities.

For authorisations granted under the *Mining Act 1992* and petroleum titles granted under the *Petroleum (Onshore) Act 1991* (hereafter collectively referred to as titles), the Minister for Resources may impose a security deposit condition to cover the obligations of the title holder, including obligations relating to rehabilitation.

All title holders engaged in coal, mineral and petroleum exploration as well as mining and petroleum production activities are required to lodge a security deposit.

The security deposit must cover the government's full costs in undertaking rehabilitation in the event of default by the title holder.

The title holder is required to provide an estimate of rehabilitation costs. The department will consider this estimate when determining the amount of the security deposit required for a title, or group of titles.

The department is responsible for determining when rehabilitation has met the required standard, taking into account the rehabilitation objectives and completion criteria, and compliance with the title conditions, before the title is relinquished and the security deposit released.

When determining whether to release a security deposit, the following will be considered:

- Whether the rehabilitation objectives and completion criteria have been met (the title holder must demonstrate that rehabilitation has met the required standards).
- Compliance with the title conditions.
- Whether all other legal obligations relating to environment and safety have been met.

- The responsibilities for ongoing management of the site.

The department requires title holders to undertake progressive rehabilitation over the life of the exploration, mining or production operations. Progressive rehabilitation will be supported by the partial release of the security deposit when successful rehabilitation has been demonstrated. If the rehabilitation obligations have not been met to the satisfaction of the Minister or Secretary of the department (depending upon the conditions of title), then part or all of the security deposit shall be forfeited. These funds will then be used by the government to meet the rehabilitation requirements.

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