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18 January 2010

Attention: Ian McPhee PSM – Auditor General
Australian National Audit Office
GPO Box 707
Canberra ACT 2601
AUSTRALIA

Dear Mr McPhee,

**CHURCHILL FELLOWSHIP REPORT ON LEADING PRACTICE ABANDONED
MINE REHABILITATION AND POST-MINING LAND USE**

In September and October 2009 I undertook my Churchill Fellowship study program in Austria, Germany, UK and Canada¹. I have now written my report and the Trust has made this available online <http://www.churchilltrust.com.au/fellows/detail/3411/>.

I would like to draw your attention to the Executive Summary in particular, where I refer to the potential role of Auditors-General of all Australian State and Territory governments as well as the Commonwealth.

Auditors-General in Canada, both Provincial and Federal, have played a critical role in identifying accountability problems when auditing governments managing abandoned mine/contaminated site/orphaned mine programs. Implementation of audit recommendations by these governments has led to 'high-level' support for change and greatly improved accountability which in turn has created leading practice case studies. We need similar audits in Australia.

Despite the differences between abandoned mine programs overseas and within Australia, there are several common elements of successful programs. My report summarises these in the hope that they will be adapted and applied within Australia.

The recommendations I specifically direct to Auditors-General in Australia include;

*Each state and territory government, as well as the Commonwealth (managing abandoned uranium mines) must ensure they have **one lead agency** managing abandoned sites and stakeholder engagement. This agency needs to;*

- *have a clearly defined abandoned mine policy;*
- *have a separate team of personnel, with appropriate skills to manage abandoned mines;*

¹ See Appendix for details



- *support the human and financial resources to project manage the abandoned mine program;*
- *undertake a complete inventory of their abandoned mine liabilities within 1-2 years;*
- *rectify abandoned mine legacies in a defined time frame, say 10 years;*
- *use risk based prioritisation systems to tackle high risks first;*
- *include all aspects of sustainability, economic, environmental and social when planning projects and engaging stakeholders;*
- *use expert panels with appropriate skills mix, (e.g. environment, industrial archaeology, engineering) to review larger and more complex site planning;*
- *complete and make available to the public, biennial (or annual) performance reports on their abandoned mine programs.*

It should be possible to locate abandoned mine program performance reports via government websites in Australia but I have not been able to locate any.

The Commonwealth Government in Australia is as far as I understand responsible for abandoned uranium mine rehabilitation. It is expected therefore that the Commonwealth will have a complete inventory of its liability and a process for prioritising works and progressively implementing them. Is there one lead agency which manages the abandoned mines which fall within the responsibilities of the Commonwealth. I had difficulty locating a complete program outline, policy and program for the forthcoming year via the internet. What budgets are allocated to these projects and how are they managed? What progress has been made in reducing liabilities? Such programs should be in the public domain and readily accessible.

I recommend the Commonwealth Auditor-General audit the abandoned mine program for which the Commonwealth Government has responsibility. Overseas audits have confirmed the importance of full abandoned mine liability accounting and performance reporting by governments at all levels.

The Commonwealth also has a role in providing leadership and coordination via the MCMPR. To date the consultation process for the Abandoned Mine Working Group has been limited by a lack of high level support as well as support from all states/NT. This may lie outside the domain of such an audit, however it is relevant to Australia moving forward in its development of more robust abandoned mine rehabilitation programs.

If you need clarification of any issue raised in my report please contact me by email or phone;

If you would like the Appendix emailed to you please email me directly.

Yours sincerely

Corinne Unger

*BSc DipEd DipGeoscience
Churchill Fellow 2009
Member AusIMM Sustainability Committee*

APPENDIX

During my six week study tour in the northern hemisphere I met with experts within five organisations/projects and participated in one conference. They were;

- the International Atomic Energy Agency (IAEA) in Vienna, Austria, <http://www.iaea.org/>
- Wismut uranium mine rehabilitation project (since reunification of Germany) near Chemnitz, http://www.wismut.de/index_english.htm
- IBA-SEE conference highlighting the new landscape and new economies of the lignite (brown coal) mining area of Lusatia in eastern Germany, <http://www.iba-see.de/en/index.html>
- Post-Mining Alliance, Eden Project, Cornwall England and several other projects within Cornwall <http://www.postmining.org/>
- National Orphaned and Abandoned Mine Initiative and Mine Environment Neutral Drainage programs² – Ottawa, Ontario <http://www.abandoned-mines.org/home-e.htm>
- Crown Contaminated land program, Victoria (Vancouver Island) British Columbia in Canada including the Britannia Mine water treatment plant and rehabilitation project. <http://www.agf.gov.bc.ca/clad/ccs/>
<http://www.partnershipsbc.ca/files/project-britannia.html>

Examples of Canadian **Auditor-General** reports and performance reports are included in my Fellowship report with website links below. Terminology varies depending upon jurisdiction/definition. They include 'contaminated sites' (mines plus other contaminated sites), 'orphaned' and 'abandoned mines'.

Federal office of the Auditor General - Canada

http://www.oag-bvg.gc.ca/internet/English/parl_cesd_200210_03_e_12409.html#ch3hd3a

for a copy view website or email:

distribution@oag-bvg.gc.ca

INAC is the department managing the implementation of abandoned mines within Federal responsibility (north of 60 degrees latitude)

INAC Performance report

<http://www.ainc-inac.gc.ca/nth/ct/ncsp/pubs/csrep0506/csrep0506-eng.asp>

**Northern Affairs Organization
Contaminated Sites Program**

PERFORMANCE REPORT

2006 – 2007

² Performance report enclosed

Also at a National level

NOAMI – the National Orphaned and Abandoned Mine Initiative - is a Secretariat guided by a multi-stakeholder committee. This Secretariat supports the work of the Provinces and Federal government, via training, research and organising workshops.

<http://www.abandoned-mines.org/pdfs/NOAMIPerformanceReport2002-2008-e.pdf>

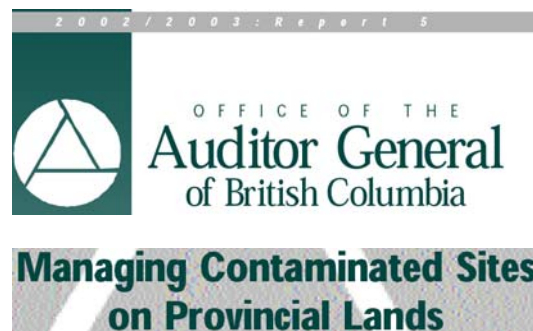
Hard copy of this performance report enclosed

Provincial governments

British Columbia

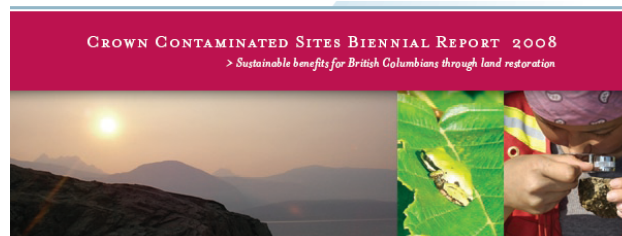
<http://www.bcauditor.com/pubs/2002>

Auditor-General's Report



Provincial BC government audits and performance reports

<http://www.al.gov.bc.ca/clad/ccs/reports.html>



http://www.al.gov.bc.ca/clad/ccs/cabinet/reports/08_CCSB_report.pdf

Manitoba



REVIEW OF THE PROVINCE OF MANITOBA'S MANAGEMENT OF CONTAMINATED SITES

2005

http://www.oag.mb.ca/reports/ENVAUDITS_NOV05.pdf

Ontario

http://www.auditor.on.ca/en/reports_en/en05/309en05.pdf



File Reference: 2009/252

22 February 2010

Ms Corinne Unger
Environmental Consultant

QUEENSLAND 4069

Dear Ms Unger

**CHURCHILL FELLOWSHIP REPORT ON LEADING PRACTICE ABANDONED
MINE REHABILITATION AND POST-MINING LAND USE**

Thank you for your letter of 18 January 2010 to the Auditor-General concerning the management of abandoned mines in Australia and your Churchill Fellowship Report on Leading Practice Abandoned Mine Rehabilitation and Post-Mining Land Use. He has asked me to reply on his behalf.

The Auditor-General conducts performance audits of Commonwealth public sector entities, programs, resources, information systems, performance measures, monitoring systems, and legal and policy compliance. However, the Auditor-General does not have a policy development or advocacy role. Portfolio responsibility for Commonwealth policy on mining and the environment is shared between the Department of Environment, Water, Heritage and the Arts (DEWHA) and the Department of Resources, Energy and Tourism. You may wish to direct policy questions in this regard to the relevant portfolio.

The State and Northern Territory governments are primarily responsible for the management of abandoned mines, as you note in your report, as well as post-mining land use. At present, the Commonwealth does not have responsibility for abandoned uranium mines, per se. The Commonwealth is involved in uranium mine rehabilitation works at specific sites in the Northern Territory. However, these initiatives are not part of an overarching Commonwealth program encompassing the abandoned uranium mines and contaminated sites throughout Australia.

As you are aware, the Ministerial Council on Mineral and Petroleum Resources (MCMPR) consists of the Commonwealth Minister for Resources, Energy and Tourism and State and Territory Ministers with responsibility for minerals and petroleum. This body is a forum for the development of the policy framework for mine management. However, an audit of its operations is outside the Auditor-General's mandate because it is not a Commonwealth entity.

Thank you for writing to the Auditor-General on this matter.

Yours sincerely

Matt Cahill
Group Executive Director
Performance Audit Services Group