

23rd April 2010

Dr Phil Gorey
Director Environment
Department of Mines and Petroleum
100 Plain Street
East Perth WA 6004

By email aerfeedback@dmp.wa.gov.au

Dear Phil,

Draft guideline for the preparation of an Annual Environmental Report

The Association of Mining and Exploration Companies (AMEC) is the peak industry body for mineral exploration and mining companies within Australia.

AMEC's strategic objective is to secure an environment that fosters mineral exploration and mining in Australia in a commercially, politically, socially and environmentally responsible manner.

It is in this context that AMEC provides the following comments relating to the draft Guideline for the preparation of an Annual Environmental Report (AER).

Unfortunately, the short time frame that has been provided to respond to your request has not enabled AMEC to fully consult with our membership and relevant Standing Committee.

Nevertheless, the following preliminary observations and comments are made:

- AMEC supports the provision of simple, unambiguous, reasonable and user friendly guidance statements for industry use, and therefore welcomes the attempt to update the existing document dated 1996.
- The "Introduction" states that an AER is required for all mining projects conducted under the Mining Act that have the AER condition imposed on the relevant tenement. What is the criterion that is used to determine whether the AER condition is applied or not?
- The original guidance document referred to a DMP site visit within three months of the submission of the AER. Is it the intention of DMP to continue to undertake annual site visits? If so, it should be included in the revised draft and the timing of the visit clarified.
- Recent informal discussions with DMP staff indicate some resourcing pressures, and an inability to deal with AER's expeditiously or effectively. It would therefore appear that DMP may already apply an informal internal 'risk based' approach to the range of projects that require a full AER by Departmental staff. If that is the case, there may be strong 'resource saving' argument to implement a simple system of risk based reporting. In such an event, it is our understanding that many companies use the AER process as a mechanism for environmental bond adjustment, and therefore a process to review environmental bonds outside the AER process should be made available.
- Section 4.5.2 Financial Provisioning requires clarification per the above, re-written or removed into a separate closure guidance document.

Yours faithfully,



Simon Bennison
Chief Executive Officer