

Financial Hardship Support for Rehabilitation Bonds

Information for mineral licence holders

Overview

Rehabilitation bonds are an important part of ensuring Victoria's mineral sites are safely restored. In many cases, new rehabilitation assessments have shown that existing bonds no longer cover the actual cost of rehabilitation.

Some operators may struggle to meet new bond requirements immediately. To support these licence holders, Resources Victoria offers financial hardship provisions. These provisions provide temporary support while ensuring rehabilitation continues and full bond obligations are met over time.

This document outlines financial hardship provisions for mineral licence holders who cannot immediately meet their increased bond requirements but can demonstrate a clear ability to reduce their rehabilitation liability and work toward meeting the full bond in the future.

These measures are temporary and aim to keep companies in control of their sites while progressing rehabilitation and ultimately meeting their bond obligations.

Eligibility

You may be eligible if your site meets all of the following:

You are *not* eligible if:

✓ You hold a minerals licence with an existing rehabilitation liability.	✗ The new bond relates to new liabilities (e.g. a new site or new resource).
✓ Your current bond is lower than the assessed liability.	✗ The hardship relates to a change of ownership.
✓ You are experiencing genuine financial hardship and cannot pay the full bond immediately.	✗ There are significant unresolved compliance issues.
✓ Your company is solvent but lacks the liquid assets to pay the bond upfront.	✗ You do not follow the agreed financial hardship plan.
✓ You are actively operating and managing the site (not abandoned or in care and maintenance).	
✓ You can prepare and commit to undertaking a financial hardship plan.	
✓ You are compliant with other regulatory obligations or are actively working to resolve any issues.	

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What support is available?

1. Staged Bond Payments

You may be able to pay the increased bond in instalments over an agreed timeframe.

2. Reducing Rehabilitation Liability

You may reduce your liability through actions such as:

- progressive rehabilitation
- operational changes
- variations to your approved work plan

3. Monitoring and Support

You will report progress to Resources Victoria at agreed intervals (at least annually). This ensures your plan stays on track and rehabilitation continues as required.

Participation in the hardship program may also support your licence renewal—provided all other requirements are met.

What happens if I don't meet the plan requirements?

If you do not comply with your plan:

- Resources Victoria will contact you to resolve the issue.
- If issues continue, your hardship support will end.
- A full further bond notice will be issued, giving you 90 days to pay.
- If the bond is not paid, the matter will be referred for regulatory enforcement.

How to apply

1. Prepare a draft financial hardship plan that meets the requirements outlined above. See Appendix A for further information on what must be included.
2. Submit your plan to the Rehabilitation Liability Assessments and Bonds (RLAB) team via **RLAB@deeca.vic.gov.au**

Appendix A: Compliance Plan Requirements – Financial Hardship Provisions

1. Purpose

This appendix sets out the minimum requirements for a plan under the financial hardship provisions. The plan helps the licence holder maintain operational responsibility whilst working toward compliance with section 80(4A) of the Act.

2. Required Elements of the Plan

2.1 Admission of Likely Contravention

- A formal statement by the licence holder acknowledging they are likely to contravene section 80(4A) of the Act.

2.2 Compliance Status

- Confirmation that the licence holder is otherwise compliant or actively addressing any issues.

2.3 Independent Financial Assessment

A report from a reputable independent financial consultant that demonstrates:

- The licence holder cannot pay the full bond within 90 days of receiving a further bond notice.
- They are likely to be able to meet the full bond over the timeframe proposed in the plan.

2.4 Corrective Actions

- A list of corrective actions with completion dates to rectify the contravention.

2.5 Compliance Schedule

A clear timeline of tasks and milestones, which may include:

- Additional time to secure a bond.
- Progressive rehabilitation.
- Operational changes that reduce rehabilitation liability.
- Cash payments that will later be replaced by a bond.
- Workplan variations to reduce liabilities.

2.6 Liability Management

A commitment that there will be no net increase in rehabilitation liability during the plan.

Any new liability must be offset by:

- Progressive rehabilitation; and/or
- Provision of a further bond.

2.7 Transparency and Public Disclosure

Acknowledgement that the Department may:

- Publish the plan on the Resources Victoria website.
- Refer to the plan publicly.

2.8 Reporting

The licence holder must provide:

- Periodic progress reports.
- Evidence of compliance.
- A final report at completion of the plan.

2.9 Legal Acknowledgements

Acknowledgement that:

- The plan does not limit the rights or remedies of other parties.
- It does not prevent the Minister for Energy and Resources or Resources Victoria - Regulatory Operations from taking enforcement actions where legally permitted.