

**Guideline for Quarry  
Rehabilitation Performance  
Incentive Scheme**

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it.

We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

Resources Victoria is committed to genuinely partnering with Victorian Traditional Owners and Victoria's Aboriginal community to progress their aspirations.

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# Contents

<b>1. Introduction</b> .....	<b>4</b>
1.1 Legislative and regulatory framework .....	4
<b>2. Letter-based commitments</b> .....	<b>4</b>
<b>3. How to apply for a rehabilitation bond reduction</b> .....	<b>4</b>
<b>4. Eligibility</b> .....	<b>4</b>
<b>5. Rehabilitation bond reduction criteria</b> .....	<b>7</b>
<b>Appendix A – Case studies</b> .....	<b>11</b>

# 1. Introduction

The Quarry Rehabilitation Performance Incentive Scheme (**the Scheme**) rewards operators who actively prioritise and manage rehabilitation. This includes keeping rehabilitation plans up to date and carrying out progressive rehabilitation of their site.

This Scheme sets out how Resources Victoria will advise the Minister for Resources on applying conditional reductions to rehabilitation bonds. Operators must meet eligibility and specific criteria to qualify for the Scheme.

## 1.1 Legislative and regulatory framework

Under section 80 of the *Mineral Resources (Sustainable Development) Act 1990 (MRSDA)*, licence and work authority holders must enter into a rehabilitation bond for an amount determined by the Minister for Resources.

Resources Victoria may recommend reductions against the assessed rehabilitation liability amount when setting rehabilitation bonds if the operator shows strong rehabilitation performance, adhering to criteria outlined in this guideline. It should be noted that the Minister makes the final decision and retains full discretion in accordance with section 80 of the MRSDA to determine the final bond amount.

## 2. Letter-based commitments

A letter-based commitment is a commitment from a work authority holder. It sets out the work they will do, or amount they will extract, over a set period of up to 5 years. The letter-based commitment may cover a smaller area than allowed under the approved work plan or work authority.

Work authority holders can use letter-based commitments to reduce their rehabilitation liability. For example, they may decrease the maximum area of disturbance, work in stages, or develop rehabilitated batter profiles. The commitment must comply with the approved work plan.

If operations change, operators should contact Resources Victoria to adjust the commitment and request a bond review.

When Resources Victoria receives a letter-based commitment, it may assess rehabilitation liability based only on the work proposed for that period. The letter-based commitment must clearly list any work that will be completed, for example, any progressive rehabilitation that will take place. This guidance also covers other work that may affect eligibility.

## 3. How to apply for a rehabilitation bond reduction

To apply for a rehabilitation bond reduction, the work authority holder must confirm with Resources Victoria that they meet all eligibility requirements listed below. If needed, the work authority holder may request up to 6 months of extra time to lodge an application to vary to an existing rehabilitation plan so it meets current regulatory requirements.

Applicants should email Resources Victoria at [rlab@deeca.vic.gov.au](mailto:rlab@deeca.vic.gov.au) if they want to apply for a rehabilitation bond adjustment. The Resources Victoria team will also contact operators who may be eligible for the Scheme when assessing rehabilitation bonds.

If Resources Victoria confirms eligibility, the work authority holder must provide evidence as set out below in Table 1 that they meet the required reduction criteria. Resources Victoria will review this information to advise the Minister on any appropriate bond reduction.

## 4. Eligibility

To be eligible for the Scheme, an authority holder must meet all the below requirements:

### 1. **Not** be a small quarry under the Code of Practice for Small Quarries

Small quarries under the Code of Practice for Small Quarries 2010 are not eligible. These sites:

- are less than 5 hectares in area

- are less than 5 metres in depth
- do not use blasting
- do not clear native vegetation

These quarries do not need a work plan or rehabilitation plan. They enter into a standard rehabilitation bond of \$4,000 per hectare. This rate reflects their lower risk profile.

## 2. Have an up-to-date rehabilitation plan

A work authority holder must have an up-to-date rehabilitation plan approved after 1 July 2021. This plan must meet all requirements listed in Regulation 11 of the *Mineral Resources (Sustainable Development) (Extractive Industries) Regulations 2019 (Regulations)*.

If a work authority holder does not have an up-to-date rehabilitation plan, they can:

- apply for a minor variation to a work plan<sup>1</sup> under section 77HAA of the MRSDA (no application fees, decision within 28 days) (see guidance on whether a work authority is eligible to use a minor variation pathway); or
- apply through the [standard work plan variation process](#).

If the operator notifies Resources Victoria that they intend to seek a rehabilitation bond reduction, the Minister may allow up to 6 months before setting the bond. This gives the authority holder time to update their rehabilitation plan. When the rehabilitation plan is updated, Resources Victoria will assess the rehabilitation liability based on the cost to achieve the final landform set out in the revised rehabilitation plan.

The Minister can set or revise a bond any time under section 80 of the MRSDA. This may happen if the operator:

- does not get approval to vary their rehabilitation plan within a reasonable timeframe
- does not engage constructively with Resources Victoria throughout the process
- has their variation application refused because they did not make the required changes.

### ***Some lower-risk quarries may not need an updated rehabilitation plan.***

Resources Victoria will soon release draft Regulations to support the commencement of the *Mineral Resources (Sustainable Development) Amendment Act 2023*, which comes into effect on 1 July 2027. The new Amendment Act introduces a [duty on mine and quarry operators to remove or reduce risk as far as reasonably practicable, rather than follow prescriptive obligations](#).

Under the new system, operators who meet lower risk thresholds will not need a rehabilitation plan. They will instead follow a Code of Compliance that sets out their rehabilitation duties.

If an operator is likely to meet these lower risk thresholds (once confirmed in the Regulations), the Minister may decide they do not need to update their rehabilitation plan to seek a rehabilitation bond reduction.

## 3. Accept the assessed rehabilitation liability amount

A work authority holder must accept the assessed rehabilitation liability amount.

Resources Victoria will assess liability using its [Bond Policy](#) and the Bond Calculator. It will use standardised rates and formulas unless there is a valid reason to use a different method.

After the assessment, the work authority holder can review the calculation through consultation with Resources Victoria. The work authority holder must confirm in writing that they accept the final liability amount before any bond reduction applies.

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<sup>1</sup> The minor variation pathway to amend rehabilitation plans will be available until 1 July 2027 when the duty model commences (under the MRSDA Amendment Act 2023).

If there is disagreement about the amount, assumptions or methodology, Resources Victoria will explain its approach and may revise the assessment where appropriate. Operators will still need to accept the final figure before any reduction is applied.

**Additional considerations**

When setting or reducing a bond amount, the Minister may consider other factors. This includes whether there are reasonable grounds to believe an authority holder has breached, or is likely to breach, their obligations under the MRSDA, the Regulations or other legislation.

## 5. Rehabilitation bond reduction criteria

If operators meet eligibility requirements, Resources Victoria may recommend to the Minister that the bond be reduced by up to **20%** below the assessed rehabilitation liability amount. To receive a reduction, operators must show they meet the corresponding criteria set out in **Table 1**.

Unless otherwise stated, the work authority holder should demonstrate compliance across the entire disturbance area and for the full period set out in their letter-based commitment. The total bond amount will be based on this period. When this period ends, the bond will be due for renewal. At that time, Resources Victoria will reassess the bond and review the operator's compliance to determine whether a bond reduction still applies.

**Table 1: Eligibility criteria for potential bond reduction**

Criteria	Rationale	Evidence required	Potential % reduction
<p><b>1. Authority holder has material onsite available to use for rehabilitation</b></p>	<p>Sourcing and transporting suitable topsoil and overburden materials incurs significant cost.</p> <p>Operators who have retained or secured appropriate material for use in rehabilitation can reduce costs and support progressive rehabilitation.</p> <p>The Resources Victoria Bond Calculator already considers material available onsite when calculating rehabilitation liability. Any potential bond reduction under this criterion reflects a benefit that is already partly included in the standard assessment.</p>	<p><b>What has to be demonstrated</b></p> <p>The work authority holder must provide clear evidence that:</p> <ul style="list-style-type: none"> <li>• they have enough suitable material (topsoil and overburden) onsite to complete any rehabilitation required under their approved rehabilitation plan</li> <li>• the material is within the work authority boundary</li> <li>• the material is under the authority holder's immediate control or possession.</li> </ul> <p><b>Timing flexibility</b></p> <p>If appropriate, the Minister (supported by Resources Victoria) may allow up to 6 months to procure materials onsite before finalising the bond assessment. This is at the Minister's discretion.</p> <p><b>Acceptable evidence</b></p> <p>Resources Victoria will accept:</p> <ul style="list-style-type: none"> <li>• photos (aerial and/or on ground) of material stockpiles onsite</li> <li>• a physical site inspection</li> <li>• material balance calculations that show:</li> </ul>	<p><b>5%</b></p>

Criteria	Rationale	Evidence required	Potential % reduction
		<ul style="list-style-type: none"> <li>- sufficient quantities</li> <li>- suitability for the intended rehabilitation use.</li> </ul> <p>A suitably qualified expert engaged or employed by the authority holder must sign off on the material calculations and assessments.</p>	
<p><b>2. Authority holder has been progressively rehabilitating the site</b></p>	<p>Progressive rehabilitation:</p> <ul style="list-style-type: none"> <li>• reduces the total liability over time</li> <li>• shows the work authority holder is actively managing the site and environmental risks</li> <li>• helps demonstrate that the approved rehabilitation plan is achievable (lowering the risk of failure, rework and added costs).</li> </ul> <p>For this reason, where progressive rehabilitation has been delivered, a potential bond reduction might be considered.</p>	<p><b>What has to be must demonstrated</b></p> <p>The work authority holder must provide evidence showing they have been undertaking progressive rehabilitation in line with:</p> <ul style="list-style-type: none"> <li>• an approved work plan</li> <li>• a rehabilitation plan, and/or</li> <li>• progressive rehabilitation commitments in their letter-based commitment.</li> </ul> <p><b>Ongoing compliance</b></p> <p>Resources Victoria may withdraw eligibility for this conditional bond reduction at any time if the work authority holder does not deliver on their progressive rehabilitation commitments.</p> <p>If this occurs, a further bond notice for 5% of the assessed rehabilitation liability amount will be issued under section 80(4) of the MRSDA.</p> <p>Resources Victoria will provide reasonable notice. The authority holder may be granted a period of time to complete required works before any further bond determination.</p> <p><b>Acceptable evidence</b></p> <p>Resources Victoria will accept:</p> <ul style="list-style-type: none"> <li>• photographs (aerial and on ground) of rehabilitated areas</li> <li>• evidence that works align with an approved work plan, rehabilitation plan and/or letter-based commitment</li> <li>• a site inspection (where appropriate).</li> </ul>	<p><b>5%</b></p>
<p><b>3. Authority holder has</b></p>	<p>Recent production shows that the operation is:</p>	<p><b>What has to be demonstrated</b></p>	<p><b>5%</b></p>

Criteria	Rationale	Evidence required	Potential % reduction
<p><b>been active and producing over the last 5 years</b></p>	<ul style="list-style-type: none"> <li>• active</li> <li>• financially viable</li> <li>• capable of meeting rehabilitation obligations.</li> </ul> <p>Ongoing production suggests solvent and adequately resourced operations. It lowers the risk of default on rehabilitation requirements.</p> <p>For this reason, a bond reduction where production has been consistent may be considered.</p>	<p>The authority holder must show, through annual reports submitted to Resources Victoria over the past 5 financial years, that:</p> <ul style="list-style-type: none"> <li>• the current work authority holder has operated the site consistently</li> <li>• production levels reflect efficient operation of the site.</li> </ul> <p><b>Acceptable evidence</b></p> <p>Resources Victoria will accept:</p> <ul style="list-style-type: none"> <li>• production levels reported in annual reports</li> <li>• other relevant information that explains the site's efficient operating levels</li> <li>• if requested, additional information to explain why a bond reduction should still apply (on the basis of low or inconsistent supply volumes or due to any other relevant production issue).</li> </ul>	
<p><b>4. Authority holder has at least 5 years' of approved reserves left to extract</b></p>	<p>If an operation has at least 5 years of approved reserves left to extract, this suggests stable production and associated cashflow.</p> <p>Stable revenue supports the work authority holder's capacity to meet rehabilitation obligations.</p> <p>For this reason, a bond reduction where the authority work holder has at least 5 years' of reserves left to extract may be considered.</p>	<p><b>What has to be demonstrated</b></p> <p>Work authority holders must show operations have enough approved reserves to support at least 5 more years of production.</p> <p>The 5-year volume is calculated based on:</p> <ul style="list-style-type: none"> <li>• the average production over the last 5 financial years or</li> <li>• an adjusted average where appropriate (e.g. where past production has been unusually low or high).</li> </ul> <p><b>Acceptable evidence</b></p> <p>Resources Victoria will accept:</p> <ul style="list-style-type: none"> <li>• a reserves estimate prepared by a 'JORC (Joint Ore Reserves Committee) Competent Person', or an equivalent qualified person assessment showing remaining reserves within the work authority</li> <li>• supporting evidence, such as material balance records and annual production statements.</li> </ul>	<p><b>5%</b></p>

# Appendices



# Appendix A – Case studies

## Example 1: Updating a rehabilitation plan through the minor variations pathway

### Overview

A work authority holder operates a hard-rock quarry in regional Victoria. The site has operated for more than 20 years. The operator has remained compliant and carried out progressive rehabilitation.

The work authority holder accepts their assessed rehabilitation liability of \$1,000,000. They believe they would qualify for a 15% bond reduction as they believe they meet 3 out of the 4 criteria, but they are currently ineligible. This is because their rehabilitation plan is out of date and does not meet current regulatory standards. It was last updated in 2014.

To access a rehabilitation bond reduction, they must update their work plan to include an up-to-date rehabilitation plan. They can do this through:

- a minor work plan variation, or
- the standard work plan variation process.

### Minor variation pathway

The required updates to the rehabilitation plan include:

- rehabilitation methods
- final landform details
- revegetation approach.

These changes do not alter site operations or significantly increase risk. They are suitable for a minor variation pathway because:

- the proposed changes reduce risk associated with the final landform
- relevant authorities can confirm they agree with the risk assessment
- no new planning approval is required (confirmed by council).

The operator notifies Resources Victoria to confirm that they will pursue a minor variation of the work plan and update their rehabilitation plan before their rehabilitation bond is assessed.

The Minister allows up to 6 months for the work authority holder to update their rehabilitation plan. This is subject to regular updates to Resources Victoria and timely submission of application materials.

### Assessment against criteria

Once the rehabilitation plan is approved, the work authority holder provides evidence against the set criteria.

Resources Victoria assesses the following:

- **✓ Material available onsite**  
The work authority holder provides photos and a material balance assessment. These confirm sufficient stockpiles of overburden and soil materials specifically for rehabilitation.  
→ Eligible for a **5% reduction**
- **✓ Progressive rehabilitation of site undertaken**  
Photos show 4 hectares of disturbed land has been rehabilitated.  
→ Eligible for an additional **5% reduction**
- **✓ Active production over the last 5 years**  
Annual reports show that the quarry has produced an average of 250,000 tonnes of hard rock per year over the last 5 years.  
→ Eligible for an additional **5% reduction**
- **✗ Minimum of 5 years' worth of reserves remaining**  
Geological assessments, material balance records and recent production data indicate the operation is likely within its final 5 years of extractable reserves.  
→ Not eligible for a reduction

### Final outcome

After obtaining approval for an up-to-date rehabilitation plan, the work authority holder becomes eligible for a rehabilitation bond reduction.

Based on the evidence provided, the Minister approves a 15% reduction.

- Assessed rehabilitation liability: \$1,000,000
- Approved reduction: 15%
- Final bond amount: \$850,000

Resources Victoria issues a bond notice reflecting the final bond amount.

## Example 2: Updating a rehabilitation plan through the standard work plan variation process

### Overview

A work authority holder operates a mid-scale extraction site on freehold land in western Victoria.

The operation is compliant with reporting and environmental monitoring requirements. However, the rehabilitation plan approved in 2012 is now outdated. It does not reflect current regulatory standards, risk-based work plan requirements or contemporary rehabilitation practices.

The work authority holder accepts their assessed rehabilitation liability of \$750,000. They believe they may qualify for up to a 15% bond reduction, but they must update their rehabilitation plan.

After preliminary discussions with Resources Victoria, it is determined that the required changes are too significant to follow a minor variation pathway. This means the operator must proceed with the standard work plan variation process.

### Work plan variation pathway

To qualify for a minor variation, the proposed changes must not:

- significantly increase risk or
- require new co-regulatory approvals.

In this case:

- changes to the works and the final landform increase site risks
- council has advised that updated groundwater management requirements trigger the need for an amended planning permit approval.

Because of this, the operator is not eligible for a minor variation.

The operator must proceed with a standard work plan variation. This includes:

- consultation
- technical assessments
- regulatory review.

Resources Victoria advises that the bond cannot be reassessed until the updated rehabilitation plan is approved.

The Minister allows up to 6 months for the operator to pursue the work plan variation and update their rehabilitation plan before the bond is determined. The operator also uses this period to

procure sufficient rehabilitation material stockpiles on site.

The operator submits a formal work plan variation application. This includes:

- updated rehabilitation objectives
- a revised risk assessment
- an updated groundwater management plan.

The application goes through the standard assessment process, including:

- technical review
- consultation with relevant authorities
- council planning permit adjustments.

After several months and ongoing engagement with Resources Victoria, the updated work plan and rehabilitation plan are approved.

### Final outcome

After obtaining approval for an up-to-date rehabilitation plan, the work authority holder becomes eligible for a rehabilitation bond reduction.

Based on the evidence, the Minister approves a 15% reduction.

- Assessed rehabilitation liability: \$750,000
- Approved reduction: 15%
- Final bond amount: \$637,500

Resources Victoria issues a bond notice reflecting the final bond amount.

### **Example 3: ‘Lower-risk’ quarry treated as meeting rehabilitation plan requirements under forthcoming MRSDA reforms**

#### **Overview**

An authority holder operates a small quarry.

Their current rehabilitation plan was submitted in 2019. It does not fully align with current regulatory standards. However, the operator has consistently demonstrated a genuine commitment to rehabilitation.

They have:

- met their rehabilitation obligations under their work plan
- delivered on commitments made in their letter-based commitment.

The work authority holder accepts their assessed rehabilitation liability of \$500,000. But they are confident they qualify for the maximum 20% bond reduction.

After the operator notifies Resources Victoria of their intent to seek a rehabilitation bond reduction, the Minister considers that the site is likely to be classified a ‘lower-risk’ quarry under forthcoming MRSDA reforms once draft Regulations commence.

As the quarry is highly likely to meet the proposed ‘lower-risk’ thresholds drafted in the Regulations (subject to public consultation), the operator is advised that the requirement to have an up-to-date rehabilitation plan can be treated as satisfied for seeking a bond reduction.

#### **Final outcome**

The authority holder meets all eligibility requirements and all 4 criteria.

Based on the evidence, the Minister approves the maximum 20% bond reduction.

- Assessed rehabilitation liability: \$500,000
- Approved reduction: 20%
- Final bond amount: \$400,000

Resources Victoria issues a bond notice reflecting the final bond amount.

