

**Economics Legislation Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Industry Portfolio  
Additional Budget Estimates Hearing 2013-14  
27 February 2014

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**AGENCY/DEPARTMENT:** DEPARTMENT OF INDUSTRY

**TOPIC:** Ranger Uranium Mine and the Leach Tank Failure

**REFERENCE:** Written Question – Senator Nova Peris

**QUESTION No.:** AI-33

1. Regarding the Ranger Uranium Mine Leach tank failure:
  - a. What is the role of the DRET in relation to the task force?
  - b. What is the timeframe for reporting and recommendations?
  - c. Will the full report of the taskforce be made public?
  - d. Will the Department seek to or support prosecution of ERA should the investigation find that the tank failure breached the company's authorisation or relevant legislation?
  - e. How will the work of the task force inform any future decision to resume mineral processing operations at Ranger? Is there a timeframe for this decision? What is the process for this decision?
  - f. What independent verification of data is taking place? Is the mining company supplying readings and information or are independent measurements being taken? If so -by who?
  - g. What information has been gathered about the cause of the spill and does this have any implications for the integrity of the other leach tanks?
  - h. Does this incident have any implications for the integrity of other mining or processing infrastructure at the Ranger operation?
2. In a statement to the Australian Stock Exchange (ASX) on January 30<sup>th</sup> 2014, ERA stated that it would allocate \$1.3million to the remaining clean up, decommissioning and investigation costs arising from the tank collapse.

Can you explain on what evidence basis this allocation has been made given that the task force investigations are not yet complete? Does this allocation appear reasonable/adequate?

3. What implications does the leach tank failure have for the proposed Ranger 3 Deeps underground development? Will the Ranger 3 Deeps EIS process be halted until the task force investigations are complete?

**ANSWER**

1. Regarding the Ranger Uranium Mine Leach tank failure:
  - a. The Department of Resources, Energy and Tourism was abolished in 2013, with functions relating to the Ranger Uranium Mine transferred to the Department of Industry (the department). The Minister for Industry is responsible for the *Atomic Energy Act 1953*, under which ERA's 'Section 41 Authority to Mine' is issued. The department is a member of the taskforce established by the Minister for Industry and the Northern

Territory Minister for Mines and Energy (the Ministers), and is one of three regulatory agencies on the taskforce. The department has appointed Noetic Risk Solutions and HRL Technology as Independent Experts to undertake a review of the Ranger processing plant. This action is in response to the Ministers' direction of 13 December 2013 that Energy Resources of Australia (ERA) will not 'be able to resume processing at Ranger until the company demonstrates the integrity of the processing plant to the satisfaction of regulatory authorities.' The role of the taskforce is to progress a coordinated and consistent approach to managing the regulatory response to the incident.

- b. The timeframe will depend on the actions taken by ERA, however the Independent Experts are required to report to the Ministers by 20 May 2014 at the latest.
  - c. The Ministers stated on 13 December 2013 that the 'findings of the review will be published'.
  - d. The review and related investigations by the Northern Territory (NT) Department of Mines and Energy and NT Worksafe are ongoing, therefore it is premature to comment on potential prosecution of ERA.
  - e. The role of the taskforce is to progress a coordinated and consistent approach to managing the regulatory response to the incident. Decisions on resumption of processing will be taken by the Ministers based on recommendations from the Independent Experts.
  - f. ERA has engaged ALS, a NATA-accredited company to conduct testing of critical plant and equipment at Ranger. The data obtained by ALS will be made available to the Independent Experts, who will also conduct their own investigation, analysis and testing as required to satisfy themselves of the integrity of the plant.
  - g. The Independent Experts are undertaking a review of Ranger's processing plant and related infrastructure. This will include examining and reporting on the integrity of the remaining leach tanks.
  - h. The investigation is ongoing, however the Terms of Reference for the investigation and review released by the Ministers on 13 December 2013 require an assessment of the condition of the Ranger processing plant and a risk-based plant-wide integrity assessment.
2. This is a commercial matter for ERA. The department notes that ERA's statement refers to the direct costs of clean-up, decommissioning and investigation, actions that are required prior to any start up.
  3. The review is limited to examining the integrity of processing operations at Ranger. This process is separate from the Department of Environment's consideration of the Ranger 3 Deeps environmental impact statement.