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## In the wake of Mount Polley

### B.C. vows to toughen mining enforcement following another inquiry

*by Greg Klein*

To anyone hoping for a rigorous study, the timing was fortuitous. The August 2014 Mount Polley tailings dam collapse happened just months after British Columbia's auditor general launched an inquiry into provincial oversight of the mining industry. The result was [this week's highly critical report](#) that found "the same issues in the Mount Polley file as we [found] throughout the audit—that is, too few resources, infrequent inspections and lack of enforcement." AG Carol Bellringer wants a shakeup of oversight and enforcement. But the government's resisting a key recommendation, leaving intact what she calls an irreconcilable conflict.

Bellringer argues that B.C.'s mining ministry has a mandate to promote the industry, making the department unsuited to regulatory duties. She wants that responsibility transferred to a separate agency. The government disagrees, saying instead it will create a compliance and enforcement board.



Other than that, the province says it accepts the AG's recommendations, which add 17 suggestions to 26 others made by a [panel of engineering experts](#) and B.C.'s chief mines inspector regarding tailings facilities. Even so, the government and AG continue to disagree on a number of issues.

The audit examined both B.C.'s Ministry of Energy and Mines and the Ministry of Environment, finding they focus on permitting, not enforcement. In fact "we found almost every one of our expectations for a robust compliance and enforcement program within the MEM and the MoE were not met."

Looking at **Imperial Metals'** (TSX:III) Mount Polley disaster, the AG says the engineering panel emphasized *how* the failure happened, blaming it largely on a departure from the original design. The AG said she considered *why*: "We found

that the ministry did not ensure that the tailings dam was being built or operated according to the approved design, nor did it ensure that the mining company rectified design and operational deficiencies.”

The engineering panel, on the other hand, stated that inspections “would not have prevented failure.”

The AG also examined Elk Valley coal mining, which over 100 years “has resulted in high concentrations of selenium in the water system.” For the past two decades the MoE has “noted dramatic annual increases of selenium in the watershed’s tributaries ... but took no substantive action to change it,” the report charges. “Only recently has the ministry attempted to control this pollution through permits granted under the Environmental Management Act.”

In response, mines minister Bill Bennett said his department’s orders to Teck Coal will reduce selenium “to acceptable levels and the company, not the taxpayer, will cover those costs.”

The government has its new mining compliance and enforcement board slated for operations within 90 days. That would bring greater integration between the ministries of mines and environment, as well as the Environmental Assessment Office, according to Bennett. But he says the AG’s recommendation for a separate agency suggests ministry officials are “incapable of differentiating between promotion and regulation of mining, a view government does not share.”

Bellringer pronounced herself “disappointed in the resistance to this overall recommendation as it is consistent with many other jurisdictions’ response to similar incidences.” Speaking with ResourceClips.com, AG communications manager Colleen Rose said her office doesn’t have examples of other jurisdictions with separate compliance agencies. But she pointed out that Ontario’s auditor general made a similar recommendation last December.

***MEM has estimated that its financial security deposits for major mines are under-secured by more than \$1.2 billion, yet the ministry has not disclosed this to the public or to legislators, or communicated the potential risk this poses. — Carol Bellringer,***

*B.C. auditor general*

Apart from protecting the environment, the AG made recommendations to protect taxpayers. The report called on government to ensure companies pay the costs of an environmental failure and post sufficient security deposits for reclamation. The province says new legislation will require miners to pay into a spill preparedness and response organization. As for reclamation deposits, they’ve risen from a 1984 total of \$10 million to “more than \$773 million by the end of 2014.”

But government estimates show the province’s major mines remain under-secured by over \$1.2 billion, the AG states. “Yet the ministry has not disclosed this to the public or to legislators, or communicated the potential risk this poses.”

The legacy of an environmentally cavalier past might demonstrate that risk. The auditor noted that Yukon’s Faro mine, in operation from 1969 to 1998, left the territory’s taxpayers with a clean-up bill estimated at \$700 million. B.C. taxpayers put up \$46 million for a water treatment plant at the former Britannia mine, which ended its 70-year life in 1974. Annual operating costs come to \$3 million for a facility that’s expected to operate in perpetuity.

Ottawa estimates that Yellowknife’s Giant mine, in operation from 1948 to 1999, left federal taxpayers on the hook for about \$1 billion.

Meanwhile B.C. continues working its way through the 26 recommendations for tailings facilities following two Mount Polley inquiries. The province has also tabled [legislation to toughen penalties](#) for mining infractions with up to \$1 million in fines and three years in jail.

[Download the B.C. auditor general’s report.](#)