



**Government  
of South Australia**

Department for  
Energy and Mining

# Environmental Liability Management policy update

## Rehabilitation liability estimate calculator





## What we are proposing and why

A new rehabilitation liability estimate (RLE) calculator is being proposed to assist licensees in calculating an appropriate RLE for their activities under the *Energy Resources Act 2000* (the Act).

### Review findings

The RLE is an assessment of the total third-party cost to meet the legal obligations of decommissioning wells, facilities, flowlines, transmission lines, and rehabilitating land disturbed by regulated activities. The RLE also informs the amount of financial security required to be provided to government to cover such costs in the event of licensee insolvency or failure to meet rehabilitation obligations.

The review examined whether the current approach to estimating rehabilitation liability remains fit for purpose and whether it continues to provide a reasonable estimate of the liability.

The current approach to estimating the RLE is based on a standardised and static schedule of cost estimates for decommissioning and rehabilitation activities. The review found that the current approach may not appropriately account for changes over time in factors such as labour and material costs, market conditions, technological developments, or evolving decommissioning and rehabilitation practices.

Since the tool was introduced in 2020, South Australia and the broader Australian economy have experienced significant and sustained cost increases, as well as standard escalation due to inflation.

Maintaining an up-to-date and contemporary estimate of rehabilitation liabilities is important to ensure financial security requirements remain aligned with current risks and costs, support informed regulatory decision-making and provide confidence that sufficient funds would be available to fulfil decommissioning and rehabilitation obligations when required.

The findings of the review demonstrate that the existing RLE approach is no longer the most effective mechanism for assessing and estimating the cost of rehabilitation liabilities.

In response to this, the department engaged independent industry experts to develop the **RLE calculator**, which helps ensure liability estimates are more closely aligned with current cost expectations. The introduction of an RLE calculator is based on best practice and consistent with established tools adopted across other jurisdictions.

The RLE calculator was developed in accordance with the following principles:

- construction of the calculator is based on a first principles, bottom-up approach whereby detailed activities are set with modification and addition as required over time
- the scope of decommissioning and rehabilitation activities are informed by industry specialists
- unit cost rates are contemporary and sourced from a database of recent and relevant contractor and supplier values
- sufficient flexibility for users to input alternative cost rates and additional activities where appropriate and provided supporting documentation and justification is submitted for consideration.

### What is being proposed

The department is proposing for the new RLE calculator to be adopted as the preferred tool to assist licensees in estimating the cost of its rehabilitation obligations.

To ensure the calculator remains a practical and reliable mechanism for estimating the RLE while maintaining confidence in the results, it is proposed that in addition to periodic reviews every three years, cost rates are updated for escalation annually.

To enable a timely transition, all licensees will be asked to use the new RLE calculator for all rehabilitation liability estimates submitted for 2026-27 activity status submissions.



## Questions to consider

- Does the calculator adequately cover all expected decommissioning and rehabilitation activities?
- Is there sufficient flexibility for licensees to add site specific items?
- Is the calculator producing decommissioning and rehabilitation costs consistent with expectations and that reflect reasonable third-party costs?
- Are there opportunities to improve the usability of the calculator?

## Providing your feedback

You are invited to provide your feedback on the proposed new RLE calculator.

**Consultation open:** 26 October 2026

**Consultation close:** 18 December 2026, 11:59 pm (ACST)

Email your feedback to  
[DEM.EnergyRegulation@sa.gov.au](mailto:DEM.EnergyRegulation@sa.gov.au)

A demonstration of the RLE calculator via a webinar will be held on 20 November 2026.

Register your interest by 18 November 2026 via email to  
[DEM.EnergyRegulation@sa.gov.au](mailto:DEM.EnergyRegulation@sa.gov.au)

## Supporting information

The following information is provided to assist you in preparing and submitting your feedback.

- [Current Environmental Liability Management policy](#)
- [Rehabilitation liability estimate calculator](#)

## Frequently asked questions

### Could alternative methodologies be used other than the RLE calculator to calculate an RLE?

The RLE calculator is the preferred tool to assist licensees in calculating the RLE. Where it may be appropriate, the department is open to reviewing and accepting alternative methodologies subject to sufficient evidence and supporting documentation being provided.

### Can licensees use their own unit cost rates for specific activities rather than the ones included in the RLE calculator?

Yes, provided alternative rates are supported by evidence and reflect a realistic third-party cost on the assumption that the decommissioning and rehabilitation would be undertaken by an external contractor rather than the licensee.

Such evidence could include third-party quotes or evidence of actual costs incurred for particular activities.

### Does the RLE need to be prepared using the RLE calculator before feedback can be provided on the new tool?

To support meaningful dialogue and inform understanding of feedback, stakeholders are strongly encouraged to use the RLE calculator to estimate the RLE and consider the output when providing feedback.

## Department for Energy and Mining

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## Acknowledgement of Country

As guests here on Kaurna land, the Department for Energy and Mining (DEM) acknowledges everything this department does impacts on Aboriginal country, the sea, the sky, its people, and the spiritual and cultural connections which have existed since the first sunrise. Our responsibility is to share our collective knowledge, recognise a difficult history, respect the relationships made over time, and create a stronger future. We are ready to walk, learn and work together.