

## **INQUIRY INTO BENEFICIAL AND PRODUCTIVE POST- MINING LAND USE**

**Organisation:** MACH Energy Australia Pty Ltd  
**Date Received:** 25 June 2024

---

25 June 2024

NSW Parliament Legislative Council  
Standing Committee on State Development

Via online lodgement

<https://www.parliament.nsw.gov.au/committees/inquiries/Pages/lodge-a-submission.aspx?pk=3046>

**RE: BENEFICIAL AND PRODUCTIVE POST MINING LAND USE**

Dear Standing Committee,

We refer to the Standing Committee on State Development's (the Standing Committee) *New Inquiry into Beneficial and Productive Post-Mining Land Use* (the Inquiry) and the *Inquiry into beneficial and productive post-mining land use – Terms of Reference* (the Terms of Reference) released on 17 May 2024 and 4 June 2024, respectively. This letter is a submission which will be lodged to the Standing Committee for consideration as part of the Inquiry.

**Background**

MACH Mount Pleasant Operations Pty Ltd (ACN 625 627 723) (MACH) is the manager of the Mount Pleasant Operation as agent for and on behalf of the unincorporated Mount Pleasant Joint Venture between MACH Energy Australia Pty Ltd (MACH Energy) (95 per cent [%] owner) and J.C.D. Australia Pty Ltd (5% owner)<sup>1</sup>.

The Mount Pleasant Operation is an open cut coal mine and associated infrastructure, located approximately 3 kilometres north-west of Muswellbrook in the Upper Hunter Valley of New South Wales (NSW). The Mount Pleasant Operation is large in size (up to 21 Million tonnes per annum of run-of-mine coal production) and is approved until late 2048 via the Mount Pleasant Optimisation Project (SSD 10418). The Mount Pleasant Optimisation Project also provides major economic benefits for the local area and region, including:

- continued direct employment for an average of 600 people at the mine over the project life;
- approximately 450 direct/indirect full time equivalent jobs in the Muswellbrook and Upper Hunter local government authorities (LGAs), 650 jobs per year in the wider Hunter Valley, and 440 jobs throughout the remainder of NSW;
- direct capital investment of approximately \$950 million in the project;
- \$1.4 billion (net present value) net contribution to gross state product; and
- the Mount Pleasant Operation has contributed over \$500 million in royalties to the NSW Government from the commencement of mining in October 2017 to date.

Although the Mount Pleasant Operation has a significant remaining mine life, MACH recognises that other operations in the Hunter Valley are approaching their end-of-life and welcomes the initiative taken by the Standing Committee to seek input on a range of post-mining land use issues.

---

<sup>1</sup> MACH Mount Pleasant Operations Pty Ltd and the unincorporated Mount Pleasant Joint Venture are herein referred to as MACH.

This submission has been structured around points in the Terms of Reference of relevance to MACH's operations.

## ***Benefits of Having Multiple Successive Land Uses***

As a temporary land use, mining activity requires a long-term approach to policy settings. MACH acknowledges the need to plan and progressively implement rehabilitation of the mining areas to deliver productive post mining land uses, which currently include agricultural – grazing, native ecosystem areas and water storage (MACH Energy, 2022). Progressive rehabilitation of the Mount Pleasant Operation to a proposed post mining final landform has been a key component of the mining operation from the commencement of open cut mining at the site. This ongoing rehabilitation work has already significantly improved the visual amenity from the Muswellbrook township, as evidence by the below comparison views from the same location in 2019 and 2024 (Plates 1 and 2).



**Plate 1 Mount Pleasant Operation rehabilitation progress as seen from Muswellbrook township, 2019**



**Plate 2 Mount Pleasant Operation rehabilitation progress as seen from Muswellbrook township, 2024 (demonstrating the material progressive rehabilitation completed)**

The final landform has been designed to mimic existing landforms endemic to the area in order to accommodate natural erosive processes (Plate 3).

Rehabilitation of mined areas at Mount Pleasant Operation has been progressively undertaken to re-establish native vegetation communities. Greater than 150 hectares (ha) of rehabilitation has been undertaken on the Eastern Out-of-Pit Overburden Emplacement Area at Mount Pleasant Operation (Plate 3).

Non-mining land uses have the potential to co-exist with active mining operations on previously mined and rehabilitated land and/or buffer lands. MACH considers the NSW Government should explore how regulatory settings can encourage other beneficial and constructive land uses that can co-exist with mining operations that provide material local and regional benefits.





**Plate 3** Example of rehabilitated geomorphic mine landforms at Mount Pleasant Operation

### ***Changes in Land Use Potential and Demand in Established or Traditional Mining Areas***

MACH acknowledges that mining is an integral component of the Hunter Valley economy and that the economic diversification of the region will present challenges. The Hunter Regional Plan 2041 and the Hunter REDS 2023 Update identify mining as the largest employer in the region and the need to deliver a clear policy and planning framework for future uses of mining land. Agricultural activities will likely play a key role in the region's diversification.

MACH has identified an area in the order of 400 ha in size that could potentially be rehabilitated to a high intensity agriculture area, including access to water storage. Activities such as feedlots, poultries or agricultural processing facilities are possible in this area (MACH Energy, 2020).

In 2023, the NSW Government released the guidance document *Practical guide: Post mining land use* (Mining, Exploration and Geoscience, 2023) (the Practical Guide), which encourages investigation of alternate mine land re-uses and highlights the key attributes that typically make mine sites suitable for various alternate mine land re-uses.

The Mount Pleasant Operation possesses all of the attributes presented in the Practical Guide, making the site highly desirable and beneficial for a range of potential alternate mine land re-uses (including high intensity agriculture):

- large parcels of land;
- good transport linkages;
- access to regional population centres;
- variety of mine landforms and existing industrial areas;
- large volumes of stored water;
- established water management infrastructure;
- access to good quality water; and
- electricity infrastructure.

Accordingly, although there is no specific proposal for high intensity agriculture on the Mount Pleasant Operation mine site at present, MACH is confident that the site possesses the requisite attributes to make such proposals, and ultimately, investments, a strong possibility in the future.

### ***Opportunities to Encourage Innovative Post Mining Land Uses***

The Practical Guide and the *Draft Energy Policy Framework* (NSW Government, 2023) promotes alternative development on mine land and for renewable energy projects to address projected electricity reliability shortfall following closure of coal-fired power stations.

MACH is aware of a proposal at the nearby Muswellbrook Coal Mine for a Pumped Hydro Energy Storage (PHES), using the Muswellbrook Coal Mine Pit 2 Void as the lower reservoir for the PHES (Muswellbrook Pumped Hydro Energy Storage Project [SSD-65797725]).

Whilst detailed studies have not been undertaken, there is potential for a similar PHES system at Mount Pleasant Operation (using the approved Mount Pleasant Operation final void), or other renewable energy proposals.

The Resources Regulator *Guideline: Achieving rehabilitation completion (sign-off)* (2021) outlines how mining operations can change approved final land use where innovative beneficial uses are identified. The guideline describes that:

*Any changes to the approved final land use will require either a new development consent or a modification to an existing consent from the relevant consent authority under the Environmental Planning and Assessment Act 1979.*

*The process of obtaining development consent must be completed prior to the rehabilitation acceptance application process and will require a re-establishment of rehabilitation outcomes.*

...

*Lease holders considering changes to final land use are encouraged to consult early with both us and the relevant consent authority. We will only accept a change to the final land use once there is certainty that the proposed land use is achievable and will be implemented.*

Accordingly, it is understood that a potential new land use will require an approval and Final Investment Decision of the new innovative land use prior to the re-establishment of rehabilitation outcomes for the mine to accommodate this new land use. The timeframes associated with major development approvals in NSW can be uncertain particularly due to:

- challenging NSW assessment requirements and stakeholder expectations;
- changing Commonwealth approvals pathways; and
- appeal risks at both a State and Commonwealth level.

Accordingly, the sequencing of the approval of a major new land use would in-turn create uncertainty with respect to the final land use outcome and could lead to perverse outcomes whereby the Resources Regulator is requiring decommissioning of infrastructure or rehabilitation of certain areas earmarked for use in a new major land use development whilst planning approvals (or legal appeals) are ongoing.

Accordingly, whilst the NSW Government is sending a clear signal promoting alternative development on mine land, there remains uncertainty regarding rehabilitation requirements on that same land. There is an acute need for alignment between various policy settings and assessment timeframes to provide the clarity and assurance required for such investment decisions. We consider this to be the key area of focus for the Standing Committee (see further comments below).

### ***The Need to Develop a Robust Independent Regulatory Framework to Maintain and Advance Best Practice***

As noted above, MACH considers that the current process requires mining proponents to continue to work towards existing post mining land uses like low intensity agriculture and woodland until such time that “...*there is certainty that the (new) proposed land use is achievable and will be implemented.*” This will likely result in uncertainty for investment in new post mining land uses and perverse outcomes for mining operators whereby they are required to actively rehabilitate lands that would hinder a new proposal that may be going through a lengthy approvals process of its own.

We suggest that a land use transition regulatory framework is developed that allows for the modification of rehabilitation objectives and final land uses and the transfer of associated closure liabilities in parallel with the development of post mining land use proposals. Such settings would better align rehabilitation and final land use objectives and expedite investment in long term land use projects.

### ***Other Terms of Reference***

As MACH is a current mine owner with approval to mine to the late 2040s, we consider the other terms of reference of less relevance to the Mount Pleasant Operation, however we offer the following observations.

### **Opportunities for Investment and Growth in Training And Skills in Established Or Traditional Mining Areas**

As an existing mine operator, we see a strong future for the foreseeable future in the mining industry. Given our status as a stable mining employer, we are experiencing interest from existing workers at other operations coming to closure in the nearer future. Nonetheless, reskilling some of the workforce of other operators coming to closure is likely to be required.

Employment strategies will need to be cognisant of the lack of large-scale job creation opportunities at many sites currently used for mining activity, particularly if future uses such as agriculture are being considered and prioritised.

Identifying alternative employment options for skilled, locally employed mining staff will be challenging and require significant lead time to ensure these workers remain in the region and do not leave to seek alternative career opportunities.

#### How To Ensure the Benefits are shared Between the Community and Mine Operators

We note the *Draft Energy Policy Framework* (NSW Government, 2023) includes a statement that “...encourages applicants to pay \$850 per megawatt per annum (in 2023 dollars) in benefit sharing.” Having completed a contemporary major State Significant Development, we offer the following observations:

- State Significant Developments require a Social Impact Assessment (SIA), whereby the *Social Impact Assessment Guideline for State Significant Projects* (NSW Department of Planning and Environment, 2023) requires proponents to identify social impacts including way of life, community, infrastructure accessibility health and wellbeing and livelihoods and develop measures to mitigate potential impacts identified.
- State Significant Developments also require a voluntary planning agreement (VPA) with the LGA which contains financial commitments with a nexus between potential impacts on council infrastructure (such as services like roads) and community infrastructure.

The *Environmental Planning and Assessment Act 1979* is the seminal planning law in NSW and the concept of benefit sharing is not currently incorporated. Indeed, this concept is poorly defined and open to misinterpretation. Major project such as Mount Pleasant deliver a broad range of well recognised direct and indirect benefits to both the Muswellbrook community and the State of NSW. Policy settings that attempt to identify arbitrary measures such as non-market based energy prices to derive a social benefit risk undermining the very tangible and significant economic benefits delivered by major projects. Our view is the impacts of a major project are best addressed via the abovementioned mechanisms (SIA and VPAs). Any further encumbrance on prospective proponents of new projects is likely to be a disincentive to investment in NSW.

#### ***Closing***

In closing, MACH again thanks the Standing Committee and hopes the observations within this submission are useful as part of the Inquiry. MACH looks forward to the Inquiry delivering practical suggestions to facilitate beneficial and productive post mining land use in the Hunter Valley and hopes that its Mount Pleasant Operation is the future beneficiary of a streamlined process to beneficial and productive land use outcomes following the completion of mining.

If you would like to discuss further, please do not hesitate to contact me on  
MACH would happily coordinate a site visit for members of the  
Standing Committee to see MACH's leading rehabilitation outcomes in person.

Yours sincerely,

**Chris Lauritzen**

General Manager – Resources Development  
MACH Energy Australia Pty Ltd

***References***

MACH Energy Australia Pty Ltd (2020) *Mount Pleasant Optimisation Project – Environmental Impact Statement*.

MACH Energy Australia Pty Ltd (2022) *Mount Pleasant Operation – Rehabilitation Management Plan*.

Mining, Exploration and Geoscience (2023) *Practical guide: Post mining land use*.

NSW Department of Planning and Environment (2023) *Social Impact Assessment Guideline for State Significant Projects*.

NSW Government (2023) *Draft Energy Policy Framework*.

Resources Regulator (2021) *Guideline: Achieving rehabilitation completion (sign-off)*.

Standing Committee on State Development (17 May 2024) *New Inquiry into Beneficial and Productive Post-Mining Land Use*.

Standing Committee on State Development (4 June 2024) *Inquiry into beneficial and productive post-mining land use – Terms of Reference*.