Submission No 32

INQUIRY INTO BENEFICIAL AND PRODUCTIVE POST-MINING LAND USE

Organisation: BHP

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Committee Secretariat
Standing Committee on State Development
Parliament of New South Wales

Dear Chair,

Inquiry into Beneficial and Productive Post Mining Land Use

BHP appreciates the opportunity to assist the Standing Committee on State Development in its Inquiry into Beneficial and Productive Post Mining Land Use.

Since 1851, BHP has been developing and contributing to industry, communities, and economies around the world. Our purpose is to bring people and resources together to build a better world, and we're committed to doing what is right, and making a difference.

Background

In New South Wales, BHP operates the Mt Arthur Coal facility – an open-cut thermal coal mine, located five kilometres south of Muswellbrook in the Hunter Valley, on the traditional lands of the Wanaruah/Wonnarua people. Mt Arthur Coal employs around 2,200 people who predominantly live in the region, and produces high-quality energy coal for domestic and international customers.

In June 2022, following a review of all available options, BHP made the decision to make application to extend current approvals and cease mining at Mt Arthur Coal in 2030 as part of a responsible pathway to closure for the operation.

Mt Arthur Coal has operated in its current form since 2002, with previous operations dating to the early 1960's where it supplied coal to the Bayswater Power Station. The site is in excess of 7,000 hectares, with current approval to mine until 2026. BHP is currently seeking a modification ('Modification 2') to extend Mt Arthur Coal's planning approval for an additional four years until 2030, to provide time to plan and prepare a pathway to the closure of the operation. This modification is currently under assessment by the Department of Planning, Housing, and Infrastructure. BHP is committed to fulfilling our statutory rehabilitation requirements for Mt Arthur Coal as part of our closure plan, detailed in the 'Modification 2' planning application.

Our aspiration in closure is to deliver sustainable landforms which can provide a positive legacy for generations to come post-Mt Arthur Coal's closure. We believe that the 7,000+ hectare scale of the land, with existing access to rail, electricity distribution infrastructure, and other related industries represents an opportunity for the Upper Hunter post-2030.

BHP has a long history in the Hunter Valley, dating to the early 1900's, and we are committed to working closely and in partnership with our workforce on their Pathway to 2030, transition, and closure. To this end, we have launched our 'Tomorrow, Together' program, which supports employees to identify a pathway post-closure that is most appropriate to their individual circumstances. The 'Tomorrow, Together' program consists of a series of engagement sessions, training, and support to prepare our workforce for their future.

Current environment

Under current requirements, BHP is required in closure to deliver a return to agricultural pasture and woodland – an outcome that requires the demolition and removal of all high-quality existing infrastructure, including world-class office and administrative facilities, industrial workshops, high-capacity electrical infrastructure, maintenance facilities, and rail lines.

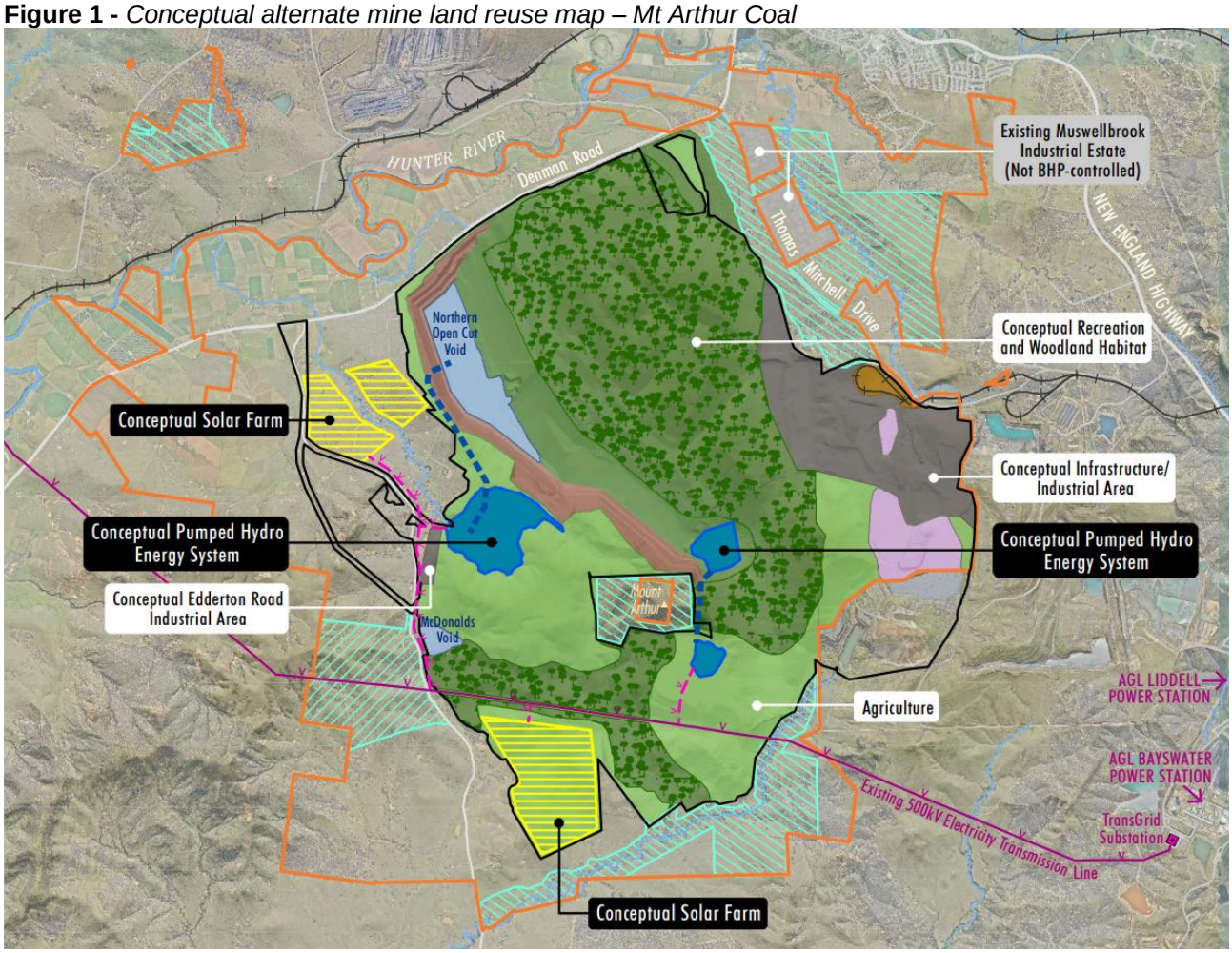
While this approach delivers some ecological and environmental outcomes, it comes at the expense of economic and social outcomes. BHP believes there is a better way; adaptively reusing mining land and existing infrastructure to achieve social, environmental, and economic benefits for our community, offsetting some of the lost economic benefits once mining at Mt Arthur Coal ceases.

With over 7,000 hectares of land, Mt Arthur Coal can provide a variety of alternate mine land reuses – realising the potential of existing high-quality infrastructure, combined with ecological restoration. Opportunities for mine land reuse include:

- Recreation, such as adventure parks, hiking, and mountain bike trails;
- Renewable energy, such as pumped hydro – capable of powering in excess of 500,000 homes daily, and solar farms;
- Agriculture, such as cattle grazing, farming, and the equine industry;
- Advanced manufacturing, repurposing existing high-quality infrastructure for new opportunities;
- Biodiversity, including the establishment of native woodland corridors.

BHP has undertaken extensive stakeholder engagement since announcing our intention to cease mining at Mt Arthur Coal in 2030, and a significant portion of feedback received focusses on a preference for beneficial alternate mine land reuse for the site – ideally ongoing uses that generate continued economic activity and diversification outcomes. We are investigating land capability opportunities to understand the suitability of a full range of potential land uses, as referenced in Attachment 2 of our Mt Arthur Coal Mine Modification 2 Report.

Figure 1 - *Conceptual alternate mine land reuse map – Mt Arthur Coal*



Note. From *BHP Mt Arthur Coal Mine Modification 2 Modification Report, Attachment 2: Alternate Mine Land Re-Use Prospectus,* BHP/Resource Strategies, 2023.

Challenges

As a mining company, BHP has limited experience in developing many of the alternate mine land reuse options that are possible at Mt Arthur Coal. It is critical for the success of our aspiration to attract third parties who can work with us to realise the full potential of the site post-mining.

Mining land is currently governed under a complex system of approvals, covering multiple pieces of Legislation and requiring interaction with multiple Government Departments – often with overlapping responsibilities. Approval requirements, mining leases, and development applications – while initially implemented in good faith – are not compatible with delivering timely diversified social, environmental and economic outcomes through alternative mine land reuse, and have complex and uncertain rehabilitation and relinquishment requirements.

Current mine site relinquishment processes require complex rehabilitation criteria to be met which may be wasteful, costly, and unnecessary when considering a proposed alternate reuse; for example, relinquishment of a mine void may require reshaping, top-soiling, and vegetation of the land – only for this work to be undone to allow for a later alternative land use, such as pumped hydro.

This complexity is difficult for the resources industry and NSW Government Departments to navigate – and provides a significant disincentive for external investment by alternate industries when compared to other green or brown-field development sites. These complexities add significant financial risk, costs, and delays – ultimately to the detriment of the wider community who would benefit from the next potential alternative land use.

Opportunity

The NSW Government has an opportunity to take a globally leading position on alternative mine land reuse – recognising the opportunity that exists to diversify existing mine land to recognise social, environmental and economic outcomes.

With appropriate protections, planning and relinquishment requirements could be reformed to incentivise mine operators and reduce barriers for external investors adaptively reusing mine land – utilising existing high quality infrastructure, providing ongoing employment and economic opportunities, and diversifying regional economies.

In summary, BHP encourages the NSW Government to implement reform enabling alternate mine land reuse, including:

- A clear statement of support for alternative mine land reuse, providing certainty and stability to investors, proponents, and mining communities;
- An accelerated and streamlined planning and approval system that recognises and enables the social, environmental, and economic benefits of adaptive mine land reuse;
- Clarity and flexibility of rehabilitation and relinquishment criteria for mine land when considering confirmed future land reuse;
- Flexibility to reconsider and modify approved post-mining land uses in mining approvals, without the need for costly and time-consuming planning modifications.