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INQUIRY INTO BENEFICIAL AND PRODUCTIVE POST-MINING LAND USE

Organisation: Mining & Energy Union

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MINING & ENERGY UNION

NSW Legislative Council Standing Committee on State Development

Inquiry into beneficial and productive post-mining land use

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The Mining and Energy Union (MEU) welcomes the opportunity to make a submission to the Committee's inquiry into beneficial and productive post-mining land use.

The MEU represents around 22,000 members nationally working in Australia's mining and energy industries, predominantly in coal mines and coal-fired power stations. Members in New South Wales are represented by the Northern Mining & NSW Energy District and the NSW South Western District of the MEU. In addition to coal mines and coal-fired power stations, we also represent workers across the state's metalliferous mining industry through the NSW Mine Workers Alliance with the Australian Workers Union.

The MEU strongly supports an ongoing role for mining within the NSW economy, given the economic value it creates for communities and the number of quality, ongoing jobs it sustains. As a union, we have generations of experience in supporting the regional mining communities that have built our state and nation. We are a proudly regional union, and our members are deeply committed to the wellbeing of their communities. Mining is a temporary land use, and the community benefits delivered by mining are undercut when mines are not fully rehabilitated or repurposed for continued beneficial use.

Mining, as a temporary land use, should provide long term benefits to the host community and the nation that continue beyond the life of any individual mine. Successful mine rehabilitation can provide important transitional economic, social and environmental benefits, especially where mining in a region may be in decline. However, significant tracts of mined land in NSW have never been appropriately rehabilitated, with ongoing impacts for mining communities. Rehabilitation is frequently unsatisfactory, even where operators claim that rehabilitation has been completed. Mine operators should also not be free to place mines on indefinite care and maintenance as a tactic to avoid closure and rehabilitation costs – this prioritises profits over jobs and fair returns to the community.

Mine rehabilitation should be considered an integral phase of the mining process itself, rather than an appendage tacked on the end after the 'real work' of resource extraction has concluded. Mine operators have obligations under the NSW *Mining Act 1992* and the *Mining Amendment (Standard Conditions of Mining Leases – Rehabilitation) Regulation 2021* to undertake progressive rehabilitation during the mining process and prepare and implement Rehabilitation Management Plans. Operators must lodge security bonds with the NSW Government to cover the 'full cost' of rehabilitation, thereby ensuring that mined land does not become an environmental and financial liability to be borne by the public. However, in practice, there is a significant shortfall in rehabilitation security bonds for NSW mines – in 2017 the NSW Auditor-General recommended

increasing security bonds by 25-50 per cent to cover unforeseen rehabilitation costs.[1] We are concerned by recent reports that the security bonds held for particular mines may in actuality cover barely a fraction of estimated rehabilitation costs.[2]

A business-as-usual situation for mine rehabilitation and land use planning for mining regions should not be accepted. The $15.2 million allocated to mine rehabilitation and closure and mine worker health and safety in the 2024-25 NSW Budget is barely a drop in the ocean compared to the work needed in this policy area to truly ensure that disturbed land and water are returned to the community in a state which is safe and usable for future generations.

The MEU strongly supports an enhanced and comprehensive regulatory framework around mine rehabilitation, with strict and effective monitoring and compliance measures that see the goals of rehabilitation regulations and laws actually being reached in practice. This is critical for protecting the public health, local environment, and economic wellbeing of mining communities. Further, we support a strategy for post-mining land use that prioritises rehabilitation, enhanced environmental outcomes and land use cases, employment opportunities for displaced mineworkers, and economic diversification for regional mining communities. Any such strategy must involve extensive mining community consultation and engage with Indigenous knowledge of land management practices.

Our responses to the Terms of Reference highlight the potential options for post-mining land use that are possible where operators are fulfilling their obligations to rehabilitate mined land.

> *(a) The benefits of having multiple successive land uses including the positive benefits for local communities and the economy, business, industry, and the broader state.*

Abandoned, poorly rehabilitated mine sites are of benefit to no-one save for the mine operator who has managed to avoid its financial obligations to the state of NSW and shift a major externality of its operations onto the public.

There are promising opportunities to repurpose mined land for industry, leisure, and energy generation, in ways that benefit local communities and the state. In Collie in Western Australia, Lake Kepwari and Black Diamond Lake are former open cut coal mines that have been converted to provide picturesque environments for tourism and recreation. In addition, the Collie Motorplex, the longest sealed racing circuit in Western Australia, is located at the site of former Western Collieries underground mines and utilises existing mine buildings as mechanics' workshops, offices, and amenities. And, in NSW, the former Rhondda Colliery in the Hunter is well on its way to becoming the Black Rock Motor Resort, in support of around 230 permanent jobs.[3]

[1] https://www.audit.nsw.gov.au/our-work/reports/mining-rehabilitation-security-deposits.
[2] See, for example, Russell Vale and Wongawilli: https://www.abc.net.au/news/2024-03-07/russell-vale-wongawilli-mines-remediation-concerns-nsw-resources/103559530.
[3] https://www.australianmining.com.au/a-nsw-mine-rehabilitation-success-story/

The private sector-led Kidston pumped storage hydro project is being developed utilising the former Kidston gold mine pits in Queensland.[4] Use of former mine sites for energy generation and storage is an innovative way to assist in meeting the significant energy demands likely to be required by any new manufacturing industries developed through NSW's Net Zero Manufacturing Initiative, and federal government programs including the Solar Sunshot and Future Made In Australia policies. NSW mining regions, including the Hunter and Central West, are already a major focus for this sort of manufacturing investment.

> *(b) Changes in land use potential and demand in established or traditional mining areas, particularly those generated by the decarbonised economy, renewable technology, manufacturing, defence, skills, and training.*

Changes in land use, driven by policy and business responses to climate change, will need to recognise the potential for historically significant coal mining regions to realign with modern economic and environmental imperatives. This realignment will inevitably encompass investment in renewable energy infrastructure, utilising the unique advantages of mining land, including existing infrastructure, transmission lines, and disturbance permissions, which can expedite the deployment of renewable technologies. It must also encompass an expansion of advanced manufacturing sectors, offering diversification in regional economies, and creating a demand for skilled labour that can be sourced from the existing mining workforce. Incentivisation of new industries, including clean energy and defence-related manufacturing, can capitalise on mining regions' strategic capabilities and resources while also complementing the energy transition.

This will all require robust policy frameworks which emphasise environmental restoration, conservation, and sustainable agricultural practices. A dynamic, collaborative governance framework needs to be developed that prioritises transparent decision-making and community engagement, particularly with regard to supporting displaced mineworkers, their families and communities, and respecting traditional Indigenous relations to the land. The objective is to curate an environment conducive to both economic vitality and sustainable development, ensuring a cohesive transition for traditionally mining-dependent communities toward a diverse and resilient future.

> *(c) Opportunities for investment and growth in training and skills in established or traditional mining areas, including (i) the need to reskill and or retrain current workforces and (ii) the impact and effectiveness of existing and new education, training, and skills providers for mining communities.*

NSW's coal mining industry is currently booming, with more than 25,000 workers employed in production roles.[5] However, notwithstanding the ongoing health of NSW's coal export industry, there is significant upheaval ahead for coal regions. The energy transition will see coal power stations, and fully-captured domestic coal mines, closing over the next 10-15 years. International demand for Australian coal will likely contract over a much longer period, with the NSW Government estimating that around 12,000 direct jobs could be affected by coal mines reaching

[4] https://genexpower.com.au/250mw-kidston-pumped-storage-hydro-project/
[5] Coal Services Statistics, NSW Coal Industry Employment, March 2024.

the end of existing development consents in the 2030s.[6] Careful balancing of the skills and training needs of the state's economically important coal industry with those of essential new industries is needed over the transition period.

Supporting workers impacted by the energy transition is a major policy concern of state and federal governments in Australia. The Net Zero Economy Authority will play a critical role in supporting current workforces in traditional mining regions to reskill and retrain for future industries in their local areas. We also expect the NSW Government's proposed Future Jobs and Investment to play an important role in supporting coal communities facing uncertain futures.

In many cases, the skills and training needs of proposed new industries in traditional mining areas, including but not limited to clean energy industries, are not aligned with existing courses on offer at local TAFEs. Investment in public vocational training facilities is necessary to ensure appropriate equipment, facilities, and teaching staff are available locally.

A significant barrier for the current workforce looking to reskill or retrain is uncertainty around what the future, 'replacement' industries in particular regions will be. Retraining can be a years-long commitment, and workers are rightly hesitant to commit to courses where the employment outcome is unclear. Further progress in establishing new industries in traditional mining regions is urgent so that workers impacted by major closures know what they should retrain and upskill for, and can plan for their futures.

Efforts to support the transitioning domestic coal workforce should also account for the differences in existing qualifications among the workforce. For example, coal power workers have very specialised skills, but often these take the form of company-endorsed certificates rather than recognised trades or qualifications that are more easily transferable to other industries. Non-trades qualified workers are likely to face more difficulty in finding quality work post-closure, and policy efforts to support retraining and reskilling need to account for this.

(d) Opportunities to encourage innovative post-mining land uses.

Mines are supported by local supply chains, experienced workforces, and industrial infrastructure such as roads, power transmission lines, water supply, and buildings which are well-placed to continue supporting and servicing local industry into the future, after the conclusion of mining. These mine sites are well located and equipped to support future new industries, and highly compatible with the requirements of advanced manufacturing, commercial projects, and heavy industry. The ability to reuse existing industrial infrastructure in support of new industrial opportunities for mining communities should be prioritised when considering post-mine land use plans at NSW mines.

(e) How to ensure the benefit from innovative post mine land uses are shared between the community and mine operators.

[6] Department of Regional NSW, Future Jobs and Investment Authorities Issues Paper, p. 12.

From a community perspective, it is important that every attempt is made to maintain aggregate demand in the local economy and realign worker skills and business supply lines to high-value and sustainable new jobs and opportunities. Even small periods of significant economic disruption can lead to long periods of sustained disadvantage in a community. There is significant lead time on workforce skills re-alignment, recalibrating business supply chains and undertaking strategic land-use planning to enable investment attraction. This work needs to get underway as much as ten years prior to significant industrial closures.

Perhaps the best-case study of an adaptive re-use of mining assets in a NSW context is the collaborative work undertaken by industry, unions, local government, and the knowledge sector at Muswellbrook Coal. This mine had the advantage of holding local government consents which proved to be more flexible and agile in imaging re-use options for the site when compared with NSW Government consents.

Idemitsu gave Muswellbrook Shire Council and the community seven years' notice of intended cessation of mining. As the Liddell Power Station was closing in a similar timeframe, Muswellbrook Shire Council formed a Standing Committee on Industrial Closures to better coordinate the resources necessary to minimise impacts on the community. The Committee consisted of representatives of industry (AGL and Idemitsu), the Mining and Energy Union, business supply chains, and the knowledge sector (Monash and Newcastle universities). It also had Federal and State Government representation. No similar structure existed or exists within State Government for the coordination of significant industrial closures.

Key parts of the Committee's coordination efforts included:

- undertaking wind, solar and pumped hydro energy storage (PHES) resource assessments;
- structure and master-planning of both sites identifying key opportunities and constraints for re-use;
- undertaking gas, blue and green hydrogen, and other energy utility assessments;
- exploring Aboriginal economic empowerment and social inclusion projects;
- industry and unions working constructively on whole-of-family support (including worker reskilling) and worker transfer schemes;
- transport planning to ensure options enabling site reuse were being considered in major transport projects in the region;
- investment attraction;
- enhancement of the approved rehabilitation and site remediation plans; and
- an employment lands audit to assess the suitability of the Idemitsu site for future industrial activity.

As a consequence of the studies, approximately $1 billion of potential economic investment has been attracted to the sites with Muswellbrook Shire Council taking a land option over the top reservoir of the proposed Bell Mountain Pumped Hydro scheme and later selling the scheme to AGL and Idemitsu.

Avoiding or delaying decommissioning costs in the reuse of infrastructure can be a significant financial contributor to the sustainable adaptive reuse of former industrial sites and mines for the benefit of the community. The approach needs to be supported by early, robust, and clear assessment pathways which have demonstrable community benefits.

> *(f) The expectations of mining communities in relation to post-mine land use, and how to balance this with innovative reuse of existing infrastructure.*

Mining communities carry significant economic and environmental burdens on behalf of the state's economic growth and development, including accommodating transient workforces, high demand on roads and public infrastructure, and local economic vulnerability to fluctuating global commodities markets. They are justified in expecting that mining will be a temporary land use, with disturbed land returned back to the community in a safe, usable state. Beyond affecting the ability of the community to utilise mined land for leisure or productive purposes, mines left unrehabilitated pose significant health risks to communities.

Robust rehabilitation compliance measures are critical for ensuring communities aren't left with rehabilitation liabilities that should belong to mining companies. Inadequate rehabilitation security bonds force the NSW public to bear an unfair burden on behalf of companies, despite the fact that it is the mining companies who get to derive profit and shareholder value from extracting resources which belong to the people of NSW.

The rehabilitation process, as well as the development of new industries utilising useful mine facilities and rehabilitated land, can provide an important source of continued employment for workers and local communities, particularly those whose jobs and income are being affected by the energy transition. Mine workers at closing mines are justified in expecting they will be prioritised for employment opportunities created through the rehabilitation process.

Planning for post-mining land use needs to engage with the local community and support local visions for the future. Coal communities are interested in land use opportunities which support good blue-collar jobs, keep communities thriving economically, and allow for residents and visitors to use and enjoy the local environment. Legislation and policy should ensure that there is space for diverse post-mining land use that provides broad community benefits. Rehabilitation conditions on mining leases typically prioritise regulator ideas, rather than community ideas, for future land use. For example, leases often require mine sites to be rehabilitated for future use as grazing land, which inevitably sees benefits delivered to a finite number of agricultural landholders – this may be appropriate for a majority of mine sites, but broader community benefit is likely to be derived from pursuing a wider range of land uses.

With traditional mining regions facing significant economic challenges, conversion of sites for continued industrial or other productive use may be a more beneficial outcome for the community than full site rehabilitation, especially where rehabilitated land may not be fully accessible due to subsidence or other risks. Where mine operators seek to repurpose mined land and existing infrastructure for other purposes, in place of completing full site rehabilitation, communities should be consulted, and local workers given priority for any employment that the new use

generates. Workers directly impacted by mine closures should be prioritised for employment in available site rehabilitation roles.

(g) The need to develop a robust independent regulatory framework to maintain and advance best practice in this area.

There is a need for a more robust regulatory framework, as existing policy arrangements for mine rehabilitation have repeatedly proven inadequate. This could potentially take the form of an independent commission. The objectives of regulations for mining rehabilitation must include:

- Transparency and equal access to information, ensuring all rehabilitation plans, closures, and post-mine developments are readily available in a functional public hub.
- Strong cost recovery frameworks to ensure that the public does not bear the costs of mine site rehabilitation, through setting security bonds at a level which genuinely covers full costs, as well as preventing companies from escaping obligations through selling mine leases to entities unable to cover rehabilitation costs.
- Community engagement and empowerment, giving communities a meaningful voice in deciding their future and managing the land's transition.
- Integration of community insights in planning, respecting the unique knowledge and values, including those of First Nations communities.
- Prioritisation of employment and training opportunities for displaced mine workers and the broader community, and economic diversification in regional mining communities.

The MEU stresses that post-mining land use should be flexible, innovative, and primarily beneficial to the communities that have been historically affected by mining activities. As such, we recommend investment in infrastructure projects and more substantive reforms encouraging community ownership of developments. This regulatory framework must be designed to promote best environmental and sustainability practices and economically viable land uses, while also considering the needs and desires of the local population for participation and fair distribution of benefits.

A new independent commission or other enhanced regulatory framework, coupled with clear legislative mandates and robust community participation, is crucial to maintaining and advancing best practices in mining regions. By doing so, we ensure that the legacy of mining evolves to provide continued and enhanced value to the mining region and its residents.

(h) Any other related matters.

Given the inadequacy of rehabilitation security bonds lodged by mine operators with the Government, as well as the strong profits made by the industry over recent years, the introduction of a levy on the coal mining industry to fund rehabilitation should be considered. This is critical to ensure that financial responsibility for residual risks associated with mine rehabilitation does not fall to the public. A levy could also be used to rehabilitate those historical mine sites where rehabilitation has never occurred.

Unlike the existing coal royalty scheme, the funds accumulated through such a levy would be earmarked exclusively for the restoration of mining lands, prioritising the repair of environmental damages, and setting the stage for universal best practices in post-mining land use. By aligning the levy with the rehabilitation costs and future land use potentials, we can facilitate responsible stewardship of the environment and ensure that our collective natural heritage is preserved for future generations. Furthermore, it is vital that the management of the fund and the allocation of its resources be conducted transparently, with regular audits and involving community input to instil public confidence and uphold the principles of fairness and accountability.