

# COAL MINE SUBSIDENCE COMPENSATION AMENDMENT BILL 2024

Tabled, by leave,  
Minister Sharp  
7 / 8 / 24.

## Statement of Public Interest

### Need: Why is the policy needed based on factual evidence and stakeholder input?

The *Coal Mine Subsidence Compensation Amendment Bill 2024* (the **Bill**) is the result of the *Statutory Review of the Coal Mine Subsidence Compensation Act 2017* (the **Review**), which was tabled in the NSW Parliament in August 2023.

The *Coal Mine Subsidence Compensation Act 2017* (the **Act**) sets up a legal framework to provide a fair, efficient, and sustainable compensation scheme for dealing with the impacts of coal mine subsidence.

The Review was required under section 59 of the Act, to ensure the policy objectives of the Act remain valid, and the terms of the Act remain appropriate for securing those objectives.

Stakeholder views were essential to the formation of the Review's recommendation and design of the Bill. During the two rounds of consultation, 75 responses were received.

The Review and Bill also took into consideration the advice from Subsidence Advisory NSW.

### Objectives: What is the policy's objective couched in terms of the public interest?

The Bill seeks to make improvements to the compensation framework by:

- expanding compensation to assist more people affected by coal mine subsidence
- improving claims determination to support customers
- clarifying the functions of Subsidence Advisory NSW to respond to subsidence impacts and risks
- increasing penalties to improve compliance by mine operators.

The Bill was the subject of extensive targeted and public consultation. The amendments therefore reflect current industry and community attitudes and expectations on the compensation scheme.

The amendments will ensure that the Act remains fit-for-purpose and that the compensation scheme adequately compensates those affected by mine subsidence. There is strong public interest in ensuring community confidence in the compensation scheme.

### Options: What alternative policies and mechanisms were considered in advance of the bill?

Based on stakeholder feedback, the Review made 9 recommendations, all of which required amendments to the Act.

Alternative policies to amending the Act (including maintaining the status quo of the Act) were considered, but involved costs compared to amending the Act. See below for details.

### Analysis: What were the pros/cons and benefits/costs of each option considered?

The key benefit of maintaining the status quo of the Act is providing certainty for stakeholders by maintaining the existing compensation framework.

However, this would entrench existing costs in the current Act, compared to if the Act were amended. These include:

- reduced clarity in the Act, due to the lack of provisions outlining the roles and responsibilities of Subsidence Advisory NSW throughout the claims process.

- reduced efficiency in the Act, due to the lack of provisions refining the claims assessment and determination process.
- reduced flexibility in the Act, due to the lack of provisions allowing the Chief Executive of Subsidence Advisory NSW (the Chief Executive) to fund discretionary expenses such as temporary accommodation and relocation expenses.
- disadvantaging residential tenants, due to the lack of provisions recognising tenants as eligible claimants for compensation for damages arising from subsidence.

The preferred option is to amend the Act, to realise the benefits of increased clarity and flexibility in the Act, and benefits those affected by mine subsidence.

**Pathway: What are the timetable and steps for the policy’s rollout and who will administer it?**

The Minister for Better Regulation and Fair Trading is responsible for administering the Act being amended, with support from the Department of Customer Service (the **Department**). Subsidence Advisory NSW within the Department manages the compensation system set up by the Act, and will implement the operational changes that result from the Bill.

The Bill should be introduced into Parliament in **June** 2024, to implement the recommendations made in the Review which was tabled in the NSW Parliament in August 2023.

**Consultation: Were the views of affected stakeholders sought and considered in making the policy?**

Public and industry stakeholder consultation feedback and views were vital in development of the Review’s recommendations and the subsequent drafting of the Bill.

Consultation for the Review commenced with the release of a Discussion Paper to seek feedback on the current compensation scheme and on other general matters relevant to improving the administration of the scheme. The consultation was held for 9 weeks between November 2022 and January 2023, during which the Department received 10 written submissions and 12 survey responses. The final report on the Review was tabled in Parliament on 22 August 2023, and a bill was drafted based on these recommendations.

Public consultation on a draft bill was conducted between March 2024 and April 2024, and additional consultation with industry was undertaken in March 2024.

During the 2 rounds of consultation on the draft Bill over 2022-2024, 75 responses were received from a variety of stakeholders and interested parties. Overall, stakeholders generally supported the Bill and most survey respondents agreed with the proposed amendments.

The Department briefed key industry stakeholders in March 2024 on the Bill and they were generally supportive of the proposals.