
From: Alison Goodwin
Sent: Monday, 2 September 2024 12:29 PM
To: State Development
Cc: Grahame Kelly
Subject: Re: Inquiry into post-mining land use – Post-hearing responses – 5 August 2024

Dear Jessie,

Please see below our response to the question taken on notice and transcript corrections.

Response to Question on Notice:

We committed to take the following question on notice:

'In your submission—and you did touch on it in comments you made earlier—you mentioned mine operators not being free to place mines on indefinite care and maintenance as a tactic to avoid closure and rehabilitation. I wondered if the MEU had any examples of mines currently like that and whether you had any indication of the scale of that potential problem and how to deal with it.'

We are not able to nominate specific current examples with certainty. It is inherently difficult to prove that failure to fully rehabilitate or indefinite care and maintenance is a tactic to avoid closure costs as this goes to what is in the mind of the mine's management, and there are usually no documents in the public arena that would make such an admission. The Committee could consider consulting the Resources Regulator for a list of mines in NSW on care and maintenance, which would shed light on which particular mines have been on care and maintenance for unusually long periods of time.

As a general principle, the challenge with extended care and maintenance is that it is difficult to be certain that perpetual maintenance of a site can occur indefinitely. Poorly managed mines still pose environmental hazards when not operational – consider, for example, that less than two weeks ago the EPA issued a fine to Wollongong Resources Pty Ltd after around 30 tonnes of coal material was allegedly discharged from the Russell Vale Colliery site in April, despite the site not operating since January. The EPA stated that the mine licensee did not have the necessary maintenance programs in place to prevent the incident.

Even where commodity prices recover, recommencement of mining can be prohibitively expensive – a risk that increases the longer the period of care and maintenance extends as income is not being generated by the mine throughout the care and maintenance period. This presents a risk of mine abandonment, which should a policy concern considering that the number of care and maintenance stage and abandoned mines in NSW greatly outnumber those that have been rehabilitated. We refer the Committee to two journal articles which expound on the issue of indefinite care and maintenance and consider potential policy solutions:

Pepper M, Hughes M and Haigh Y (2021) 'Loophole or lifeline? The policy challenges of mines in care and maintenance', *The Extractive Industries and Society*, 8(3), doi: 10.1016/j.exis.2021.01.014.

Vivoda V, Kemp D and Owen J (2019) 'Regulating the social aspects of mine closure in three Australian states', *Journal of Energy & Natural Resources Law*, 37(4), 405-424, doi: 10.1080/02646811.2019.1608030

Kind regards,
Alison

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National Research and Policy Officer



Mining & Energy Union