



# SECURING JOBS IN MINING REHABILITATION

## New rules, a tough watchdog, filling final voids

A just transition and a clean environment

As the world shifts to clean energy and the mining boom fades, coal mines are closing and thousands of jobs are being cut. We must secure jobs in rehabilitation as part of a ‘just transition’ for coal dependent communities. Our plan will make sure big mining and resources companies clean up their own mess.

Thermal coal is now in structural decline, with 16,000 jobs lost since 2012 and many more to come. The world’s largest coal company, Peabody Energy has gone bankrupt.

The hardest hit by this global energy transition will be the workers as mining companies go bankrupt or sell their mines. State governments could be left financially exposed and local communities could be left with a toxic legacy.

### > The Greens’ plan to secure rehabilitation jobs

The Greens have [already announced our After Coal plan](#)<sup>i</sup> focused on coal mines:

- Immediately conduct an audit of all coal mines to determine the gap between secured rehabilitation bonds and the actual cost of rehabilitation.
- Develop a tailored plan for each company to pay into a newly established mining trust fund to secure rehabilitation jobs.
- A separate \$1 billion Clean Energy Transition Fund to help workers and communities by creating jobs and funding retraining.<sup>ii</sup>

The Greens will also secure jobs in across all mining and resources sectors with the following additional reforms:

- Establish a **national inquiry** into mining and resources rehabilitation and abandoned mines;
- The Mining Rehabilitation Commissioner would help to develop **national standards for mining and resources rehabilitation** which would ensure high environmental standards and input from the local community;
- Create a **Mining Rehabilitation Commissioner** with \$2 million in funding per year to help secure jobs and make sure mining companies pay to clean up their own mess;
- **Mandate the back-filling of ‘final voids’** as part of the national standards;
- Reform the *Corporations Act* and accounting standards to **require companies to transparently report** their full liability for rehabilitation of their assets.

### > Jobs in mine site rehabilitation

While cleaning up Australia’s coal mines will involve a huge investment of billions of dollars, it also **creates thousands of jobs for coal workers in the very same communities where jobs are already being lost**. As a community we cannot afford to leave the looming employment and environmental disaster to chance. We need a plan now.

It has been estimated by Lock the Gate that rehabilitating the Bowen Basin in Queensland with its 40 coal mines and 94,600 km<sup>3</sup> of land disturbed by mining would create 2,000 – 3,000 jobs for many years to come.<sup>iii</sup>

Just one site, the Blair Athol coal mine near Clermont, has the potential to create around 40 full-time jobs for the next 6-10 years. This would be more jobs than currently exist at that mine, with only 17 workers left after massive jobs cuts. The only barrier is political will, with the former owners Rio Tinto refusing to fulfil their responsibility to clean up their own mess.

Jobs in mine rehabilitation would sit alongside thousands of new regional jobs in clean energy which would be created by the Greens’ *Renew Australia* plan to build at least 90% clean energy by 2030.

### > National inquiry and national standards

There are 50,000 abandoned mines around Australia, and we are at risk of many more to be created as the mining boom fades.

Rehabilitation is currently a state and territory responsibility, but recent reports from the Queensland Audit Office<sup>iv</sup> and the Minerals Policy Institute have shown systemic and structural failures in their regulatory regimes.<sup>v</sup>

There is a strong case for federal intervention, especially in light of the risks to our national environment including the Great

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Barrier Reef and Murray-Darling Basin posed by contaminated mine sites.

The Greens would establish a **national inquiry into mining and resources rehabilitation and abandoned mines**.

The inquiry would examine all aspects of mining and resources rehabilitation, including mine closure, community input, planning, regulation, monitoring and ecological standards. It would also examine the best way to secure rehabilitation funding up-front based on the principle that the polluter should pay for environmental damage.

The findings from the inquiry would inform the **development of national standards for mining and resources rehabilitation**.

In 2016, the Greens pushed for a Senate inquiry into mine rehabilitation, but received no support from any other party.

## > A Mining Rehabilitation Commissioner

The Greens would create a new Mining Rehabilitation Commissioner with funding of \$2 million per year to provide federal leadership in an area where States have comprehensively failed to regulate the mining industry adequately.

The Commissioner would be independent of government, and would be supported by an office and staff. He or she would assist the national inquiry in formulating new national standards for mining and resources rehabilitation, and would provide oversight of State rehabilitation regimes.

## > Filling in toxic final voids

A recent report from Energy & Resources Insights<sup>vi</sup> revealed the shocking scale and legacy of unfilled super-sized coal pits which the mining industry plans to leave behind in NSW. The planned 45 pits would cover more than 6,050 hectares, an area larger than Sydney Harbour.

Unless they are properly filled, final voids pose a serious long-term risk to groundwater, biodiversity and safety. They can permanently lower the water table and become increasingly saline with evaporation over time. For instance just one final void at the Liddell mine is expected to draw 57 million litres of groundwater per day.

Right now under Queensland and New South Wales law, final voids are not required to be filled. **The Greens would ensure that all final voids must be filled, unless a safe, non-polluting alternative which has the support of local residents is identified.** This would be achieved via the national inquiry and subsequent national standards for mining and resources rehabilitation.

Similar requirements already exist under US federal laws, and Australian multinational companies must comply with these requirements in the US. There is no reason why they could not

comply in Australia as well. The Independent Expert Scientific Committee on coal and CSG has noted that backfilling is increasingly seen as best practice because the long-term (100-year or 500-year) risks of final voids are too great.

## > Mandatory transparency of rehabilitation liability

Recently, big mining companies have been trying to avoid paying to clean up their own mess, as revealed in Environmental Justice Australia's *Dodging Clean Up Costs* report,<sup>vii</sup> including:

- Placing mines in care and maintenance indefinitely. For example, in Queensland in 2013 there were 104 mines in 'care and maintenance' but only 60 large-scale mine in operation;
- Running at a loss until the company's cash reserves run dry and abandoning the mine;
- Selling a mine to an unknown shelf company or 'minnow', sometimes for as little as \$1 in order to avoid rehabilitation obligations;
- Seeking an expansion without making adequate provision for rehabilitation;
- Applying an inappropriate "discount" to the required rehabilitation provision.

Some of these rorts would be addressed by the Greens' new national standards for mine rehabilitation, but others could also be addressed by mandating corporate transparency.

When a large company like Rio Tinto or BHP sells a mine to a shelf company, both companies should be obliged to disclose how much money they have allocated to rehabilitation. Right now, this information is not public, and local communities cannot find out whether big companies are willing to fund adequate rehabilitation works.

**The Greens would reform the *Corporations Act* and the accounting standards which set disclosure obligations to require companies to transparently report their full liability** for rehabilitation of their mining and resources assets, and on how much funding they have allocated to the clean-up. The Greens would ensure that those rules apply to private, public and multinational companies alike.

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<sup>i</sup> <http://greens.org.au/after-coal>

<sup>ii</sup> <http://greens.org.au/renew>

<sup>iii</sup> Drew Hutton, in The Green Institute (2016) *The End of Coal: How should the next government respond?* Page 40.

[https://www.greeninstitute.org.au/sites/default/files/End\\_Coal\\_WEB\\_June.pdf](https://www.greeninstitute.org.au/sites/default/files/End_Coal_WEB_June.pdf)

<sup>iv</sup> Queensland Audit Office *Environmental Regulation of the resources and waste industries* April 2014.

<sup>v</sup> Minerals Policy Institute (2016) *Ground Truths: taking responsibility for Australia's mining legacies* <https://www.acfonline.org.au/resources/ground-truths-taking-responsibility-australias-mining-legacies>

<sup>vi</sup> Energy & Resources Insights (2016) *The Hole Truth: The Mess Coal Companies Plan to Leave in NSW* [http://www.lockthegate.org.au/nsw\\_voids\\_report](http://www.lockthegate.org.au/nsw_voids_report)

<sup>vii</sup> Environmental Justice Australia (2016) *Dodging clean up costs : six tricks coal mining companies play* <https://envirojustice.org.au/blog/dodging-clean-up-costs-six-tricks-coal-mining-companies-play>