



Latrobe Valley Mine Rehabilitation Commissioner

Factsheet – Mine rehabilitation

Mine rehabilitation involves restoring mined land to a final land form that is safe, stable and sustainable, enabling future use.

Who is responsible for rehabilitation?

Rehabilitation is a legal obligation for mine owners for all mining projects in Australia and takes place during the operational life of the mine.

Who regulates mine rehabilitation?

In Victoria, Earth Resources Regulation (ERR) within the Department of Jobs, Precincts and Regions (DJPR) maintains a license and permit system for mine exploration, resource development and operations. ERR regulates the sector to ensure environmental standards are met and is responsible for administering the *Mineral Resources (Sustainable Development) Act 1990*.

Rehabilitation planning

Under the Act, mine owners must develop a work plan before any mining commences. The work plan includes a rehabilitation and closure plan and is submitted to ERR for approval. Mine owners must also publicly report on their mine rehabilitation progress by 30 September each year. A rehabilitation plan details progressive works before, during, and after mining ceases, and puts forward a final



concept of what the land will look like following rehabilitation.

Progressive rehabilitation

As well as guiding the landform design and shape of a mine, progressive rehabilitation includes bulk earthworks, top soiling and revegetation. It also considers future mining development and designated final land uses.

Final rehabilitation

Final rehabilitation takes place when the mine closes. It involves decommissioning and demolishing infrastructure, land management, monitoring and maintenance. Innovative uses for land once mining has finished is explored, with a focus on minimising exposed overburden to mitigate dust and cover exposed coal.

In the case of ENGIE following the closure announcement of Hazelwood in March 2017, the mine owner is required to submit a final rehabilitation plan. ERR is currently working with ENGIE on developing the plan. The Latrobe Valley Mine Rehabilitation Commissioner is overseeing this work.



The office of the Latrobe Valley Mine Rehabilitation Commissioner was established in response to a recommendation by the 2015-16 Hazelwood Mine Fire Inquiry. Professor Rae Mackay was appointed in June 2017. The Commissioner provides independent advice directly to the Victorian government on mine rehabilitation, and works closely with the community, stakeholders and the three mine operators (ENGIE, EnergyAustralia and AGL) on mine rehabilitation planning.

Rehabilitation costs

Mine rehabilitation is a costly process and needs to be carefully planned and implemented. The cost of mine rehabilitation rests with the mine owner. Significant further research and planning is required to accurately determine the likely rehabilitation costs for the three Latrobe Valley coal mines.

ENGIE's estimated rehabilitation costs for Hazelwood are \$439 million for the mine site and \$304 million for the power station. Decommissioning of the power station is complete and demolition works will be undertaken and completed over the next three years. For the mine, rehabilitation and closure involves a period of preliminary earthworks, followed by lake filling and subsequent monitoring and maintenance. It is anticipated that it will take approximately 25-30 years until the license is relinquished, subject to the satisfactory achievement of closure criteria.

Rehabilitation bonds

A rehabilitation bond is a guarantee that the mine owner must provide to the Victorian government, which can be drawn upon if they can't fulfil their rehabilitation obligations.

The 2015-16 Hazelwood Mine Fire Inquiry found that the then rehabilitation bonds for each coal mine were insufficient to cover the costs of rehabilitation (\$15 million each).

A review in October 2017 resulted in the bonds being increased significantly:

- ENGIE Hazelwood - \$289 million
- EngeryAustralia Yallourn - \$148 million
- AGL Loy Yang - \$154 million

As progressive rehabilitation at each mine is completed, the bonds may reduce as a reflection of the lower remaining costs for rehabilitation.

Did you know?

The appointment of a commissioner to oversee mine rehabilitation is a first for Victoria, let alone Australia or the world. Mine rehabilitation is not unique to the Latrobe Valley – it's happening nationally and globally. In addition to currently operating mines, there are approximately 50,000 abandoned mines across Australia, most of which ceased operations before environmental approvals were introduced.¹

More information

Visit www.lvmrc.vic.gov.au

Email commissioner@lvmrc.vic.gov.au

Call 1800 571 966

Follow us on Facebook
www.facebook.com/lvminerehab.

¹ (Rehabilitation of mining and resource projects and power station ash dams as it relates to Commonwealth responsibilities, The Senate Environment and Communications References Committee, March 2019).