

To: LEGISLATIVE COUNCIL PORTFOLIO COMMITTEE 2 - HEALTH

Re: INQUIRY INTO CURRENT AND POTENTIAL IMPACTS OF GOLD, SILVER, LEAD AND ZINC MINING ON HUMAN HEALTH, LAND, AIR AND WATER QUALITY IN NSW

5 September 2023

Introduction

The Association of Mining and Exploration Companies (AMEC) welcomes the opportunity to provide a submission to the Legislative Council Portfolio Committee 2 – Health for the *Inquiry into current and potential impacts of gold, silver, lead and zinc mining on human health, land, air and water quality in NSW*.

About AMEC

AMEC is a leading national minerals industry association representing over 550 member companies across Australia. Our members are explorers, emerging miners, producers, and a wide range of businesses and services working in and for the minerals industry. AMEC has a growing number of companies working and investing in NSW.

Impact of mining is a core consideration for the NSW minerals industry

Safety, community, and environment are, and should always be, the highest priority for the minerals industry. These important factors form the basis for not only regulatory requirements for the minerals industry but are also critical for our social licence to operate.

Australia has been rated as “most attractive region in the world for mining investment”¹ and NSW is one of Australia’s important mining jurisdictions. The NSW Government supports sustainable mining investment to maximise the resources of the State.

NSW has a rigorous regulatory system that is generally considered one of the most demanding. The NSW Government continues to work to improve the clarity and transparency of regulatory requirements for both industry and the wider community.

Above and beyond regulation, the minerals industry invests significant efforts and resources into environment, social and governance (ESG) considerations and is an industry leading sector in ESG. This is evidenced by the recent publication by the NSW Minerals Council *Guiding Principles for Responsible Mining in NSW*² and AMEC *Guide for Mineral Explorers on ESG*³ and an updated *2023 AMEC NSW Land Access Toolkit*⁴. These

¹<https://www.fraserinstitute.org/categories/mining>

²<https://www.nswmining.com.au/news/2023/8/guiding-principles-for-responsible-mining-in-nsw-esg>

³<https://amec.org.au/environment/>

⁴<https://amec.org.au/jurisdiction/nsw/>

publications represent significant investment by industry and reflect the priority and importance of ESG for the sector. This is encapsulated by one of the guiding principles of the *AMEC Guide for Mineral Explorers on ESG*:

“Minimise impact, maximise protection”.

The minerals industry is an important NSW industry and a pillar of the regional economy

Mining is a pillar of the New South Wales economy and an important regional industry.

Following the significant impact of the COVID-19 pandemic, as well as the lasting impacts of drought, bushfires and floods in recent years, the mining industry has helped drive the recovery of NSW, particularly in regional NSW.

The resources industry is currently contributing record royalties to the NSW Government. Annual royalties of over \$4 billion were forecast in the 2022 -23 Half-Yearly Review⁵ (an increase of \$0.3 billion from the 2021-2022 Budget⁶). Royalties support important State spending on schools, hospitals, and flood recovery. As an example, royalties from the minerals industry have more than paid for the NSW and Australian Government investment in NSW flood recovery.

The NSW Minerals Council’s latest annual member *Expenditure Survey*⁷ shows that in the last financial year, the 27 participating mining companies supported almost 31,000 full time equivalent jobs, an increase of over 900 on the previous year and the highest reported in the decade-long history of the survey.

“The Survey also found participating companies directly injected a record \$16.7 billion into the NSW economy over the same period...an increase of \$2 billion in spending compared to the previous year, and the highest level of mining spending reported in NSW in a decade.”

The record \$16.7 billion of direct mining spending included over \$2.9 billion spent on wages and salaries, as well as \$10.5 billion for goods and services purchased from almost 7,000 NSW businesses.

Importantly, the minerals industry directly invests in regional economies that includes increased and diversified job opportunities and sourcing local goods and services. As a regional industry, we work in regional locations, purchase goods and services locally, stay in local hotels, eat and drink locally, and routinely hire regional contractors and staff. Economic modelling indicates that the mining industry contributes 19% of Gross Regional Product in the Central West Region and 35% of Gross Regional Product in the Far West⁸.

The minerals industry is part of the solution to support NSW regional economies as well as the broader economy of the State.

NSW is at the forefront of the new frontier of the discovery and development of critical minerals

The world needs critical minerals. Critical minerals are ‘critical’ because there are no other viable substitutes and geological scarcity, geopolitical issues, or market dynamics could cause potential disruptions in supply. The production of critical minerals has the potential to create thousands of new job opportunities, support regional development, and increase exports.

⁵ <https://www.budget.nsw.gov.au/sites/default/files/2023-02/2022-23-Half-Yearly-Budget-Review.pdf>

⁶ <https://www.budget.nsw.gov.au/>

⁷ <https://www.nswmining.com.au/expenditure-and-jobs-surveys>

⁸ <https://www.nswmining.com.au/expenditure-and-jobs-surveys>

Most jurisdictions have identified lists of critical minerals. Of the elements or ‘minerals’ identified in this Inquiry, silver is included in the current NSW critical minerals list⁹, the USA and Canada includes zinc¹⁰ and the list from the Commonwealth of Australia is currently under review to ‘ensure it responds to global strategic, technological, economic and policy changes’.¹¹ AMEC is advocating for Zinc to be added to the Commonwealth Government’s critical minerals list, and critical transition minerals list, as it is starting to be recognised as a critical material for the low-carbon economy. It plays a large role in renewable energy technologies including solar and wind power, and zinc-ion batteries have growing uses in electric vehicles.

Australia is well placed to support the demand for these minerals that support future focussed industries and the energy transition to Net Zero. Australia has rich critical minerals resources and significant exploration potential for new discoveries as well as a long history as a successful resources nation.

“Australia has a skilled workforce, world leading environmental, social and governance (ESG) practices and a transparent regulatory environment. These advantages put Australia in prime position to lead the exploration, extraction, production and processing of critical minerals.”¹²

NSW hosts a range of strategically important critical minerals that are vital for a range of future industries including advanced manufacturing, renewable energy, defence, aerospace, battery storage, automation, and electric vehicles. This includes known critical mineral deposits including lithium, cobalt, rare earths, nickel, silver, zinc and copper, along with the significant potential for discovery of new deposits.

Critical minerals are often found and mined together with other minerals. In NSW we are fortunate to have the rich Lachlan Fold Belt in the Central West that has porphyry copper-gold deposits that host world class mines that produce some of the world’s most ethical sources of these minerals that are so important for our future.

The NSW Government has prioritised the support for responsibly sourced critical minerals:

“Global security of critical minerals supply is vital – and NSW is well placed to help meet this demand. NSW has a diverse range of untapped critical minerals, including some very rare deposits, and a thriving metalliferous mining industry. Combined with highly skilled workers and world-leading safety and environmental standards, NSW is well positioned to be a major exporter of responsibly sourced value-added critical and ‘high technology’ minerals¹³.”

In line with this prioritisation, NSW has attracted an increased exploration expenditure in these critical minerals and high-tech metals as shown in **Figure 1** below. Supporting the minerals industry from exploration through to development and downstream processing of these deposits will be vital to position NSW as a global supplier of critical minerals.

Supporting and nurturing the growing critical minerals sector is especially important in NSW in view of the strong reliance of the State currently on coal as an important export and foundation of many regional communities.

⁹⁹<https://www.nsw.gov.au/sites/default/files/2022-08/List%20of%20priority%20Critical%20Minerals%20and%20High-Tech%20Metals.pdf>

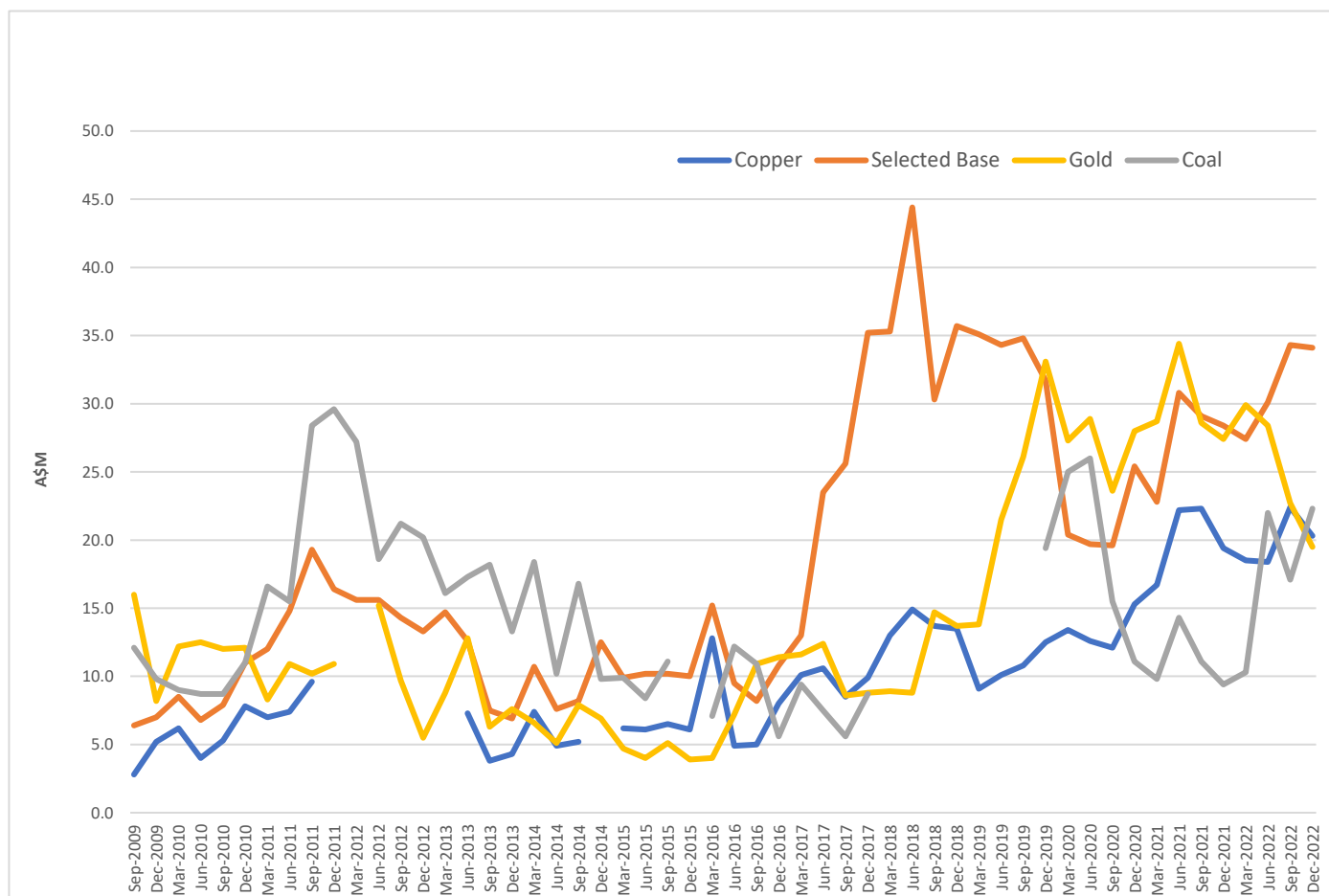
¹⁰<https://www.energy.gov/cmm/what-are-critical-materials-and-critical-minerals>

¹¹<https://www.industry.gov.au/publications/australias-critical-minerals-list>

¹²<https://www.globalaustralia.gov.au/industries/net-zero/critical-minerals/prospectus-2022>

¹³<https://www.nsw.gov.au/regional-nsw/critical-minerals-and-high-tech-metals-strategy>

Figure 1 – New South Wales quarterly exploration expenditure by minerals (in A\$M)



Source: ABS, Mineral and Petroleum Exploration, Australia¹⁴ *Zinc is included as a Selected Base Metal in ABS reporting.

Mining has inherent risks but mining in Australia has leading safety and environmental standards

Mining has inherent risks, but these are well managed by the stringent regulatory system in Australia. In Australia, mining is generally considered as “subject to more regulatory requirements than any other Australian industry”¹⁵ Safety is always a key consideration.

“Australia’s mining industry is renowned for the development of best practice health and safety solutions that support high levels of productivity. The health of mine workers and safe mining operations are protected by a world-leading regulatory and policy framework, with industry and government working together to achieve ‘zero harm’ - an industry free of fatalities, injuries and disease.”¹⁶

Sustainable development is core to NSW’s regulatory framework

NSW has a rigorous regulatory framework. New mines in NSW need to complete an extensive and exhaustive regulatory approval with obligations under multiple legislative and regulatory requirements with assessment

¹⁴ <https://www.abs.gov.au/statistics/industry/mining/mineral-and-petroleum-exploration-australia>

¹⁵ <https://www.pc.gov.au/inquiries/completed/resources#report>

¹⁶ www.austrade.gov.au

from many different Government departments and agencies, with final consent authority from the Independent Planning Commission. The assessment process for a new mine in NSW takes years to complete and thousands or millions of dollars of investment.

Following the assessment process, mining developments in NSW include detailed consent conditions that have strict conditions to prevent, minimise and mitigate impacts as well as requiring long-term monitoring and management. Management plans for mine developments must be approved by Government and are regularly reviewed and updated to align with best practice. Progressive rehabilitation is incentivised, and mine closure plans are developed initially as part of a new mine approval and then regularly reviewed and updated over the life of the mine.

Rehabilitation requirements in NSW are regularly updated and reformed, as most recently as this year¹⁷. These changes and improvements have been significant, especially in the recent years, and rehabilitated mine sites in NSW¹⁸ are now regularly returned to the previous or improved state.

“Four years later and people can’t believe that this area was a mine...while the operational part of the mine employs 300 people and has so far contributed over \$140 million to NSW, it too will be rehabilitated in the same way”¹⁹

In NSW, new mines are designed to be nil discharge sites. New technologies and innovations have improved waste disposal methods available to meet the future challenges to sustainable development.

To balance impacts to the land from mining development, areas of land for biodiversity offset areas are established by the industry (generally at a higher rate than the land disturbed) and companies regularly partner with community groups on conservation and biodiversity initiatives.

Importantly, mining companies are responsible for the full cost and implementation of rehabilitation across NSW. The NSW Government currently holds over \$3 billion in security deposits for exploration and mining tenure that is only returned to the explorer or miner following rehabilitation to the satisfaction of both the NSW Government and landholder²⁰.

NSW is a leading jurisdiction with responsible resource development

“While an image of ‘rapacious miners’ is still held by some sections of the community, a sense of wanting to be good corporate citizens is palpable within the mining industry in Australia. Indeed, this industry has probably had to come to terms with the social and environmental context of its activities earlier than most. In this sense, the mining industry is probably the pioneer in ‘triple bottom line’ corporate thinking²¹.”

Chairman, Australian Productivity Commission

NSW has a rigorous regulatory system and the minerals industry and the NSW Government continue to work to support sustainable development of the State’s mineral resources and lead the way in the new frontier of critical minerals development.

¹⁷ <https://www.resourcesregulator.nsw.gov.au/rehabilitation/mine-rehabilitation>

¹⁸ <https://www.resourcesregulator.nsw.gov.au/rehabilitation/mine-rehabilitation>

¹⁹ <https://www.nswmining.com.au/rehabilitation>

²⁰ <https://www.resourcesregulator.nsw.gov.au/rehabilitation/mine-rehabilitation>

²¹ <https://www.pc.gov.au/media-speeches/speeches/cs20030603>

AMEC looks forward to working further with the Parliamentary Inquiry on this important matter. If you have any queries regarding this submission, please do not hesitate to contact:

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