

INQUIRY INTO BENEFICIAL AND PRODUCTIVE POST- MINING LAND USE

Organisation: Wollondilly Shire Council

Date Received: 25 June 2024

Standing Committee on State Development
Legislative Council
Parliament of NSW

24 June 2024

Dear Sir / Madam

SUBMISSION TO INQUIRY INTO BENEFICIAL AND PRODUCTIVE POST-MINING LAND USE

Thank you for the opportunity to comment on the inquiry into beneficial and productive post-mining land use.

Wollondilly Shire Local Government Area is located approximately 75km south-west of the Sydney CBD on Dharawal, Tharawal, and Gundungurra traditional land. Wollondilly covers an area of around 2,560km² of rural landscapes and agricultural land as well as 15 towns and villages and serves as the transition between the urban fringes of the Greater Sydney Region with a combination of urban areas and metropolitan rural lands.

Wollondilly is home to two major mining companies, [Simec Mining](#) and [South32](#), which primarily produce metallurgical coal for steelmaking. Mining provides a significant benefit to the local economy, including:

- A Gross Regional product of \$2.7 billion; and
- 1,900 jobs in mining, 12 times the NSW average.

The attached submission provides comment on the Terms of Reference.

If you require any further information or clarification in response to this submission please contact Council's Team Leader Employment and Rural Industries, Nicole Dukinfield on
or

Our Recommendations

Recommendation 1:

Council acknowledges the need for successive land uses for mining sites however in addition, highlights the uncertainty of 'land in waiting' that may prevent other investment and economic development opportunities.

Recommendation 2:

Council highlights the opportunity of innovative examples like the proposed Western Sydney Pumped Hydro Project which seeks to repurpose a disused coal washery site within Wollondilly.

Recommendation 3:

Council welcomes investment in reskilling and retraining our significant workforce who are currently employed in mining, and requires this investment to continue to grow our local economy.

Recommendation 4:

Urbanised land uses including residential, commercial or industrial are not suitable for Wollondilly and any post mining land uses should reflect the existing zoning. Council supports opportunities to increase our tourism and visitor economy on existing mine sites.

Recommendation 5:

Early engagement with local communities and Councils is crucial to identify local community priorities and future developments.

Recommendation 6:

Council calls for better protections in place for landowners affected by mine subsidence and seeks the establishment of an independent assessment and review process to replace the current process overseen by Subsidence Service NSW.

Recommendation 7:

Council is a member of MERC and notes that due to our status as being part of the Sydney Metropolitan Area, we might not be eligible to access grants and other initiatives that are delivered under the Regional Development Act 2004 in relation to mining. This is despite Wollondilly Shire contributing \$503m of royalties to Government in 21/22 of the GRP.

Response to Terms of Reference

1. The benefits of having multiple successive land uses including the positive benefits for local communities and the economy, business, industry and the broader state.

As a rapidly growing Shire, Council is committed to increasing the availability of jobs to ensure that our community can work close to home. 12% of our Shire's workforce is employed in mining, making it the second highest industry for our resident workforce. Mining is also the largest employer of people who work in the Shire, but live elsewhere.

Having an appropriately skilled and employed workforce, including our mining industry, has ongoing benefits to the Wollondilly community that bring local investment and spending to our other local industries, businesses and services. In the 2021 Financial Year, mining operations resulted in spending of approximately \$327.9 million with local business and investment of more than \$1.46 million in local communities.

Council's Employment Lands Strategy (ELS) 2021 recognises that there are barriers to the delivery of additional employment lands that are affected by mining. This includes areas that have already been mined or are approved for long wall mining, and areas that have been approved for mining but where activities do not exist.

The ELS identifies an action to work with Subsidence Advisory NSW to map the location of development opportunities for both mined land and land subject to approvals. This also includes identifying lease areas that have non-activated leases, to encourage the buyout or relinquishing of leases as a priority to ensure that approvals are not granted that would further limit employment opportunities in the future, particularly on land which is unlikely to be mined given limited options for larger development.

Therefore, whilst the benefits of successive land uses once for land identified for mining is acknowledged within Council's strategic planning framework, Council also faces the challenge of uncertainty of 'land in waiting' to potentially be mined. This results in uncertainty for the delivery of other economic development opportunities on these lands for more intensive employment uses.

Discussions regarding successive land uses should first and foremost consider the current land use zoning of mining lands. Within Wollondilly, these locations are within rural areas and are zoned for rural or conservation purposes, often amongst scenic and cultural landscapes that are highly valued by the community. Returning lands to their use prior to the beginning of mining activities should be the priority.

Any consideration of alternative land uses that would require a rezoning should follow existing processes including the preparation of a Planning Proposal that is supported by technical studies and adequate justification for the alternative use.

Council acknowledges the need for successive land uses for mining sites however in addition, highlights the uncertainty of 'land in waiting' that may prevent other investment and economic development opportunities.

2. Changes in land use potential and demand in established or traditional mining areas, particularly those generated by the decarbonised economy, renewable technology, manufacturing, defence, skills and training.

Wollondilly Shire Council is the location for the proposed Western Sydney Pumped Hydro Project (WSPHP), which is a project proposed by ZEN Energy to repurpose a disused coal washery site on the eastern side of Lake Burragorang, approximately 24km upstream from the Warragamba Dam wall.

The WSPHP has the potential to bring significant benefits for the Wollondilly community, including approximately 1,500 construction jobs, 80 ongoing jobs, and investment in the local community through a local community fund.

Projects like the WSPHP demonstrate the potential for government and private partnerships and investment into projects that deliver community benefit and seek to achieve a more sustainable future for communities via renewable technologies.

Without pre-empting approvals, and whilst there are significant environmental and social considerations that will need to be undertaken by the proponent and the NSW Government, Council strongly supports investment in local communities via projects that also deliver significant infrastructure upgrades, such as the upgrade of local roads and local community amenities.

Further information on the WSPHP can be found at the link below:

<https://www.waternsw.com.au/water-services/renewable-energy-and-storage-program/Western-Sydney-Pumped-Hydro-Project>

Council highlights the opportunity of innovative examples like the proposed Western Sydney Pumped Hydro Project which seeks to repurpose a disused coal washery site within Wollondilly.

3. **Opportunities for investment and growth in training and skills in established or traditional mining areas, including:**
 - i. **The need to reskill and or retrain current workforces**
 - ii. **The impact and effectiveness of existing and new education, training, and skills providing for mining communities.**

As highlighted in this submission, 12% of our Shire's workforce is employed in mining, making it the second highest industry for our resident workforce. Mining is also the largest employer of people who work in the Shire, but live elsewhere.

With the transition of our energy to renewables, Council supports the need to reskill and retrain our current workforce who are in the mining industry to ensure they are able to maintain employment as the economy transitions away from coal mining.

One of the significant challenges and opportunities for Wollondilly, is being located on the periphery of Metropolitan Sydney, with significant growth already occurring. Wollondilly is expecting its population to triple in the next 20-30 years to 150,000 people through two State led growth areas. This population will increase demand and pressure on the existing infrastructure and services, noting that Shire only has 1 public high school, no TAFE or University and almost no public transport.

Council welcomes support in the form of training and development programs and funding and grant opportunities, but also real investment in tertiary education in areas such as Wollondilly where there is a significant proportion of the workforce who will require reskilling and retraining.

The Government has not committed, nor provided the remit for higher and tertiary learning opportunities as part of the significant residential growth, however the future demand by post mining sector highlights the absolute need for NSW Government intervention and support to the current and future local communities.

Council welcomes investment in reskilling and retraining our significant workforce who are currently employed in mining, and requires this investment to continue to grow our local economy.

4. **Opportunities to encourage innovative post-mining land uses including:**
 - i. **The planning and implementation of essential supporting infrastructure for future site use**
 - ii. **The development of solar farms, pumped hydro, and other clean energy industries**

- iii. **The compatibility of post mining land sites with commercial projects**
- iv. **The potential of unlocking surrounding land for residential dwellings, amenities, environmental and educational facilities**
- v. **Potential exploration of former legacy mining sites with modern mining technology to explore deposits in tailings and closed sites**
- vi. **The development of sites for use for advanced manufacturing, commercial and industrial use.**

As highlighted in this submission, Wollondilly supports the creation of jobs, given the rate of growth expected within our Shire over the next 20 years. However, our growth is identified within contained State-led growth areas, including Wilton and Appin. Outside of these areas, our Shire is located within the Metropolitan Rural Area, which places importance and value on the economic, social and environmental values of our rural and agricultural landscapes. The Metropolitan Rural Area is identified within the Western City District Plan, prepared by the former Greater Sydney Commission, which guides the land use and planning decisions at the local level.

Given that our existing mines are located outside of the growth areas and generally within our valued rural landscapes, Council's view is that further residential development must only be delivered within the growth areas or existing towns and villages and strongly oppose post-mining land uses for residential purposes.

Appropriate uses should reflect the current zoning of the land being rural or conservation, and Council strongly supports and advocates for a thriving rural economy and rural industry in Wollondilly. Recently, Council prepared amendments to the local planning framework to enable greater diversity for our rural lands and boost our visitor economy, including greater opportunities for tourism-related land uses such as visitor accommodation and function centres. Council has also embedded tourist land uses as a core objective into our rural zones. Therefore, we consider that the most appropriate post mining land uses within our Shire would reflect opportunities that boost tourism, including the delivery of additional visitor accommodation, such as camping and eco-tourism.

Wollondilly Shire is also home to an abundance of natural assets that are embraced for their recreation values. Opportunities to utilise post mining sites for recreation and adventure-related activities would also be strongly encouraged such as mountain bike and horse-riding trails, or other agritourism uses.

It should be noted that given the location of existing mining sites within rural areas or on the fringe of our villages within Wollondilly, these areas are generally not located close to any regular public transport or other major amenities. These sites are also

heavily vegetated, with conservation and biodiversity values. Therefore, the consideration of urbanised land uses such as residential, commercial or industrial is strongly opposed and not appropriate for the location of mining sites within Wollondilly.

Urbanised land uses including residential, commercial or industrial are not suitable for Wollondilly and any post mining land uses should reflect the existing zoning. Council supports opportunities to increase our tourism and visitor economy on existing mine sites.

5. How to ensure the benefit from innovative post mine land uses are shared between the community and mine operators

The proposed WSPHP is an example of where shared benefits can occur from the reuse of mining sites. Water NSW outlines that the WSPHP will deliver the following benefits to the local community and Traditional Owners:

- Contribution of a \$1 million per annum Community Benefit Sharing Scheme for the local community, nearby landowners, Traditional Owners and First Nations communities which will be co-designed according to local needs and plans;
- \$5 million initial funding injection to the community for supporting identified value-add projects and initiatives, and an additional \$5 million every 10 years into a community fund;
- During construction, there is the potential to upgrade associated WaterNSW infrastructure, local roads and surrounding community amenities; and
- Income opportunities for local businesses and service providers.

Crucial to the importance of shared benefits from innovative post mining land uses is early engagement with local communities and Councils, to identify local priorities.

The proposed Western Sydney Pumped Hydro Project is an example of shared benefits. Early engagement with local communities and Councils is crucial to identify local community priorities.

6. The expectations of mining communities in relation to post-mine land use, and how to balance this with innovative reuse of existing infrastructure

It is important to acknowledge that approval processes for development in NSW are often at arm's length of Councils, given the increased scope of development and approval pathways that bypass Council. These processes mean that it is the responsibility of State Agencies, most notably the Department of Planning, Housing and Infrastructure, to engage directly with and manage community consultation processes when considering development.

Councils' can help support these engagement processes by providing any relevant data or feedback already gathered. Councils' can also provide support in sharing engagement and participation opportunities.

As highlighted above, early engagement with local communities and Councils' is crucial to identifying the expectations and priorities in relation to post mining land uses.

As approval pathways often bypass Councils, early engagement with local communities and Councils is crucial for future developments.

7. The need to develop a robust independent regulatory framework to maintain and advance best practice in this area

Council has strongly advocated in various forums on mine subsidence matters. In recent years, Council has called for better protections in place for landowners impacted by mine subsidence.

In 2022, Local Government NSW adopted a motion provided by Council that write to the NSW Mining Minister requesting an urgent review of the Mine Subsidence Act to better protect and assist landowners affected by mining activities. Council believes that the current review process for mine subsidence damage to properties should be assessed by an independent body.

Council has heard from many of our residents that the current subsidence process is inadequate, with many of them have been living for years with damage to their properties caused by mining in the area. Council would like to see more assistance provided to these residents as soon as possible, as well as the establishment of an independent assessment and review process to replace the process that is currently overseen by Subsidence Service NSW.

As highlighted earlier in this submission, any proposal that consider post mining land uses that would require a change in planning controls such as zoning, must follow existing processes that are in place that require appropriate justification and technical studies to support the alternate use.

Council calls for better protections in place for landowners affected by mine subsidence and seeks the establishment of an independent assessment and review process to replace the current process overseen by Subsidence Service NSW.

8. Any other related matters

In January 2024, Council provided a submission on the review of the *Regional Development Act 2004* (the Act). Council is a member of the Mining and Energy Councils (MERC) which is the peak organisation representing resource and power generation communities in NSW.

Late last year, MERC appointed the 'Future Together Group' (FTG) to provide services to MERC. One of the key priorities for FTG was to develop a new policy position guiding advocacy for a new program to replace 'Resources for Regions' and for a mechanism to include LGA's that are not regional but are mining impacted, like Wollondilly Shire. We support the submission made by the Mining and Energy Councils FTG.

Alongside of the FTG submission, we note that the Act applies to all areas outside of the Sydney Metropolitan Area, and therefore excludes the Wollondilly Shire. As a result, Council is unable to access grants and other initiatives that are delivered under the Act in relation to mining, given our status as being part of the Sydney Metropolitan Area.

Council is a member of MERC and notes that due to our status as being part of the Sydney Metropolitan Area, we might not be eligible to access grants and other initiatives that are delivered under the Regional Development Act 2004 in relation to mining. This is despite Wollondilly Shire contributing \$503m of royalties to Government in 21/22 of the GRP.