

**Submission
No 66**

INQUIRY INTO BENEFICIAL AND PRODUCTIVE POST- MINING LAND USE

Organisation: Nature Conservation Council of NSW

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Nature Conservation Council

The voice for nature in NSW

Legislative Council Standing Committee on State Development

Via email: state.development@parliament.nsw.gov.au

9th July 2023

To the Committee Secretariat,

Submission to Inquiry on Beneficial and productive post-mining land use

Thank you for the opportunity to comment on the beneficial and productive post-mining land use inquiry. Well considered post-mining land use (PMLU) reforms could offer a range of benefits to communities, the environment and more broadly, the state of NSW. As the world transitions to net zero and coal mining in NSW declines it is crucial to get these policy settings right.

Your key contact point for further questions and correspondence is Jaden Harris, Advocacy Manager, available [redacted] The Nature Conservation Council of New South Wales welcomes the opportunity to engage in further discussions with the Committee, Government and other stakeholders in this area.

About the Nature Conservation Council of NSW

The Nature Conservation Council of New South Wales (NCC) is the state's peak environment organisation. We represent over 200 environment groups across NSW. Together we are dedicated to protecting and conserving the wildlife, landscapes and natural resources of NSW.

The policy context: long term outlook for coal is a rapid decline in demand

As the world transitions to net zero, global demand for coal is expected to decline significantly. NCC is concerned that the pace of this change is being underestimated. There is an urgency to get these policy settings right given the scale of the transition in front of us.

The NSW Government’s Future Jobs and Investment Authorities Issues Paper (the NSW Issues Paper) cites an International Energy Agency global coal demand decline forecast of 30% by 2050. This figure is from the Stated Policies Scenario (STEPS) scenario in the 2023 International Energy Agency World Energy Outlook. STEPS is the most optimistic IEA forecast for global coal demand and relying solely on this forecast risks dramatically underestimating the scale and phase of the transition. The other scenarios, outlined below, forecast much steeper reductions in global coal demand.

- The Announced Pledges Scenario (APS) assumes all national energy and climate targets made by governments are met in full.
- Net Zero Emissions by 2050 (NZE) Scenario is the only scenario compatible with limiting global warming to 1.5 °C.

	2030	2050
STEPS	-10%	-30%
APS	-20%	-70%
NZE	-45%	-90%

Table 1: Global Coal Demand Reductions by Scenario, IEA, 2023.

Australia’s coal exports may decline much faster than global coal use overall as our export partners substitute domestic production for imported coal. Forecasts specifically for seaborne coal trade would be a more suitable starting point to consider the phase of the transition in NSW. The IEA 2023 Coal report stated that as demand declines globally, there will be “ample domestic supply in China and India”. The report also states the share of global thermal coal demand met by exports is forecast to decrease from 15% to 13% between 2023-2026, with Australian exports experiencing the second largest decrease following Indonesia¹.

The NSW Issues Paper claims that “*demand for metallurgical coal is forecast to remain stable until 2050 due to the lack of substitutes in steel making*”. This statement overlooks the clear alternatives to coal-based steelmaking that are continuing to emerge at pace globally. Assuming no substitution of metallurgical coal for green steel alternatives over the coming three decades is not a reasonable assumption.

The assumptions in the Issues Paper appear to have been selected to present an overly optimistic assessment of the future demand for NSW coal. These assumptions are not compatible with the goals of the Paris Agreement to keep global heating well below 2 degrees and close to 1.5 degrees. Relying on these assumptions for policy design and program delivery risks significantly underestimating the pace of the transition, and the

¹ International Energy Agency, [Coal 2023: Analysis and forecast to 2026](#), p69.

speed at which we need to address the challenges and opportunities associated with PMLU.

Environmental outcomes must be maintained or enhanced by PMLU reforms

NCC recognises that successive use of post-mining land to create new employment opportunities, especially for renewable energy and clean industry can create positive economic, social and environmental benefits for NSW. There is considerable merit to using the existing infrastructure and utility connections for new, clean industry opportunities that support economic diversification of mining regions, and ultimately assist Australia transition to net zero.

We welcome consideration of these opportunities, and potential reforms to better enable project delivery. However, such opportunities must not be at the expense of environmental and biodiversity outcomes. Mining approvals are granted on the expectation that sites are rehabilitated to high standards. Communities expect that the widespread destruction caused by operating mines will be permanently rehabilitated. PMLU reforms must not be seen as a way for mine operators to minimise their rehabilitation obligations.

PMLU reforms must:

- Maintain and strengthen environmental standards, ensuring that mining sites are safe, stable and non-polluting in the long-term, particularly in relation to runoff, water quality, air quality, and methane leakage.
- Ensure that revegetation requirements are met, and that there is a net increase in vegetation area compared to pre-mining use. Where PMLU development would replace revegetation, this must be offset with additional revegetation nearby.
- Be done in a way that is also 'nature positive', that is, they create net-positive outcomes for biodiversity and environmental assets impacted by the development.
- Seek to contain PMLU developments within already disturbed land.
- Ensure that where mining activity has destroyed any listed threatened ecological community or species habitat, the restoration of this ecology must be a priority before any other development is considered.

Recognition of Natural Capital and landscape restoration employment opportunities

In addition to other industries, the economic and employment benefits that landscape restoration provides must not be overlooked.

Landscape restoration and ongoing management for biodiversity is a labour-intensive activity that can support employment opportunities varying from professional to skilled, and semi-skilled roles including machinery operators, ecologists, Indigenous Rangers, surveyors, labourers and more.

More broadly, landscape restoration enhances natural capital values and provides ecosystem services that benefit the broader community and other industries such as agriculture. These economic benefits created by site restoration must be properly valued and considered. Site rehabilitation and restoration to a natural state should not always be seen as a less desirable option to other PMLU opportunities.

The Hunter region is well placed to become a world leader in post-mining landscape restoration, creating substantial employment opportunities. This will require investments in workforce and skills development. The NSW Government should support these job opportunities through additional investments in TAFE skills and training pathways.

Coordination of landscape restoration and biodiversity opportunities

The closure of coal mines in the Hunter region will release over 130,000 ha of land² for rehabilitation and PMLU in the coming decades. The scale of this land use change is a generational opportunity to enhance biodiversity outcomes in what is a key ecological region for the state. The NSW Government must coordinate landscape restoration to maximize biodiversity and connectivity outcomes.

The Hunter region is ecologically significant for several reasons. It is a key priority section of the Great Eastern Ranges connectivity initiative, addressing perhaps the largest 'vegetation gap' along the Great Dividing Range in NSW. The Hunter Valley region connects two World Heritage Areas, the Greater Blue Mountains to the South and the Gondwana Rainforests of Australia at Barrington Tops in the North. The region also encompasses the Southernmost end of the North Coast Bioregion and the Northern most end of the Sydney Basin Bioregion. It is an area where many species meet the limits of their current geographic ranges. In a warming climate, enhancing biodiversity 'climate corridors' in this area to allow species to move to higher elevations, and to the south would enhance their long-term survival prospects³.

The NSW Government should create an integrated landscape restoration plan to maximise biodiversity and connectivity outcomes. This work should be overseen by a new statutory authority.

² EY for Lock the Gate Alliance, [Diversification and growth: Transforming mining land in the Hunter Valley](#), 2022.

³ See: [Barrington to Hawkesbury Climate Corridors: Connecting regional climate change refugia for native species' persistence in a warming world](#), 2022

Ensuring community benefits

Whilst PMLU may offer new economic opportunities for mine operators, the policy objective of PMLU reforms should be to deliver better outcomes for communities and the environment. PMLU should not be seen as an 'easy fix' for mine operators to minimise rehabilitation obligations. As outlined above, PMLU reforms are an opportunity to further enhance restoration outcomes through regional / landscape scale restoration plans. Any cost savings should be reinvested into this, and other community benefit programs that support post-mining economic diversification.

The decline of coal mining will be a profound shift for local communities. Local community, worker and environmental voices must be central to planning and shaping decisions for future PMLU. The NSW Government must ensure project developers and government agencies meaningfully engage with local communities, including via the proposed Future Jobs and Investment Authorities.

Outcomes for First Nations

NSW must be guided by the United Nations Declaration on the Rights of Indigenous People (UNDRIP), which describes the minimum standards for the survival, dignity and well-being of Indigenous peoples. Access to country is a fundamental aspect of First Nations people's self-determination. The scale of mine closures and PMLU offers an opportunity to return lands to First Nations people, delivering lasting benefits to Indigenous Australians in these communities.

NCC urges the government to engage with local First Nations groups as part of PMLU reforms to facilitate these outcomes.

Yours Sincerely,

Jacqui Mumford
Chief Executive Officer
Nature Conservation Council of NSW