

**Submission
No 75**

**INQUIRY INTO BENEFICIAL AND PRODUCTIVE POST-
MINING LAND USE**

Name: Phil Laird
Date Received: 28 August 2024

**Att. Hon. Emily Suvaal MLC, Committee Chair
Legislative Council Standing Committee on State Development
Inquiry into Beneficial and Productive Post-Mining Land Uses
Parliament of New South Wales
Parliament House, Macquarie Street
Sydney, NSW 2000**

**By Email: state.development@parliament.nsw.gov.au
Thursday, 22 August 2024**

Legislative Council Standing Committee on State Development Inquiry into Beneficial and Productive Post Mining Land Uses Submission

Dear Committee;

Thank you for the opportunity to provide feedback in relation to the State Development Inquiry into Beneficial and Productive Post-Mining Land Uses.

I am providing comment regarding the following sections of the Inquiry's Terms Of Reference.

That the Standing Committee on State Development inquire into and report on beneficial and productive post-mining land use, and in particular:

- (d) opportunities to encourage innovative post-mining land uses including:
 - (i) the planning and implementation of essential supporting infrastructure for future site use*
 - (iv) the potential of unlocking surrounding land for residential dwellings, amenities, environmental and educational facilities**
- e) how to ensure the benefit from innovative post mine land uses are shared between the community and mine operators*

Yours sincerely

**Phil Laird
Landholder, Maules Creek**



Post Mining Landuse Inquiry Submission August 2024 Phil Laird



Maules Creek Context

Maules Creek is a great community with well maintained infrastructure, a good number of community groups, reasonably priced land, tarred roads and a strong jobs market.

There are approximately 73 residences in the Maules Creek area, a state primary school and community hall with tennis courts and campdraft facilities. Maules Creek is largely contained within Groundwater Management Zone 11 in the Namoi Valley. See Appendix A

The locality has three large opencut coal mines located in and around the Leard State Forrest in North West NSW. The Maules Creek Coal Mine (MCCM) being the nearest and the largest with its overburden heap clearly visible from anywhere in Maules Creek.

As part of the State and Federal planning consent conditions for the MCCM, large areas of farmland have been purchased by the mining company for coal mining, biodiversity offsets and buffers for the zone of affectation.

Approximately 20 of the houses associated with the properties purchased by the MCCM are no longer suitable for human habitation and are unavailable for rent leaving a significant decline in the population of the area.

In addition, a number of water licences have been purchased or have been granted to the MCCM for the purposes of passive take, coal washing and dust suppression. The mine holdings of Namoi Valley Zone 11 water licences are a substantial component of the overall Maules Creek water entitlements.

In 2017 - 2018 the MCCM “intercepted the regional groundwater table”¹, well before drought was declared in Maules Creek. In the ensuing period from 2018 – 2021 Maules Creek residents had to scramble to sustain their water supplies. At last count 31 groundwater bores and wells failed and/or had to be cleaned out, deepened or replaced across the 61 residences in Maules Creek Upper Management Zone. See Appendix B

Post drought, not all bores and wells in the district have recovered as expected.

Since the MCCM commenced mining at Maules Creek, the mine has produced saleable coal in excess of \$14.5 billion dollars. More than \$10 billion since the groundwater was impacted in 2018. This substantial benefit to the company and to the state of NSW has come at a cost to the local community in terms of increased business risk and reduced community resilience.

The mine is currently preparing a revised Environmental Impact Study to seek a NSW Planning consent to continue the mine until 2045 and to expand its production to 14 million tonnes per annum. There is potential for the mine expansion plans to put further pressure on groundwater in the area.

Post Coal Mining

It is envisaged that post coal mining, some of the properties that have been bought will be re-sold so that the land can be returned to agriculture. It is unknown whether any of the housing stock will be repaired to a habitable standard, however these houses would be able to be replaced or upgraded by new owners under the current Local Environment Plan.

The remaining land will be tied up as biodiversity offsets and it is envisaged that they will be handed over to State control eventually for environmental management.

Some of the Zone 11 water licences will be required to meet the passive take into the large pit lakes that may remain. The pit lakes will evaporate water to the atmosphere thereby reducing the available water for agriculture and the environment. However there will be substantial Zone 11

1 AGE, BTM Groundwater Model Report, Ch 6.7.1.3 (p75)

water allocation remaining, in addition to entitlements for Zone 4, Zone 5, high security surface water and Gunnedah Oxley Basin groundwater.

Discussion

The following discussion relates to aspects of the Terms of Reference mentioned above;

e) how to ensure the benefit from innovative post mine land uses are shared between the community and mine operators

In order to better manage drought and to prepare for a post mining future, the Maules Creek community is exploring the opportunity to build a stock and domestic water pipeline from a groundwater source adjacent to the Namoi River.

The pipeline project would seek Dept of Planning regulatory support and support from the MCCM in terms of financing and water allocations to enable water security for the current and future Maules Creek residents. The project concept would be partially modelled on the existing Baan Baa Water Pipeline which is owned and operated by the Narrabri Shire Council.

The water entitlements for the pipeline would be drawn from the MCCM water licence inventory as the majority of the water entitlements would not be required post mining. The pipeline corridor and the pump site could be located on mine land.

With reliable, high quality water, the new generation of satellite internet, and the population pressures elsewhere, there is a great opportunity for the district to grow. See Appendix C for a list of the water pipeline benefits for a range of stakeholders.

(d)(i) the planning and implementation of essential supporting infrastructure for future site use

(d)(iv) the potential of unlocking surrounding land for residential dwellings, amenities, environmental and educational facilities

The pipeline would provide essential supporting infrastructure, unlocking the zone of affectation properties for resale, as these properties will be largely left without water supplies due the depressurisation of groundwater in the area.

Water insecurity has a negative affect on people thinking about moving to the area, for the current residents and existing farm productivity. If water infrastructure is provided **prior** to mine closure it will reduce the risk of the local population declining to levels below a critical mass, and this may mean that other infrastructure such as schools, halls etc can be maintained until the post mining period begins.

Maules Creek Issues

Timing

Current groundwater concerns have led to community concern now. The existing community is working toward the pipeline solution as part of the Continuation Project, should it be approved. The infrastructure would be of benefit now and also for new residents post mining.

Water Licences

In order to obtain the support required for the pipeline the water source must be reliable for the current residents and be scalable as future resident numbers grow. While the mine has sufficient water licences to supply a stock and domestic pipeline from its Zone 11 licences, the reliability in drought and the scalability requirements means that it would be essential to access the water from the downstream Zone 5.

This would require the cancellation of Zone 11 licences and the grant of a licence from Zone 5. This is currently prohibited. See Appendix D - Correspondence from Water Minister 17.11.2022.

For a community that is a) experiencing impacts from mining; b) will eventually transition from mining; and c) where the impacts have contributed substantial economic benefits to the State, we believe that there is room for some flexibility to be in place for accessing groundwater to enable a sustainable future.

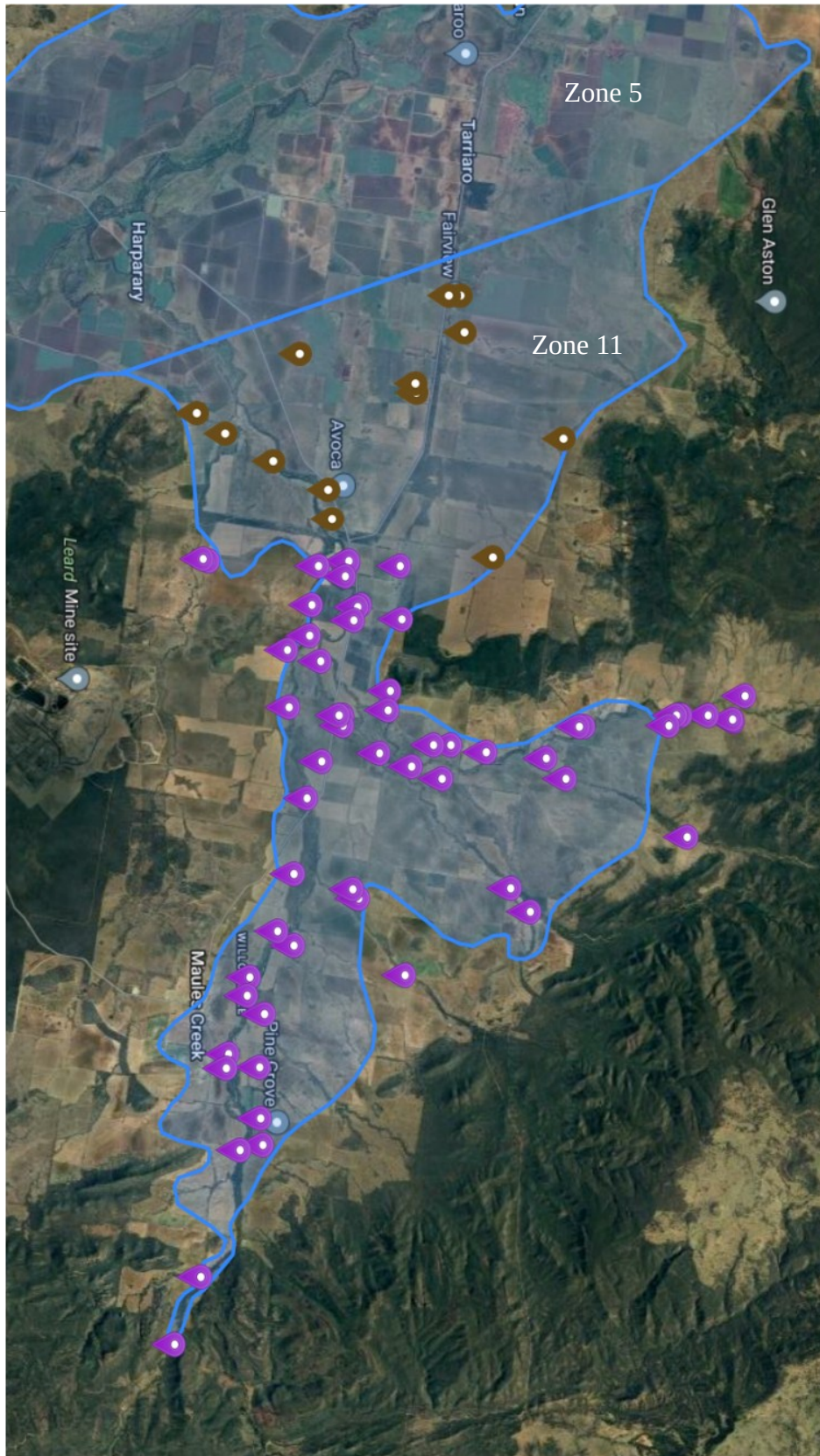
I would note that, post mining, the MCCM has a raft of water entitlements and would be in a position to contribute to the project, part or all of its 2 GL of high security surface water licence, supplied by Keepit Dam, its 1 GL Gunnedah Oxley Basin licence along with various other Zone 4 and Zone 5 licences. There are many options to work with.

The preference would be to temporarily allow the pipeline project to access Zone 11 water allocations downstream in Zone 5 and with a permanent arrangement from the assortment of licences post mining.

Recommendations

- That zone of affectation buffer land is available to be resold for agriculture and residential use post mining
- That communities who will face increasing water insecurity due to creeping depressurisation and climate change have water infrastructure along with accompanying water allocations provided as part of the mine closure plans
- That this infrastructure should be provided earlier for communities prior to mine closure to avoid loss of the critical mass of its population and support existing businesses
- That a targeted rule change for community stock and domestic water schemes in mining impacted areas provide that an existing water source could temporarily be able to exchange upstream water allocations for downstream allocations, until the mine is closed. At that time downstream licences could be provided from the inventory of mine owned licences required for coal production.

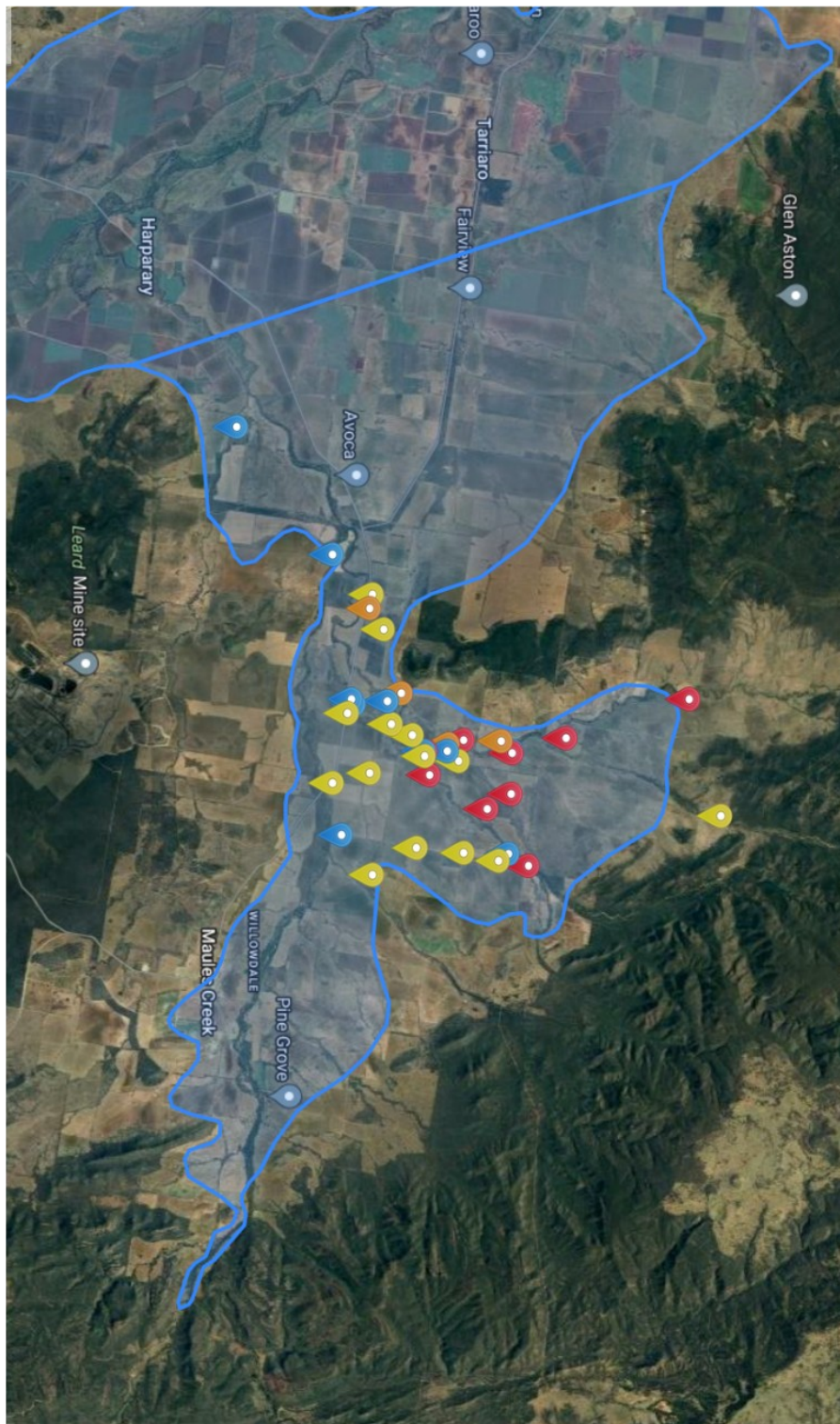
Appendix A - Map of Maules Creek Residents and Aquifer



Purple

Marker – Residents in Maules Creek Upper Management Zone 11
Brown Marker – Residents in Maules Creek Lower Management Zone 11

Appendix B – Maules Creek Residents Groundwater Scramble



- Yellow Markers – Bores cleaned Out (14)
- Orange Markers – Bores/wells deepened (4)
- Blue Markers – New Bores (8)
- Red Markers – Bores failed/abandoned (9)

Appendix C- Pipeline Benefits

The pipeline project will have many advantages for Maules Creek residents, local environment and the broader community by improving environmental sustainability and enhancing economic outcomes.

Environmental Protection

1. The project will help reduce the draw down of the Maules Creek alluvial aquifer during drought by residents sourcing their stock and domestic water from Zone 5, leaving more Zone 11 water available for the Groundwater Dependent Ecosystem's such as Red Gums, Tea Trees and the rare and endangered Stygofauna endemic to the region
2. The project would provide secure water for local wildlife via farm water troughs fed from the pipeline
3. The project is an enabler of sustainable grazing methods across the district which has the potential to increase water infiltration, reduce runoff and erosion, and increase carbon sequestration
4. The water savings returned by the pipeline project to the Federal Government would be used by the Federal Government to better manage the Murray Darling Basin and help meet the Murray Darling Basin Sustainable Diversion Limit for the Namoi Valley

Economic Benefits

1. The project will enhance water security for the districts residents, improving community members lifestyles and building community resilience
2. The project will enhance water security for livestock producers and enable development of water efficient on-farm stock water infrastructure
3. The project infrastructure will enable increased livestock production through adoption rotational grazing methods
4. The project will enable livestock producers to access Carbon Markets through the adoption of rotational grazing
5. The project will help to avoid forced sale of livestock due to potential animal welfare issues arising from stock water shortage

Community Benefits

1. Reliable water, improved productivity and nearby mine work will enable young farmers who are looking to get a foothold in agriculture at Maules

Creek. This has the added benefit for nearby industry, for retiring farmers looking to transition, the local school and community groups

2. Reliable water supplies would also make the district more attractive to Narrabri residents wanting to get out of town and in doing so help accommodate the growing town's population. This could rejuvenate the housing stock in Maules Creek with a potential flow on to property values and rates in the district

Local Content

The Pipeline Scoping Report will benefit significantly from the precedent set by the nearby Baan Baa town water pipeline.

The \$4.46m Baan Baa project successfully navigated the approval process of the Narrabri Shire Council and can provide proven project specifications and operating procedures as a starting point for this project.

This Pipeline Project would include a local procurement principal.

Appendix D – Previous Correspondence with Water Minister Anderson



The Hon. Kevin Anderson MP
Minister for Lands and Water
Minister for Hospitality and Racing

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Our ref: IM22/21572
Your ref: RB4207

Mr Roy Butler MP
Member for Barwon

Email

Dear Mr ~~Butle~~

Thank you for your letter of 30 September 2022, on behalf of Mr Phil Laird of Narrabri, about the possible conversion of an access licence from the Namoi Alluvial Groundwater Zone 5 water source to the Mauls Creek Unregulated River water source.

The conversion of an access license category to a different water source, as proposed by Mr Laird, is prohibited under the *Water Management Act 2000*, as well as both the relevant water sharing plans.

Specifically, Section 71O(4) of the *Water Management Act 2000* that relates to the conversion of an access licence to a new category states:

(4) An access licence arising under this section may only be granted in relation to the same water management area or water source as the cancelled access licence.

This means the conversion of an access license to a new category is only permitted if there is no change in the water source. Mr Laird's proposal involves conversion from groundwater to surface water, which are not only two different water sources, but also two different water sharing plans. The Act does not allow such conversion because the impact that this may have on the environment and other water users cannot be assessed properly.

In addition, Clause 61 of the *Water Sharing Plan for Namoi and Peel Unregulated Rivers Water Sources 2012*, and Clause 48 of the *Water Sharing Plan for Namoi Alluvial Groundwater Sources 2020* both prohibit any dealings under Section 71O of the Act.

Mr Laird has an option to achieve similar outcomes as outlined in his proposal through selling groundwater and purchasing surface water in separate dealings, as this is allowed under the water sharing plans. In both cases, water trades are permitted only within the water source which means finding buying and sellers would be limited to a small group of licence holders but this could be an option Mr Laird may want to consider further.

I am advised that Mr Laird has also been in touch with the Department of Planning and Environment – Water (DPE Water) regarding possible funding opportunities for a stock and domestic pipeline under the Off-Farm Efficiency Program being run by the Commonwealth Government.

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While Mr Laird did not submit a formal application for a grant under the scheme, the proposal he discussed with the Department would not have met the eligibility criteria of the Off-Farm Efficiency Program, as the Commonwealth Government requires a component of water savings to be returned to the environment.

Please thank Mr Laird for his interest in this matter and if he has any further enquiries, I have arranged for Ms Kate Masters, Manager Surface Water Planning, DPE Water, to be available. Kate can be contacted on

Yours sincerely

The Hon. Kevin Anderson MP
Minister for Lands and Water
Minister for Hospitality and Racing

Date: