Submission No 75

INQUIRY INTO IMPACT OF RENEWABLE ENERGY ZONES (REZ) ON RURAL AND REGIONAL COMMUNITIES AND INDUSTRIES IN NEW SOUTH WALES

Organisation: NSW Minerals Council Ltd

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Inquiry into Impact of Renewable Energy Zones on rural and regional communities and industries in New South Wales

NSW Minerals Council Submission – January 2025

The NSW Minerals Council (NSWMC) provides the following submission to assist the Upper House committee for regional New South Wales in its inquiry into Impact of Renewable Energy Zones (REZ) on rural and regional communities and industries in NSW.

NSWMC is the peak body representing the State's $40 billion[1] mining industry, representing around 80 member companies, including most coal and metals mining operations in NSW and a range of explorers.

Mining underpins the strength of regional economies across NSW by providing tens of thousands of direct jobs, billions of dollars in direct spending on goods and services, wages and salaries, local government payments and community contributions.

An economic analysis of Survey results undertaken by NSWMC[2] found the regional impact of the direct spending of mining companies in Regional NSW was equivalent to:

- 30% of the Gross Regional Product (GRP) of the Hunter region
- 19% of the GRP of the Central West region
- 8% of the GRP of the Illawarra region
- 12% of the GRP of the North West region
- 36% of the GRP of the Far West of NSW

NSWMC's submission is focussed on the impacts of renewable energy projects on resource exploration activities and existing NSW mining operations, as well as noting the opportunities and challenges of locating renewable energy projects on former mine sites once operations have ceased.

Impacts of Renewable Energy projects on resource exploration activities and existing mining operations

Exploration activities

It is widely acknowledged that demand for natural resources is forecast to surge due to global population growth and global decarbonization efforts.

The mineral resources of NSW, infrastructure, and proximity to Asian markets provide a competitive advantage and a compelling opportunity to meet this growing demand.

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[1] https://www.dfat.gov.au/sites/default/files/nsw-cef.pdf
[2] NSW Mining Industry Expenditure Impact Survey 2022/23

The NSW Government has a clear goal to *"significantly grow investment in mineral exploration and mining in NSW to position the state as a major global supplier of metals for the economies of today and the future"*[3].

Encouraging exploration is a strategic pillar of the Critical Minerals and High-Tech Metals Strategy and vital to sustain and grow mining operations that are the economic cornerstone of many regional communities.

The Renewable Energy Zones of NSW include some of the state's most prospective geological formations. These resources cannot be moved and risk sterilisation by renewable energy projects.

This risk can largely be ameliorated through NSW Government policy that mandates effective consultation with NSW Resources and explorers early in the development of a renewable energy project. Poor or non-existent consultation with the NSW Government and explorers has resulted in the placement of renewable infrastructure over high-value resources. Effective and regulated consultation in these cases would have allowed minor changes to the location of infrastructure and supported the growth and coexistence of both industries.

The Renewable Energy Planning Framework released in late 2024 provides a framework for meaningful consultation with Exploration Licence holders from proponents of State Significant Development (SSD) renewable projects. If applied effectively, the framework should resolve many of the land use conflict issues explorers have raised. We encourage the NSW Government to:

- Consider the adequacy of engagement with explorers when determining development applications
- Provide clear guidance on meaningful consultation and methods used by the proponent to mitigate land use conflict through the Secretary's Environmental Assessment Requirements
- Include mitigation of land use conflict measures as conditions of consent.

Changes to the Resources SEPP could also be implemented which would strengthen the recommendations above, and ensure effective consultation between renewable developers, the NSW Government, and explorers. Section 2.19 of the Resources SEPP (Compatibility of proposed development with mining, petroleum production or extractive industry) could be amended:

- So it applies to State Significant Development, State Significant Infrastructure, and Critical State Significant Infrastructure
- To mandate consultation with NSW Resources
- In cases where the proposed project covers an EL, to refuse consent unless:
    - The proposed development is compatible with the proposed exploration activities
    - Any loss of ability to prospect on an EL is compensated.

Existing mining operations

Based on industry briefings by EnergyCo, the forecast volume of renewable energy projects required to meet government targets will be significant, and will have a range of impacts on NSW mining operations for a number of years.

NSWMC is already working with a number of Hunter region mining operations who are being directly affected by prospective wind farm developers.

Impacts at present involve managing property related issues associated with the establishment of the transport route for over size over mass (OSOM) vehicle movements between the Port of Newcastle and the respective REZs, which is located adjacent to a number of NSW mining operations.

[3] NSW Minerals Strategy

This includes both EnergyCo and wind farm developers seeking to acquire property or access property through easements/rights of access to accommodate OSOM vehicle sweep paths.

Looking forward to the development phase, impacts will occur due to the substantial volume of OSOM vehicle movements - potentially in excess of 3,000 over a three year period - which is likely to cause major disruption to operations such as:

- Conflict with traffic movements associated with mining operation shift changes
- Conflict with mining operation blast schedules which are required to have road closures to ensure health and safety compliance
- Maintaining traffic routes for emergency response vehicle access if required
- Identifying responsibility for road maintenance caused by OSOM vehicle movements - currently many NSW mining operations are obligated through conditions of consent to repair damage to certain roads caused by mining operations.

All aspects of NSW mine operations, including vehicle movement routes and volumes, are closely regulated through conditions of development consent. Mining operations cannot lawfully change regulated outcomes unless separate approvals are obtained.

As such, without careful planning and coordination it's foreseeable the anticipated volume of OSOM vehicle movements will impact on NSW mining operations, as well as other road users located along any identified OSOM corridor.

NSWMC has been working constructively with EnergyCo and Transport NSW to ensure all stakeholders are aware of mine site operational requirements, including the limited ability to change operational procedures owing to regulatory compliance requirements and conditions of consent.

The rollout of renewable energy project development should be subject to:

- Government oversight, coordination and responsibility for outcomes (e.g. EnergyCo) to avoid ad hoc outcomes driven by multiple individual renewable energy developers.
- Documented early consideration and careful planning around other OSOM corridor users (including during the development assessment process), particularly uses which have regulated outcomes that must be adhered to.
- Stringent consultation and engagement requirements between renewable energy developers and impacted other uses to ensure all issues are identified and resolved early.

Post mine land use opportunities for renewable energy projects

Many NSW mine sites could potentially deliver significant opportunities and benefits for local communities and the State more broadly, including new jobs and investment opportunities to help offset some of the lost economic benefits once mining operations cease. This includes renewable energy development opportunities being located on former mine sites once operations cease.

However, where viable opportunities do emerge, they will only be realised if the regulatory framework incentivises the consideration of new and beneficial land uses such as renewable energy development on former mine sites in a timely way.

Mining regions have distinct advantages for the generation of renewable energy including:

- Many mining regions are in close proximity to load centres.
- Pre-existing infrastructure such as transmission lines and roads.

- Large areas of land with minimal land use conflict, and ability to avoid using other non-disturbed farmland for renewable energy projects
- Features such as voids, which can be repurposed.

Former mine sites provide a significant opportunity to locate large scale renewable energy projects with minimal land use conflict. Previously disturbed and rehabilitated land, including voids, can be used, and existing mine infrastructure including transmission lines can be repurposed, minimising new or additional impacts elsewhere.

For example, solar farms which require large tracts of land could be concentrated on formerly disturbed mining land as opposed to sterilising unencumbered farming land. In some circumstances mine voids will be suitable for use for pumped hydro projects.

A number of NSW mining operations have either obtained approval or are proposing large scale renewable energy projects, including pumped hydro facilities and solar farms. Renewable energy projects can deliver:

- Renewable energy directly into the network; and/or
- A renewable energy source to existing mining operations to reduce greenhouse gas emissions associated with mining operations; and/or
- A beneficial renewable energy source to support the operation of pumped hydro projects.

There is likely to be increased interest in further opportunities for renewable energy projects, but only if the regulatory policy settings are appropriate.

Experience by mining companies to date has highlighted complexities within the existing regulatory framework, particularly in relation to enabling other land use opportunities and/or associated changes in landform to support renewable energy projects in the most efficient way possible.

NSWMC notes and welcomes the ongoing NSW Parliamentary Inquiry being undertaken by the Standing Committee on State Development into beneficial and productive post mining land use. It's understood the Committee is due to report its findings to the NSW Parliament in early 2025.

NSWMCs submission[4] to the Inquiry provided an extensive overview of the regulatory challenges associated with delivering renewable energy projects on former mine sites, as well as identifying some possible solutions for consideration.

The NSW mining industry hopes the final report by the Committee identifies practical recommendations which the Government can use to improve the existing regulatory framework and more readily enable beneficial post mine land use opportunities, including renewable energy projects.

[4] Submission No 59 INQUIRY INTO BENEFICIAL AND PRODUCTIVE POST- MINING LAND USE