



Department of Environment, Land, Water and Planning
Via email : Planning.systems@delwp.vic.gov.au

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Moorabool Shire Council Submission - Strategic Extractive Resource Areas

Moorabool Shire Council (Council) welcomes the opportunity to provide a submission on the Strategic Extractive Resource Area (SERA) Pilot Project. Council support the need for planning controls to secure identified extractive resources and identify complementary land uses, and most importantly avoid land use conflicts.

While it is acknowledged that the State's resources need to be secured to support future growth in metropolitan areas and keep transport and construction costs to a minimum, this needs to be done in a way that recognises the significant growth pressures that are also being experienced in the designated supply areas, such as Moorabool Shire. Particularly those bordering the metropolitan councils, referred to as demand Local Government Areas (LGAs).

Moorabool Shire is not considered in this pilot study. However, it directly borders with three of the 'Top 10 Demand LGAs', being Greater Geelong, Wyndham and Melton. As a recognised Strategic Resource LGA and a designated supply area, it is understood that the proposed planning controls will be rolled out to the Moorabool Planning Scheme in due course.

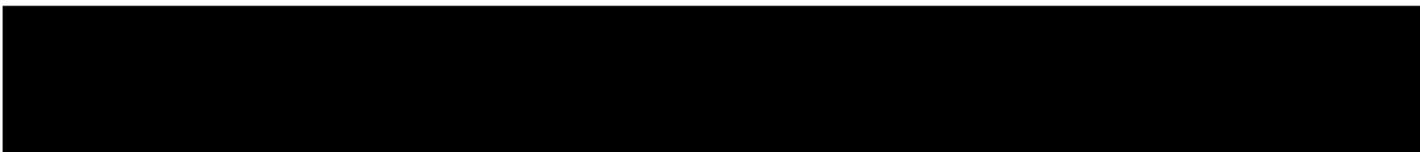
In light of the above, this submission provides context to the existing extractive industry in Moorabool Shire and discusses the opportunities and concerns that require consideration prior to the roll out of the SERA project. Suggestions are made for the proposed planning controls that require further information, clarification or changes. In addition, it is requested that the basis for future SERA locations stemming from the Extractive Industry Interest Area (EIIA) boundaries is reviewed and further justification addressed prior to any proposed changes being made.

Council not only urges the Victorian Government to continue consultation with local councils and the community regarding extractive resources, but also encourages participation in the process to assist with achieving mutually beneficial outcomes.

Moorabool Strategic context

The Shire is comprised of a series of towns, the bigger towns being Bacchus Marsh and Ballan. These towns will continue to experience increased pressure to accommodate a share of the projected population growth across the State. As a peri-urban area Moorabool is projecting a population increase of 81% by 2041, with the majority of growth located in and around Bacchus Marsh.

Bacchus Marsh has specifically been identified in *Plan Melbourne* and the *Central Highlands Regional Growth Plan* as a suitable location to accommodate growth due to its regional service centre role, its relative accessibility to Melbourne, Geelong and Ballarat, its well-established town centre and the availability of greenfield and infill development opportunities.



The Bacchus Marsh Urban Growth Framework (2018) developed by Council and the VPA provides a strategic framework for the growth of Bacchus Marsh, whilst protecting existing extractive resources such as the Darley sand quarries, while enabling residential development in locations where amenity buffers could be identified and protected.

Extractive Industry in Moorabool Shire

The pilot SERA project is of significant interest to Moorabool Shire Council due to the large number of operational quarries, the 26 Extractive Work Areas, as well as the 29 EIIA's which fall within the Shires' boundaries, identifying a range of resources including basalt, clay, sand, gravel and brown coal.

The Extractive Resources in Victoria Demand and Supply Study 2015-2050 ranked Moorabool 9th in the state, in their review of Strategic Resources critical to Victoria's future due to the location, the degree to which their production supplies greater Melbourne, and the significant production of sand, gravel and clay. While South Gippsland was ranked 1st in the same study, Wyndham was ranked 20th, and determined not to be a critical location. Hanson's Coimadai WA342 quarry is included as one of the *Extractive Industry Project Hot List* sites where an expedited process is supported by the Minister for Planning. Based on this, Moorabool Shire expects management of extractive industry to remain an area of ongoing significant interest.

Based on the current approval and reporting system, Council currently has very little to zero visibility about the operations of the existing mine and quarries within the shire, and at times this is to the detriment of the broader community. As a result, Council is strongly advocating for a greater level of transparency around industry reporting for extractive industry properties. Annually, licence holders are required to compile annual reports to the State Government. The report provides information on expenditure, production, rehabilitation and details of extraction. This information is not available to Council or the public.

An example of the importance of transparency in public reporting revolves around the issue of valuation of quarries and extractive industry properties for Council rating purposes. It is currently noted that the Specialist Property Guidelines for Quarries, August 2011 makes specific reference to specialist valuation principles for both quarries and landfills. Currently, the Valuer General of Victoria is not able to give effect to the Specialist Property Guidelines due to the inability of the VGV to access the reports provided by licence holders to Earth Resources Victoria on an annual basis.

It is noted the current impasse and lack of information sharing between State Government departments does little to engender trust and public confidence around disclosure and transparency in the resources industry at the same time that community expectations are increasing. The availability of annual reporting is important to ensure community expectations around environmental performance and monitoring, the broader economic and infrastructure impacts of extractive industry properties and the fairness and equity in rating outcomes for the broader community are met.

In addition, the existing and ongoing impacts of heavy truck transport on local roads, through the centre of Bacchus Marsh and rural areas that have existing quarries, such as Dunnstown, is already a matter that causes angst within these communities. This coupled with the amenity issues such as dust and noise increase this angst further.

Council has recognised that the escalation of extractive activity, resident complaints and requirement of speciality planning and enforcement knowledge requires a new approach and have created a new Major Developments team to act as a first point of contact for all extractive resource matters. To further expand the extractive industry in the Shire will put increased pressure on Council resources and expenditure, and potentially increase community annoyance from impacts to roads and other amenity issues.

Using EIIA's to establish SERA locations

The SERA pilot project seeks to provide strategic justification through the references to the previous identification of EIIA's. The existing EIIA's within Moorabool Shire require a significant review and update before their use as a basis for decision making on the volume and siting of future SERA's could be strategically justified.

Council requests clarification on when the viability of identified EIIA resources and potential inclusion of areas excluded from the original EIIA is scheduled to be reviewed. Changes to land uses, transport routes and other factors may reduce the viability of some identified areas, and conversely, increase the viability of resources previously excluded.

EIIA's are based on strategic work last updated in 2003, and whose purpose was to identify land close to major population centres likely to contain commercially viable stone resources and where quarries were likely to be established. Recommendations of the *Melbourne Supply Area-Extractive Industry Interest Areas Review (2003)* included that: 'Non-geological criteria used for defining the EIIAs should be regularly reviewed to incorporate improved information and changing community values. The review stated that 'EIIA boundaries are likely to be refined from time to time in response to planning scheme changes, new geological information and changes in social and/or environmental values.'

Areas where quarries were likely to be established in 2003, can be expected to significantly change in 2020. Existing EIIA's within Moorabool Shire are now within land included in PSP's, residential developments, major infrastructure projects, and realignments of the Western highway. it is requested that a review of the EIIAs within Moorabool Shire be prioritised and carried out prior to any further changes to planning provisions.

Changes to the Planning Scheme

The SERA pilot proposes that the following strategy be added to Clause 14.03-1S:

"Identify and protect stone resources within identified Strategic Extractive Resource Areas, based on their current or potential contribution to State supply, access to supporting transport networks and proximity to demand markets."

Based on the pilot project supporting documents, the extent of a SERA includes only land either subject to a proposed State Resource Overlay (SRO) or Special Use Zone (SUZ). The SRO will be applied to areas surrounding a quarry (within a buffer of either 250 or 500 metres), while the SUZ will be applied to the quarry site or Works Authority area. The proposed new strategy italicised above requires clarification. It currently reads that stone resources within the SERA would be subject to further identification and review based on proximity, contribution to state supply and transport networks. Officers' interpretation of the

SERA process suggests this analysis has already been undertaken to identify these SERA areas within the larger EIIA. A suggested rewording is included below.

“Identify Strategic Extractive Resource Areas to protect stone resources based on their current or potential contribution to State supply, access to supporting transport networks and proximity to demand markets.”

Interaction between EIIA and SERA within the Planning Scheme

Further clarification is required on how will EIAs continue to be used within the planning scheme. Providing another layer of complexity relating to the management of extractive industry has the potential to increase the risk of permit applications in proximity to EIIA's and Work Authorities not receiving the appropriate referrals. Are SERA's intended to fully address this issue through entirely replacing EIIA's within the planning scheme, or merely resolve some immediate concerns in specific sites?

The recommendations from the *Strategic Extractive Resource Areas Victoria's Existing Planning System (2016)* refer to the referral vehicle within Clause 52.09-7 as “obscure planning scheme ordinance” but have provided no suggestion for how the proposed Strategic Resource Areas would function in conjunction with the existing clause. From this it can only be assumed that the useful function of the EIIA referral was determined to be non-functioning and of limited value.

Council notes the *Melbourne Supply Area – Extractive Industry Interest Areas Review (2003)*, which recommended that the EIIA's be illustrated by an Overlay in the planning scheme. Given the everyday usage of digital spatial mapping systems there is no reason why individual Councils are not able to use existing in-house overlays in substitution for one contained within the planning scheme. Council's Statutory and Strategic Planning departments currently utilise GIS systems in review of planning applications, and EIIA and Works Authority boundaries are displayed to allow compliance with the referral requirements existing within the planning scheme under Clause 52.09-7. In this respect the Council has already identified the issues inherent in the limited visibility of the EIIA which are intended to be solved by SERA's and actively moved to address this.

Clarification should be provided on the value and efficiency of retaining two separate mechanisms to protect extractive industry interest areas, and whether application of the SRO is intended to signify a reduced strategic importance given to areas identified under the EIIA's.

Previous experiences relating to resource protection (SUZ1)

Council is concerned about the long-term imposition upon landowners through the application of restrictive zoning intended to conserve strategic resources for future state needs. The local impacts of the existing SUZ1 are worth comparing to a proposed State Resource Overlay (SRO).

The Planning Scheme tool currently used to guide and control earth resources in Moorabool is the Special Use Zone (SUZ). SUZ Schedule 1 (SUZ 1) applies to Coal Mining in the Shire, while SUZ Schedule 2 (SUZ2) applies to the Earth and Energy Resources Industry.

The Special Use Zone Schedule 1 (SUZ1) recognises and provides for the use and development of land for coal mining. It was applied to a large expanse of rural properties bordering the site of the existing coal mine in 2000, through the New Format Planning Scheme transition. Landowners subject to the SUZ1 have experienced reduced property values, difficulty selling property and finding buyers able to loan for their land, difficulty obtaining permits for dwellings, small extensions and business investments.

The financial impacts on these individuals to maintain the availability of a coal resource has been significant and given the continuing restrictions on the land preventing development, and the transition in use of the mine to a designated Waste Hub, the rural landowners have in effect become providers of an amenity buffer to a commercial entity at their own expense.

It will be important to consider the viability of an application of an SRO over an extended time period, noting the timeframes set out in the *Demand and Supply Study* stretch to 2050. An SRO applied to a rural area on the periphery of a town, may find itself surrounded by development within that 30-year timeframe.

Some urgency should be considered for extraction of resources within proximity to growing towns and this may be supported through a limited lifespan SRO, as well as consideration that the most value may be had in applying long term SRO's to outlying sites where limited encroachment is currently expected.

Community stakeholder material

The Community and Landowner factsheet downplays the impact that the inclusion of the SERA Pilot Project Report as a relevant policy document in the planning provisions, as well as the addition of additional strategies to facilitate the use and development of SERA's under Clause 14.03-1S will have on the assessment of applications.

Under the heading *'What does this mean for my land?'* the statement that *'any proposal to use and develop land for quarries within a SERA will still need to be assessed on its merits in accordance with the provisions of the relevant planning scheme and legislation'* does not present a fair representation of the entirety of the changes proposed under the pilot project, which are intended to specifically support the extraction of resources within the SERA. The updated planning provisions would be expected to provide a significantly greater support for extractive industry than the status quo, and therefore warrants more transparency on the changes to land use restrictions.

The Community and Landowner factsheet also includes at least one statement which while within the context of the LGA's covered within the pilot project is correct, will not be applicable in other LGA's.

"If your land is covered by an EIIA it has already been identified as potentially suitable for quarrying activities and is permissible as per the planning scheme"

Existing EIIA's within Moorabool Shire extend across residentially zoned land within Maddingley and Bacchus Marsh where Extractive Industry is a Section 3 (prohibited) use under the planning scheme. They also include land identified for future rezoning by the VPA and Council, in the localities around Bacchus Marsh where local policy does not support establishment of extractive industry or other non-compatible uses.

While it remains unlikely that extractive industry would seek to establish in these areas, it further highlights the issues flowing from the SERA project giving excessive weight to the ageing EIA's.

Other State significant projects

Due to the Shire being located on the periphery of the metropolitan growth area, it has become a pseudo 'service centre' for Melbourne as the host of multiple extractive industries, mines, and a state significant waste hub all being located on the critical entry points of Bacchus Marsh. In addition to this, the encroachment of industrial and residential development on our agricultural land has resulted in a very real challenge for Council to ensure that it is no longer impacted or inhibited by uses that pose further impost on land owners and loss of local identity.

Appendix 1 shows the EIAs across the Shire and their proximity to some of the other state significant projects. Appendix 2 is focussed on the Bacchus Marsh area and highlights the complexity of some of the conflicting land uses already experienced in that area.

While these large-scale infrastructure projects provide local, regional and State benefits they also have a number of negative implications for the community. There is currently much angst in the Bacchus Marsh community in regard to the potential expansion of the waste facility and quarries, and there is still angst in the community in the west of the Shire in regard to the installation and cumulative effect of the number of wind farms that have been constructed.

While Council understands the importance of projects with State benefits, it is important that consideration is also given to the local community and the potential impacts the project may have on that community. Listed below are a number of State significant projects currently being experienced within the Shire.

This is not an exhaustive list and does not include the existing quarries.

Western Victoria Transmission Network Project

Late 2019 the Australian Energy Market Operator (AEMO) awarded a contract to Mondo, the commercial division of AusNet Services to plan, design, construct, own, operate and maintain the Western Victoria Transmission Network Project.

This project includes the installation of 180km overhead transmission line in Western Victoria from Sydenham (20km north-west of Melbourne) to Bulgana. It involves approximately 70km of 500kV transmission lines through Moorabool Shire and potentially a new Terminal Station also in the Shire, north of Ballarat.

This project has the potential to engulf a significant amount of private property through the compulsory acquisition of an easement that will restrict some land uses, including extractive industry.

Wind farms

West of Bacchus Marsh there have been a number of wind farms approved by the State Government:

- Yaloak South Wind Farm is owned and operated by Pacific Hydro. It comprises of 14 turbines that are 126m in height.
- Moorabool Wind Farm is owned by Goldwind Australia and will comprise of 107 turbines over two (2) locations (Moorabool North and Moorabool South). The turbines are 171m high.
- Lal Lal Wind Farm is owned by Lal Lal Wind Farms (a partnership between InfraRed Capital Partners, Macquarie Capital and Northleaf Capital). It will have 60 turbines of 161m height which will be split between Elaine and Yendon.

It is anticipated that once the transmission lines are completed, Moorabool Shire may be investigated for further renewable energy projects.

State Significant Resource Recovery Hub

As discussed previously, Bacchus Marsh is home to a State Significant Resource Recovery Hub. This waste facility and coal mine is only 2.5 km from the centre of town and is surrounded by conflicting land uses.

This site is currently one of the proposed locations for the West Gate Tunnel spoil and is highly contentious within the community.

Precinct Structure Plan (PSP) Growth Area's

The Bacchus Marsh Urban Growth Framework has established the feasibility of two future residential PSP's and one agribusiness Development Plan area, to the northeast (Merrimu) and south of Bacchus Marsh (Parwan Station and Parwan Employment Precinct). These areas are subject to an extensive suite of background works by Council and the Victorian Planning Authority (VPA). The location of these areas places them adjacent to existing extractive resource operations, and partially inside EIIA's. Consultation with DEDJTR and industry organisations occurred throughout the preparation of the Framework. VPA has a key role in bringing permit-ready land to market, which has particular relevance in a post-COVID economic environment where economic stimulus provided through major greenfield residential developments will play a role in economic recovery.

Western Irrigation Network

The Western Irrigation Network (WIN) project is being progressed by Western Water in the Parwan-Balliang area to the south of Bacchus Marsh. Recycled water supplies from Melton and Bacchus Marsh will be provided to an alliance of dryland farmers for the purpose of irrigating 4000 to 5000 hectares of quality farmland.

The advantages of the project are that it utilises a source of valuable water that would previously have been discarded, however the viability of the project is dependent on significant upfront commitments from Western Water and individual farmers.

The area which the project covers stretches across an EIIA and any resource protection through application of an SRO or SUZ may have an impact on permit approvals for required infrastructure, and flow-on impacts on the overall project viability.

Planning Scheme Review

Council is currently consulting on the initial stages of a Planning Scheme Review. The Stage 1 review process identified a lack of guidance on waste and earth resources industries, and identification of earth resources in the Planning Scheme. The State Government (Department of Jobs, Precincts and Regions (DJPR) are responsible for 'pre-endorsement' of work plans for mining or extractive industry proposals before planning permit applications are submitted to Council. This raises questions on the need for, or relevance of Council's role in the extractive planning process, and how the community are engaged and empowered in any meaningful way.

Both SUZ1 and SUZ2 do not always match the on-ground extent and reality of coal mining or earth and energy resources. Objectives or strategies supporting a whole of lifespan management of extractive resource sites or a planning practice note covering the same, would enable the ongoing review of the appropriateness of the implementation and extent of SUZ's, and could incorporate SERA planning controls.

From a Council perspective, the process for amending or updating outdated or unnecessary planning controls at over the lifetime of the resource or at 'end of life' of extractive sites, is unclear, and may be limiting site remediation or beneficial reuse.

Planning for Melbourne's Green Wedges and Agricultural Land Project (DELWP)

The Green Wedges and Agricultural Land Project seeks to preserve agricultural usage of a large proportion of existing productive farm zone land within the Shire by the application of planning controls which may limit dwellings and subdivisions (the study extends over a 100 km radius from Melbourne, encompassing nearly the entirety of Moorabool Shire).

Officers are concerned that the cumulative combination of land use controls from both SERA and the Agricultural Land projects may unfairly and excessively limit valid uses of properties which otherwise would be able to be considered under the planning scheme on their own merits. Officers request clarification on whether a SERA control such as an SRO should be applied in an area where any future Agricultural land protections have already restricted the use and development of land sufficient to reduce the risk of resource sterilisation.

This list highlights just some of the projects that are currently underway within Moorabool Shire, further highlighting the need for a detailed and thorough review of the existing EIAs.

Consideration of transport impacts in location of SERA's

Transport Network Development Plans are understood as being undertaken around the pilot SERA's in order to identify opportunities to improve transport productivity and efficiency and determine options to reduce the effect of truck movements on communities. These aims are worthwhile as community impacts within Moorabool flowing from existing extractive industry have been largely represented by the ongoing presence of heavy vehicles. Location of SERA sites should be based on minimising travel on local, urban and Council roads, with a higher weighting given in the initial site location assessment to sites located closer to major arterial roads, and where access to these roads results in minimal impact on urban and rural residential uses. A triple bottom line methodology to assess the full cost of locational impact would provide a more equitable assessment than only measuring the transport costs to industry. These considerations should also be applied to operating hours, noting the industry interest in extended hours of operation to avoid congested road networks.

Conclusion

Council supports the strategic identification of extractive resources. However, Council recommends an urgent review of the location and extent of existing EIA's to remove areas no longer viable.

Council has significant concern that the potential cumulative impacts of several State government strategic and infrastructure works may either excessively burden landowners with duplicated use and development controls or affect the viability of other projects such as Western Irrigation Network. Council would consider the application of the SUZ and SRO planning controls where an extractive industry has committed to a specific site and entered into an agreement with a landowner. Council considers that outside of this situation, our existing internal processes are sufficient to address the need for protection of extractive resources.

In conclusion, the Shire recognises the importance of the Strategic Resource Strategy and corresponding SERA project. However, it needs to be conducted in a manner that has the least impact on our existing residents and community, our landscape, the natural environment, farming activities, our towns and the growth projected for the Shire.

Yours sincerely,

