

BUSINESS HUNTER

Integrated Planning
Lake Macquarie City Council
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By email: minesgroutingfund@lakemac.nsw.gov.au

SUBMISSION **Draft Lake Macquarie Mines Grouting Fund Guideline**

Business Hunter welcomes the opportunity to comment on the Draft Lake Macquarie Mines Grouting Fund Guideline.

Business Hunter is the peak business group in the Hunter region. We serve more than 4,400 member and affiliate businesses operating across the region, representative of industries spanning all sectors and all sizes of business, from start-ups through to leading national organisations.

Business Hunter believes mine grouting funds have a significant role to play in facilitating development and investment in our region. Our 2025-2026 NSW Pre-Budget submission supports investigations into the feasibility and possibility of extending this funding model to areas across the Hunter that are impacted by mine subsidence. We regard this as particularly critical given the housing supply issues in the region and the targeting of former mining lands for adaptive re-use in proximity to villages and towns in the region.

Undermining is a regionally specific development constraint in the Hunter, which has become more prominent due to the densification of urban areas in the region, in particular Newcastle and Lake Macquarie. The majority of Mine Subsidence Districts in NSW fall within the Hunter Region and neighbouring Central Coast, and these district classifications impose additional requirements on developers to ensure that land that is undermined is stable enough to support proposed buildings. In some cases, this may mean grouting, or filling the tunnels or voids beneath, is required before construction begins.

Mine grouting can be a significant deterrent to developers and their financiers due to the uncertainties of scope and cost involved. A requirement to undertake mine grouting can make it difficult for developers to obtain finance because of the unquantifiable risk. The NSW Government recognised the extent of this disincentive in the region when it established the Newcastle Mines Grouting Fund in 2015 to address the impact of subsidence on property development in the Honeysuckle area of the Newcastle CBD.

The fund operated as a 'safety net', ensuring the cost of grouting would not exceed a certain threshold, with developers able to apply to the fund operators for reimbursement of any additional costs beyond the threshold. This helped to facilitate significant new multi-storey housing and commercial development in the Honeysuckle precinct prior to the fund's closure in 2023.

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The need for grouting is becoming an increasing issue in Lake Macquarie, and we commend Lake Macquarie City Council for advocating effectively to secure funding from the Federal Government to support a similar scheme to encourage and underwrite development across their city. The proposed fund will apply throughout the Local Government Area, with a higher capped rate applying to the growth centres of Belmont, Charlestown, Glendale and Morisset. We understand these variations are due to the likelihood of higher grouting costs being applicable in these areas, based on expert advice.

The information provided in the draft guideline and on council's website indicates the fund will be administered by Lake Macquarie City Council, with applications to be assessed against the criteria by an independent expert, who will in turn make a recommendation to the council. Successful applicants will enter into a funding deed with the council. Business Hunter supports this process as a fair and transparent way to ensure that applications receive appropriate scrutiny and evaluation before being considered for approval by the CEO or delegated council officer.

Business Hunter supports the implementation of the Lake Macquarie Mines Grouting Fund and hopes that it may offer a model for the reinstatement of the Newcastle Mines Grouting Fund and the expansion of similar schemes across other parts of the region similarly affected by subsidence.

Thank you for the opportunity to comment. Should you wish to engage further on this matter, please contact me at bob.hawes@businesshunter.com or on 02 9466 4665.

Yours sincerely,



Bob Hawes
CEO, Business Hunter