

Mr Mark Darras
Chairman
Advisory Body for Strategic Release
c/o Mr Tony Linnane
Mining Exploration and Geoscience
Department of Regional NSW
Email: tony.linnane@planning.nsw.gov.au

The Hon. Paul Toole MP
Deputy Premier and Minister for Regional for Regional New South Wales
52 Martin Place
Sydney NSW 2000

14 December 2021

Dear Deputy Premier,

I write regarding the former Deputy Premier, the Hon. John Barilaro MP's, letter (attached) requesting advice from the Advisory Body for Strategic Release (ABSR) on whether the Ganguddy-Kelgoola area remains a realistic prospect for release for coal exploration, based on a desktop analysis of existing information.

Based on that request, on behalf of the ABSR I commissioned a resource assessment from Mining, Exploration and Geoscience group (MEG) in the Department of Regional NSW and advice on potential economic, environmental and social issues from the Planning and Assessments Group in the Department of Planning, Industry and Environment (DPIE). These assessments were provided to the ABSR and considered at the 21 October 2021 ABSR meeting. Copies of the two reports are attached.

Resource Assessment and DPIE advice

In summary, the resource assessment suggests the estimated in-situ coal resource in the Ganguddy-Kelgoola area is 500 million tonnes in the Lithgow Seam, and 470 million tonnes in the Katoomba, Mt Brace and Lidsdale seams that are of poorer quality than the Lithgow Seam. This area may be amenable to underground longwall mining. One of the key constraints identified in the Ganguddy-Kelgoola release area is the numerous intrusions that may impact the ability to mine the Lithgow Seam economically, however further exploration would better define their extent and impact.

The advice from DPIE concluded that there appears to a high level of uncertainty as to whether mining in the Ganguddy-Kelgoola release areas would be economically viable, noting that the economics are marginal, the capital costs of establishing a new greenfield mine in the area would be high, a significant rail spur line would need to be developed, local rail infrastructure would need to be upgraded and there are no opportunities to share infrastructure with any other mines in the region. This uncertainty would have the potential to prolong any negative social impacts on the community.

DPIE also advises that several constraints could limit any development and production of the coal resources and that, in particular, mine subsidence impacts could reduce water availability for Ganguddy-Dunns Swamp, and negatively affect pagoda features and Aboriginal cultural heritage, including rock art.

ABSR recommendation

Given the uncertain economic prospects and the significant constraints that would present a major barrier to a mine in the area which the two reports have identified, it is the ABSR's view that the Ganguddy-Kelgoola areas are no longer a realistic prospect for release for coal exploration under the Strategic Release Framework.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Mark Darras', with a stylized, cursive script.

Mark Darras
Chairman
Advisory Body for Strategic Release