



Mr Mark Darras
Chairman
Advisory Body for Strategic Release

Via email: mark.darras@gmail.com

Dear Mr Darras

I refer to your correspondence requesting advice from the Department of Planning, Industry and Environment (the Department) about the potential coal exploration area near Wollombi.

The Department has conducted a high-level desktop analysis of the likely environmental, economic and social opportunities and constraints. This analysis is informed by publicly available information and considers the scenarios that might eventuate from the release of the area including exploration and mining by underground methods.

Please note this advice does not constitute a Preliminary Regional Issues Assessment as more detailed work, including community consultation, would be required to fully identify potential opportunities and constraints should the Advisory Body for Strategic Release (ABSR) decide to consider the area under the *Strategic Release Framework for Coal and Petroleum Exploration*.

Wollombi Potential Release Area

The potential release area is located in the Cessnock and Singleton local government areas (LGA) and is located approximately 20 km south of Singleton and 14 km west of Cessnock (see Attachment A). Land uses in and around the potential release area include agriculture, viticulture, forestry, mining, tourism, and conservation uses.

The majority of land within the potential release area is densely vegetated and is characterised by steep ridges and valleys. The site is largely comprised of State forest (including the Pokolbin State Forest and the Corrabare State Forest) and includes smaller parts of the Yango State Conservation Area in the south west and the Singleton Military area in the north. The potential release area is dissected by two corridors comprised of Paynes Crossing Road and Wollombi Brook, and Wollombi Road and Congewai Creek.

The northern extent of the potential release area is relatively flat and cleared of vegetation and would likely form the location for coal handling and preparation infrastructure if a mining project were developed in the future.

A preliminary resource assessment prepared by the Geological Survey of NSW estimates a potential coal resource of approximately 1,272 million tonnes. This coal resource is relatively shallow in the northern parts of the site (ranging from 0-100 m) but becomes significantly deeper towards the south (up to 1,200 metres).

This means that the coal could be mined by bord and pillar and/or longwall methods in the northern parts of the site but would more than likely be mined by longwall methods in the southern extent as bord and pillar methods are generally uneconomic at such depths.

Most of the land within the potential release area is zoned RU3 Forestry and RU2 Rural Landscape. However, there are small portions of land zoned RU4 Primary Production Small Lots, SP2 Infrastructure (including roadways and the Singleton Military Area), E2 Environmental Conservation and E3 Environmental Management. Although exploration and underground mining are not permissible in any of these zones under the Singleton and Cessnock local environmental plans (LEP), the *State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007* prevails and consequently coal exploration and underground mining are permissible within the entire potential release area under the *Environmental Planning and Assessment Act 1979*.

Social and Economic Considerations

The potential release area is located approximately 100 m east of the Broke-Fordwich viticulture Critical Industry Cluster (CIC) and approximately 10 km west of the Pokolbin viticulture CIC (see purple hatching in Attachment A).

Both these areas are recognised for their importance to the identity of the region and the regional tourism economy. The *Hunter Regional Plan 2036* identifies the need to maintain the scenic rural landscape of the CICs in order to encourage growth in tourism and agricultural production. Strategic Planning Statements for Cessnock and Singleton LGAs also recognise the importance of the viticulture industry and the need to avoid land use conflicts between these areas and incompatible uses such as coal mining.

The Department notes that any coal production within the potential release area would have the potential to result in noise, dust and visual impacts, particularly from any coal handling and preparation infrastructure that would be required to support an underground mine.

Because this infrastructure is likely to be located in the north of the site, as it is less constrained by topography and vegetation and is closer to shallower coal reserves, this would have the potential to impact the amenity of the nearby Broke-Fordwich viticulture CIC. The Department considers this is a significant constraint as mining could impact the scenic values of the landscape in the area. Other impacts such as noise and dust could also conflict with the viticulture uses and may have a negative impact on the local tourism economy.

The Department also notes that there is community concern about potential mining in the area. The Hunter Valley Wine and Tourism Association has raised concerns about the incompatibility of mining with the nearby CIC's. Similar concerns have also been raised by the Wollombi Progress Association including potential impacts on the local tourism economy.

The potential release area is located in close proximity to two small townships, Broke approximately 1 km to the northwest and the Wollombi Village approximately 500 m to the south. These towns and surrounding areas have populations of approximately 200 people each. Any mining in the region could negatively impact these small villages, including the local tourism economy which the village of Wollombi is reliant on, as a result of amenity impacts or land acquisitions that might be undertaken to support the development of a mine and its infrastructure.

Notwithstanding, any mining in the area would undoubtedly result in benefits to the broader region, including employment opportunities for the existing mining employment base in the Hunter Valley and royalties to the State. To this end, the Department notes that mining is an important contributor to the Hunter's regional economy and is the predominant employer in the Singleton LGA (36%). However, the region is becoming increasingly diversified with growth in accommodation and food sectors which are the largest employer in the Cessnock LGA (14%) and the *Hunter Regional Plan 2036* recognises the need to diversify the economy and employment base into the future.

Heritage

Wollombi Village is recognised for the well-preserved convict and colonial heritage having been a significant colonial administrative centre in the 1830s. The village contains several local heritage items and is also listed as a heritage conservation area under the Cessnock LEP (half of which overlaps the southern boundary of the potential release area). A range of other local heritage items are scattered throughout the southern part of the site including Paynes Crossing Road (see Attachment B).

The Department considers that these heritage values are likely to constrain the location and layout of any future mining activities. This is because the southern parts of the site would more than likely be mined by longwall methods which would subside the surface.

Wollombi and its surrounds are also recognised for Aboriginal cultural heritage values, particularly as an important ceremonial meeting place prior to European settlement. Hundreds of Aboriginal sites are recorded on the NSW Government's *Aboriginal Heritage Information Management System* within or near the area including those associated with the Finchley Aboriginal Area, a place of significance for its rock engravings, which is located approximately 12 km to the south west of the potential release area.

Given the significance and known cultural heritage values of the area, it is likely that Aboriginal cultural heritage sites would be identified within the site as part of any exploration or production, and this could potentially form a material constraint for underground mining and development of surface infrastructure.

Infrastructure and Access

Major roads within the potential release area include Paynes Crossing Road and Wollombi Road (see Attachment B). Paynes Crossing Road is unsealed in parts, extremely narrow and includes several small wooden bridges that would be unsuitable for heavy vehicles. As discussed above it is also listed as a local heritage item. Wollombi Road is constructed to a much higher standard and provides an important connection between Wollombi and Cessnock for residents and tourists. The need to avoid subsidence impacts on these roads is likely to further constrain longwall mining in the southern parts of the site.

Access within the site is limited to unsealed roads, the majority of which are within state forests. These are not suitable for heavy vehicle movements and are likely to make access to parts of the site difficult for the purpose of undertaking exploration and/or installing gas drainage and ventilation infrastructure.

Any coal mine would require access to rail infrastructure to transport coal to market. Because coal handling infrastructure is likely to be in the north of the potential release area, rail access would most likely involve a connection to the Hunter Valley Corridor Rail Network located near Singleton.

There may be opportunities to share some of the rail facilities at nearby mines, particularly the Bulga rail loop that is located approximately 7 km north-west of the site. However, a new rail loop and rail spur line would need to be constructed and operated if any future mining company is unable to gain access to this infrastructure. Any new rail infrastructure would be located in close proximity to Broke and the Broke-Fordwich CIC and could have significant impacts on the amenity of these areas and the surrounding landscape.

Biodiversity

The potential release area contains large portions of state forest and is densely vegetated. It is also located approximately 2.5 km east of the Yengo National Park, which forms part of the UNESCO Greater Blue Mountains World Heritage Area. It is likely that the potential release area would contain threatened flora and fauna species protected under the *Biodiversity Conservation Act 2016* and the Commonwealth *Environment Protection and Biodiversity*

Conservation Act 1999 (EPBC Act). The proximity to the World Heritage Area could also limit the nature and location of infrastructure in some parts of the potential release area, and trigger approval requirements under the EPBC Act.

However, given that mining is likely to be undertaken using underground methods, and would involve little surface disturbance outside of exploration drilling, ventilation shafts and minor surface infrastructure, the Department does not consider that the biodiversity values of the site and its surrounds would represent a significant constraint.

Water Resources

The potential release area is located within the catchment of the Wollombi Brook. The Wollombi Brook flows in northly-westerly direction through the potential release area before heading north through Broke towards its confluence with the Hunter River. Subsidence induced surface cracks would have the potential to drain the Wollombi Brook and its tributaries, including the Congewai Creek that flows in south western direction across the southern part of the site. Consequently, the location of these waterways is likely to constrain the layout of any longwall mining in the southern parts of the potential release area. The Hunter River is sensitive to changes in salinity and any mine would need to minimise impacts on the flow and quality of Wollombi Brook so as not to increase salinity in the downstream environment.

Conclusion

There are several significant constraints that could limit any development and production of the coal resource in the potential release area. The Department notes that the north of the site would be constrained by the nearby viticulture CIC and the surrounding landscape values. This is likely to be a significant issue given that the north of the site appears to be the most prospective for coal handling, preparation and transportation infrastructure. The southern parts of the site would also be constrained by the many local heritage items associated with Wollombi Village and its surrounds, as well as the corridors of road infrastructure and surface water resources that intersect the site.

I trust this advice is of assistance to the ABSR. Should you require any further information, please contact Matthew Riley, Director Energy and Resources Policy, on (02) 9274 6339.

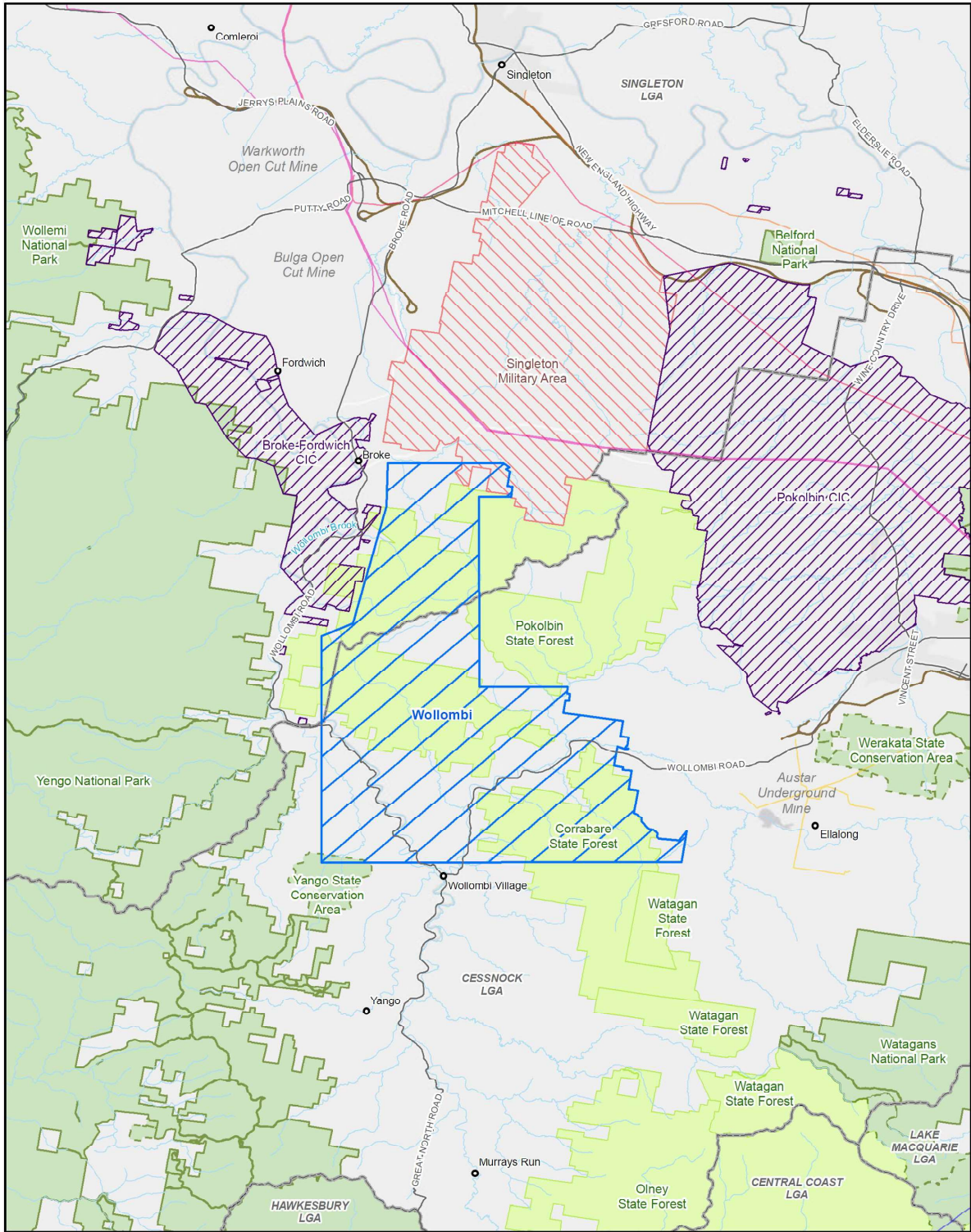
Yours sincerely,



23/04/2021

Marcus Ray
Group Deputy Secretary
Planning and Assessment

Attachment A – Regional Context

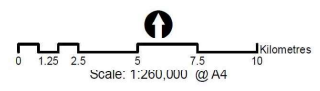


- Power lines**
- <66kV
 - 66kV
 - 132kV
 - 220kV and 330kV
 - 500kV

- Roads
- Railways
- Rivers
- Local Government Area
- Wollombi potential release area

- Singleton Military Area
- Critical Industry Cluster (Viticulture)
- National Park
- State Conservation Area
- State Forest

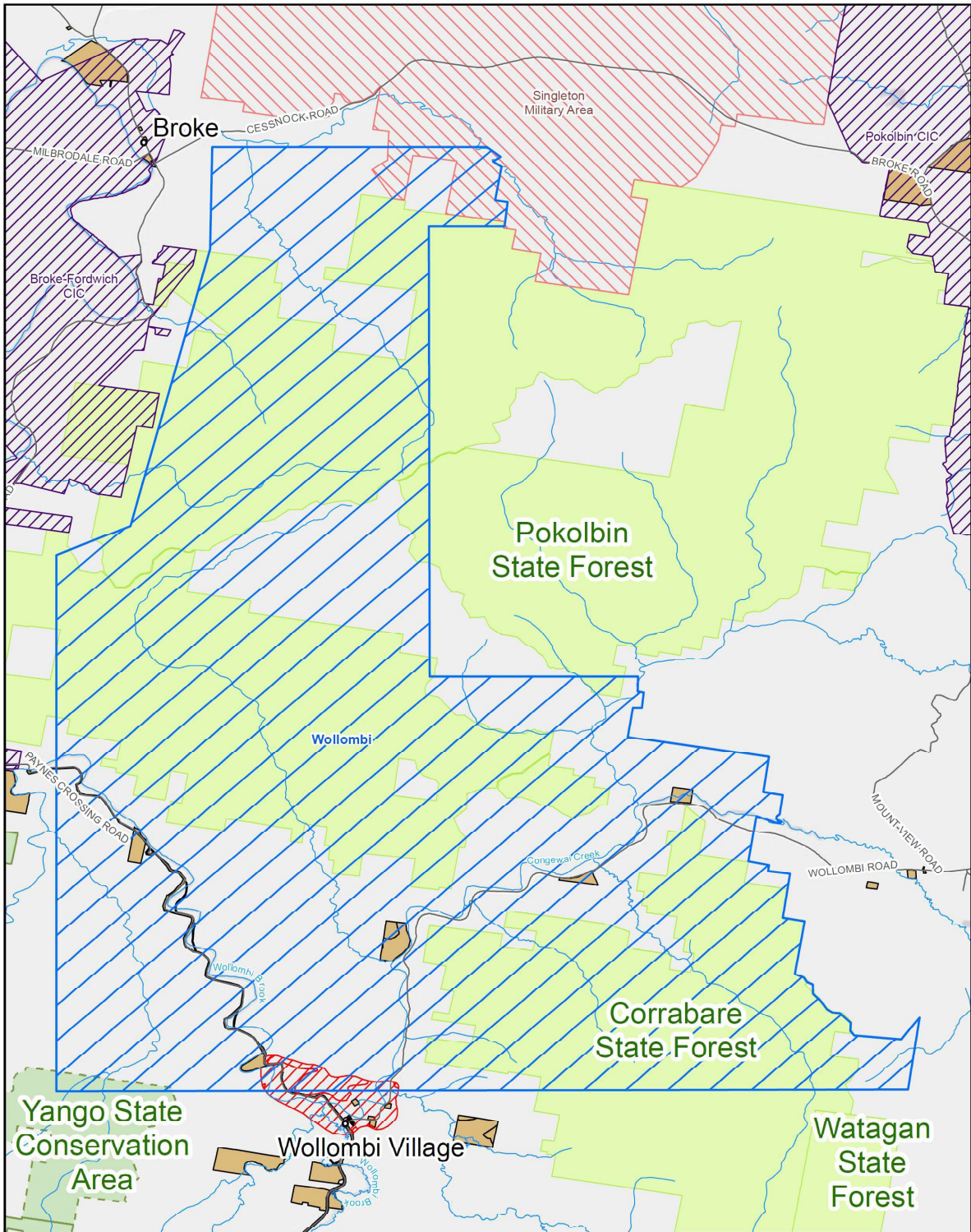
Wollombi Potential Release Area
Regional Context



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Attachment B – Site Constraints



Wollombi Potential Release Area Constraints

- Roads
- Railways
- Rivers
- ▭ Wollombi potential release area
- ▭ Singleton Military Area

- ▭ Critical Industry Cluster (Viticulture)
- ▭ National Park
- ▭ State Conservation Area
- ▭ State Forest

- Heritage**
- ▭ Conservation Area - General
 - ▭ Item - Archaeological
 - ▭ Item - General
 - ▭ Item - Landscape

