

Mr Mark Darras
Chairman
Advisory Body for Strategic Release
c/o Mr Raymond Wong
Department of Regional NSW
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The Hon John Barilaro MP
Deputy Premier and Minister for Regional New South Wales, Industry and Trade
52 Martin Place
Sydney NSW 2000

4 June 2021

Dear Deputy Premier

In the *Strategic Opportunities for Gas in Regional NSW* statement, published in November 2020, the NSW Government committed to examining the opportunities to release areas in far western NSW for gas exploration.

Based on this commitment, on behalf of the ABSR I commissioned resource assessments from Mining, Exploration and Geoscience (MEG) in the Department of Regional NSW and a Preliminary Regional Issues Assessment from the Planning and Assessments Group in the Department of Planning, Industry and Environment (DPIE) for four areas in western NSW. These were provided to the ABSR and considered at the 31 May 2021 ABSR meeting. I have attached the reports for your information and summarise the key findings here:

- The resource assessments highlight that the four areas under consideration (the Pondie Range, Bancannia, Neckarboo and Yathong-Ivanhoe Troughs) are prospective for conventional and tight gas, though there is insufficient information available to estimate the quality or volume of the resources.
- The PRIA, which included public consultation, found that there are no fundamental environmental, social or economic constraints that would preclude the release of the four areas for conventional and tight gas exploration.
- DPIE concluded that the existing regulatory and planning framework is sufficiently robust to protect areas that are valuable and minimise any impacts associated with exploration and/or production.
- The PRIA report also noted that there are strong concerns from the community in the Neckarboo and Yathong-Ivanhoe Troughs, especially around Ivanhoe. This community feels they are unlikely to benefit from gas exploration as it does not have an existing base in the resources sector, and they have concerns about the impacts of production in particular on water, agriculture, infrastructure and health and wellbeing. These two troughs also have higher land and soil capability than the Bancannia and Pondie Range Troughs.
- The PRIA report concluded that the area under consideration is very large (around 4.5 per cent of NSW), which presents an opportunity for prioritisation. It recommended the release of the Bancannia and Pondie Range Troughs along with partial release of the north east portions of the Neckarboo and Yathong-Ivanhoe Troughs, with the remaining areas to be reconsidered in the future.

The ABSR has considered the results of the resource assessments and PRIA and our recommendation is for the NSW Government to proceed only with the release of the

Bancannia and Pondie Range Troughs at this time, and to reconsider the partial or full release of the Neekarboo and Yathong-Ivanhoe Troughs in the future.

Our recommendation is an incremental position which, given the significant social licence challenges facing the sector, we believe is more likely to lead to a successful outcome for gas production and ultimately maximise the economic benefits to NSW.

In recommending these two areas for release, the ABSR also endorses the recommendations outlined in the PRIA report that a strategic release should address the following issues:

- Develop and implement a transparent plan for consultation with the Aboriginal community
- Minimise impacts on Class 3 and 4 agricultural land where possible
- Avoid conflicts with areas of conservation value
- Continue strict regulation of hydraulic fracturing activities
- Collection of suitable groundwater data to improve knowledge of the area and provide a sound basis for any future environmental assessment.

The view of the ABSR is that all of these issues can be addressed and managed through application of the existing framework for release, exploration and planning approval.

Yours sincerely



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