

# Coal Resource Operational Allocation Committee (CROAC)

GIPA 23-34-D.14



## Meeting minutes

### Details

**Meeting:** Coal Resource Operational Allocation Committee (CROAC)

**Date/time:** Friday 10 June 2022  
11am-12pm

**Location:** Maitland Boardroom  
Videoconference – Microsoft teams

**Chairperson:** Georgina Beattie, Deputy Secretary, MEG

**Secretariat:** Kylie Tanner, Senior Policy Officer, MEG

### Attendees<sup>1</sup>

1. **Chairperson: Georgina Beattie, CEO, MEG**
2. **NSW Treasury representative: Eammon Oxford, A/Director Premier, Regions, Independents and Legislature**
3. **Titles Operations representative: Daniel Summerhayes, A/ Executive Director Assessments and Systems**
4. **Strategic Resource, Assessment and Advice representative: Erin Holmes, Manager, Mining and Exploration Assessment, MEG**
5. **Mining and Exploration Assessment representative: Kevin Ruming, Director Assessment & Advice, MEG**
6. **Royalties and Advisory representative: Julie Robertson, Director Performance, MEG**
7. **Subject matter experts (MEG):**
  - a. Peter Bower, Manager Title Assessments Coal Grants and Titles
  - b. Robyn McLeod, Senior Assessment Analyst Resource Assessments
  - c. Bryan Whitlock, Senior Resource Economist
8. **Observer:**
  - a. Jarrod Emanuel, Economic Policy Branch, Department of Premier and Cabinet
9. **Secretariat (MEG):**
  - a. Bronwen Sandland, Manager Policy – (Secretary)
  - b. Kylie Tanner, Senior Policy Officer
  - c. Cass Nichols, Policy Officer (Observer)

### Apologies

10. **Jamie Tripodi, Executive Director Assessments and Systems, MEG**
11. **Marwan El-Chamy, A/Director Policy and Reform (Secretary)**

<sup>1</sup> Attendees in bold are members.

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## Meeting minutes

### Previous meeting actions

No.	Description	Responsible	Status
1	<p>Prepare a brief to the Deputy Premier for approval to seek Cabinet endorsement for the grant of the following exploration licence for operational allocation applications:</p> <ol style="list-style-type: none"> <li>1. Exploration Licence Application 6232 (Act 1992), Bengalla Mining Company Pty Limited</li> <li>2. Exploration Licence Application 6253 (Act 1992) (ELA6253), Ulan Coal Mines Pty Limited</li> <li>3. Exploration Licence Application 6415 (Act 1992) (ELA6415), Wilpinjong Coal Pty Limited</li> </ol>	Tony Linnane, Executive Director SPID/ Bronwen Sandland Manager, Policy	Complete
2	Update the Terms of Reference prior to the next meeting	Secretariat	Deferred

### Meeting Minutes

No.	Description
1	<p><b>Welcome and acknowledgement to country</b></p> <ul style="list-style-type: none"> <li>• The Chair opened the meeting at 11.02am.</li> <li>• The Chair welcomed attendees and acknowledged the traditional custodians of the various lands CROAC meets on.</li> <li>• The Chair thanked Treasury attendee Eammon Oxford for making the time to join at a very busy time and welcomed to Jarrod Emanuel from Department of Premier and Cabinet.</li> </ul>
2	<p><b>Introductions from attendees</b></p> <p>In the interest of time savings detailed introductions were omitted, noting most members of CROAC are familiar with others, roles of SME and voting members well defined and understood, and several members were only available for a short time.</p>

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## Meeting minutes

No.	Description
3	<p><b>Action Items</b></p> <p>There were two action items from the 7 March 2022 meeting.</p> <ol style="list-style-type: none"> <li>1. Prepare a Cabinet Submission for the Deputy Premier to seek Cabinet endorsement for the grant of ELA 6232, ELA 6253, ELA 6415. <b>Complete.</b></li> <li>2. Update the Terms of Reference. <b>Deferred to the next meeting.</b></li> </ol>
3	<p><b>Declaration of any conflicts of interest</b></p> <p>No conflicts of interest were declared.</p>
4	<p><b>Application for consideration: Exploration Licence Application 6442 (Act 1992), Narrabri Mine</b></p> <p><i>The Chair invited Peter Bower to provide a summary of ELA 6442 and ELA 6443</i></p> <ul style="list-style-type: none"> <li>• Mr Bower noted that his presentation will largely address relevant matters for both ELA6442 and ELA6443 together as the applicants are the same and the ELA areas are adjacent. When necessary the presentation will split to relevant information specific to each application.</li> <li>• Mr Bower highlighted that:             <ul style="list-style-type: none"> <li>○ Narrabri Mine has been operational since 2011. In 2019-20 and 2020-21 it accounted for 2-3% of NSW's saleable production of thermal coal and approval of these applications could add 10 – 20 years to the life of the mine.</li> <li>○ Both applications are for land in the area known as 'Gorman North', which has been identified for potential strategic release. A Market Interest process was conducted for the full Gorman North area, which includes both ELA6442 and ELA6443. No Market Interest submissions were received.</li> <li>○ This application is validly made for the purposes of extending the life of a mine and developing a better mine design, as prescribed by the Mining Regulation as an operational allocation purpose.</li> <li>○ The Resource Regulator notes a total of 15 non-compliance for each applicant, with the strongest action being court action, and there were several section 240 notices issued. On balance, the compliance matters are not considered significant enough to warrant refusal of the applications.</li> <li>○ 9 public comments were received covering both applications, raising impact on way of life, environmental concerns, aboriginal cultural sites and compliance history. These matters were considered and deemed to be appropriately addressed by standard conditions, activity approvals and planning processes. None of the issues raised require special conditions to be applied.</li> </ul> </li> </ul>

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No.	Description
	<ul style="list-style-type: none"> <li>○ Standard Native Title conditions are recommended to be imposed.</li> <li>○ A conflict exists with the Secretary held title AUTH216. The Secretary provided consent to the applications being made over this title. It was noted that if approved, the EL(s) would part cancel AUTH216.</li> <li>○ Conflicts also exist with petroleum PEL238 and PPLA14. It was noted that if PPLA is granted, any coal mine design will consider impacts on existing gas production. It is proposed that a cooperation agreement would be imposed as a condition of licence.</li> </ul> <p><i>The Chair noted:</i></p> <ul style="list-style-type: none"> <li>• The assessment has been undertaken and all criteria are addressed in the documents provided.</li> <li>• The ELAs are in the potential strategic release area of Gorman North identified under the Strategic Release Framework and whilst no market interest was expressed for the area, should the ELAs be granted, the Gorman North would no longer be viable for the development of a standalone mine.</li> <li>• A commercial viability assessment determined that the viability of a standalone mine was marginal.</li> <li>• Whitehaven's compliance history has received media attention. The Resources Regulator has assessed the applicant's compliance history and noted that it is considered a medium risk. A medium risk rating is triggered by any non-administrative contravention of relevant legislation and, following detailed consideration by the Resources Regulator and Titles Assessment units, the recommendation is that the non-compliances do not warrant refusal of the applications and to approve these ELAs.</li> </ul> <p><i>Kevin Ruming noted:</i></p> <ul style="list-style-type: none"> <li>• The Gorman North area is a high-quality thermal coal resource and was identified for potential strategic release.</li> <li>• A commercial viability assessment was conducted to determine if the area could support a standalone mine. The report noted that the area could potentially support a standalone mine however margins would be small.</li> <li>• The best return from Narrabri would be to access the coal from existing workings and infrastructure as the capital costs of getting to the coal would be high. When considered along with the lack of market interest, it makes sense to approve the ELAs.</li> </ul>

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No.	Description	
	<b><i>Members unanimously endorsed the recommendation to Cabinet that the application be granted as per below</i></b>	
	<b>CROAC recommendation</b>	<b>Grant</b>
	<b>Reasons for recommendation</b>	<ul style="list-style-type: none"> <li>The application meets the requirements of the <i>Mining Act 1992</i>, Mining Regulation 2016 and the guidelines for coal exploration licence applications.</li> <li>It is likely to extend the life of the mine by 10-20 years.</li> <li>The compliance issues noted were not considered significant enough to form a reasonable basis to refuse the grant.</li> <li>The resource is high quality thermal coal.</li> <li>The area is unlikely to support a new commercially viable open cut or underground coal mine.</li> <li>Protection of the environment has been considered.</li> </ul>
	<b>Recommended term</b>	6 years
	<b>Recommended area</b>	1746 hectares
	<b>Recommended security</b>	\$10,000 security
	<b>Recommended standard condition</b>	Yes
	<b>Recommended special conditions</b>	<ol style="list-style-type: none"> <li>Cooperation Agreement</li> <li>Financial Contribution</li> </ol>

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## Meeting minutes

No.	Description						
5	<p><b>Application for consideration: Exploration Licence Application 6443 (Act 1992), Narrabri Mine</b></p> <p>Mr Bower provided a summary for both ELA6442 and ELA6443 together as per previous item.</p> <p>Specific to ELA6443, Mr Bower advised that:</p> <ul style="list-style-type: none"> <li>• ELA6443 complied with discrete area thresholds (33%) of the relevant authority against which ELA6443 was made.</li> <li>• This application is validly made for the purposes of extending the life of a mine and developing a better mine design <b>and</b> recovery of coal resources that would otherwise be likely to be sterilised, as prescribed by the Mining Regulation as operational allocation purposes</li> <li>• Mr Bower advised that ELA6443 was subject to previous Government exploration activity and the Recovery of Public Money condition be applied to recoup this amount. Assessment and Advice and Resource Economics assessment advised the amount to be recouped is \$140,000.</li> </ul> <p><b><i>Members unanimously endorsed the recommendation to Cabinet that the application be granted as per below</i></b></p> <table> <tr> <th>CROAC recommendation</th><th>Grant</th></tr> <tr> <td> <ul style="list-style-type: none"> <li>• Reasons for recommendation</li> </ul> </td><td> <ul style="list-style-type: none"> <li>• The application meets the requirements of the <i>Mining Act 1992</i>, Mining Regulation 2016 and the guidelines for coal exploration licence applications.</li> <li>• It is likely to extend the life of the mine by 10-20 years.</li> <li>• The compliance issues noted were not considered significant enough to form a reasonable basis to refuse the grant.</li> <li>• The resource is high quality thermal coal.</li> <li>• The area is unlikely to support a new commercially viable open cut or underground coal mine.</li> <li>• Protection of the environment has been considered.</li> </ul> </td></tr> <tr> <td><b>Recommended term</b></td><td>6 years</td></tr> </table>	CROAC recommendation	Grant	<ul style="list-style-type: none"> <li>• Reasons for recommendation</li> </ul>	<ul style="list-style-type: none"> <li>• The application meets the requirements of the <i>Mining Act 1992</i>, Mining Regulation 2016 and the guidelines for coal exploration licence applications.</li> <li>• It is likely to extend the life of the mine by 10-20 years.</li> <li>• The compliance issues noted were not considered significant enough to form a reasonable basis to refuse the grant.</li> <li>• The resource is high quality thermal coal.</li> <li>• The area is unlikely to support a new commercially viable open cut or underground coal mine.</li> <li>• Protection of the environment has been considered.</li> </ul>	<b>Recommended term</b>	6 years
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<b>Recommended term</b>	6 years						

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No.	Description	
	<b>Recommended area</b>	1975 hectares
	<b>Recommended security</b>	\$10,000 security
	<b>Recommended standard condition</b>	Yes
	<b>Recommended special conditions</b>	<ol style="list-style-type: none"> <li>1. Cooperation Agreement</li> <li>2. Financial Contribution</li> <li>3. Recovery of Public Money</li> </ol>
6	<b>General business</b> <ul style="list-style-type: none"> <li>• MEG is aware of an operational allocation application expected to be made in the coming weeks to months, so there will another CROAC meeting in the coming months.</li> <li>• The Chair thanked the attendees and staff for preparing the material for the meeting and thanked attendees for their attendance.</li> <li>• The meeting concluded at 11:23am.</li> </ul>	

## Actions

No.	Description	Responsible
1	Prepare a Cabinet Submission for the Deputy Premier to seek Cabinet endorsement of the grant of the following applications: <ol style="list-style-type: none"> <li>1. Exploration Licence Application 6442 (<i>Mining Act 1992</i>), Narrabri Mine</li> <li>2. Exploration Licence Application 6443 (<i>Mining Act 1992</i>), Narrabri Mine</li> </ol>	Director, Policy
2	Carry forward updated Terms of Reference to next meeting	Secretariat