



**METROPOLITAN
COLLIERIES PTY LTD**

ABN: 91 003 135 635

12 October 2023

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Attention: Ms Jessie Evans, Director, Resource Assessments

By email: Jessie.Evans@planning.nsw.gov.au

Dear Jessie,

RE: METROPOLITAN COAL MINE – LONGWALLS 317 AND 318 MODIFICATION

The purpose of this Scoping Letter is to provide an overview of a proposed modification to the Metropolitan Coal Mine Project Approval (08_0149) to allow for a reconfiguration of Longwall 317 and the addition of Longwall 318 (the Modification). This letter also seeks confirmation of the approval pathway, assessment scope and consultation requirements for the Modification.

Background

The Metropolitan Colliery (Metropolitan Coal Mine) is an underground coal mining operation located approximately 30 kilometres (km) north of Wollongong in New South Wales (NSW) (Figure 1).

The Metropolitan Coal Mine is operated by Metropolitan Collieries Pty Ltd (Metropolitan Coal). Metropolitan Coal is wholly owned by Peabody Energy Australia Pty Ltd.

The potential environmental impacts of the existing Metropolitan Coal Mine were assessed in the Metropolitan Coal Project Environmental Assessment (Helensburgh Coal Pty Ltd, 2009). A Preferred Project Report (PPR) was submitted to the then Department of Planning in April 2009.

Project Approval (08_0149) for the Metropolitan Coal Mine was granted on 22 June 2009 by the Minister for Planning under section 75J of the NSW *Environmental Planning and Assessment Act 1979* (EP&A Act). The Metropolitan Coal Project included the continuation, upgrade and extension of underground coal mining operations (Longwalls 20-27 and Longwalls 301-317) and surface facilities at the Metropolitan Coal Mine.

Following further mine planning investigations in relation to the 300-series longwall, Metropolitan Coal identified that significant operational efficiencies, and consequently a significant economic benefit would be achieved by rotating the first workings of Longwalls 301-317 to be square with the 300 Mains (a rotation of approximately six degrees). The Secretary of the Department of Planning and Environment (DPE) approved the revised first workings in accordance with Condition 5, Schedule 3 of the Project Approval (08_0149) in April 2015. This reorientation of the 300-series longwall panels resulted in the shortening of Longwall 317 compared to that presented in the PPR.



AMET-23-34 ModSoping_203A



- LEGEND**
- Mining Lease Boundary
 - Exploration Licence (EL 9364)
 - Road
 - Railway
 - National Parks and Wildlife Estate
 - Local Government Area
 - Mining Operation

Source: Geoscience Australia, 2006; NSW Spatial Services (2021)
Metropolitan Coal (2021)

Peabody
METROPOLITAN COAL
Regional Location

Figure 1

As of the date of this letter, Metropolitan Coal has completed secondary extraction of Longwalls 20-27 and Longwalls 301-308. The commencing (i.e. northern) ends of Longwalls 301-308 were shortened compared to the PPR longwall layout based on geological considerations and an evident deterioration in coal quality and thickness in the northern portion of the mining lease boundary. In addition, the finishing (i.e. southern) ends of Longwall 301 and Longwalls 303-305 were shortened compared to the PPR longwall layout in accordance with the trigger action response plan established to limit valley closure on the Eastern Tributary.

Metropolitan Coal is currently undertaking secondary extraction in Longwall 309, and developing first workings for Longwall 310 in accordance with the approved Longwalls 308-310 Extraction Plan.

An Extraction Plan for Longwalls 311-316 is currently in preparation.

Proposed Modification

As a result of ongoing evaluation of the coal resource and detailed mine planning, Metropolitan Coal has identified an opportunity for the continuation of the Metropolitan Coal Mine by reconfiguring Longwall 317 and adding an additional longwall (i.e. Longwall 318). The Modification longwall panels would be located more than 500 metres from the Woronora Reservoir full supply level. The proposed Modification longwall layout is shown on Figure 2.

Pursuing further coal resource to the west of the approved longwall panels is a logical and efficient progression of the existing Metropolitan Coal Mine. The Modification would extract approximately 2.8 million tonnes of run-of-mine (ROM) coal from the additional area and result in the continued employment of the existing workforce for approximately two years. A comparison between the Project Approval (08_0149) longwall layout, as presented in the PPR, and proposed Modification layout is shown on Figure 3.

The Modification would seek approval for the continued development of the 300-series mains to the west to allow for access to future coal resources subject to separate mine planning, environmental assessment and approval processes. These first workings would be stable and non-subsiding in the long-term (except insofar as they may be impacted by any future approved secondary workings).

The Modification would also include the remediation of a section of the embankment at the Surface Facilities area, constructed between 1887 and 1970 (Figure 4). These works are proposed following the slumping of a section of the embankment following heavy rainfall events in 2022 and 2023.

The works would aim to improve the stability of the landform by:

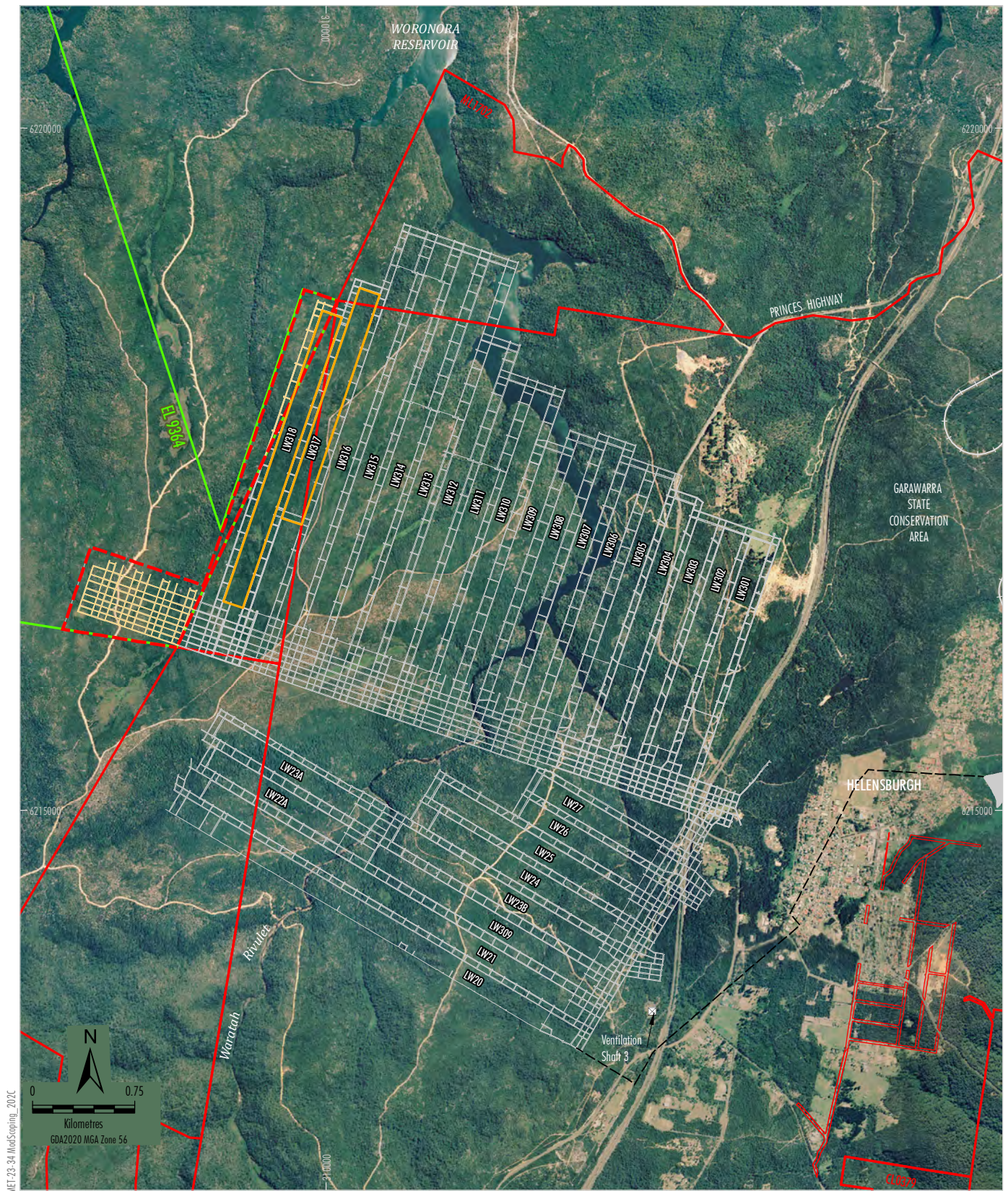
- replacing existing non-native species with native vegetation; and
- reinforcing the toe of the slope where it is exposed to potential scouring from Camp Creek.

New access tracks would provide access to the remediation area.

Enclosure 1 provides a summary comparison of the currently approved Metropolitan Coal Mine under Project Approval (08_0149), and the Metropolitan Coal Mine incorporating the proposed Modification.

The Modification would not change the following components of the existing approved operations:

- mine life (the Metropolitan Coal Mine is approved until June 2032);
- total ROM coal extracted (i.e. no increase to approved quantity);
- coal processing limits;
- operational workforce;



LEGEND

- Mining Lease Boundary
- Exploration Licence (EL 9364)
- Indicative Mining Lease Application Area
- Railway
- Existing Underground Access Drive (Main Drift)
- Existing Approved Underground Development
- Indicative Longwalls 317 and 318
- Modification Mine Plan
- Modified First Workings

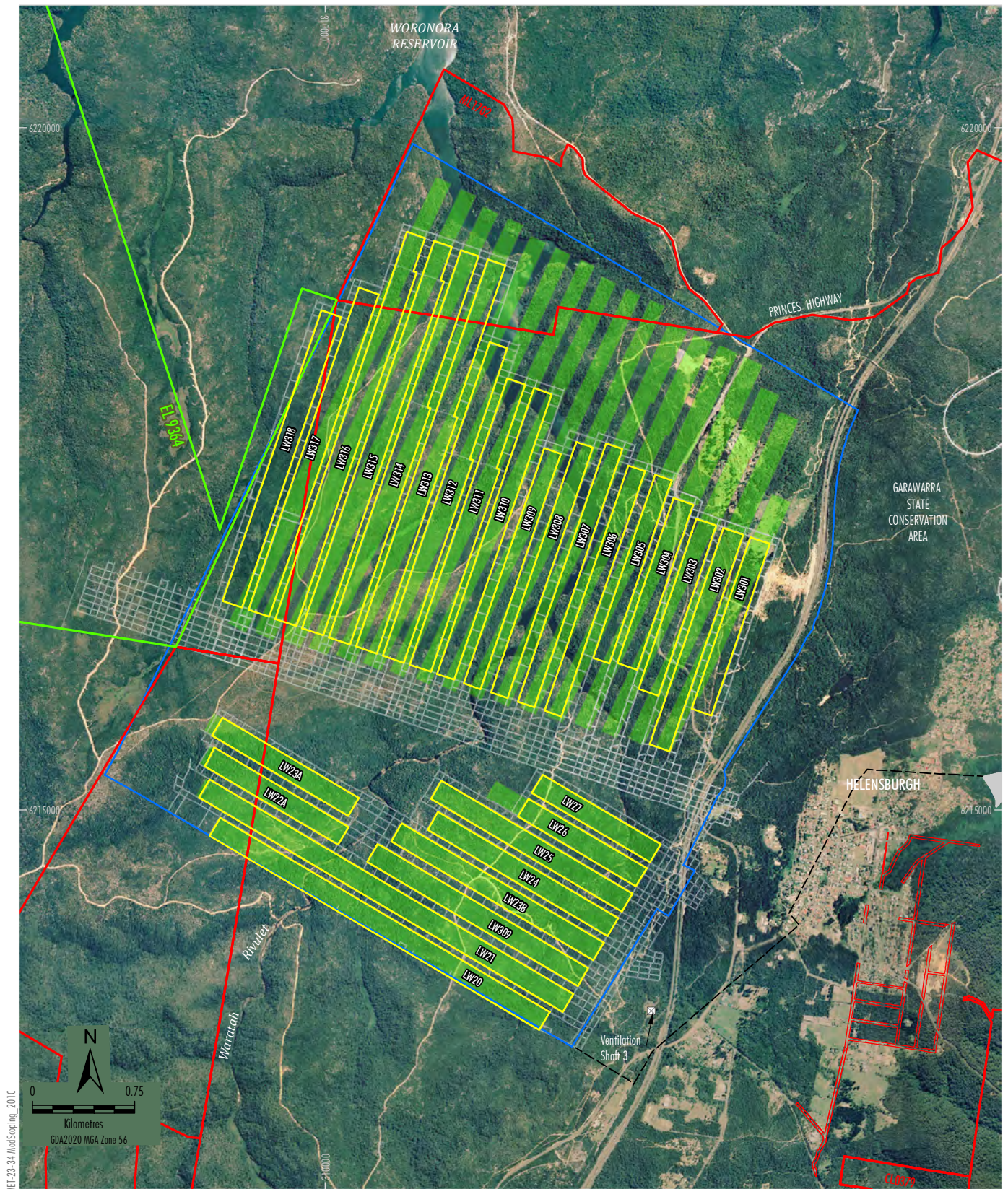
Note:

The Longwalls 309 to 316 layout shown reflects the layouts in the approved and proposed Extraction Plans.

Source: Land and Property Information (2015); Date of Aerial Photography 1998; Department of Industry (2015); Metropolitan Coal (2021); MSEC (2021)

Peabody
METROPOLITAN COAL
Proposed Modification Longwall Layout

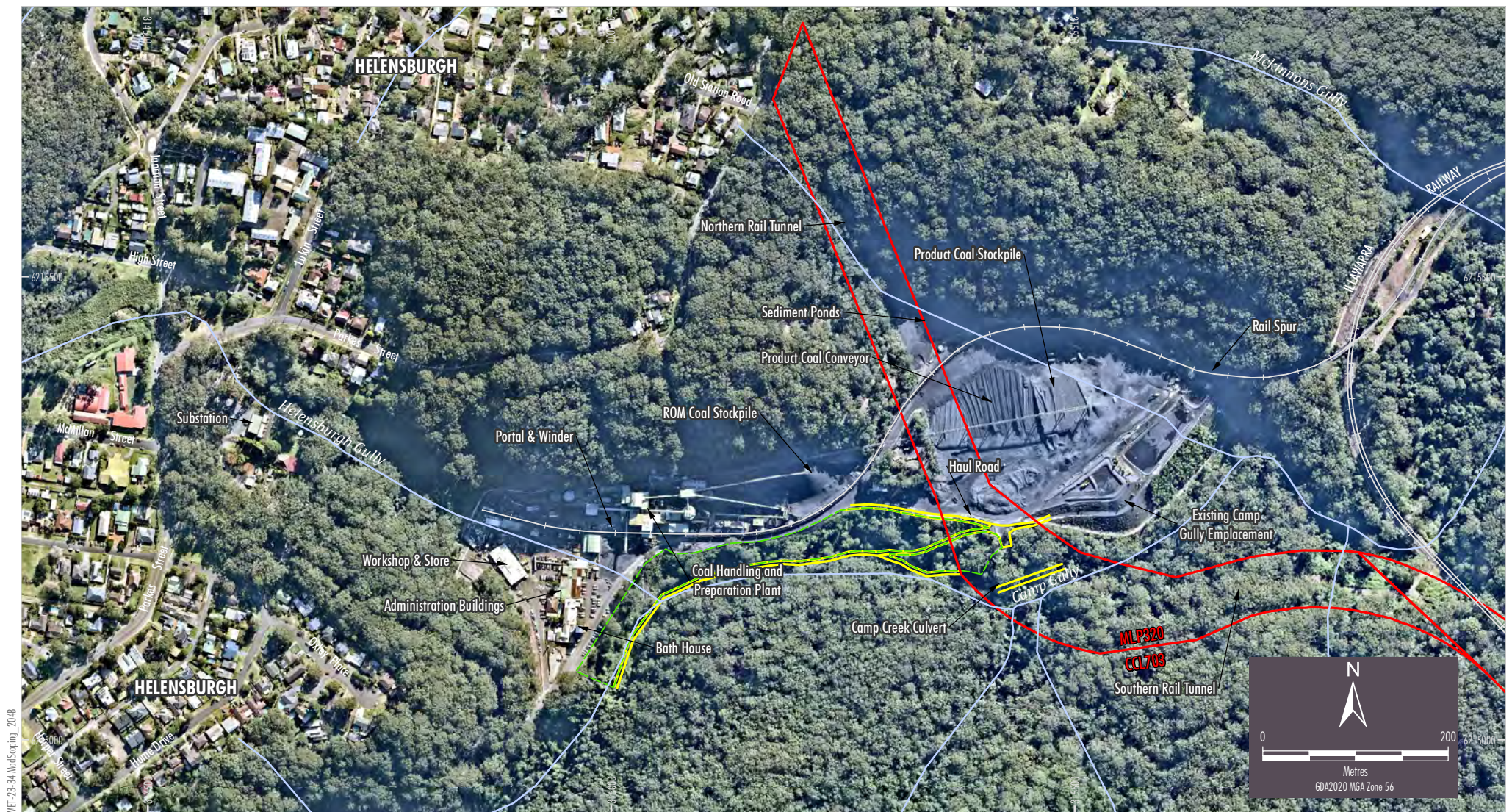
Figure 2



Source: Land and Property Information (2015); Date of Aerial Photography 1998; Department of Industry (2015); Metropolitan Coal (2021); MSEC (2021)

Peabody
METROPOLITAN COAL
PPR Versus Extraction Plan
Longwall Layouts

Figure 3



- LEGEND
- Mining Lease Boundary
 - Railway
 - Waterways
 - Indicative Access Tracks
 - - - Indicative Revegetation and Stabilisation Works Area

Source: NSW Spatial Services (2020)
 Orthophoto: Nearmap (2021)

METROPOLITAN COAL
 Proposed Surface Facilities
 Embankment Works

Figure 4

- surface mining infrastructure above the underground mining area; or
- coal handling and preparation plant and supporting infrastructure at the Surface Facilities area.

The Modification Report will outline a proposed long-term strategy for coal reject material, which may include off-site transportation via rail and sale as a coal reject product.

It is anticipated that the Modification Report would be lodged in early 2025.

Strategic Context

The Metropolitan Coal Mine is located within the Southern Coalfield of NSW, and the broader Illawarra Region (Figure 1). Underground mining has been conducted at the Metropolitan Coal Mine since 1887. The Metropolitan Coal Project commenced under Project Approval (08_0149) in 2009, and currently employs a workforce of approximately 400 people. The majority of the workforce are located with the Wollongong Local Government Area.

The Metropolitan Coal Mine produces a high-quality metallurgical (or coking) coal product that is directly supplied to BlueScope Steel Ltd (BlueScope) Port Kembla Steelworks. The proximity of the Southern Coalfield metallurgical coal mines is a major factor in BlueScope's ability to make steel economically.

The continued operations of the Metropolitan Coal Mine would be consistent with the NSW Government's *Strategic Statement on Coal Exploration and Mining in NSW* which recognises the value of coal production to the NSW economy in terms of jobs and royalties as well as the importance of metallurgical coal supply for use in the steelmaking process, and hence differing international demand factors to those anticipated for thermal coal (NSW Government, 2020a).

The Modification would provide royalties to NSW and direct flow-on economic effects that would likely not be realised if the Modification does not proceed.

Statutory Context

Environmental Planning and Assessment Act 1979

A Modification to the Project Approval (08_0149) will be sought under section 4.55(2) of the EP&A Act, on the basis that the proposed Modification would be "substantially the same" as the approved Metropolitan Coal Mine (as it was last modified under section 75W). Enclosure 1 provides a summary comparison of the currently approved Metropolitan Coal Mine under Project Approval (08_0149), and the Metropolitan Coal Mine incorporating the proposed Modification.

In this context, it is noted that the proposed underground mining area in the 300-series longwall panels is smaller than that originally approved under the PPR layout (Figure 3).

Mining Act 1992

A new mining lease would be sought over part of Exploration Licence (EL) 9364 to facilitate mining of the Bulli Seam of Longwall 318 and non-subsiding first workings (Figure 2). The proposed mining lease application (MLA) area consists of densely vegetated slopes within the Woronora Special Area. The land within the proposed MLA area is not available for agricultural use as it is located within the Woronora Special Area. Notwithstanding, under the *Environmental Planning and Assessment Regulation 2021*, a development application must be accompanied by a gateway certificate or site verification certificate.

Relevantly, the *Interim protocol for site verification and mapping of biophysical strategic agricultural land* (Interim Protocol) (Office of Environment and Heritage, 2013) states the following:

Each soil type identified should have at least three detailed sites.

...

Detailed soil profile descriptions are taken to at least 750 mm depth. A backhoe or other soil pit is to be used for all detailed sites...

However, completion of the minimum detailed sites would not be reasonably possible due to the significant limitations on machinery access and clearance of vegetation (to enable access to and establishment of soil test pit sites).

Metropolitan Coal will continue to consult with the DPE and WaterNSW regarding a pragmatic approach to address the requirement for a gateway certificate or site verification certificate. It is expected that this would include consideration of relaxation of the strict Interim Protocol requirements and/or use of the gateway certificate pathway.

Biodiversity Conservation Act 2016

A Biodiversity Development Assessment Report (BDAR) would be prepared for the Modification. The BDAR would assess potential ecological impacts and the associated offset liability for unavoidable residual impacts from the Modification in accordance with the *Biodiversity Assessment Method* (Department of Planning, Industry and Environment, 2020), which sets a standard that would result in no net loss of biodiversity value in NSW.

Environment Protection and Biodiversity Conservation Act 1999

The Metropolitan Coal Project was referred under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) in October 2008. The then Department of Environment, Water, Heritage and the Arts determined the Metropolitan Coal Project to be 'Not a Controlled Action' on 4 February 2009 (EPBC Decision 2008/4519).

The Modification will be referred under the EPBC Act in 2024. If the Modification is determined to be a 'Controlled Action', a bilateral assessment process would be sought between the NSW and Commonwealth governments.

Other Legislation

The Modification Report would include consideration of other relevant legislation including (but not limited to) the *Water Management Act 2000*, *Protection of the Environment Operations Act 1997*, *National Greenhouse and Energy Reporting Act 2007*, *Dams Safety Act 2015* and *Wollongong Local Environmental Plan 2009*, among other relevant legislation.

Proposed Scope of the Modification Report

The proposed scope of the environmental assessment of the Modification Report would include the following technical studies:

Subsidence

The Modification Report would include a quantitative assessment of the potential subsidence effects of the Modification and associated impacts to surface features using a calibrated subsidence model. The impact assessment would outline incremental and cumulative subsidence impacts and include assessment of far-field horizontal movements and surface cracking. Recommendation for future monitoring of subsidence impacts associated would be made.

An assessment to confirm that the extension to the 300-series mains will be stable and non-subsiding in the long-term (except insofar as they may be impacted by any future secondary workings) will also be conducted.

Groundwater

The Modification Report would include a quantitative assessment of the potential incremental groundwater impacts of the Modification, based on:

- a review of the groundwater modelling assessments previously undertaken for the Metropolitan Coal Mine;
- a review of monitoring data;
- updated numerical groundwater modelling in accordance with the *Australian Groundwater Modelling Guidelines* (Barnett et al. 2012);
- consideration of relevant Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development's guidelines relating to groundwater and groundwater dependent ecosystems;
- comparison of the approved versus modified groundwater modelling results; and
- a review of management and monitoring measures (and commentary on their suitability for the Modification).

Surface Water

The Modification Report would include quantitative and qualitative assessments of the potential impacts of the modification to surface water resource impacts, with consideration of the revised subsidence predictions. This would include assessment of potential impacts to Honeysuckle Creek, located to the west of Longwall 318, as well as impacts to Woronora Reservoir water quality and quantity.

Biodiversity

As the Modification would involve the extension of underground longwall mining outside of the previously approved underground mining area, a BDAR would be prepared to support the application.

Based on the knowledge acquired from previous mining, the BDAR will focus on the potential impacts of mining to the overlying upland swamps and consider biodiversity offset requirements in accordance with the *Biodiversity Conservation Act 2016*.

Aboriginal Cultural Heritage

An Aboriginal Cultural Heritage Assessment (ACHA) will be prepared to assess any potential impacts to Aboriginal cultural heritage due to the Modification, including additional surveys of the areas overlying the Modification longwalls, and identification of additional monitoring and management (as required), in accordance with relevant guidelines and in consultation with the Registered Aboriginal Parties.

The approved Metropolitan Coal Mine mining area has been subject to previous systematic Aboriginal cultural heritage surveys, the results of which will inform the ACHA for the Modification.

Land Contamination

A Land Contamination Assessment will be prepared in accordance with the *State Environmental Planning Policy (Resilience and Hazards) 2021* with a focus on the MLA area.

Social Impact Review

On the basis that the Modification would not extend the mine life, would continue to use the existing workforce and not change amenity impacts to private landholders, there is negligible change in social impacts expected due to the Modification.

The main text of the Modification Report will include a desktop review of potential social impacts with consideration of the *Social Impact Assessment Guideline* (DPE, 2023) and the *Social Impact Assessment Guideline for State Significant Projects Technical Supplement* (DPE, 2023), as relevant.

Other Environmental Aspects

Consideration and assessment (where required) of potential impacts to other environmental aspects (e.g. greenhouse gas emissions, economic) will be included in the main text of the Modification Report.

Stakeholder Engagement Proposed

Metropolitan Coal will develop a stakeholder engagement program for the Modification, with key objectives of the program intended to:

- engage with government and community stakeholders about the Modification; and
- seek input from key stakeholders on elements of the Modification.

Consultation with government agencies and stakeholders during preparation of the Modification is likely to include:

- DPE.
- Metropolitan Coal Mine Community Consultative Committee.
- Registered Aboriginal Parties.
- Wollongong City Council.
- Sutherland Shire Council.
- WaterNSW.
- DPE - Water.
- DPE - Biodiversity, Conservation and Science Directorate, including the NSW National Parks and Wildlife Service.

- Heritage NSW.
- Dam Safety NSW.
- Commonwealth Department of Climate Change, Energy, the Environment and Water.
- NSW Resources Regulator.
- Mining, Exploration and Geoscience.
- Subsidence Advisory NSW.
- NSW Environment Protection Authority.
- Department of Primary Industries - Fisheries.

The issues raised during, and outcomes of the stakeholder engagement program will be considered in the preparation of the Modification Report, with consultation undertaken summarised accordingly.

Summary

In summary, Metropolitan Coal is advising the DPE of the following:

- The Modification application is planned to be lodged under section 4.55(2) of the EP&A Act.
- Should the Modification be determined to be a Controlled Action, Metropolitan Coal intends to use the bilateral assessment pathway available between the NSW and Commonwealth governments.
- The proposed scope of the Modification Report is as outlined above.
- The proposed consultation for the Modification is as outlined above.

If the DPE has any comments or concerns with the above, Metropolitan Coal would appreciate if the DPE could advise us at your earliest opportunity.

Please do not hesitate to contact me should you have any queries in regard to the enclosed or require additional information.

Yours sincerely,



JON DEGOTARDI
Approvals Manager

ENCLOSURE 1

**SUMMARY OF THE APPROVED METROPOLITAN COAL MINE AND PROPOSED
MODIFICATION**

Summary of the Approved Metropolitan Coal Mine and Proposed Modification

Project Component	Approved Metropolitan Coal Mine ¹	Proposed Modified Metropolitan Coal Mine
Life of Mine	<ul style="list-style-type: none"> Underground mining operations may be carried out until 22 June 2032. 	<ul style="list-style-type: none"> No change.
ROM Coal Production	<ul style="list-style-type: none"> Production of up to approximately 3.2 Million tonnes per annum (Mtpa) of ROM coal. 	<ul style="list-style-type: none"> No change.
Coal Resource	<ul style="list-style-type: none"> Extraction of approximately 54.4 Million tonnes of ROM coal from the 300-series longwalls. 	<ul style="list-style-type: none"> Extraction of approximately 28.5 Mt of ROM coal² from the 300-series longwalls.
Longwall Panel Design ³	<ul style="list-style-type: none"> Longwall void width of between 138 m and 163 m for the 300-series. Pillar widths of between 45 and 70 m for the 300-series. 	<ul style="list-style-type: none"> Longwall void width of 163 m for Longwalls 317 and 318. Pillar widths of 45 m for Longwalls 317 and 318.
CHPP	<ul style="list-style-type: none"> The CHPP and associated material handling systems have a throughput of approximately 600 tonnes per hour. 	<ul style="list-style-type: none"> No change.
Product Coal	<ul style="list-style-type: none"> Up to 2.8 Mtpa of product coal may be transported from Metropolitan Coal Mine in any calendar year. 	<ul style="list-style-type: none"> No change.
Coal Reject Management	<ul style="list-style-type: none"> See Waste Management Plan. 	<ul style="list-style-type: none"> Development of a long-term strategy for coal reject, which may include transportation of coal reject material off-site via rail.
Underground Mine Target Seams	<ul style="list-style-type: none"> Extraction from the Bulli Seam. 	<ul style="list-style-type: none"> No change.
Longwall Layout	<ul style="list-style-type: none"> As per Appendix 3 of Project Approval (08_0149) and correspondence from the Secretary of the Department approving the re-orientation of the longwall panels. 	<ul style="list-style-type: none"> Reconfiguration of Longwall 317 and the addition of Longwall 318, as per Figure 2.
Subsidence Commitments and Management	<ul style="list-style-type: none"> The subsidence impact performance measures listed in Conditions 1 and 3, Schedule 3 of Project Approval (08_0149). 	<ul style="list-style-type: none"> No proposed change.
Surface Facilities	<ul style="list-style-type: none"> As per Appendix 4 of Project Approval (08_0149). 	<ul style="list-style-type: none"> Remediation works to the existing embankment in the area shown on Figure 4.
Mining Tenements	<ul style="list-style-type: none"> Coal Lease (CL) 379, CCL 703, Mine Lease (ML) 1610, ML 1702, Mining Purpose Lease 320, EL 9364. 	<ul style="list-style-type: none"> New mining lease to be sought over Longwall 318 and 300 Mains.
Operational Workforce	<ul style="list-style-type: none"> Workforce of up to approximately 270⁴. 	<ul style="list-style-type: none"> Continued employment of existing operational workforce.

¹ Project Approval (08_0149) (as modified).

² The ROM coal recovered under the Modification would be less than that proposed by the Metropolitan Coal Project due to the shortening of a number of longwall panels for protection of surface features and geological features (see Figure 3).

³ Narrower longwalls and wider panels have been used within 500 m of the Woronora Reservoir. The Modification Longwalls would be greater than 500 metres from the Woronora Reservoir.

⁴ As at mid-2023, the full-time equivalent operational workforce of the Metropolitan Coal Mine was approximately 400 people.