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Your ref: SSD-10269-Mod-1

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Dear Brittany

Narrabri Underground Mine Stage 3 Extension – Modification 1 – Response to Submissions

Thank you for your request via the NSW Planning Portal dated 5 August 2025 to the Conservation Programs, Heritage and Regulation Group (CPHR) of the NSW Department of Climate Change, Energy, the Environment and Water (NSW DCCEEW) inviting comments on the response to submissions (RTS) for the proposed modification 1 (MOD 1) to the approved Narrabri Underground Mine Stage 3 Extension Project (the project).

CPHR has reviewed the RTS against our previous advice on MOD 1 (dated 9 July 2025). We acknowledge that several of our earlier recommendations have been addressed by the proponent, and we have no further comments on those matters. However, the RTS introduces new information and significant changes beyond the scope of our prior recommendations and the original MOD 1 report. These include:

- major revisions to the project's ecosystem and species credit obligation across multiple stages
- updated project figures, including the amended mining layout (approved June 2021) with additional mains headings, dividing the project's mining operations into a northern and southern extent.

The revised credit obligation includes the redistribution of tens of thousands of credits across proposed stages and has altered the project's total credit liability. It is not clear to CPHR why such major revisions have occurred, since no changes have been made to associated impact areas or staging boundaries from the original MOD 1 report. Importantly, the revised ecosystem credit obligation no longer aligns with the impact reduction calculations approved under condition B40 in March 2025.¹ The RTS does not provide any explanation for the scale or rationale behind these major revisions.

CPHR remains seriously concerned about the land clearing undertaken within the Stage 3 extension area to date. The alternative mining layout presented in the RTS splits the project into two distinct zones:

- a northern extent (longwall panels 203-209), which overlaps with the Narrabri Underground Stage 2 approval area
- a southern extent (longwall panels 301-308), which does not overlap with the Stage 2 approval area.

¹ Department of Planning Housing and Infrastructure (2023) Narrabri Underground Mine Stage 3 – Biodiversity Credit Reduction Letter to Whitehaven Coal Limited

As of June 2025, approximately 47 hectares of vegetation has been cleared in the northern extent of the project area. This clearing activity is understood to have been carried out under the Narrabri Underground Stage 2 consent (approved on 26 July 2010). The Stage 2 consent permits vegetation removal based on broad vegetation categories and clearing limits, rather than according to biodiversity credit obligations (species and ecosystem credits) and contemporary ecological classifications (Plant Community Types [PCTs]) under the *Biodiversity Conservation Act 2016* (BC Act). Under this consent, most of the vegetation which has been cleared to date is not identified as native vegetation in the Narrabri Stage 2 Environmental Impact Statement (EIS). As such, clearing undertaken within these areas has neither been offset nor counted toward the Stage 2 clearing limits.

However, under the Stage 3 Biodiversity Development Assessment Report (BDAR) and consent conditions (issued by the Independent Planning Commission in 2022), this same area is identified as containing native vegetation, threatened ecological communities (TECs), and significant habitat for multiple threatened flora and fauna species. The remainder of the northern extent also contains significant habitat for threatened species, including Serious and Irreversible Impact (SAII) entities, which are similarly not accounted for under the Stage 2 consent's clearing limits.

CPHR understands that as of 1 August 2025, the Stage 3 extension project has formally commenced, with a 12-month transitional period during which the Stage 2 consent also remains active. In consultation with CPHR, the Department of Planning Housing and Infrastructure (DPHI) has confirmed that no further clearing can occur under the Stage 2 broad vegetation clearing limits, since the commencement of Stage 3. All clearing and offsetting must now comply with the Biodiversity Offsets Scheme (BOS) and Stage 3 consent conditions, which prevail over any inconsistencies with the Stage 2 consent.²

It should be noted that, despite the recent commencement of Stage 3, the project's biodiversity credit obligations have already been significantly altered through a complex process of manual credit recalculations. The proponent has also indicated an intention to seek further credit reductions and potentially further revise staging boundaries if MOD 1 is approved.

Given the risks and complexities outlined in this response, CPHR emphasises that post-consent amendments must be assessed on a case-by-case basis and considered on their merit, including whether they may result in increased or additional impacts on threatened species and their habitats, and whether they comply with the offsetting requirements of the BC Act and BOS. Given the scale and implications of the issues identified in the RTS, CPHR reiterates the following:

- If DPHI considers increasing flexibility for the proponent to reduce their credit obligation outside of a formal modification process, any future credit amendments be made to the satisfaction of CPHR, rather than proceeding solely in consultation with CPHR.
- Post-consent credit recalculations should not proceed without being undertaken according to a structured, auditable and transparent process i.e. reopening the Biodiversity Assessment Method Calculator (BAM-C) and/or amendments to the approved Biodiversity Development Assessment Report (BDAR) to capture revised impacts.
- Prior to impacts occurring, evidence should be provided to both CPHR and DPHI that the relevant stages of the project have been offset appropriately.

CPHR's biodiversity recommendations are provided in **Attachment A**, and detailed comments are provided in **Attachment B**. A review of the RTS's proposed consent conditions and our comments are provided in **Attachment C**.

² Department of Planning Housing and Infrastructure (2022) Narrabri Underground Mine Stage 3 Extension Project Conditions of Consent - Condition A17

If you have any questions about this advice, please do not hesitate to contact Ben Ellis, Principal Project Officer, via ben.ellis@environment.nsw.gov.au or (02) 8275 1838.

Yours sincerely



Sarah Carr
Director North West
Conservation Programs, Heritage and Regulation Group

24 September 2025

Attachment A – CPHR's Comments and Recommendations

Attachment B – CPHR's Detailed Comments

Attachment C – CPHR's Review of Proposed Conditions of Consent

CPHR's comments and recommendations

Narrabri Underground Mine Stage 3 Extension – Modification 1 – Response to Submissions

Recommendations

- 1.1 Provide a detailed explanation for the significant changes to the project's credit obligations.
- 1.2 Provide updated calculations and spatial data for CPHR to verify.
- 3.1 Future applications for post-consent credit amendments under condition B40 are made to the satisfaction of CPHR and with agreement from the Planning Secretary.
- 3.3 Future applications to adjust project staging are made to the satisfaction of CPHR and with agreement from the Planning Secretary. They should also comply with the reporting requirements detailed under Condition B41 of the Narrabri Underground Stage 3 consent.
- 3.4 No changes are made to condition B39 and instead the biodiversity credit requirement in Tables 5 and 6 should be modified to reflect the impact reductions proposed in MOD 1.
- 3.5 A new condition is included that requires the proponent to provide evidence to both DPHI and CPHR that relevant project stages have been appropriately offset prior to impacts occurring.

Comment

- 2.1 CPHR is willing to support the subdivision of Phase 6 into Phase 6a-6c, contingent on recent changes to the credit obligation being validated. The acceptance of the revised staging does not imply endorsement of future credit reductions under condition B40 for these areas.

CPHR's recommendations and detailed comments

Narrabri Underground Mine Stage 3 Extension – Modification 1 – Response to Submissions

1. Changes to the credit obligation require explanation and updated data for verification

CPHR Recommendation 1.1 from MOD 1 response dated 9 July 2025:

Ensure Table 3 of the modification report reflects the correct number of koala credits, 6,895 instead of 6,894.

While Table 1 of the RTS document addresses the discrepancy in koala credits, it also introduces substantial changes to the project's overall credit obligation, compared to the original MOD 1 report. These changes include:

- changes to the ecosystem credit obligation for 7 different plant community types (PCTs) across 4 stages
- changes to the species credit obligation for 9 threatened species across 3 stages.

These revisions have altered the project's total credit obligation and redistributed tens of thousands of credits across project stages. Importantly, the revised ecosystem credit obligation no longer aligns with the impact reduction calculations approved under condition B40 in March 2025.³ It is unclear to CPHR why such major revisions have occurred, since no changes have been made to associated impact areas or staging boundaries from the original MOD 1 report. The RTS does not provide a rationale or supporting data for these significant revisions.

Tables 1–2 below outline the identified discrepancies. These changes require further explanation and, where applicable, updated calculations and spatial data to enable CPHR verification.

Figure 1 – Ecosystem credit obligation changes made during the MOD 1 RTS.

PCT	Modification 1 Report (June 2025)					Modification 1 RTS Report (August 2025)				
	Phase 1	Phase 6a	Phase 6b	Phase 6c	Overall Total	Phase 1	Phase 6a	Phase 6b	Phase 6c	Overall Total
PCT 88	338				1,603	337				1,602
PCT 435	68		0	91	529	72		20	71	533
PCT 399		38	18				43	13		
PCT 404	178	1,122	1,996		4,730	166	1,117	2,001		4,718
PCT 405		380	396				411	365		
PCT 244	0		0	301	410	23		8	293	433
PCT 55			0	120				7	133	

*Greyed out cells do not contain any identified discrepancies between the original MOD 1 report and the RTS report.

³ Department of Planning Housing and Infrastructure (2023) Narrabri Underground Mine Stage 3 – Biodiversity Credit Reduction Letter to Whitehaven Coal Limited

Table 2 – Species credit obligation changes made during the RTS.

Species	Modification 1 Report (June 2025)			Modification 1 RTS Report (August 2025)		
	Phase 6a	Phase 6b	Phase 6c	Phase 6a	Phase 6b	Phase 6c
Coolabah bertya	43,402	2,573		17,339	28,636	
<i>Tylophora linearis</i>	2,411	3,962	257	2,517	4,049	64
Pale- headed snake	2,399	3,970	502	2,580	4,178	113
Glossy- black cockatoo	160	536		264	432	
Koala	2,411	3,970	514	2,599	4,182	113
Eastern pygmy possum	2,397	3,941	207	2,484	4,022	39
Squirrel glider	828	1,411	501	1,015	1,617	108
Large-eared pied bat	0	4,681	304	1,879	3,024	82
Eastern cave bat	0	1,904	362	800	1,295	171

*Greyed out cells do not contain any identified discrepancies between the original MOD 1 report and the RTS report.

Recommendations:

- 1.1 Provide a detailed explanation for the significant changes made to the project's credit obligations between the MOD 1 report in June 2025 and the MOD 1 RTS report in July 2025.
- 1.2 Provide updated calculations and spatial data for CPHR to analyse and verify these changes.
2. The subdivision of Phase 6 into Phase 6a-6c is accepted, contingent on changes to the credit obligation being validated by CPHR

CPHR Recommendation 4.1 from MOD 1 response dated 9 July 2025:

Staging of the project is not revised to separate out the indirect impacts of subsidence ponding.

The RTS introduces new contextual information explaining the rationale behind the subdivision of Phase 6 into Phases 6a–6c. This includes providing an alternative mining layout and citing ongoing mining and vegetation clearance under the Stage 2 consent. This context was absent from both the original MOD 1 document and the previous requests under condition B40 to reduce the project's credit obligation.

Based on this new information, CPHR is prepared to accept the proposed subdivision of Phase 6, subject to recommendations 1.1 and 1.2 of this response being addressed. However, CPHR emphasise that acceptance of the revised staging does not imply endorsement of future credit reductions under condition B40 for these areas.

Comment:

2.1 CPHR supports the subdivision of Phase 6 into Phase 6a-6c, contingent on recent changes to the credit obligation being validated.

3. Future staging and credit amendments should be to the satisfaction of CPHR

CPHR Recommendation 2.1 from MOD 1 response dated 9 July 2025:

DPHI considers our review of the proposed conditions and recommendations in Attachment C.

CPHR Recommendation 5.1 from MOD 1 response dated 9 July 2025:

The project's consent is not modified to allow for increased flexibility to amend credit staging outside of a formal modification and review process.

Following consultation with the Department of Planning, Housing and Infrastructure (DPHI), CPHR understands that as of 1 August 2025, the Stage 3 extension project has officially commenced. However, the project's biodiversity credit obligations have already been significantly altered through a complex process of manual credit recalculations rather than using the Biodiversity Assessment Method Calculator (BAM-C). In parallel, additional clearing of native vegetation and habitat for threatened species has occurred both within and adjacent to the Stage 3 extension development footprint. The proponent has indicated an intention to seek further credit reductions and potentially further revise staging boundaries if MOD 1 is approved.

Previous applications for post-consent credit amendments have contained errors requiring substantial review and correction (see DOC25/337782 and DOC25/111953). These instances highlight the risks associated with manual recalculations and reinforce the need for a structured, auditable and transparent process.

The current RTS further demonstrates these risks. It includes significant changes to the total ecosystem credit obligation and redistributes tens of thousands of credits across project stages, with no explanation or supporting data. In addition, the RTS document makes it clear that contextual information behind the proponent's request to stage project components and reduce credit amounts has been omitted from earlier applications. This includes information relating to ongoing mining and vegetation clearance under the Stage 2 approval and inclusion of the project's amended mining plan.

We emphasise that post-consent amendments need to be assessed on a case-by-case basis and that any proposal to amend the credit obligation and staging of credit retirement be considered on its merit. This includes its potential to create increased or additional impact on threatened species and their habitats, and its compliance with the offsetting requirements of the BC Act.

Given the concerns outlined above, CPHR reiterates the importance of maintaining a clear distinction between Condition B39, which sets out the overarching offsetting requirements under the BC Act, and the modifying provisions in Condition B40. In addition, if DPHI considers allowing greater flexibility for the proponent to reduce species credit obligations outside of a formal modification process under condition B40, we recommend that these applications be made to the satisfaction of CPHR, and with agreement from the Planning Secretary, rather than proceeding solely in consultation with CPHR.

While CPHR is prepared to support the proponent's proposed condition to allow adjustment of credit staging outside a formal modification, this flexibility should also be subject to the satisfaction of CPHR and in agreement with the Planning Secretary. In addition, the process of applying to adjust credit staging should also be subject to the reporting requirements detailed under Condition

B41 for amending credit obligations i.e. being supported by a report prepared by an accredited assessor and undertaken according to the Biodiversity Assessment Method (BAM).

Finally, given that the Stage 3 extension project has officially commenced, CPHR recommends the inclusion of a new condition requiring the proponent to provide evidence to both DPHI and CPHR that relevant project stages have been appropriately offset prior to any impacts occurring. Each requested condition amendment and CPHR's recommendations have been provided within

Attachment C.

Recommendations:

- 3.1 Future applications for post-consent credit amendments under condition B40 are made to the satisfaction of CPHR and with agreement from the Planning Secretary.
- 3.2 Future applications to adjust project staging are made to the satisfaction of CPHR and with agreement from the Planning Secretary. They should also comply with the reporting requirements detailed under Condition B41 of the Narrabri Underground Stage 3 consent.
- 3.3 No changes are made to condition B39 and instead the biodiversity credit requirement in Tables 5 and 6 should be modified to reflect the impact reductions proposed in MOD 1.
- 3.4 A new condition is included that requires the proponent to provide evidence to both DPHI and CPHR that relevant project stages have been appropriately offset prior to impacts occurring.

CPHR's review of proposed condition of consent

Narrabri Underground Mine Stage 3 – Modification 1 - Proposed Conditions of Consent

Proposed Condition/Amendment (Modification Report)	CPHR Recommended Condition (Modification Report)	Proponent Response (RTS)	CPHR recommendation (RTS)
B39 Subject to condition B40, the Applicant must retire the biodiversity credits specified in Table 5 and Table 6 in accordance with the timetable set out in Table 7 and in accordance with the Biodiversity Offsets Scheme of the BC Act.	No changes are made to condition B39. Instead, the biodiversity credit requirement in Tables 5 and 6 should be modified to reflect the impact reductions proposed in MOD 1.	<p><i>Narrabri Coal Operations Pty Ltd (NCOPL) maintains the amendment to the condition as presented in the Modification Report is needed to demonstratively link the two conditions (excluding the removal of Condition B40(b)) noted below.</i></p> <p><i>CPHR has implicitly agreed with this position in their acceptance of previous B40 applications and the corresponding proposed updates to Table 5 to reflect them.</i></p>	<p>As stated in our response to MOD 1, Condition B39 serves as an overarching condition for the project's offsetting requirements and compliance with the <i>Biodiversity Conservation Act 2016</i> (BC Act). This includes:</p> <ol style="list-style-type: none"> 1. The number and class of credits to be retired to offset the project's impacts. 2. Compliance with the timing requirements detailed in Table 5 and 6 of the conditions of consent i.e. offsetting prior to impact occurring. 3. The requirement to offset the development under the Biodiversity Offsets Scheme (BOS). <p>CPHR do not support points 2-3 above being contingent on the modifying conditions detailed in Condition B40. We reiterate our recommendation that no changes are made to condition B39 and instead the biodiversity credit requirement in Tables 5 and 6 should be modified to reflect the impact reductions proposed in MOD 1.</p> <p>Please note that the proposed amendment to condition B39 would require concurrence from the Minister for the Environment in accordance with s.7.14 of the BC Act.</p>
B40 If the Applicant: (a) <i>identifies that it will not proceed with particular development (eg shortening or not developing particular longwalls or reducing the</i>	If the Applicant: (a) <i>identifies that it will not proceed with particular development (eg shortening or not developing particular longwalls or reducing the</i>	<p><i>NCOPL has no objection to the proposed removal of Condition B40(b) relating to Glossy-black Cockatoo surveys.</i></p> <p><i>NCOPL objects to the proposed removal of 'following consultation with' and</i></p>	<p>We reiterate our recommendation that if DPHI considers increasing flexibility for the proponent to reduce their credit obligation outside of a formal modification process any future credit amendments must be made to the satisfaction of CPHR.</p> <p>Please note that the proposed amendment to condition B40 would require concurrence from</p>

	<p>area of surface disturbance); and/or</p> <p>(b) <i>undertakes further targeted surveys for the Glossy-black Cockatoo that demonstrate that the credits required in Table 6 for that species exceed the impact of the development,</i></p> <p><i>then the Applicant may seek the agreement of the Planning Secretary (following consultation with BCS) to reduce the associated ecosystem credits specified in Table 5 and/or the number of Glossy-black Cockatoo species credits specified in Table 6, equivalent to the number of credits that would be no longer required.</i></p>	<p>area of surface disturbance); and/or</p> <p>(b) undertakes further targeted surveys for the Glossy-black Cockatoo that demonstrate that the credits required in Table 6 for that species exceed the impact of the development,</p> <p><i>then the Applicant may make an application to the satisfaction of CPHR and with seek the agreement of the Planning Secretary (following consultation with BCS), to reduce the associated ecosystem credits specified in Table 5 and/or the number of Glossy-black Cockatoo species credits specified in Table 6, equivalent to the number of credits that would be no longer required.</i></p>	<p>replacement with 'make an application to the satisfaction of CPHR'.</p> <p>Application via the mechanism provided under the consent condition B40 (which was imposed by the Independent Planning Commission) is considered to be a suitable and formal process.</p>	<p>the Minister for the Environment in accordance with s.7.14 of the BC Act.</p>
N/A	<p><i>With the agreement of the Planning Secretary, the Applicant may adjust the staging of surface disturbance and the associated credit requirements in Table 5 and Table 6.</i></p>	<p><i>The new proposed condition is not included in the modified conditions of consent.</i></p>	<p>NCOPL maintains the proposed condition in the Modification Report is required [excluding the removal of Condition B40(b)], to allow the actual credit liabilities to be updated outside of a formal modification process, consistent with other SSD Projects in NSW (e.g. Mount Pleasant and Rix's Creek).</p> <p>NCOPL note that any such application may require concurrence from the Minister for the Environment.</p>	<p>CPHR is prepared to support the proponent's proposed condition to allow adjustment of credit staging outside a formal modification. However, this flexibility should also be subject to the satisfaction of CPHR. We recommend this condition is amended to:</p> <p><i>With the agreement of the Planning Secretary, and to the satisfaction of CPHR, the Applicant may apply to adjust the staging of surface disturbance and the associated credit requirements in Table 5 and Table 6.</i></p> <p>In addition, this condition should also be subject to the reporting requirements detailed under Condition B41 for amending credit obligations i.e. being supported by a report prepared by an accredited assessor and undertaken according to the Biodiversity Assessment Method (BAM).</p>

				<p>Please note that this proposed amendment to enhance flexibility for the proponent to offset the project in a manner that diverges from the original BDAR would require concurrence from the Minister for the Environment in accordance with s.7.14 of the BC Act. .</p>
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