Department of Climate Change, Energy, the Environment and Water

Our ref:DOC25/956585
Your ref: SSD-10269-Mod-1

Brittany Golding
Senior Environmental Assessment Officer
Department of Planning, Housing and Infrastructure
Brittany.Golding@planning.nsw.gov.au

Dear Brittany

Narrabri Underground Mine Stage 3 Extension – Modification 1 – Request for Further Information

Thank you for your request via the NSW Planning Portal dated 13 October 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 request for further information (RFI) on Narrabri Underground Mine Stage 3 Extension – Modification 1 (MOD 1).

As CPHR understands, the RFI issued by the Department of Planning Housing and Infrastructure (DPHI) relates to recommendations 1.1 and 1.2 of CPHR's previous advice, dated 24 September 2025 (DOC25/699192). These recommendations addressed alterations made to the project's total credit obligation in the Response to Submissions (RTS) report and the redistribution of a significant number of credits across project stages. The associated recommendations and CPHR's advice on the proponent's response to the RFI have been provided below.

CPHR recommendation 1.1 (DOC25/699192):

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.

The changes to the total credit obligations for PCTs 88, 435, 404 and 244 have been acknowledged by the proponent as errors. These errors have been corrected in the most recent Excel calculations which support the RFI submission (dated 13 October 2025). However, both the original MOD 1 report (dated June 2025) and the RTS report (dated July 2025) contain these errors and should not be used as the basis for modifying the project's credit obligation.

The proponent has clarified that discrepancies between the MOD and RTS reports result from different credit calculation methods applied in each submission. CPHR agrees that the most recent method is more accurate, reflecting habitat presence and condition across proposed phases 6a, 6b, and 6c. For DPHI's convenience, CPHR have replicated the correct credit calculations provided by the proponent in **Attachment A**.

Following correspondence between CPHR, DPHI and the proponent, it has been explained that the RTS also introduces a new offsetting approach to proposed stages 6b and 6c. This involves aggregating subsidence ponding impact credits from Stage 6c into Stage 6b, effectively shifting credits from impact areas in the eastern portion of the project to an unrelated stage in the west (see Figure 1 below). The rationale for this approach is to ensure all ponding impacts are offset prior to their occurrence, as part of a conservative offsetting strategy. No operational requirements have been identified by the proponent to justify the need for this approach.

It is important to note that the requirement to offset Stage 6c prior to any impacts occurring would still apply, regardless of whether credits are shifted to an earlier stage. Whilst CPHR has no objection to the proponent choosing to pre-emptively offset impacts, the proposed redistribution of credits introduces a disproportionate level of complexity for the very small impact area it involves - 2.4 hectares, representing less than 0.4% of the project's total impact footprint.

Despite the minor scale of the ponding areas, redistributing and aggregating credits across unrelated stages will make tracking and auditing credit retirement increasingly difficult and time-consuming for both DPHI and CPHR. This complexity will be further exacerbated if credit retirement for stages 6b and 6c are later further modified under Condition B40 of the project's consent.

As previously noted in our response to MOD 1, the project's biodiversity credit obligations have already been substantially altered through a complex process of manual credit recalculations. Past applications for post-consent credit amendments have also contained errors requiring extensive review and correction (see DOC25/337782, DOC25/111953 and DOC25/699192). These instances highlight the risks associated with manual credit recalculations and reinforce the need for a structured, auditable, and transparent process.

Given the absence of a clear operational need for the proposed credit redistribution, the disproportionate complexity it introduces and the fact that not redistributing credits would still ensure the project's legislative obligations are met, we recommend that the ponding impacts associated with stage 6c are not aggregated into stage 6b.

Recommendations:

1.1 Credits for ponding impacts within stage 6c should not be aggregated into 6b.

1.2 DPHI note that there are credit errors in the MOD 1 report (dated June 2025) and the RTS report (dated July 2025). CPHR have replicated the correct credit calculations (excluding proposed aggregations between phases 6b and 6c) in **Attachment A**.

1.3 If DPHI consider accepting the proponent's proposal to aggregate credits, we would like to discuss a relevant condition with DPHI to ensure that the aggregated impacts in Stage 6b are offset prior to any clearing occurring within Stage 6c.

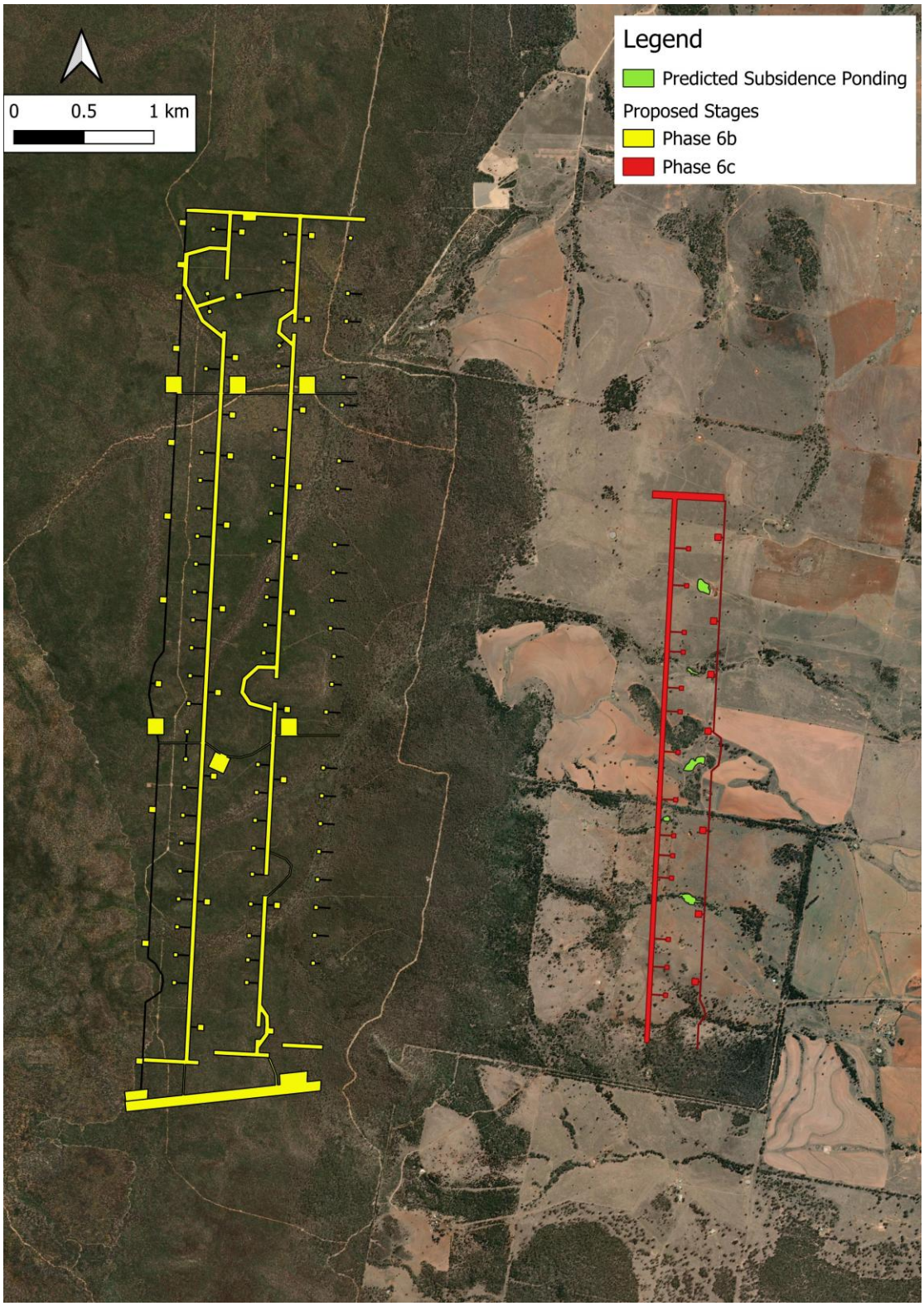

Figure 1: Map showing subsidence ponding areas. The associated offsetting credits are proposed to be reallocated from Stage 6c in the east of the project area to Stage 6b in the west.

CPHR recommendation 1.2 (DOC25/699192):

Provide updated calculations and spatial data for CPHR to analyse and verify these changes.

CPHR has reviewed the changes made to the project's total credit obligation and analysed a random subsample of proposed credit redistributions for the project.

As stated above, the changes to the total credit obligation were acknowledged as an error by the proponent, these errors have been corrected in the most recent Excel calculations (dated 13 October 2025). In addition, notwithstanding our recommendations above, we can advise that the random subsample of credit redistribution have been verified.

Please note that a full error analysis of the series of complex Excel calculations provided by the proponent has not been conducted due to time constraints.

Comment:

2.1 CPHR have verified a random subsample of proposed credit redistributions. Time constraints did not allow for a full error analysis of the series of complex Excel calculations provided.

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

12 November 2025

Credit Obligation Tables

Narrabri Underground Mine Stage 3 Extension – Modification 1 – Request for Further Information

Table 1: Ecosystem credit obligation

	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6a	*Phase 6b	*Phase 6c	Total Phase 6	Overall Total
PCT 88 Pilliga Box - White Cypress Pine - Buloke shrubby woodland in the Brigalow Belt South Bioregion	338	720	66	193	79	0	0	207	207	**1,603**
PCT 141 Broombush - wattle very tall shrubland of the Pilliga to Goonoo regions, Brigalow Belt South Bioregion	0	0	0	0	0	8	0	0	8	**8**
PCT 435 White Box - White Cypress Pine shrub grass hills woodland in the Brigalow Belt South Bioregion and Nandewar Bioregion	72	270	0	84	16	0	20	71	91	**533**
PCT 399 Red gum - Rough-barked Apple +/- tea tree sandy creek woodland (wetland) in the Pilliga to Goonoo sandstone forests, Brigalow Belt South Bioregion	0	0	36	30	172	43	13	0	56	**294**
PCT 401 Rough-barked Apple - Blakely's Red Gum - Black Cypress Pine woodland on sandy flats. mainly in the Pilliga Scrub region	19	0	79	8	4	0	0	0	0	**110**
PCT 404 Red Ironbark - White Bloodwood +/- Burrows Wattle heathy woodland on sandy soil in the Pilliga forests	178	0	785	104	545	1117	2001	0	3118	**4,730**
PCT 405 White Bloodwood - Red Ironbark - Black Cypress Pine shrubby sandstone woodland of the Pilliga Scrub and surrounding regions	0	0	190	159	569	411	365	0	776	**1,694**
PCT 406 White Bloodwood - Motherumbah - Red Ironbark shrubby sandstone hill woodland / open forest mainly in east Pilliga forests	2	0	0	260	302	38	211	0	249	**813**
PCT 408 Dirty Gum (Baradine Gum) - Black Cypress Pine - White Bloodwood shrubby woodland of the Pilliga forests and surrounding region	0	0	0	0	1	0	0	0	0	**1**
PCT 244 Poplar Box grassy woodland on alluvial clay-loam soils mainly in the temperate (hot summer) climate zone of central NSW (wheatbelt)	23	109	0	0	0	0	8	293	301	**433**
PCT 55 Belah woodland on alluvial plains and low rises in the central NSW wheatbelt to Pilliga and Liverpool Plains regions	4	462	0	13	0	0	7	113	120	**599**
PCT 206 Dirty Gum - White Cypress Pine tall woodland of alluvial sand (sand monkeys) in the Darling Riverine Plains Bioregion and Brigalow Belt South Bioregion	0	0	0	48	0	0	0	0	0	**48**
Total	**636**	**1,561**	**1,156**	**899**	**1,688**	**1,616**	**2,626**	**684**	**4,926**	**10,866**

*In accordance with recommendation 1.2 above, CPHR recommends that the relevant credit obligations marked in red are revised to not aggregate ponding credits between proposed phase 6b and 6c.

Table 2: Species credit obligation

	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6a	*Phase 6b	*Phase 6c	Total Phase 6	Overall Total
Bertya opponens (Coolabah Bertya)	-	-	60	-	-	43,402	2,573	0	45,975	**46,035**
Lepidium aschersonii (Spiny Peppercress)	285	887	30	258	45	0	0	226	226	**1,731**
Tylophora linearis	620	1,059	1,617	1,191	2,490	2,411	3,962	257	6,631	**13,607**
Hoplocephalus bitorquatus (Pale-headed Snake)	852	1,252	1,663	1,272	2,542	2,399	3,970	502	6,871	**14,452**
Calyptorhynchus lathami (Glossy Black Cockatoo)	0	0	0	0	1,187	**160**	**536**	**0**	696	1,883
Phascolarctos cinereus (Koala)	986	1,421	1,663	1,289	2,542	2,411	3,970	514	6,895	**14,796**
Cercartetus nanus (Eastern Pygmy-possum)	464	729	1,617	1,143	2,452	2,397	3,941	207	6,545	**12,950**
Petaurus norfolcensis (Squirrel Glider)	560	1,252	529	1,121	1,848	828	1,411	501	2,740	**8,050**
Chalinolobus dwyeri (Large-eared Pied Bat)	-	1,451	-	1,519	3,185	0	4,681	304	4,985	**11,140**
Vespadelus troughtoni (Eastern Cave Bat)	-	1,509	-	803	1,456	0	1,904	362	2,266	**6,034**

*In accordance with recommendation 1.2 above, CPHR recommends that the relevant credit obligations marked in red are revised to not aggregate ponding credits between proposed phase 6b and 6c.