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Metropolitan Coal Mine - Longwalls 317 and 318 Modification (MP08_0149-Mod-4)

Thank you for the opportunity to make this submission. Lock the Gate Alliance is a network of over 120,000 farmers, Traditional Owners, conservationists and community members from across Australia, affected by and concerned about the impacts of coal and unconventional gas mining. We live and work in the communities affected by these industries and undertake research, advocacy and support to protect the environment, cultural heritage and society from damage. Many of our members are regionally-based, and are also experiencing first-hand the consequences of the global warming that has already occurred.

For the reasons outlined in this brief submission, Lock the Gate Alliance **objects** to this proposed modification.

A significant impact on threatened species and water resources

Metropolitan Coal Mine modification is likely to have a significant impact on threatened species and communities and on water resources. The existing mine has had and will continue to have significant direct and indirect environmental impacts on Royal National Park and Garrawarra Conservation Area. Royal National Park and Garrawarra State Conservation Area were listed as a Natural Heritage Place in 2006 for its significant historical, natural and cultural values. Royal National Park (RNP) was the first national park to be established in Australia in 1879, and is associated with the beginning of the Australian conservation movement. Located at the junction of the northern warm-temperate and southern cool-temperate zones, it is a major centre of plant and animal species richness. Garrawarra SCA adjoins the south-western corner of RNP and protects the rainforest in the upper catchment of the Hacking River and maintains rainforest and reserve connectivity between RNP and the Illawarra Escarpment.

Although Longwalls 317 and 318 are located on the side of the mine furthest away from Royal National Park, we understand that the modification would involve continued operation of the existing Metropolitan Coal Mine Major Surface Facilities and the existing Coal Handling and Preparation Plant (CHPP). Any coal extracted from the new workings will be handled and processed at the CHPP and any coal rejects from these longwalls will be stored in the impoundment that has caused significant and numerous pollution events in Camp Gully Creek, and thereafter into the

Hacking River and Royal National Park. This modification, which proposes to extend and expand the operation of the mine, will likely significantly impact the conservation and recreational values of this Natural Heritage Place.

Metropolitan Coal has a poor environmental record. Polluted wastewater from the mine was released into the Hacking River via Camp Gully Creek on numerous occasions in 2022, following high rainfall events. In September 2023, the NSW EPA commenced proceedings against Metropolitan Coal in the NSW Land & Environment Court for alleged licence breaches following an investigation into coal material deposited on the banks and bed of Camp Gully Creek. Additional pollution incidents, including those observed much further downstream at Audley Weir and even Port Hacking, have been informally recorded by members of the local Sutherland Shire Environment Centre.¹

NSW EPA inspections in 2022 indicated that coal fines from the mine's coal waste handling and storage were polluting Camp Gully Creek. Clean up notices, prevention orders were imposed and a review of the mine's licence concluded in early 2023, but this did not stop the pollution.² In August 2023, an embankment collapsed "causing a significant amount of sediment to enter the Creek." The EPA reported that "Initial reports indicated that the incident significantly increased turbidity in the Creek, with discoloured water and sediment extending downstream to the Hacking River in the Royal National Park."³

Due to significant site constraints and the large volumes of coal extracted in a highly sensitive environment, it is not possible for this operation to expand without inflicting considerable additional impact on Coastal upland swamps, threatened species, water resources and Royal National Park and Garrawarra SCA Natural Heritage Place.

From a climate perspective, this modification is highly problematic in regard to meeting NSW's 2030 GHG target. Approval would also represent the opposite of urgent action to reduce fossil fuel methane emissions. Approval of Mod 4 would also be incompatible with efforts to limit warming to 1.5°C - a key purpose of the Climate Change (Net Zero Future) Act 2023.

Impact on drinking water quality

The Independent Expert Advisory Panel on Mining raised concerns in 2023 that the Metropolitan Mine may be impacting water quality in the Woronora Reservoir

Peabody should be asked to respond to this issue raised back in September 2023:

"The quality of the Woronora Reservoir has been poor during 2022-2023 (and during other periods historically) and has led to significant complications for water treatment and water supply. Although

¹ Sutherland Shire Environment Centre (2022). Submission to the EPA Environmental Protection Licence review. <https://www.ssec.org.au/wp-content/uploads/2023/02/EPA-submission-SSEC-compressed.pdf>

² NSW EPA "Metropolitan Collieries" Accessed 3 March 2025.

<https://www.epa.nsw.gov.au/Working-together/Community-engagement/updates-on-issues/Camp-Gully-Creek>

³ EPA NSW, August 2023. "EPA issues Metropolitan Collieries Clean-Up Notice for landslip"

<https://www.epa.nsw.gov.au/News/Media-Releases/2023/EPAMedia230807-EPA-issues-Metropolitan-Collieries-Clean-Up-Notice-for-landslip>

there are natural influences on water quality that might explain the observed variations in water quality, the Panel cannot rule out the possibility that the Metropolitan Mine has had a significant adverse impact.”⁴

Impact on threatened flora and fauna

The potential impact on endangered Plant Community Types weighs against approval

We understand that two of the Plant Community Types (PCTs) mapped within the Study Area align to threatened ecological communities (TECs) listed under the BC Act and/or EPBC Act. PCT 3923 (Woronora Plateau Heath-Mallee) and 3924 (Sydney Coastal Sandstone Creekline Swamp Heath) meet the listing criteria for Coastal Upland Swamps in the Sydney Basin Bioregion (hereafter referred to as Coastal Upland Swamps), listed as endangered under both the BC Act and EPBC Act.

The potential impact on threatened fauna species weighs against approval

We understand that three threatened fauna species were identified within the Development Footprint or nearby and that a further nine threatened fauna species were recorded within the Indirect Impact Footprint. Given the biodiversity crisis within NSW, the NSW Government must take a conservative approach when considering additional impacts on threatened species.

Threatened fauna species were identified within the Development Footprint or nearby:

- Eastern Pygmy-possum (Vulnerable, BC Act)
- Large Bent-winged-bat (Vulnerable, BC Act)
- Powerful Owl (Vulnerable, BC Act)

Greenhouse gas emissions

From a climate perspective, this modification is highly problematic in regard to meeting NSW’s 2030 GHG target. Approval would also represent the opposite of urgent action to reduce fossil fuel methane emissions. Approval of Mod 4 would also be incompatible with efforts to limit warming to 1.5°C - a key purpose of the Climate Change (Net Zero Future) Act 2023.

In light of the recent findings in the NSW Court of Appeal decision in Denman Aberdeen Muswellbrook Scone Healthy Environment Group Inc v MACH Energy Australia Pty Ltd [2025] NSWCA 163, it also appears that Peabody have failed to consider the impacts of climate change on the locality that would be impacted by this proposal. In particular, we note that:

1. methane emissions are projected to increase at this mine;
2. implementation of abatement proposed will still result in an increase in methane emissions;
3. that proposed purchase of ACCUs and SMCs to meet Safeguard Mechanism liabilities will target carbon dioxide drawdown from the atmosphere, not the destruction of atmospheric

⁴ Independent Advisory panel for Mining, Water Quality Performance Measures for Metropolitan Coal Mine, September 2023, pg 1

methane; and

4. neither the impact of these methane emissions nor the impact of Scope 3 emissions appears to have been considered on the locality.

Summary of key GHG issues

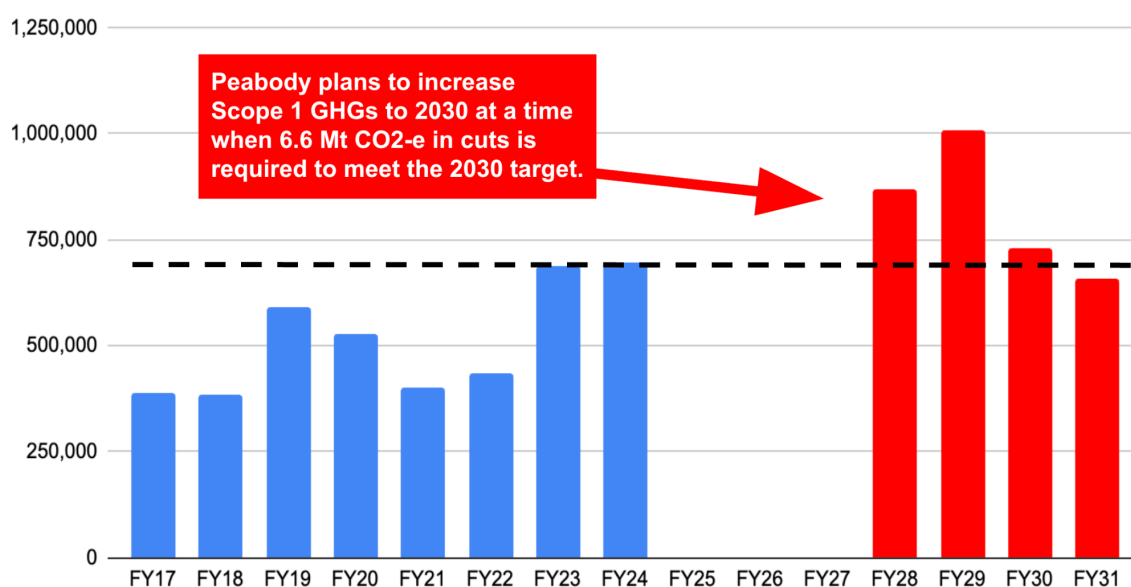
- **Metropolitan is NSW's fifth highest emitting coal mine with a very poor track record of GHG abatement.** In FY24, Scope 1 emissions at this mine were at their highest level since the Safeguard Mechanism was introduced in 2016 (at almost 700,000 t CO₂-e).
- **Metropolitan has a methane problem.** About 80% of Scope 1 emissions in FY24 were methane (554,603 t CO₂-e). Peabody has warned that "higher methane levels" are expected "as the mine progresses westward." As no VAM abatement system is proposed by Peabody and NSW EPA have flagged they won't require VAM abatement either, there is no credible pathway to abate methane emissions beyond promised flaring. The GHG Assessment for Mod 4 does project a 17% reduction in future Scope 1 emissions as a result of flaring, but as Scope 1 emissions are projected to increase significantly, a 17% future cut of a larger emissions profile, will still result in an overall increase in Scope 1 emissions beyond what Peabody have historically reported to the Clean Energy Regulator.
- **Refusal of Modification 4 would close ~11% of NSW's projected abatement gap in 2030.** If Mod 4 is refused, mining would cease in FY29, meaning that most of the 730,000 t CO₂-e of Scope 1 emissions predicted for FY30 would be avoided (this represents 11% of NSW's abatement gap in 2030).
- **NSW EPA's promised reforms appear set to have very little impact.** Both Peabody and NSW DPHI are saying the Guide for Large Emitters does not apply to Mod 4. In addition, future VAM abatement will not be required (see brief discussion below).
- **The Safeguard Mechanism will continue to apply, but is unlikely to incentivise any additional abatement beyond that proposed.** As the Guide for Large Emitters does not apply to this Project, it's unclear if NSW DPHI decision-makers will get any clarity on this issue prior to determination.
- **They promised a 15% cut, but delivered an 80% increase:** At a corporate level Peabody promised a 15% cut in Scope 1 and 2 emissions by 2024 over 2018 levels. At Metropolitan, Scope 1 emissions over the same period *increased* by 80%.

Modification 4 is incompatible with meeting NSW's legislated 2030 GHG target

The latest (2025) DCCEEW modelling projects NSW's emissions will be 6.6 Mt CO₂-e above the abatement target in 2030 with a much larger 11.6 Mt CO₂-e overshoot projected in 2035.

Without this modification, Peabody expects that the Metropolitan Coal Mine would “cease operations in 2029”.⁵ With the modification, coal mining would continue to coal extraction “until approximately 30 June 2031”. If mining were to cease in FY29, this would mean that most of the 730,000 t CO₂-e of Scope 1 emissions predicted for FY30 would be avoided. Given that NSW DCCEEW currently predicts that NSW will be 6,600,000 t CO₂-e over where the state’s GHG inventory needs to be in 2030, a reduction of ~730,000 t CO₂-e would be material. It would represent 11% of the abatement required to meet the 2030 target.

Figure 1: Metropolitan Coal Mine Scope 1 emissions: Clean Energy Regulator data (FY17-FY24) vs Metro Mod 4 projections for 'Modification Scenario'



Data: FY17 to FY24 CER, Safeguard Facility data // Modification Scenario, Table 8, Summary of Scope 1 Greenhouse Gas Emissions Estimates for the Modification Only Versus Approved Baseline Scenario, Metropolitan Coal Mine – Longwalls 317 & 318 Modification – Greenhouse Gas Assessment

Table 1: Scope 1 GHGS - Clean Energy Regulator data (FY17-FY24) vs Metro Mod 4 projections for 'Modification Scenario'

FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY28	FY29	FY30	FY31
388,070	385,853	591,733	526,527	401,341	433,633	686,890	696,752	870,000	1,010,000	730,000	660,000

Regardless of whether mining ceases in 2029 or 2031, the NSW Government needs to fast-track Future Jobs and Investment Authority initiatives to look after coal miners in the Illawarra, as NSW, Australia and the world transitions away from coal.

⁵ Modification Report, pg ES-1

Methane emissions would increase to 2030

Scope 1 emissions at the Metropolitan Coal Mine in FY24 were at their highest level since the Safeguard Mechanism was introduced in 2016. About 80% of these emissions were methane.⁶

In their [2023 Annual report](#) for the Metropolitan Coal Mine, Peabody stated that “higher methane levels” are expected “as the mine progresses westward.” Lock the Gate notes that this application seeks “the extraction of additional resources through the northern extension of Longwall 317 and addition of Longwall 318 to the **west**” [our emphasis].

Further, we note that Peabody’s own GHG Assessment for this Modification acknowledges that the greenhouse gas intensity for Scope 1 emissions at the Metropolitan Coal Mine “is considerably higher” than the industry default Scope 1 emissions intensity of 0.0653 t CO₂-e / t ROM as set under the Safeguard Rule (Section 2.2.3).

In their Guide for Large Emitters (Jan 2025), NSW EPA advises that “[a]s methane warms the Earth much faster than carbon dioxide, reducing methane emissions is important for slowing the rate of atmospheric warming”. The agency further elaborates that a reduction in methane emissions is “widely regarded as the single most effective strategy to keep the goal of limiting warming to 1.5°C. ... managing fugitive methane emissions is a priority for the EPA ...”

Peabody should clarify viability of VAM abatement prior to NSW DPHI’s determination

The most impactful abatement measure for Mod 4’s Scope 1 emissions would be the installation of a VAM abatement system. We note that a key recommendation of the NSW EPA’s Independent Expert Review Panel Report (14 April 2025) into best practice mitigation at NSW coal mines is that “mitigating VAM is critical”. The NSW EPA is proposing to mandate VAM abatement at high-emitting underground coal mines in NSW, but not until FY30 and only for underground mines that will be in an “active (operational) mining phase beyond July 2032”.⁷ This means that if the current requirements proposed in the draft ‘Greenhouse Gas Mitigation Guide for NSW Coal Mines’ are adopted in the final Guide, then VAM abatement will not be required at all at Metropolitan.

At page 39 of the GHG Assessment for Mod 4, Peabody rule out any future implementation of VAM abatement at the Metropolitan Coal Mine:

“With the implementation of a flare system, adoption of electrical vehicle alternatives and the relinquishment of 14 Mt of ROM coal relative to the originally approved mine plan, there are no other reasonable and feasible greenhouse gas mitigation measures that would achieve meaningful emission reductions at the Metropolitan Coal Mine.”

If a VAM abatement system is not installed at Metropolitan, Peabody will be unable to meet steep reductions in methane emissions recommended by the International Energy Agency and the NSW EPA. As Peabody has no intention of installing VAM abatement, this weighs against approval of Modification 4.

⁶ Peabody reported 554,603 t CO₂-e of methane to the CER in FY24 out of a total reported 696,752 t CO₂-e in Scope 1 emissions.

⁷ Proposed Greenhouse Gas Mitigation Guide for NSW Coal Mines, CONSULTATION DRAFT, July 2025, pg v