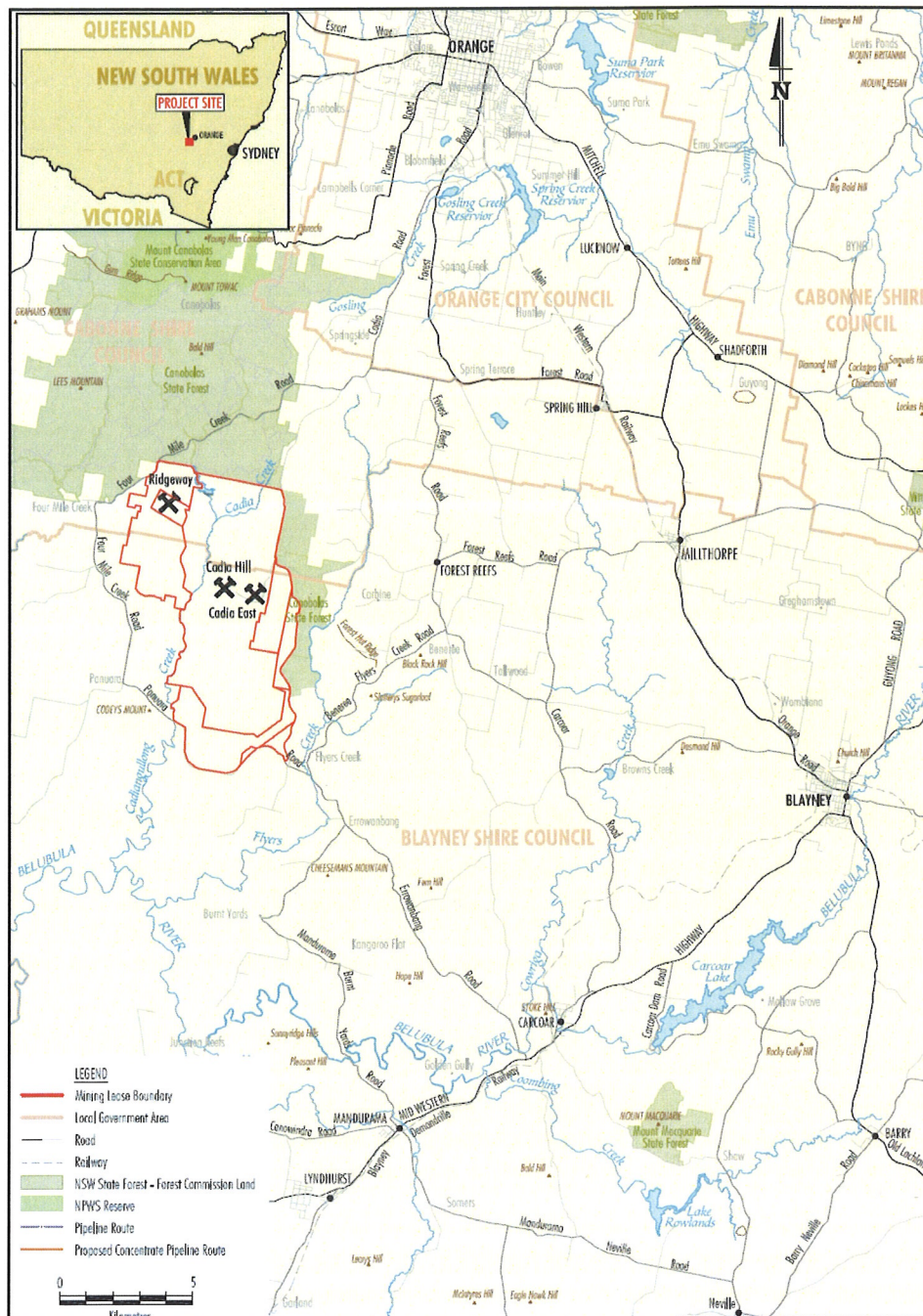


CADIA EAST GOLD/COPPER PROJECT
Biodiversity Offset Area Modification 06_0295 – Mod 7

Cadia Holdings Pty Ltd (Cadia) owns and operates the Cadia Valley mining complex, located approximately 25 kilometres (km) southwest of Orange in the Cabonne and Blayney Local Government Areas (LGAs) (see Figure 1).



The mining complex includes the Cadia Hill open cut mine¹, the Ridgeway underground mine and the Cadia East underground mine, as well as the Blayney Dewatering Facility located approximately 25 km east of the mining complex in the town of Blayney (see Figures 1 and 2). The mining complex is collectively known as the Cadia Valley Operations (CVO).

The mining complex operates under the Cadia East project approval (PA 06_0295), granted by the then Minister for Planning on 6 January 2010. This approval consolidated and replaced 4 previous Ministerial consents regulating open cut and underground operations since 1998.

The Cadia East project approval has been modified five times, and allows Cadia to undertake the following activities until 30 June 2031:

- extract ore from the Cadia and Ridgeway mines;
- process up to 27 million tonnes (Mt) of ore a year; and
- transfer processed ore via a pipeline to the Blayney Dewatering Facility, where it is dewatered and transported via rail to Port Kembla for export.

The Cadia East Project has approval to remove approximately 238 hectares (ha) of native vegetation, including approximately 23.5 ha of Box-Gum Woodland Endangered Ecological Community (EEC), of which 23 ha also constitutes the Commonwealth-listed Box-Gum Grassy Woodlands and Derived Native Grasslands Critically Endangered Ecological Community (CEEC). A condition of the project approval requires that the impact of the vegetation removal be offset in accordance with the approved biodiversity offset strategy.

Cadia's biodiversity offset strategy includes approximately 653 ha of remnant vegetation, as well as 173 ha of cleared agricultural land to be revegetated, on Black Rock Range to the west of CVO (see Figure 2). The Black Rock Range remnant contains approximately 210 ha of Box-Gum Woodland EEC and 154 ha of the Box-Gum Grassy Woodlands and Derived Native Grasslands CEEC. The offset area also adjoins 1,200 metres (m) of the Panuara Rivulet.

The biodiversity offset strategy also includes 112 ha at the confluence of the Belubula River and Flyers Creek (see Figure 2). This offset area supports 62 ha of native vegetation of which 23 ha is the Box Gum Woodland EEC and the Box-Gum Grassy Woodlands and Derived Native Grasslands CEEC.

In finalising in-perpetuity security arrangements for the biodiversity offset strategy Cadia has become aware that some small land parcels within the Black Rock Range and Belubula River/Flyers Creek offset areas are not able to be secured as planned due to a number of cadastral issues. These areas total approximately 30.7 ha, and are shown on Figures 3 and 4. Cadia is now proposing to excise these areas from the overall biodiversity offset strategy and replace them with an alternative offset area.

2 PROPOSED MODIFICATION

Cadia is seeking to modify the project approval to allow it to replace that part of the offset on the problematic land parcels with an additional 60.7 ha offset area of equivalent biodiversity value on land which Cadia owns.

The proposed modification would involve approximately:

- 14.2 ha being removed from the Belubula River/Flyers Creek offset area;
- 16.5 ha being removed from the Black Rock Range offset area; and
- 60.7 ha being added to the offset strategy from Cadia's 'Stratton Vale' property.

The proposed Stratton Vale offset area is shown on Figure 5, and full details of the proposed modification are included in Cadia's Environmental Assessment (EA) (see **Appendix C**).

¹ Open cut mining operations at Cadia ceased in 2012.

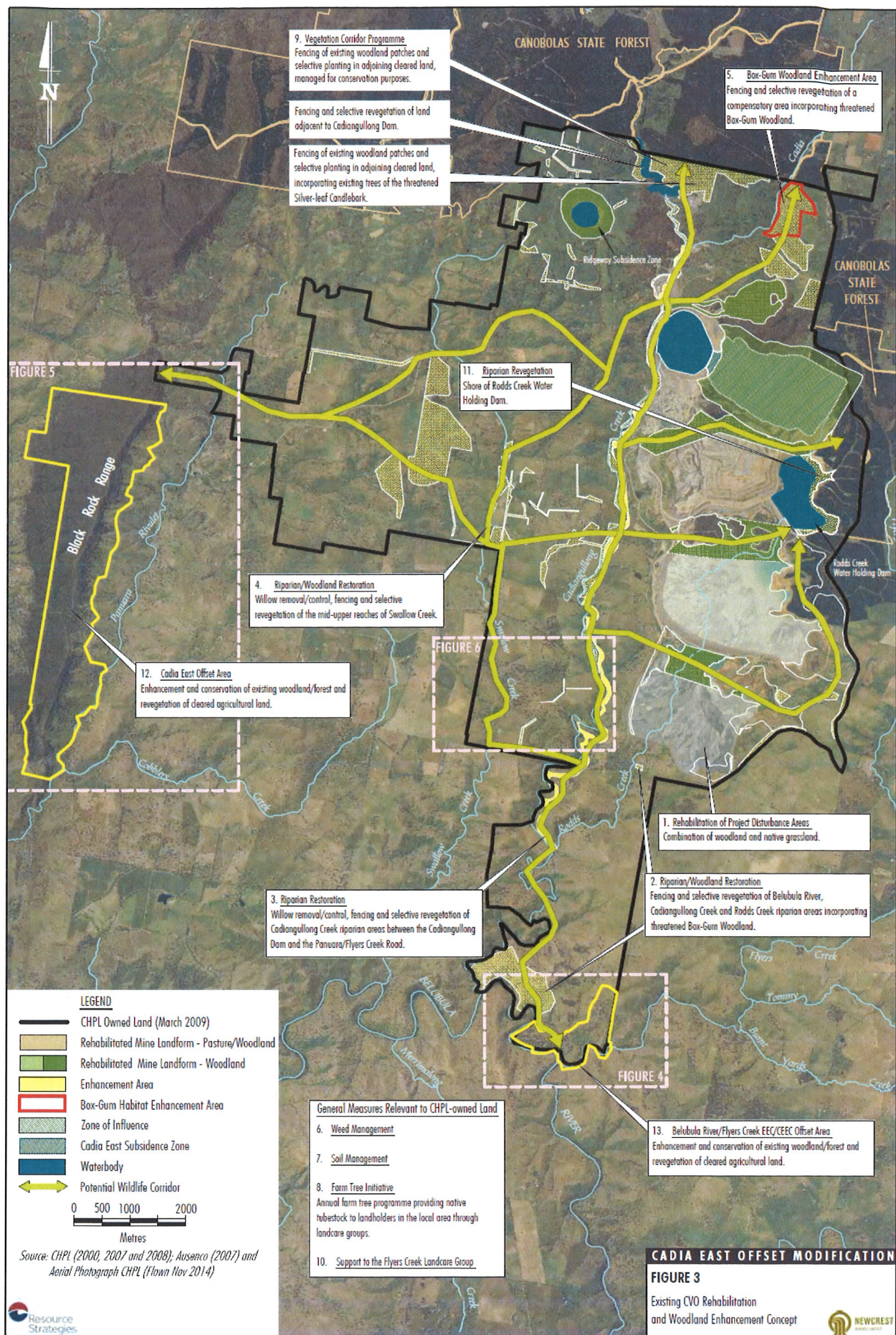


Figure 2: Existing Rehabilitation and Woodland Enhancement Concept, showing the locations of the current Belubula River/Flyers Creek and Black Rock Range offset areas.

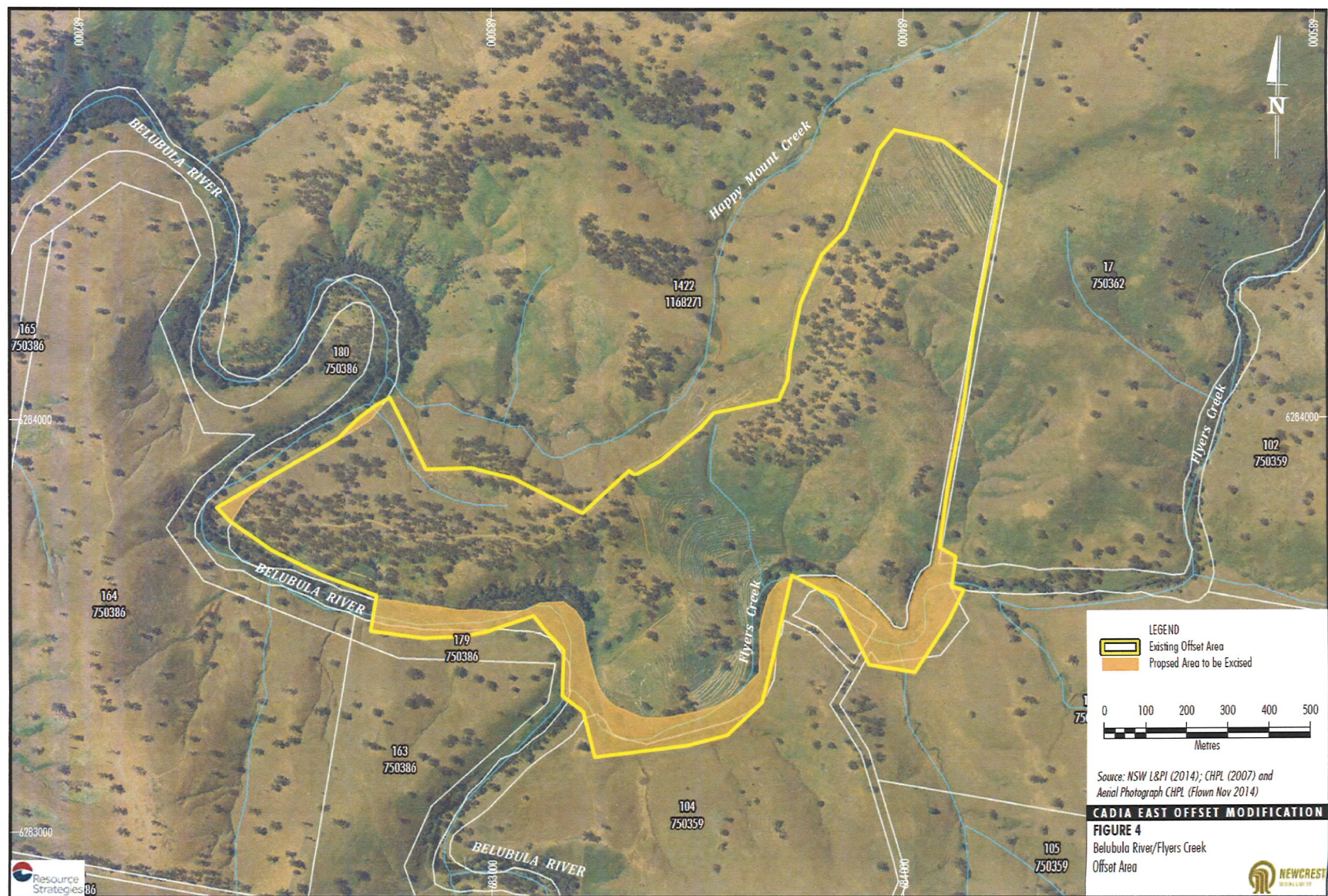


Figure 3: Area to be excised from the Belubula River/Flyers Creek Area

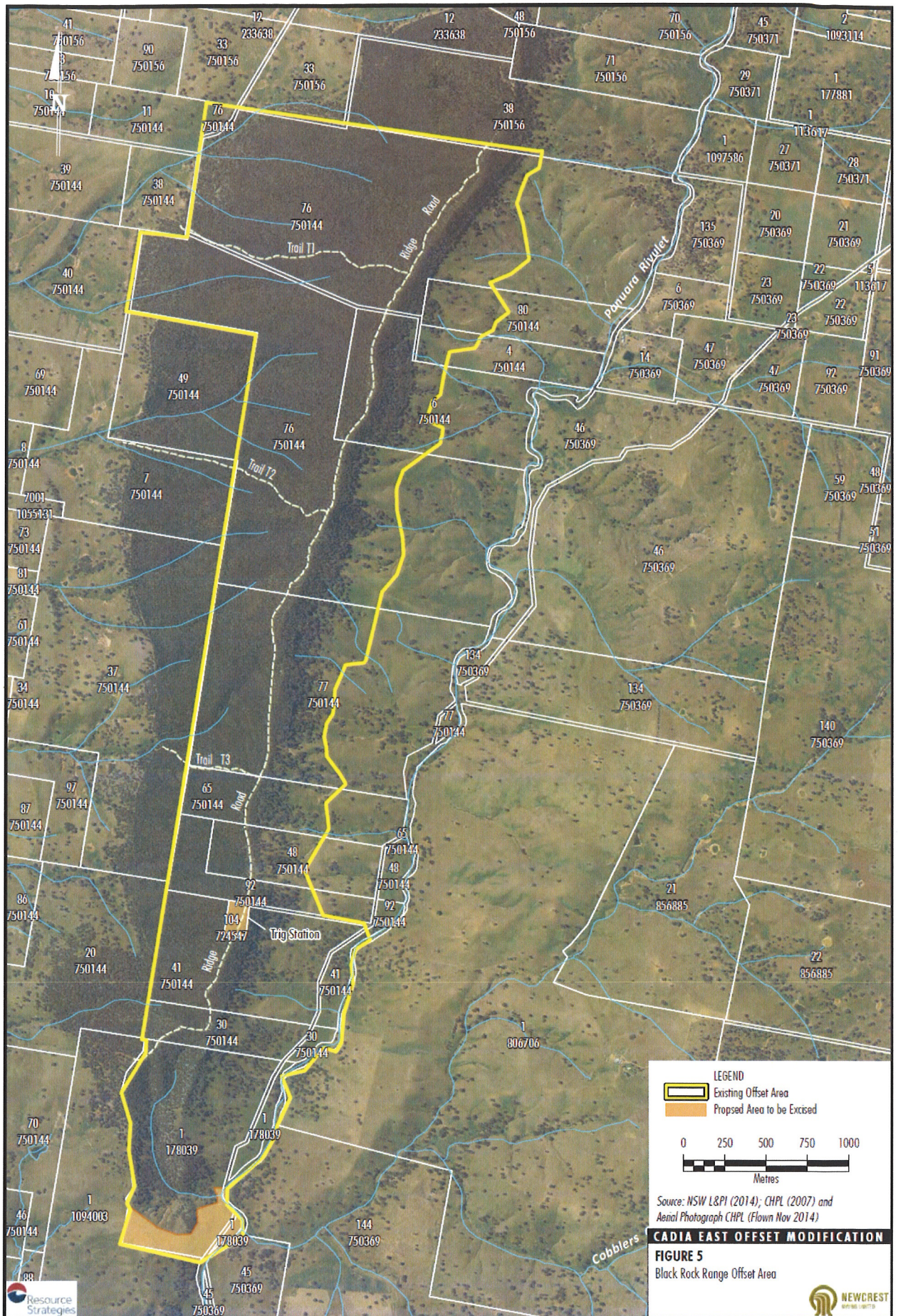


Figure 4: Areas to be excised from the Black Rock Range offset area

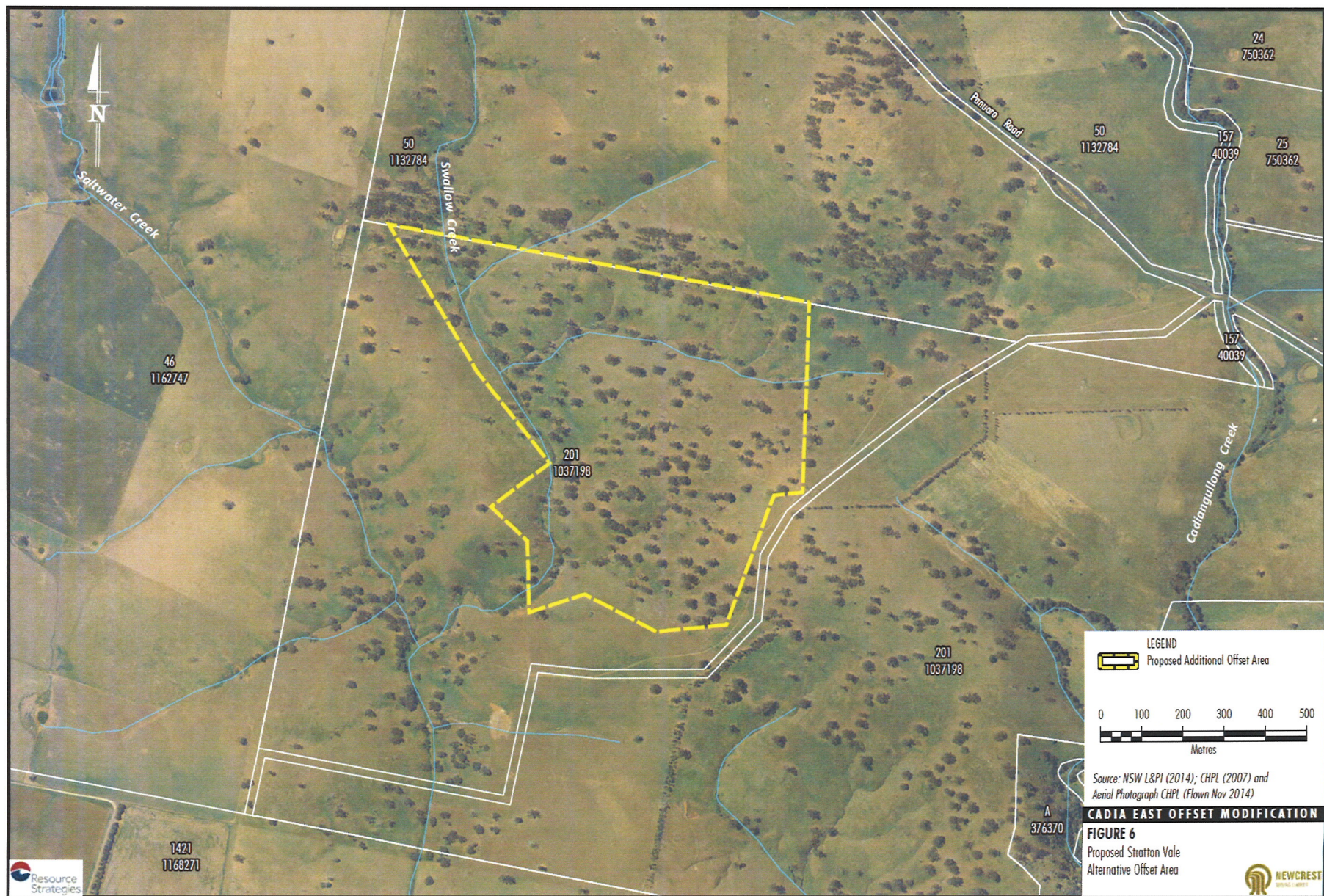


Figure 5: Proposed 'Stratton Vale' replacement offset area

NSW Government
Department of Planning & Environment

3 STATUTORY CONTEXT

3.1 Section 75W

The Cadia East Gold/Copper Project was approved under the former Part 3A of the *Environmental Planning and Assessment Act 1979* (EP&A Act). Part 3A was repealed on 11 October 2011, however the project remains a “transitional Part 3A project” under Schedule 6A of the EP&A Act. The proposed modification must therefore be considered under Section 75W of the Act, in accordance with the relevant savings provisions.

3.2 Approval Authority

The Minister for Planning is the approval authority for the modification application. However, under the Minister’s delegation of 16 February 2015, the Director, Resource Assessments may determine the application. This is because there were no public submissions in the way of objection to the proposal received, Blayney Shire Council and Cabonne Council did not object to the proposal and Cadia did not make any reportable political donations.

3.3 Modification

The Department is satisfied that the proposal can be characterised as a modification to the original approval rather than a new project in its own right. The proposal involves some minor changes to the approved biodiversity offset strategy to facilitate in-perpetuity security for a small component of the overall offset strategy. The changes would remain consistent with the project approval, are considered ancillary to the mining operations on site and would have negligible environmental impacts.

Consequently, the Department is satisfied that that the proposed modification is within the scope of Section 75W of the EP&A Act.

4 CONSULTATION

Under section 75W, the Department is not required to undertake consultation or exhibit the modification application. Nevertheless, the Department referred the application to the Office of Environment and Heritage (OEH), Orange City Council, Cabonne Council and Blayney Council.

None of the Councils objected to the proposed modification.

OEH is satisfied that the revised offset strategy is adequate although it recommended that Cadia be required to develop a Biodiversity Management Plan to improve the relatively poor condition of the native vegetation on the Stratton Vale offset site.

A copy of the submission is included in **Appendix D**.

5 ASSESSMENT

In assessing the merits of the proposal, the Department has considered:

- the EA for the original project;
- the existing conditions of approval;
- the EA for the proposed modification;
- submissions on the application;
- relevant environmental planning instruments, policies and guidelines; and
- the requirements of the EP&A Act.

The Department has assessed the potential impacts of the proposed modification, and summarised the findings of this assessment in Table 1. Based on its assessment the Department is satisfied that all potential impacts resulting from the modification would be relatively minor and can be appropriately managed.

Table 1: Assessment of Environmental Impacts

Issue	Consideration	Recommendation
Biodiversity	<u>Belubula River/Flyers Creek offset area</u> - Cadia proposes to excise 14.2 ha from the offset area in order that the southern boundary of the offset is aligned with its official boundary of the lot(s). In this regard, Cadia notes that the original offset area boundary was based on the fence lines, which have since been found to not correlate accurately with the cadastral boundary. - The vegetation communities within the area to be excised include 11.7 ha of River Oak Forest, 0.3 ha of Box-Gum Woodland EEC and 2.3 ha of Exotic Grassland. Both areas of native vegetation are in poor condition due to a high dominance of exotic species, poor structure and low native species richness.	Amendments to condition 38 of schedule 3 and Appendix 6 to reflect the revised biodiversity offset strategy.
	<u>Black Rock Range offset area</u> - Cadia proposes to excise 16.5 ha from the offset area due to cadastral issues discovered while securing the offset. These issues include the presence of a Trig Station on Crown land within the Range and an area on the southern tip of the offset that is farmed by a neighbouring landowner. - The vegetation communities within the southern area to be excised include 2.7 ha of Box-Gum Woodland EEC, 0.2 ha of Red Stringybark Woodland and 11.0 ha of Exotic Grassland. Both areas of native vegetation are in poor condition due to a high dominance of exotic species, poor structure and low native species richness. - The Trig Station area to be excised supports (and is surrounded by) good quality native vegetation and contains approximately 0.5 ha of the Commonwealth-listed Box-Gum Grassy Woodlands and Derived Native Grasslands CEEC. Despite being excised from the offset the remnant would in effect be managed as part of the offset by virtue of the fact it is indistinguishable from the surrounding native vegetation and is unlikely to be subject to significant disturbance in the future given its use.	
	<u>New Stratton Vale offset area</u> - Cadia proposes to replace the excised offset areas with a new 60.7 ha offset area on the Cadia-owned Stratton Vale property. - The vegetation communities within the offset area include 45.4 ha of Box-Gum Woodland EEC, 1.2 ha of Derived Grassland and 14.1 ha of Exotic Grassland. The Commonwealth-listed Box-Gum Grassy Woodlands and Derived Native Grasslands CEEC was not recorded on the site. - Both areas of native vegetation are in poor condition due to a high dominance of exotic species, poor structure and low native species richness. However, the area is of similar condition to the areas being excised (with the exception of the Trig Station) and is almost twice as large as the excised areas. - Consequently, the Department and OEH are satisfied that the replacement offset area at Stratton Vale is suitable and is 'like for like', being of equivalent vegetation types and overall condition as the areas to be excised. - The Department supports the OEH recommendation that the replacement offset be appropriately managed to improve its condition. In this regard, the existing conditions already require Cadia to prepare and implement a comprehensive Landscape Management Plan (which includes management of the offset areas), and conditions requiring Cadia to review and update the management plan to reflect the proposed modification.	
Other Issues	The Department is satisfied that other issues associated with the proposed modification are minor and can be addressed under the existing project approval.	No additional conditions necessary.

6 RECOMMENDED CONDITIONS

The Department has drafted a Notice of Modification (see **Appendix A**) for the proposed modification, as well as a consolidated version of the project approval as modified (see **Appendix B**). Cadia has reviewed and accepted the proposed amended conditions.

7 CONCLUSION

The Department has assessed the merits of the modification in accordance with the relevant requirements of the EP&A Act. Based on this assessment, the Department is satisfied that the modification would not result in any additional environmental impacts.

Overall, the Department is satisfied that the benefits of the modification outweigh any residual costs. Consequently, the Department believes that the modification is in the public interest and should be approved.

8 RECOMMENDATION

It is recommended that the Director, Resource Assessments, as delegate of the Minister for Planning:

- **considers** the findings and recommendations of this report;
- **determines** that the modification is within the scope of Section 75W of the EP&A Act;
- **approves** the modification application under Section 75W of the EP&A Act, subject to conditions; and
- **signs** the attached notice of modification (**Appendix A**).



Stuart Withington
Team Leader
Resource Assessments



Mike Young
Director
Resource Assessments

4.8.15.

APPENDIX A: NOTICE OF MODIFICATION

APPENDIX B: CONSOLIDATED PROJECT APPROVAL

APPENDIX C: ENVIRONMENTAL ASSESSMENT

See website at:

<https://majorprojects.affinitylive.com/public/d1d44dee8ffedf5a1bc40ce830666ae6/Cadia%20Eas%20Mod%207%20-%20EA.pdf>

APPENDIX D: SUBMISSIONS

See website at: http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=7082