



DOC15/399236
10_0191

Ms Rose-Anne Hawkeswood
Planning Officer, Resource Assessments
NSW Department of Planning & Environment
GPO Box 39 Sydney NSW 2001

Dear Rose-Anne

RE: Hera Gold Project (10_0191 MOD3) Response to Submissions

Thank you for your invitation for the Office of Environment and Heritage (OEH) to comment on the Response to Submissions for the Hera Gold Project.

OEH has reviewed the Response to Submissions and notes that Aurelia Metals Ltd makes the following points in regards using a Biobanking Agreement to secure the Chelsea offset site:

1. Aurelia Metal Ltd has been previously advised that a BioBanking Agreement is not able to be implemented over a Western Lands lease.

It remains uncertain who provided this advice. OEH would like to confirm that a BioBanking Agreement can be established over a Western Lands Lease with approval of the Department of Primary Industries – Lands.

2. Aurelia Metals Ltd is of the understanding that “*BioBanking Agreements require very substantial capital to establish the trust to operate the offset*”.

OEH has previously (in an e-mail of 31 July 2015, copied to Paul Freeman of the Department of Planning & Environment (DP&E)) provided clarification that:

- The Total Fund Deposit (TFD) is not staged year by year, i.e. the proponent does not have to pay into the fund each year. The proponent funds the management of the site annually, i.e. implementing the management actions set out in the agreement. There is no requirement for a yearly deposit into the fund.
- The TFD would not necessarily be triggered at the end of mine life. The TFD would only be triggered if the company were to sell ‘Chelsea’. Until that point, the company has only to continue funding their management of the site annually.

Aurelia Metals Ltd is of the view that, as they own both the development site and offset site, a BioBanking Agreement is an inefficient method to establish the biodiversity offset. In our e-mail of 31 July 2015 OEH outlined the additional potential benefits in establishing a BioBanking Agreement in comparison to a PVP, in terms of getting maximum benefit out of the excess biodiversity credits available on the remainder of Chelsea. This includes being able to sell excess credits to other companies or having those credits available to retire against another Aurelia Metals project in the

future. A PVP on the property will only allow the full value of any excess credits on that site to be available for the Hera project.

Notwithstanding these points, the OEH view is that the proposed Hera modification should not be considered as a transitional project and therefore a BioBanking Agreement should be used to secure the offset associated with this modification as required by the NSW Government Biodiversity Offsets Policy for Major Projects and associated Framework for Biodiversity Assessment.

In regards the quantum of the proposed biodiversity offset, OEH is of the view that this will be determined as part of the BioBanking process. Should the Department of Planning & Environment determine that a BioBanking Agreement is not required as a security mechanism for the Hera offsets OEH will continue to consult with the proponent regarding alternate security mechanisms and the quantum of the offset.

Should you require further information regarding issues that are the responsibility of the OEH please contact David Geering, Conservation Planning Officer on (02) 6883 5335 or david.geering@environment.nsw.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S Ardill', written in a cursive style.

SONYA ARDILL
Senior Team Leader Planning
North West Region

Contact officer: DAVID GEERING
(02) 6883 5335