29 July 2016

Carol Ng
SUEZ Recycling & Recovery Australia
PO Box 3500
RHODES NSW 2138

Dear Carol

Lucas Heights Resource Recovery Park
Response to Biodiversity Offsets Review

GHD has reviewed the NSW Office of Environment and Heritage (OEH) Response to Submissions letter dated 7 July 2016 for the proposed Lucas Heights Resource Recovery Park (SSD 6835). The letter response from OEH relates to the proposed Biodiversity Offsets Strategy (BOS). The issues raised by the OEH generally relate to the securing of biodiversity credits for the Garden Organics (GO) facility and the request for additional actions to be considered to ensure suitable biodiversity credits can be secured and retired for the proposed Advanced Resource Recovery Technology (ARRT) facility.

It should be noted that construction of the proposed ARRT facility is not immediate and would be constructed upon securing waste supply, hence the proposed staging of the project and request to stage the securing and retirement of credits as outlined in the BOS. Regardless, there are activities that the proponent can complete which would alleviate the OEH concerns raised in relation to this matter and allow for greater flexibility in securing suitable credits at the time the ARRT facility is to be constructed.

Our review outlines the following actions being undertaken by SUEZ and GHD to address the concerns raised by OEH in an efficient manner.

- Securing ecosystem credits for the GO facility – Negotiation to commence with the ecosystem credit providers listed in the BOS. GHD, on behalf, has issued a request to both parties to provide a credit price for the 188 ecosystem credits required. SUEZ will then commence formal negotiations to secure a 'take-up option' with the preferred credit supplier. The option would describe the number, type and credit price that SUEZ would commit to purchasing upon approval of the Project.

- Securing species credits for the GO facility – GHD has commenced consultation with Hornsby Shire Council (HSC) regarding the potential to purchase Eastern Pygmy Possum species credits from their proposed biobank site at Galston. The site is currently undergoing assessment and it is anticipated the BioBanking agreement application would be lodged with the OEH BioBanking Unit within eight weeks. SUEZ will commence formal negotiations to secure a 'take-up option' with HSC once the BioBanking assessment has been completed. The option would describe the number of species credits and credit price that SUEZ would commit to purchasing upon approval of the Project.

- Ecosystem credits for the ARRT facility – GHD notes there is sufficient supply of ecosystems credits required for the ARRT facility should it be constructed. SUEZ may complete the same exercise outlined above for the GO facility to secure these credits and/or work with other interested stakeholders such as Sutherland Shire Council (SSC) to identify and establish a biobank site to

provide biodiversity credits if required. The proponent assumes the Conditions of Consent (CoC's) for the project would reflect the obligation to secure and retire the necessary biodiversity credits before construction can commence.

- Expression of Interest – GHD and SUEZ are also committed to lodging on Expression of Interest (EOI) for the project on the OEH BioBanking website for a period of six months. This approach may assist in identifying alternative credit suppliers for the ARRT facility and allow for the potential use of the 'variation to trading rules' to be applied to the project if required. As mentioned above, SUEZ are also committed to working with SSC to see if a suitable biobank site could be identified which contains *Allosacurina diminuta* subsp. *mimica* and the Eastern Pygmy Possum. This would likely alleviate the need to apply the variation rules.

Should you have any questions in relation to this matter please contact me accordingly.

Sincerely
GHD Pty Ltd

Daniel Williams
Principal Environmental Scientist
02 6586 8714