

ASSESSMENT REPORT

Salt Ash Sand Quarry Project

Biodiversity Offset Modification (07_0094 MOD 1)

1 BACKGROUND

ATB Morton Pty Limited owns and operates the Salt Ash Sand Quarry Project, located approximately 33 kilometres northeast of Newcastle in the Port Stephens local government area (see Figure 1).

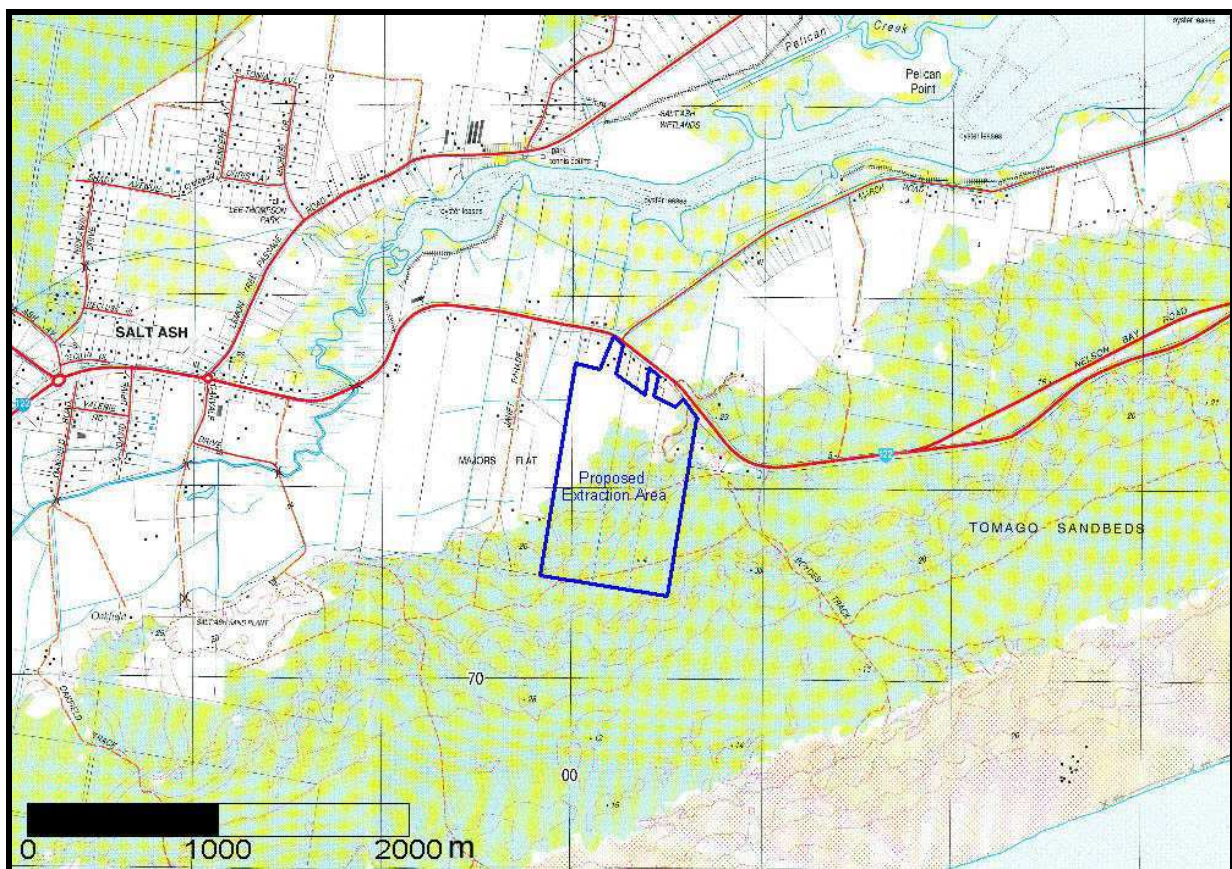


Figure 1: Location of the Salt Ash Sand Quarry Project.

The quarry was approved under delegation from the Minister for Planning on 29 October 2010. The project approval (07_0094 – see Appendix A) allows ATB Morton to extract, process and transport up to 201,000 tonnes of sand per year for a period of 18-20 years.

2 PROPOSED MODIFICATION

On 25 March 2011, ATB Morton applied to modify its project approval under section 75W of the *Environmental Planning and Assessment Act 1979* (EP&A Act). The Minister's approval requires ATB Morton to provide a biodiversity offset for the proposed clearing of 25.8 hectares (ha) of vegetation at the quarry site. To meet this requirement, ATB Morton offered a 120 ha site at Markwell, near Buladelah. ATB Morton is seeking to modify its offset, as the Markwell site is no longer available to be used for this purpose. ATB Morton now proposes an alternative biodiversity offset site at Tomalla (see Figures 2 and 3). The new site is adjacent to the Barrington Tops State Forest and has similar vegetation types as Markwell. ATB Morton's assessment of the Tomalla site is detailed in Appendix B.

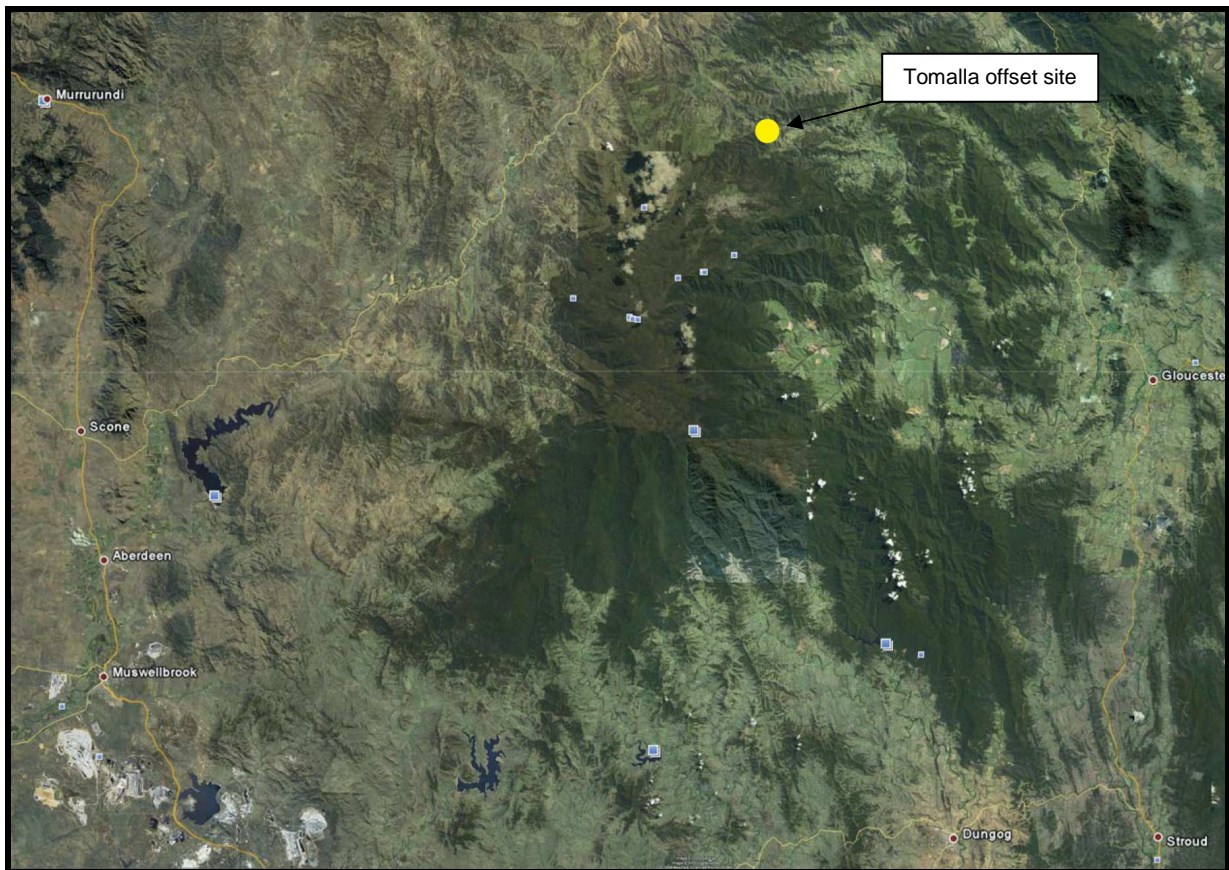


Figure 2: Tomalla offset site

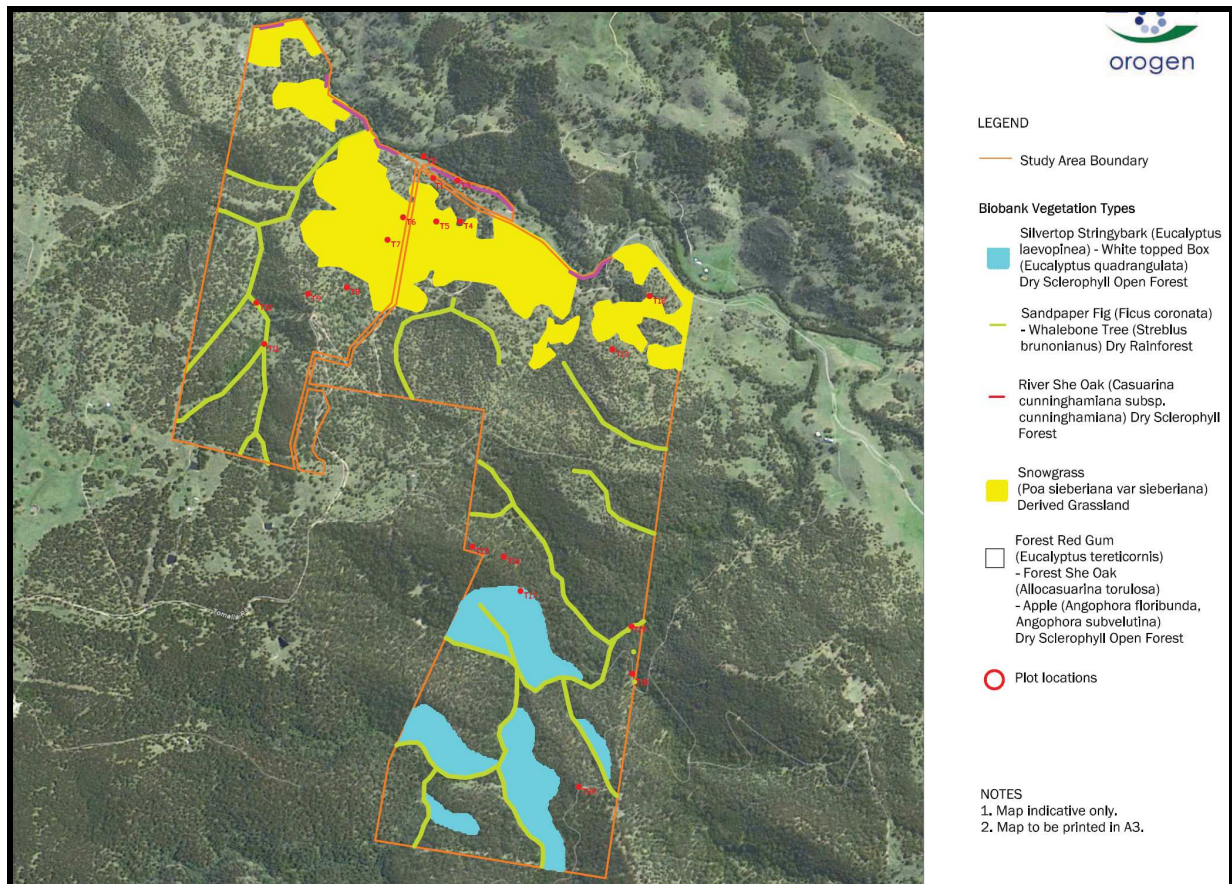


Figure 3: Tomalla offset site vegetation

3 STATUTORY CONTEXT

Approval Authority

Under section 75W of the EP&A Act, the Minister for Planning and Infrastructure is the approval authority for this modification application. However, under the Ministerial delegations of 25 January 2010 and 28 May 2011, the application may be determined by the Director, Mining and Industry Projects.

Section 75W

The proposed modification would not involve changes to any of the quarry's operating functions. The Department is satisfied that the proposed modification falls within the scope of section 75W, and that the application can be determined under section 75W of the EP&A Act.

Consultation

Under section 75W of the EP&A Act, the Department is not required to publicly notify the modification application or undertake consultation. Given that the modification does not involve changing any of the on-site operations and therefore would not increase any approved impacts, no public consultation was undertaken.

However, the modification was referred for comment to the Department of Environment, Climate Change and Water (now the Office of Environment and Heritage (OEH) within the Department of Premier and Cabinet). OEH welcomed ATB Morton's use of OEH's biobanking methodology to determine whether the Tomalla site would be adequate to offset the project's biodiversity impacts.

4 ASSESSMENT

ATB Morton used OEH's biobanking methodology to inform the assessment of the Tomalla site as an appropriate offset for the clearing of native vegetation at the project site. ATB Morton also applied OEH's *Interim Policy on Assessing and Offsetting Biodiversity Impacts of Part 3A Development*, which allows the biobanking methodology to be modified in circumstances where "like for like" offsets are unable to be offered, as is the case with the approved project. ATB Morton instead offered a "mitigated net loss" outcome, involving the conversion of Ecosystem Credits for one vegetation type to another type within the same vegetation formation which occurs in the same bioregion.

OEH found that Ecosystem Credits would be able to be appropriately traded between the project site and the Tomalla site, as the vegetation at Tomalla is within the same vegetation formation (ie Dry Sclerophyll Forest) and is within the same bioregion. OEH subsequently stated its satisfaction with the Tomalla site and recommended that ATB Morton enter into a Biobanking agreement with the Minister for Environment and Heritage in accordance with the provisions of the *Threatened Species Conservation Act 1995*, and retire 1857 Ecosystem Credits from the Tomalla site. The Department has adopted OEH's recommendations in a proposed condition of approval.

The proposed modification would have no adverse environmental impacts, and would lead to a higher ratio of land conserved than the previously-approved offset at Markwell. As the Markwell site is no longer available, and given OEH's acceptance of the Tomalla site, the Department considers that it is appropriate for ATB Morton to use the Tomalla site to offset the project's biodiversity impacts.

6 CONCLUSION

The Department has assessed the application in accordance with the relevant requirements of the EP&A Act. This assessment has found that the proposed modification would cause no adverse environmental impacts. The Department is satisfied that the proposed modification is justified and should be approved, subject to conditions.

ATB Morton has reviewed the proposed conditions and has accepted them.

7 RECOMMENDATION

It is RECOMMENDED that the Director, Mining and Industry Projects:

- **consider** the findings and recommendations of this report;
- **determine** that the proposed modification is within the scope of section 75W of the EP&A Act;
- **approve** the proposed modification under section 75W of the EP&A Act; and
- **sign** the attached Notice of Modification (Tag A).



Howard Reed
Manager, Mining Projects

11.8.11

 11/8/11

David Kitto
Director, Mining and Industry Projects

APPENDIX A: 07_0094 PROJECT APPROVAL

APPENDIX B: SUPPORTING INFORMATION
