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> Ms Genevieve Seed Senior Planning Officer, Resources Assessments Department of Planning and Environment genevieve.seed@planning.nsw.gov.au

Dear Ms Seed

OEH Review of Response to Submissions Report: Brandy Hill Quarry Expansion Project (SSD 5899) – Port Stephens LGA

I refer to your e-mail dated 9 October 2018, seeking comments on the Response to Submissions Report for the Brandy Hill Quarry Expansion Project (SSD 5899). The Office of Environment (OEH) has reviewed the document titled '*Response to Submissions for the Brandy Hill Quarry Expansion Project - Major Project Application No. 5899*' (prepared R.W. Corkery and Co. Pty Limited, dated October 2018) in relation to impacts on biodiversity. Matters relating to Aboriginal cultural heritage and flooding were adequately dealt with in the Environmental Impact Statement.

OEH's recommendations on biodiversity are provided in **Attachment A** and detailed comments are provided in **Attachment B**. If you require any further information regarding this matter, please contact Nicole Davis, Acting Senior Team Leader Planning, on 4927 3156 or via email at rog.hcc@environment.nsw.gov.au

Yours sincerely

Sharon Meller

19 October 2018

SHARON MOLLOY Director Hunter Central Coast Branch Conservation and Regional Delivery Division

Contact officer: NICOLE DAVIS 02 4927 3156

Enclosure: Attachments A and B

OEH's recommendations

Brandy Hill Quarry Expansion Project (SSD 5899)

- 1. OEH is satisfied with the biodiversity assessment provided and no further assessment is required.
- 2. OEH recommends that the Department of Planning and Environment (DPE) includes a condition of consent to retire all ecosystem credits (2799 credits) and species credits (1191 koala credits) in accordance with the proposed Biodiversity Offset Strategy (BOS) and the following offsetting mechanisms:
 - payment into the Biodiversity Conservation Fund (BCF)
 - purchase and retirement of open market available ecosystem in accordance with the Framework for Biodiversity Assessment and the offset variation rules or
 - establishment of a Biodiversity Stewardship Site.

OEH's detailed comments

Brandy Hill Quarry Expansion Project (SSD 5899)

Biodiversity

1. OEH is satisfied with the biodiversity assessment

The Office of Environment and Heritage (OEH) review of the Environmental Impact Statement and the Biodiversity Assessment Report (BAR) identified that the proposal generally complied with OEH's major project guidelines, with some minor issues that required further clarification. These included consideration of an additional threatened species (i.e. *Pterostylis chaetophora*); clarification of the survey effort and how it meets OEH's minimum requirements: and further details on the determination of koala species credits.

OEH has reviewed the Response to Submissions Report (RTS) and the revised BAR (November 2017) and notes that all issues identified by OEH have been adequately addressed. OEH is now satisfied with the assessment and no further work is required.

Recommendation 1

OEH is satisfied with the biodiversity assessment provided and no further assessment is required.

2. OEH recommends appropriate offsetting be incorporated into the conditions of consent

The proposal requires the retirement of 2799 ecosystem credits (across six Plant Community Types [PCT] as listed in Table 26 of the revised BAR [Appendix 8 of the RTS report]) and 1191 koala species credits. The proponent has committed to a Biodiversity Offset Strategy (BOS), which states that the proponent will:

 Purchase and retire the biodiversity credit requirements from a registered BioBank agreement site in accordance with the OEH interim policy (OEH 2011). The majority of the credits will be purchased on a 'like for like basis' (i.e. Tier 1 under the OEH interim policy 2011), with credits for PCT HU812 and HU591 being purchased under a Tier 3 arrangement, as 'like for like credits' appear to be not available in the Interim Biogeographic Regionalisation for Australia (IBRA).

OEH supported this approach and agreed the credit trading variation is permissible under the OEH interim policy (OEH 2011).

OEH is satisfied with the BOS and proposed offset mechanisms, given they are in accordance with the current policies. However, given that the BioBanking Methodology no longer applies, OEH supports the use of the following options for offsetting under the *Biodiversity Conservation Act 2016*:

- payment into the Biodiversity Conservation Fund (BCF)
- purchase and retirement of open market available ecosystem in accordance with the Framework for Biodiversity Assessment and the offset variation rules or
- establishment of a Biodiversity Stewardship Site.

OEH recommends that if the Department of Planning and Environment (DPE) approves the proposal, DPE includes a condition of consent to retire the 2799 ecosystem credits and 1191 species credits in accordance with the BOS and the above offsetting mechanisms.

Recommendation 2

OEH recommends that the Department of Planning and Environment (DPE) includes a condition of consent to retire all ecosystem credits (2799 credits) and species credits (1191 koala credits) in accordance with the proposed Biodiversity Offset Strategy (BOS) and the following offsetting mechanisms:

- payment into the Biodiversity Conservation Fund (BCF)
- purchase and retirement of open market available ecosystem in accordance with the Framework for Biodiversity Assessment and the offset variation rules or
- establishment of a Biodiversity Stewardship Site.

References:

OEH (2011) NSW OEH interim policy on assessing and offsetting biodiversity impacts of Part 3A, State significant development (SSD) and State significant infrastructure (SSI) projects. NSW Office of Environment and Heritage, Sydney, June 2011.