



Our ref: 16/08860

Mr Michael Rix
Vice President - Processing
South32 Illawarra Coal
PO Box 514
UNANDERRA NSW 2526

Dear Mr Rix

**Dendrobium Coal Mine & Bulli Seam Operations Project
Strategic Biodiversity Offset Statement**

I refer to the *Strategic Biodiversity Offset* (SBO) document that South32 submitted to the Department in March 2016.

The Department has carefully considered the proposal to provide an offset for mining impacts from the Dendrobium Coal Mine and Bulli Seam Operations Project through the conservation of a 598 hectare site at Maddens Plains near Helensburgh.

The Department and the Office of Environment and Heritage (OEH) support South32's intention to secure the Maddens Plains site in perpetuity by transferring this land to the National Park estate.

The Secretary is satisfied that the proposed offset land at Maddens Plains, as described in Table 4-1 of the SBO document, meets the offset requirements for any impacts on:

- the upland swamps at the Dendrobium Coal Mine, as described in Table 3-1 of the SBO document; and
- the vegetation communities at the Bulli Seam Operations Project, as described in Table 3-2 of the SBO document.

In the opinion of the Secretary, the land also has additional offsetting values as it would:

- secure land with significant ecological value in perpetuity within the National Park estate; and
- improve habitat corridors between the Illawarra Escarpment State Conservation Area, the Dharawal Nature Reserve and the WaterNSW Special Area.

Consequently, the Secretary has approved the *Strategic Biodiversity Offset* document, in accordance with condition 15 of Schedule 2 of the development consent for the Dendrobium Coal Mine and condition 14 of Schedule 2 of the project approval for the Bulli Seam Operations Project.

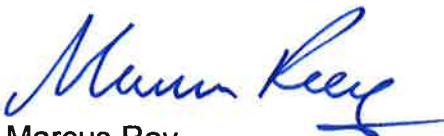
The Secretary is also satisfied that this document fulfils the requirements of condition 9 of the Subsidence Management Plan Approval for Area 3B of the Dendrobium Coal Mine.

If mining in Area 3 of the Dendrobium Coal Mine does not proceed as currently proposed, the Department would consider future proposals to utilise the biodiversity values provided at the Maddens Plains site for other offsetting purposes. However, any such proposal would require further approval from the Secretary, following consultation with OEH.

The transfer of the Maddens Plains site to the National Park estate will be subject to processes administered by the NSW Minister for the Environment. Under the conditions of the SMP approval for Area 3B, you must make suitable arrangements to provide appropriate long-term security for approved offset areas prior to the extraction of Longwall 14.

The Department recommends that you initiate engagement with OEH in relation to this transfer process as soon as possible.

If you wish to discuss the matter further, please contact David Kitto, Executive Director, Resource Assessments and Business Systems, on 9228 6487.



Marcus Ray
Deputy Secretary
Planning Services
as nominee of the Secretary

16/12/2016