

Alpine Shire

CONFIDENTIAL MINUTES

M3 – 1 April 2014

Council Chambers

7.00 pm

Please note this matter has been deemed confidential by the powers vested in the CEO pursuant to Section 77 of the Local Government Act on the grounds that it is a matter protected by Section 89(2) (a) & (f) of the Act.



TABLE OF CONTENTS

14.1	[REDACTED]	3
14.1.1	Dinner Plain Montane Swamp Offset Management Agreement	



14.1

14.1.1 Plain Montane Swamp Offset Management Agreement

File Number: 110.16

INTRODUCTION

The purpose of the report is to formalise an agreement with the Independence Group NL to manage and protect an area of 2.19 hectares of sub-alpine wet heathland at Dinner Plain.



That Council:

- 1. enter into an agreement with the Independence Group NL to manage and deliver a 10 year offset management program and protect in perpetuity a land area of 2.19 hectares within lot 3, Dinner Plain.*
- 2. formalise the offer in writing by signing the Heads of Agreement.*

Carried

BACKGROUND

The 'Stockman Project', which is being undertaken by Independence Group NL (IGO), proposes to carry out underground mining operations to source copper and zinc from two prospects known as Currawong and Wilga within State Forest, approximately 19km southeast of Benambra, within the East Gippsland Shire.

As part of the operations, IGO will require the removal of 0.41 ha of Sub-alpine Wet Heathland or *Alpine Sphagnum Bogs and Associated Fens*. This vegetation community meet both the *Environmental Protection and Biodiversity Conservation EPBC Act 1999* listed '*Alpine Sphagnum Bogs and Associated Fens*' ecological community and also the floristic community "Montane Swamp Complex" which is listed under the *Flora Fauna Guarantee Act 1988* (FFG).

Both State legislation and Commonwealth legislation require that IGO offset the loss of 0.41 hectares of the same ecological vegetation community.

In 2013 the Independence Group approached Council with the aim of understanding and developing a collaborative, partnering-style relationship to identify, nominate and manage an area of Sub-alpine Wet Heathland found within lot 3, Dinner Plain.



Vegetation within the Alpine Shire Council property at Dinner Plain has been assessed by an independent consultant, Ethos NRM, as meeting both the State and Commonwealth offset obligations for removal of 0.41 ha of Sub-alpine Wet Heathland as part of the Stockman Project. The entire property is approximately 160 ha, however the offset area required is significantly smaller and would comprise of the following suitable vegetation types and area:

- 2.19 ha of Sub-alpine Wet Heathland.
- These above areas would be protected via a “permanent and ongoing” security arrangement

Over the past 12 months Council officers and IGO representatives have been working through the identification, management, agreement and commercial arrangement for the proposed offset site. Both parties have successfully and satisfactorily achieved this.

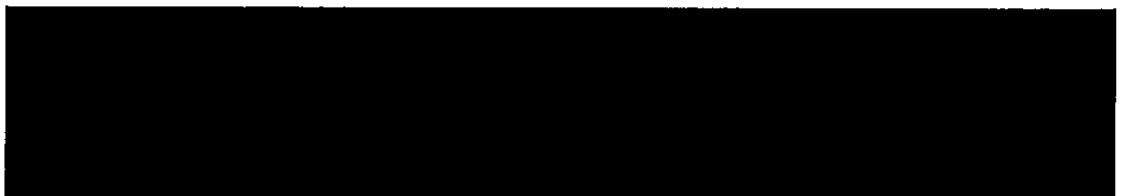
ISSUES

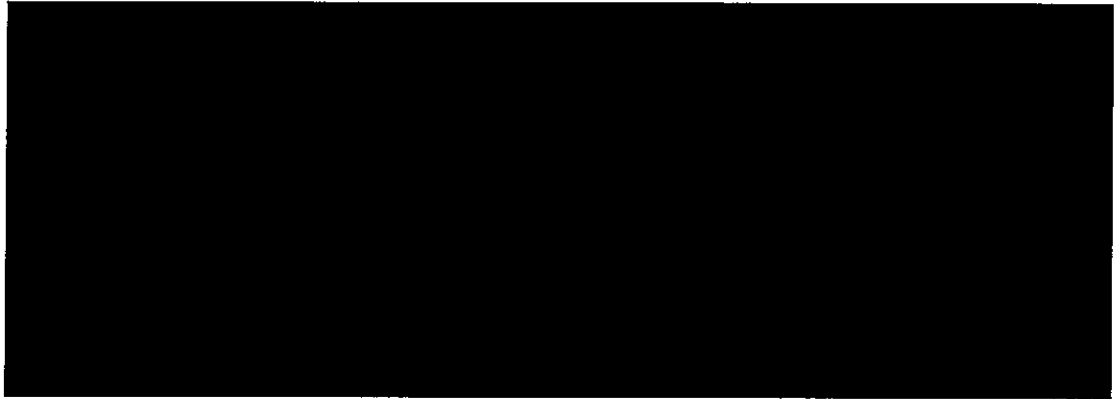
Lots 1, 2 and 3 at Dinner Plain were purchased in 2012 for a cost of \$675,000. The land was purchased for opportunity and recreational development purposes. The land areas have significant and high value species within, particularly lot 3 which contains significant vegetation communities along the headwaters of the Victoria River. Council is currently undertaking a Master Plan for Dinner Plain which includes lots 1, 2 and 3. This proposal will not impact or significantly limit the future use of lot 3.

A range of issues have been identified, studied and understood, including;

- Suitability of the offset area (impact to Council, the community and visitors);
- Management of the offset area (protection, risks, costs and plan);
- Legal agreement between Council and the Independence Group NL (legally binding agreement, risks and legal advice); and
- Commercial arrangement and payments to cover the above.

The below table outlines the financial proposal negotiated with IGO to secure an area of 2.19 hectares and undertake maintenance and quality assurance over 10 years.





IGO have to undertake extensive approval processes with both the State and Commonwealth before committing to fully undertake the Stockman project, part of which is securing this offset. This process may take up to 5 years, therefore IGO, whilst confident the project will go ahead, cannot commit to requiring an offset until all approvals have been completed. In order to keep the agreement in good standing, the following option payments have been negotiated.



POLICY IMPLICATIONS

Council Plan

Theme 2 – Enhancing the Environment and Liveability

Strategy 2.2.2 – Control development to protect the environment

FINANCIAL AND RESOURCE IMPLICATIONS





CONSULTATION

Extensive consultation and negotiation has occurred between Council officers and representatives from IGO to establish a financial proposal that is beneficial to all parties. Legal advice has also been sought on the establishment of a 'Heads of Agreement' to formalise the arrangement between Council and IGO.

CONCLUSION

The Independence Group NL has put to Council a financial proposal totalling [REDACTED], plus further annual payments until commencing an offset agreement (up to [REDACTED]), to secure an area of 2.19 hectares of Sub-alpine Wet Heathland within lot 3, Dinner Plain.

This proposal will allow Council to manage a significant vegetation community within Council owned land and, with a compensation amount of [REDACTED], provide benefit to the Dinner Plain community by supporting future projects.

DECLARATION OF CONFLICT OF INTEREST

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report:

- [REDACTED]
- [REDACTED]

ATTACHMENT(S)

- Nil

Refer to Ordinary Minutes No. 3 for closure of the meeting.