

Biodiversity Offset Report

CSSI 9371 North Star to NSW/QLD Border
– Minister's Conditions of Approval E26



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Glossary

Specific terms and acronyms used throughout this report are listed and described in the table below.

Table 1 Terminology

| TERM | ACRONYM | DEFINITION |
|--|---------|---|
| Australian Rail Track Corporation Limited | ARTC | ARTC is the corporation responsible for managing the interstate rail network and is delivering Inland Rail on behalf of the Commonwealth Government. |
| Botanic Gardens of Sydney | BGoS | Botanic Gardens of Sydney encompasses three botanic gardens, botanical research institute, and outdoor activation precinct. |
| Critical State Significant Infrastructure | CSSI | The Minister may declare development that is state significant infrastructure to be CSSI if it is considered essential for the State for economic, environmental or social reasons. |
| Department of Planning, Housing and Infrastructure | DPHI | The NSW government department responsible for administration of the Environmental Planning and Assessment Act 1979. |
| Minister's Conditions of Approval | MCoA | The conditions of the NSW planning approval granted under Division 5.2 of the EP&A Act on 20 February 2023, as modified from time to time. |
| North Star to the NSW/QLD Border | NS2B | The Inland Rail Project from North Star to the New South Wales / Queensland Border |

1 Introduction

This report has been developed to report on all activities completed in compliance with the Biodiversity Offset Package through to January 2025 to ensure compliance with Minister's Conditions of Approval (MCoA) E26 for the North Star to NSW/Qld Border (NS2B) project.

This report should be read in context of ARTC's intention of seeking a modification to the MCoA as it relates to the Biodiversity Conditions. The request for Modification 1 was submitted in November 2024 and is currently under assessment by the Department of Planning, Housing and Infrastructure (DPHI).

1.1 Purpose

This document has been developed to comply with CSSI 9371 MCoA E26. Table 2 indicates where these requirements have been addressed.

Table 2 Biodiversity Offset Report requirements

| CONDITION NUMBER | CONDITION | WHERE THIS CONDITION IS ADDRESSED |
|------------------|---|-------------------------------------|
| E26 | All activities completed in compliance with the Biodiversity Offset Package must be reported to the Planning Secretary every three months in a Biodiversity Offset Report. The Biodiversity Offset Report must include: (a) evidence of specific biodiversity offset measures that have been delivered, including retirement of credits and payment into the Biodiversity Conservation Fund; (b) progress of remaining biodiversity offset measures and the preparation and implementation of the project plans required by Condition E24; (c) the residual biodiversity offset obligation; and (d) confirmation that the residual biodiversity offset obligation will be satisfied no later than two years from the date of this approval | Section 2 Section 3 Section 4 |

2 Evidence of biodiversity measures delivered

2.1 Scoping and engagement

In the lead up to the finalised approved Package, ARTC has undertaken a range of scoping discussions with both the Botanic Gardens of Sydney (BGoS) to inform the compensatory measure proposed within the Offset Package and detail out what the scope will contain.

ARTC has engaged the BGoS to continue the delivery of this compensatory measure. Following discussions with the Department, it is understood this measure will be required irrespective of any changes to the proposed MCoA. As such, a funding agreement was executed between Inland Rail Pty Ltd and the BGoS (through the Royal Botanic Gardens & Domain Trust) on 7 June 2024 to allow the BGoS to commence the compensatory measure for the semi-evergreen vine thicket project.

The initial funding of this measure was paid to the BGoS in July 2024 with three milestone payments of \$52,700 each due in January 2025, 2026 and 2027.

ARTC has continued to secure credits towards the NS2B obligation, including through landowner partnerships, ARTC owned land and purchases from the NSW Nature Markets and Offsets Division. The current status of credits secured towards the NS2B obligation is outlined in Table 3 and 4.

Table 3 Summary of Ecosystem Credits

| PROJECT SEGMENT | DESCRIPTION IN BDAR | ECOSYSTEM CREDITS OBLIGATION | INCLUDING REDUCTION FOR COMPENSATORY MEASURES | CREDITS SECURED OR IN PROGRESS | CREDIT DEFICIT |
|---|---|--|---|--------------------------------|----------------|
| North Star Corridor (C2) | Brownfield Alignment | 4,297 | 4,297 | 3,731 | 566 |
| Macintyre Floodplain (C3) | Greenfield Alignment | 1,354 Plus 1 scattered tree credit | 1,354 | 1,244 | 110 |
| Laydown area, temporary accommodation and setup areas | Early Works | 1,398 | 1,398 | 1,028 | 370 |
| Borrow Pits (BP) | BP1, BP, 2, BP4, BP5, BP7, BP8, BP9, BP13, BP25 | 1,518 Plus 5 scattered tree credits | 1,449 (-69 credits for BP1) | 1,262 | 256 |
| | TOTAL | 8,567 Plus 6 scattered tree credits | 8,498 | 7,271 | 1,302 |

Table 4 Summary of Species Credit Deficit Remaining

| PROJECT SEGMENT | DESCRIPTION IN BDAR | SPECIES CREDITS | CREDITS SECURED OR IN PROGRESS | CREDIT DEFICIT |
|---|---|-----------------|--------------------------------|----------------|
| North Star Corridor (C2) | Brownfield Alignment | 7,670 | 3,576 | 4,094 |
| Macintyre Floodplain (C3) | Greenfield Alignment | 7,746 | 2,511 | 5,235 |
| Laydown area, temporary accommodation and setup areas | Early Works | 1,963 | 654 | 1,309 |
| Borrow Pits (BP) | BP1, BP, 2, BP4, BP5, BP7, BP8, BP9, BP13, BP25 | 3,698 | 1,353 | 2,345 |
| | TOTAL | 21,077 | 8,094 | 12,983 |

3 Progress of remaining biodiversity offset measures and confirmation residual biodiversity offset obligation will be satisfied no later than two years from date of approval

3.1 Inland Rail review

In April 2023, the Commonwealth Government released the independent report into the delivery of Inland Rail that included 19 recommendations. A key outcome of the review is a revised approach to the delivery of Inland Rail, taking a staged approach, with the priority being the delivery of the project sections south of Parkes. This means that construction will no longer commence within two years (of the date of approval) for the NS2B project.

In late 2023, ARTC received direction from its Commonwealth Shareholding Ministers, to explore avenues to change the arrangements within the approved Biodiversity Offset Package, specifically to pursue the release the funding contained in the Security Account. Commencement of any project works for the NS2B project is,

subject to further decisions by the Commonwealth Government, being greater than two years away, and therefore the current Offset Package and Security arrangements no longer achieve the desired outcomes.

ARTC has held discussions with the Department to explore what options are available to modify the MCoA and Security Account arrangements and following this meeting have prepared a request to modify the project's MCoAs.

4 Residual biodiversity offset obligation

The Security Account remains funded with a total of \$115,462,953.99, with a bank statement extract included at Figure 1. Noting the Department has access to view this account.

The Biodiversity Offset Security Deed, section 4.2, allows for a Financial Assurance Review to be undertaken 12 months after the date the cash advance was transferred into the account. ARTC hereby confirms that no review will be required at this time, as no biodiversity offset credits have been retired against this project, and the full biodiversity offset credit liability (calculated at the BCF Charge Amount) remains funded within the security account, therefore there would be no change.



NAB CONNECT

ACCOUNT SUMMARY

All accounts

2 accounts

Total debit balances

Total credit balances

Net position**

\$ 0.00 AUD

+\$ 115,462,953.99 AUD

+\$ 115,462,953.99 AUD

| BalanceCurrent | | | |
|--------------------------------------|------------------|-------------------|----------|
| Account Account number | Current balance* | Available balance | Currency |
| ARTC AGENCY 082-001 / 91-001-0443 | 0.00 | 0.00 | AUD |
| ARTC AGENCY 082-001 / 32-161-8346 | + 115,462,953.99 | 0.00 | AUD |

2 of 2 accounts found as at 10:50 AMAEST, Tuesday 30 April 2024

*Current balance may include uncleared funds, e.g. a deposited cheque.

Figure 1 Security Account Bank Statement

5 Conclusion

In conclusion, this report highlights efforts made by Inland Rail to adhere to the requirements outlined in the Biodiversity Offset Package, specifically CSSI 9371 MCoA E26. The document outlines reporting requirements required in Condition E26.

Due to the significant shift in Inland Rail project's delivery approach which has prompted a reconsideration of the current Biodiversity Offset Package and Security arrangements and the directive from Commonwealth Shareholding Ministers to explore avenues for releasing funding from the Security Account, ARTC will continue to progress discussions with the Department regarding a modification to the approval. ARTC acknowledges the limited progress that can be made within the existing framework during this transitional period.